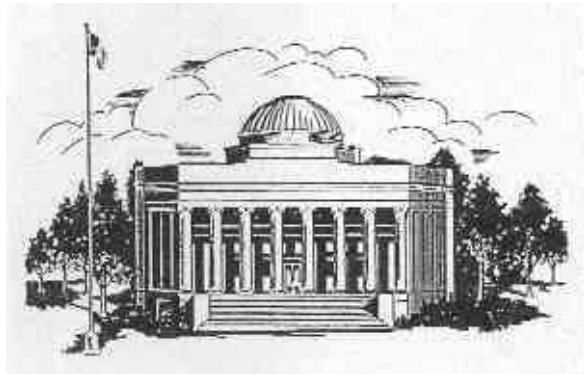


Modoc County Grand Jury

FY 2005-2006 Report



June 20, 2006

**Modoc County Grand Jury
FY 2005-2006 Report**

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Functions of the Grand Jury

The Grand Jury is part of the judicial branch of the government, mandated by the California Constitution, and is an arm of the Superior Court. The primary function of the Grand Jury is to examine local government. The Penal Code states the Grand Jury is specifically:

Mandated to conduct civil investigations and audits of City and County Government, to insure efficient and proper operation of all local government, and to detect and expose fraud and malfeasance.

The Grand Jury addresses citizen complaints and conducts investigations to act as a "watchdog" for the citizens of Modoc County.

The Grand Jury is appointed and sworn in early July of each year and serves until June 30 of the next year.

The Grand Jury reviews and evaluates the performance of local government officials and entities, focusing on *procedures, methods and systems* (not polices), to determine if more efficient and economical measures might be employed and if procedures are being followed. The Grand Jury has three ways to exercise its powers:

1. Reports - Published reports evaluating local government conditions, generally addressing specific issues, with findings and recommendations. The County Board of Supervisors, City Council or affected agency must comment on each recommendation as per Penal Code 933.05. (When crimes are not charged but suspected, special reports with documentation may refer specific issues to other authority.)
2. Accusations - Formal written complaints accusing a government official or employee of misconduct. (Conviction would result in removal from office/duties rather than criminal penalties.)
3. Indictments - Formally charging a person with a crime.

The Grand Jury is specifically authorized to:

- Inspect and audit local entity records, insuring proper and legal accountings of public record.
- Investigate and report on performance of special districts or commissions.
- Evaluate conditions of jails and detention centers within the county.
- Investigate charges of misconduct by public officials or employees.
- Investigate and report on "questionable practices" of such agencies or officials.

The Grand Jury also receives complaints from citizens alleging mistreatment by officials, suspicions of misconduct, or government inefficiencies. While keeping all complaints confidential, each is acknowledged and considered by the panel: those accepted under Grand Jury jurisdiction are investigated carefully before any action is taken.

LARRY L. DIER
Superior Court Judge

FRANCIS W. BARCLAY
Superior Court Judge

MODOC COUNTY SUPERIOR COURT

Robert A. Barclay Justice Center

205 South East Street • Alturas, CA 96101
Phone (530) 233-6526 • Fax (530) 233-6500

VICKI L. HUGHES
Court Executive Officer

July 1, 2006

To: Grand Jury Members

Dear Ladies and Gentlemen:

I want to take this opportunity to express my appreciation and the appreciation of the Superior Court to all the members of the 2005-2006 Modoc County Grand Jury for a job well done. Your diligence, dedication and hard work is reflected in this year's report.

I want to specifically recognize and extend a special thank you to Alan Hopkins for his effective and objective leadership as this year's Foreperson; to Kelly Poindexter for her work as Secretary during her tenure; and, to Greg Small for his technical expertise in preparing the final report.

Serving as a Grand Juror is not an easy task and I commend each and every one of you for your sincere effort and commitment to addressing the complex, varied and sensitive issues presented to you.

Thanks once again for a job well done and especially to those of you that are completing your second term and to those of you that have agreed to serve a second term, as your extra service provides valuable guidance and lends necessary continuity to the process.

Sincerely,



Francis W. Barclay
Modoc County Superior Court Judge

Modoc County Grand Jury

205 South East Street
Alturas, California 96101

June 20, 2006

The Modoc County Grand Jury began work in July, 2005 with the initial selection of the jury by Judge Francis Barclay. The jury had two full days of training with Dr. Bruce Olson and began work with the formation of various committees to cover the aspects of the jury's purview.

The committees included Special Districts, Education, General Government, Law Enforcement, Hospital, Health and Human Services, Audit and Finance, Planning and Environment, and Ad Hoc. Each member was assigned to at least one committee and most members had two committees. The Foreperson was an ex-officio member of each committee.

The Grand Jury met once a month in the Alturas City Hall chambers and received complaints each meeting and set up the appropriate committee to respond.

This report contains the result of the investigations required by law or suggested by citizen complaints. Most of our investigations were completed; however, there were some that we were prevented from completing by time constraints and which are being recommended to the incoming 2006-2007 Grand Jury.

I wish to thank the members of this years Grand Jury. The members worked diligently and gave untold hours of their time on behalf of this civic duty. It was an honor for me to serve with such a distinguished group.

We all come away from our service with a heightened awareness and respect for the role of the Grand Jury in the Modoc community.

Alan L. Hopkins, Foreman
2005-2006 Modoc County Grand Jury

Acknowledgements

The Grand Jury wishes to acknowledge the help of Judge Francis Barclay during the year in dealing with various issues, both legal and practical.

We also wish to thank Modoc Superior Court staff: Vicki Hughes and Linda Ostoja for help and logistical support.

Our thanks go also to all individuals, County department heads and employees for their cooperation and assistance in our investigations.

Finally, we thank the City of Alturas, and the office staff, for providing the Grand Jury with a meeting room for our regular and committee meetings.

2005-2006 Modoc County Grand Jury

2005-2006 Modoc County Grand Jury Roster

Jayne Biggerstaff, Alturas
Louise Dunn, Alturas
Evelyn Farber, Alturas
John Fogerty, Alturas
Wes Geer, Alturas
Adelaide Hagerman, Alturas
William Hall, Alturas
Lynette Harris, Cedarville
Alan Hopkins, Alturas
Elizabeth Ingraham, Davis Creek
Chad Jessup, Alturas
Christine Jobe, Alturas
Patricia Malson, Alturas
Linda Le Neave, Davis Creek
Greg Small, Fort Bidwell
Victoria Szutyowicz, Alturas
Curt Talbott, Alturas

Notice to Respondents

Response Requirements

On January 1, 1997, an extensive change in the legal requirements affecting respondents and responses to the Grand Jury Findings and Recommendations took effect (California Penal Code Section 933.05). Each respondent identified in this report should become familiar with the law and, if in doubt, should consult legal counsel before responding.

How to Respond to Findings

For the assistance of all respondents, California Penal Code Section 933.05 is summarized as follows:

The Respondent (person or entity) must respond to Findings in one of two (2) ways, stating that:

1. You agree with the Finding.
2. You disagree wholly or partially with the Finding; in which case, the response shall specify the portions(s) of the Finding that is disputed, and shall include an explanation of the reasons for the disagreement.

How to Report Action in Response to Recommendations

Recommendations by the Grand Jury require actions(s). The Respondent must identify action(s) on all recommendations in one of four (4) ways, stating that the recommendation:

1. Has been implemented, with a summary of implemented activities.
2. Has not yet been implemented, but will be implemented in the future, with activities and time frames for implementation.
3. Requires further analysis or study. In such case, the law requires a detailed outline of the analysis and time frame not to exceed six (6) months. Further, the complete analysis or study must be submitted to the officer, director or governing board of the entity being investigated.
4. Will not be implemented because it is either unwarranted or unreasonable with an explanation(s) and supporting facts.

Timing of Responses and Actions to Findings and Recommendations:

As stated in Penal Code Section 933(c), for 45 days after the end of the term, the Grand Jury foreperson or designees shall, upon reasonable notice, be available to clarify recommendations in the report. No later than 90 days after the grand jury submits a final report on the operations of any public agency, the governing body of any public agency subject to grand jury reviewing authority, shall comment to the presiding judge of the superior court on findings and recommendations. Every elected official or agency head for which the grand jury has responsibility shall comment within 60 days to the judge of the superior court with a copy sent to the Board of Supervisors.

Grand Jury Reports

EDUCATION

Areas of Study:

- Modoc County Charter School
- Modoc County Office of Education
- Modoc Joint Unified School District
- Surprise Valley Joint Unified School District
- Tulelake Joint Unified School District

General Report:

Members of the Grand Jury interviewed the Superintendents of each school district as well as the head administrator of the Charter School. Jurors discussed funding sources, technology plans, maintenance plans, drug testing, test scores, and future improvements.

Issues:

No complaints were received regarding any district. There are issues of concern by the Jurors.

Findings:

Modoc County Office of Education

The Modoc County Office of Education serves as the liaison and intermediate unit operating between the local school districts and the State Department of Education.

The enrollment figures for the following school districts as of October 2005:

- 430 students in the Modoc County Charter School
- 160 students in Modoc County Office of Education Programs
- 936 students in Modoc Joint Unified School District
- 550 students in Tulelake Joint Unified School District
- 157 students in Surprise Valley Joint Unified School District

Most Modoc County schools face declining enrollment, which impacts the budgets of all school districts. While most districts face budget cuts, our local districts are working on budget realignment and cost savings versus program cuts.

Modoc Charter School

The Modoc Charter School does not face declining enrollment and has maintained an average of 420-440 students over the past 5 years. Test scores rate at or above the state averages and the school just finished an accreditation visit from the Western Association of Schools and Colleges. A preliminary report indicates the Modoc Charter School will get the highest six-year accreditation. The new director will bring experience in the duties of running a charter school and any problems with funding and state mandates should be alleviated. The charter school will still maintain a half-time counselor. The biggest change for the school has been the relocation from Redding to Alturas.

Modoc Joint Unified School District

The Modoc Joint Unified School District (MJSUD) has taken an aggressive approach to maintenance of their buildings and school grounds and it is visually apparent with its beauty, appearance and cleanliness. MJUSD's staff should be congratulated for their fine work.

MJUSD has hired a full time counselor and the High School has taken strides to improve student services.

MJUSD has fallen behind in the technology department in recent years but has hired an outside contractor to do a technology audit this year and it is establishing a new technology plan for the next 5 years. MJUSD hired an outside contractor to run its IT Department saving roughly \$50,000 a year. The Technology Department has the ability to secure the e-rate funding for the District's IT system, which in the past has been inconsistent at best. This Technology Plan should be a focus in the upcoming years. In the past year MJUSD has implemented new software that will track student attendance and next year parents will be able to access student reports, attendance, scores and current grades.

MJUSD should be pleased at the improvements at Modoc Middle School, featuring a new updated science room and active boards in most classrooms. MMS has clear leadership in place and staff has a clear vision. MMS's PE program has grown into a first class learning experience.

MJUSD has a strong reading program at AES and the Reading Recovery program is a main reason. Test scores are improving at all sites, and the improvement is seen within each graduating class and not compared between the graduating classes.

Overall MJUSD hiring of local and highly motivated administrators bodes well for the future.

Tulelake Joint Unified School District

The Tulelake Joint Unified School District (TJSUD) is excelling in the area of technology. Tulelake is the top District in our county as far as technology and set the standard for other Districts to try and achieve.

Tulelake's approach to education has led to improved test scores at all levels and many of the students are from Spanish speaking only families.

The TJUSD also is implementing an aggressive maintenance plan and has in place new community and school facilities.

Tulelake High School is currently sending over 50% of its graduating students on the college.

Surprise Valley Joint Unified School District

The Surprise Valley Joint Unified School District (SVJUSD) is in the process of hiring or promoting a new Technology Director that will work with the Board of Trustees to develop their current 5-year technology plan.

The district's maintenance program falls short when compared to other districts in the county. The areas that need to be addressed are the appearance of the buildings, both inside and out and

grounds at both the high school and elementary school. The SVJUSD has a new Agriculture Building that is the centerpiece of the campus. The kitchen at SVJUSD is another bright spot at SVJUSD. Superintendent has stated he will work with the Board of Trustees to develop a more aggressive maintenance plan.

The SVJUSD has worked hard to implement a student/teacher/parent interactive system that allows all involved to check on homework, grades, missing assignments while maintaining the confidentiality.

Recommendations:

The Surprise Valley Joint Unified School District should develop a short term and a long-term maintenance plan that reflects a learning environment for students Surprise Valley. This goal should include that all buildings meet codes that are provided by the State of California in regards to schools. Safety for all staff and students must be made a priority.

Respondents:

Superintendent of Surprise Valley Joint Unified School District

GENERAL GOVERNMENT

Areas of Study:

- Complaint regarding misuse of County vehicle by a member of the Board Supervisors
- Alturas City Council meeting(s) regarding proposed upgrades to the city sewer system
- Survey/study of salaries, etc., of comparable counties at request of Board of Supervisors, and recommendations regarding same for the compensation of the Modoc County Board members

Findings:

Regarding misuse of County vehicle by a specific Board member, the complainant had received a response from the Grand Jury of fiscal year 2004-2005 addressed this specific issue.

Pursuant to P.C. 888, the Grand Jury members attended the City of Alturas Council meeting of Jan. 26, 2006 to hear discussion of upgrades to the city sewer system. All were advised of the estimated project cost(s), grant amount and city expense. The joint meeting of City Council and Board of Supervisors' May 23, 2006 meeting concerning annexation of the mill property and bio-mass plant was also attended.

The Grand Jury obtained salary survey and compensation information from fourteen nearby and comparable counties. The Grand Jury met, prepared spreadsheet and provided Modoc County Board of Supervisors with their recommendation, wherein we found that an increase of compensation would be unwarranted at this time due to the fact that the board members have been receiving the same cost-of-living increase as Modoc County employees for the past several years. Any extra meetings or responsibilities, which the Board has taken upon itself, do not constitute adequate reason for an increase during these times of declining revenue.

Suggestion:

Future Grand Juries continue to attend City of Alturas Council meetings and Board of Supervisors' meetings to remain cognizant of development of the planned sewer system upgrade, the (hopefully) forthcoming bio-mass plant operation and future community/county development.

Recommendations: None

Respondents: None

HEALTH AND HUMAN SERVICES

Areas of Study:

- Letter of complaint in regard to Modoc County Family Court decision in regards to placement of minor children in the home of ex-spouse
- Letter of complaint (unsigned) against a Child Protective Service employee in regards to absenteeism.

Findings:

Members of the Grand Jury met with the Modoc County Family Court Mediator concerning the child custody issues of the complaint. The mediator has no judicial powers, works with children and provides a parenting plan when needed. If an amicable agreement is not possible between parents, the mediator makes recommendations to the court. The court may, at that time, establish a parenting plan that can best serve the interest of the children.

Members of the Grand Jury met with the Child Protective Service (CPS) in reference to the child custody case. The policy and procedure of the CPS is to respond to referrals, and to substantiate and investigate these referrals. Referrals are usually made by law enforcement, and court mediators. Child Protective Services has forty-eight hours to make a decision. Investigations and determinations are completed within ten to thirty days. CPS did not find evidence that the custody court order should be changed.

Members of the Grand Jury met with the Alturas Police Department in regards to the above custody case. Police Chief, Ken Barnes, had nothing more to add on the complaint information.

Members of the Grand Jury received information that the absentee Child Protective Service employee was actually under doctor's care during the time of the alleged absenteeism.

Recommendation:

The child custody complainant should petition the Modoc County Family Court for reconsideration of decision.

Respondents: None

HOSPITAL

Area of Study:

- Modoc Medical Center (MMC)

Background:

History of Finances and Debt at Modoc Medical Center (MMC)

The following facts have been confirmed by the Modoc Grand Jury with the County Auditor.

The Warnerview Skilled Nursing Facility was bought on a lease-purchase agreement in June 1990. That created a long-term liability. The structure of that transaction was such that it would not use tax funds nor require any new tax levy.

The total amount of the commitment was \$2,515,000. It was to be paid from revenues of the Modoc Medical Center (MMC). The annual payments ranged from \$65,000 to \$220,000 concluding on June 1, 2010. The interest rate (APR) varied from 6.10% to 7.25%.

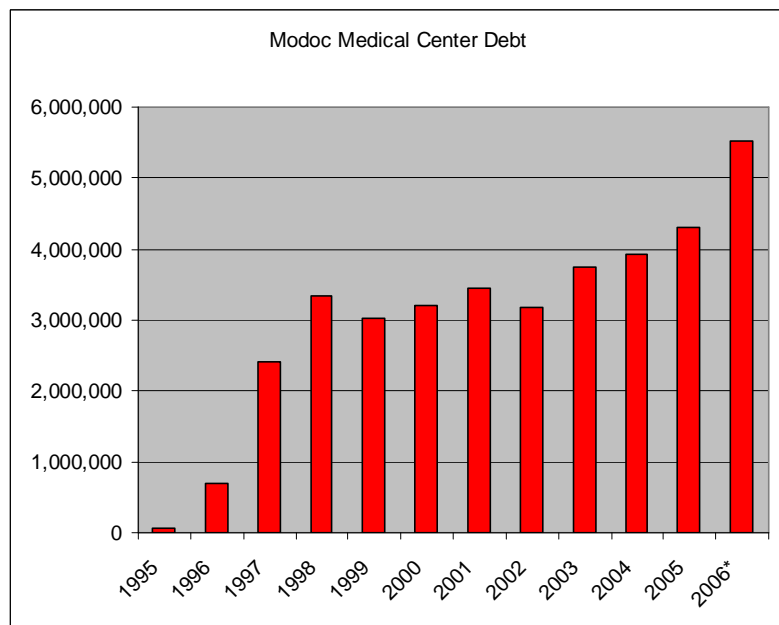
During the mid-90s the MMC did not generate enough revenue to make the payments on the long-term Warnerview debt. That is when the debt to the County of Modoc began to climb. Now, with the census of Warnerview at a low of 42 residents, Warnerview is again losing money.

Over the years on three or more occasions, monies were used from the Tobacco Securitization Fund (State of California) toward the Warnerview debt. The long-term debt regarding Warnerview was fully retired by the payment of \$1,459,000 on December 1, 2002.

That did not mean that the “hospital debt” went away. What it did mean was that the annual payments from the MMC stopped. But, like almost all small rural hospitals, there is an operating deficit (cash deficit, see the table below). The debt increase under the new CEO has been \$945,674 from Nov 30, 2005 to May 31, 2006.

Fiscal Year End June 30	MMC Debt
1995	\$ 72,544
1996	\$ 696,149
1997	\$ 2,406,717
1998	\$ 3,328,396
1999	\$ 3,026,529
2000	\$ 3,194,169
2001	\$ 3,459,308
2002	\$ 3,173,498
2003	\$ 3,749,656
2004	\$ 3,919,663
2005	\$ 4,311,011
2006*	\$ 5,531,097

* through May 31, 2006



University of Southern California Study of the MMC

In February 1999, the University of Southern California (USC) spent an intensive week consulting for MMC. The findings of that 9-member team, Rural Access (RAP), were presented in a detailed report dated April 19, 1999. That report is comprehensive, including all matters of budget, management, roles and timeline for implementation.

“Skills assessment and training is essential, particularly in the clinical services. An educational plan was sorely needed.”

Administration

The USC report suggested that the highest-ranking administrator currently on staff be promoted to CEO, their plan involved much training, education and re-orientation. The USC stressed that the new CEO, would provide the first stability at top management in over ten years.

Business Opportunities

The USC report stressed the need to reopen the Home Health Care and the Dental Service.

Governance

The USC report stated that The Board of Supervisors had allowed distractions and thereby constrained meaningful public dialogue.

Board of Trustees

The USC report analyzed the role of the Board of Trustees as established by the Board of Supervisors on January 22, 1991. USC made the recommendation to “Position the Board of Trustees to assume primary leadership and governance for MMC.” The USC report said of the Board of Trustees: “Their patience can outlast drudgery and their generosity can make the impossible possible.”

The USC’s report provided very detailed recommendations - some were highly technical. A Health Care Options Task Force was a prominent feature of the USC recommendation. They observed: “The negative image of the Medical Center is so entrenched in the community that a new model will need to be created from the ground up.”

Hospital Union

There are currently three United Public Employees of California bargaining units in Modoc County. They cover non-exempt employees: the Hospital unit, the Sheriff’s Office unit, and the General Unit (for all other non-exempt county employees). All three units have Memorandums of Understanding (MOUs) between the Union and the County of Modoc.

The main differences between the Hospital and the General Unit MOUs are:

- The Hospital has 6 days of paid holiday, the General Unit has 15.25 days
- The County contributes \$336.80 for Hospital employee insurance, the County contributes \$845.92 for General Unit employees
- The Hospital has more restrictive work hours than the General Unit.
- The Hospital provides for continuing education with non-specific reference to financial support.

The differences between the General Unit and Hospital are one reason why hospital employees look for jobs in other county agencies. For example, 12% of the workforce at the Department of Health Services (which includes the Public and Mental Health Departments, Alcohol and Drug, and Environmental Services) worked at the hospital.

General Report:

The Grand Jury interviewed 23 people, of whom 7 were former MMC employees, 11 current MMC employees including 6 in management, 2 Police Officers, 1 business CEO/Manager and 1 member of the former MMC Board of Trustees. The Grand Jury reviewed the 7-1-05 through 6-30-06 MOU between Modoc County and the UPEC Local 792 (Medical Unit). Detailed notes were written for all interviews. The Grand Jury analyzed these notes to identify issues.

Issues: Six (6) separate complaints were received during the tenure of the 2005-2006 Modoc Grand Jury. One (1) complaint was dropped after 7 months of investigation. One (1) complaint will be held over for next years Grand Jury. Issues identified in the complaints are:

- Unlawful Discharge of employees
- Staff working outside their scope of work
- Volunteers working outside their scope of work.
- Current CEO does not meet qualification for the position as defined by the Board of Supervisor's policy and bylaws.
- TB Skin test for entire staff done at the same time
- MMC Employee Fund
- Exempt Status of Employees
- On Call Time
- Billing Fraud
- New Plan for Ambulance Services
- No Maintenance Plan for Ambulance Service
- Disputed property ownership
- Management is not responsive to requests from employees to obtain a copy of their personnel file or prompt return of personal items, following termination of employment
- Policy and Procedure manual is outdated and obsolete
- Staff are not trained in following the Policy and Procedure manual
- Inadequate inventory control

Findings:

Commendations

1. The hospital staff has continued to provide quality service and show compassion with all patients and families.
2. The County Health Officer should be commended for his loyal devotion to the medical profession and community during a very trying time.
3. X-ray personnel should be commended for doing patient follow-ups on mammograms, for notifying patients of when its time for the annual test and providing the results.

4. The Hospital Lab is run effectively, and is neat and clean.
5. Renovation of the Warnerview Skilled Nursing Facility dining area is a true asset for MMC, with new windows, lighting fixtures, and furniture, and adding a patio where patients can plant flowers in raised beds or enjoy the outdoors with access from the dining room. Much of the credit goes to the former CEO and the Rural Indian Health Clinic for getting the project off the ground.
6. The Warnerview unit is clean and pleasant.
7. The ambulance staff continues to perform at a high standard and garners numerous compliments on their professionalism and quick response to the needs of the community.
8. Care at the Medical Clinic and the Warnerview Skilled Nursing Facility is much improved.
9. Billing is slowly improving.
10. The MMC is closer to meeting Department of Health Services (DHS) standards.
11. The MMC has in place a continuing education program for employees.
12. Very recently, the following was reported to the Modoc Grand Jury. A local patient had a medical emergency that required urgent transport to Reno. The patient called 911. Within minutes the Rural Fire Dept (volunteers) arrived. Very soon the ambulance arrived. For medical reasons the patient had to go to MMC ER before getting into the aircraft that was on its way. At the ER, the patient was immediately greeted by an RN and a paramedic. They took excellent care of him; then the on-call MD arrived to confirm the medical situation. The facilities were adequate. Each of the medical personnel was polite, skilled, professional and efficient. The patient was very favorably impressed with the whole ER function.

Board of Supervisors

1. The Board of Supervisors did not comply with Board of Supervisors policy in hiring the current CEO. (See Addendum below titled *Article III, Section 1 Administration*, page 18).
2. The Board of Supervisors has not complied with County recruitment and hiring policy in filing vacant positions at MMC.
3. The Board of Supervisors disbanded the MMC Board of Trustees and by doing so lost extensive knowledge of the issues at MMC.
4. The Board of Supervisors has not required MMC staff to provide Board of Supervisors with briefing materials in advance of meetings.

Personnel Management

1. The Hospital CEO and management staff do not have a clear policy on, or understanding of, how to terminate employees, including how employees are to collect personal items. No proper exit interview policy is in place.
2. All terminations were within the guidelines stated in the MOU between the Hospital and the union.
3. A volunteer at MMC has been working outside the legitimate scope of volunteer duties. Volunteers should never give direction to employees, make personnel decisions, advise the Board of Supervisors, or have access to any hospital records. According to testimony before the Grand Jury, a volunteer has been given access to patient charts and other records in violation of federal law and Health Insurance Portability and Accountability Act of 1992 (HIPPA). Her authority has been extended to directing nurses and staff, including an instance in which she directed nurses and staff to provide obstetrics while the hospital was not licensed to do so. These testimonies during a Grand Jury interview raise significant concerns about violation of State of California DHS rules. Her presence and actions are found to negatively impact the morale of employees, and subject the County to unnecessary liability.
4. Law requires that all staff have TB test yearly and having staff tested at the same time is common practice and is not out of line.
5. A complaint was filed with the City of Alturas Police Department with regard to funds of the MMC employees association. This Jury could not confirm the details of this case. The case is currently under investigation and the matter will be referred to the 2006-2007 Grand Jury for follow-up. Employees of MMC no longer make contributions to this fund directly from their paychecks.
6. The Hospital union and the Board of Supervisors do not have clear written definition of the exempt status of all employees as well as clear job descriptions indicating that status.
7. On call time has been addressed and will be included in the next Hospital MOU.
8. A reference library of approved methods of coding and billing for state and federal reimbursement has not been developed. Questions regarding billing fraud have not been addressed using state and federal billing fraud hotlines. Employees are either unaware of these hotlines or feel that due to the small workforce confidentiality will be compromised.
9. The MMC does not have an active Injury Illness Prevention Plan (IIPP) and does not take an active role in the safety of the its employees. When the Modoc Grand Jury questioned a range of employees on this subject none recognized or were aware of any IIPP plan.
10. The ambulance maintenance plan is unclear and reactive rather than precise and proactive. Continued work with the ambulance employees is needed to ensure a top-quality ambulance service, because the ambulance crew is often the first contact for the hospital and a well-run ambulance reflects well on MMC.

Review of Prior Year Grand Jury Recommendations

The 2005-2006 Grand Jury has reviewed the recommendations from the previous year's Grand Jury and found that there are a number of issues on which MMC has made improvements.

- Management has been changed. A CFO was hired and then named CEO at a later date.
- Registry provider use has been cut significantly.
- A new write-off policy is in place.
- Outside consultants have been hired and have given recommendations. Hazardous materials alleged in previous Grand Jury Report were not found, and current management is following current state approved guidelines for hazardous material handling.

Here are some items that are still in question:

- The Board of Supervisors dissolved the Board of Trustees.
- The Board of Supervisors has not established what medical services are to be provided by MMC.
- The Policy and Procedures manual has not been updated to comply with the California State and Federal Government laws and codes.
- The MOU with the Medical Center employees still differs from the General Unit's or the Sheriff's Office's MOUs in significant areas.
- Nurses and staff are still working outside their licensure and certifications. For example, a member of the staff was asked to act in capacity of respiratory therapist when that position was no longer under contract.
- The MMC departments do not cross-train their own staff. Cross-training is needed in part because of employee turnover. Several consultants have emphasized this.

Recommendations:

1. The Board of Supervisors is responsible to the county for the management and oversight of the full spectrum of county business. Managing the hospital, as a governing board is time-consuming, particularly in that it requires specialized knowledge. Re-establishing a Hospital Board of Trustees is an option that should be considered in order to free the Board of Supervisors to carry out all its responsibilities effectively. The Board of Trustees members can be selected so that their cumulative knowledge and experience covers the full array of hospital administration and operation.
2. The Modoc Medical Center should clearly enforce a volunteer policy that establishes guidelines and roles of volunteers. Every volunteer should have a written agreement clearly describing duties and responsibilities. The Modoc Grand Jury finds that the misuse of volunteer status undermines the work of the management and staff at the MMC. Volunteers should never give direction to employees, make personnel decisions, advise the Board of Supervisors, or have access to any hospital records.
3. The exit interview system must be revamped. It is recommended that an exit interview plan be developed that includes the following features:
 - Confidentiality,
 - A standard form,

- An employee option to include a union representative if interviewed,
- Completed interviews submitted by employee to 3rd-party human resource specialist for purposes of compiling the information provided by exiting employees and preparing analysis for Board of Supervisors review.

The exit interview plan must be designed to provide the union and the Board of Supervisors with workplace information, trends in causes for losing employees, and ways to improve the workplace and retention. Exiting employees should be able to keep a copy of the interview form and get a copy of their personnel file on request.

4. The Modoc Medical Center should update and establish an Injury Illness and Prevention Plan (IIPP) that has been approved by the County Risk Management team. All employees must have training in all areas of safety and have regular documented safety meetings. Every employee must know about, and where to find, the Injury Illness and Prevention Plan.
5. The Modoc Medical Center should continue working with the two new ambulance managers to maintain and improve ambulance maintenance. The Program must be designed to be proactive and not reactive. Ambulance maintenance should be a top priority for any hospital, particularly in a rural setting.
6. The Modoc Medical Center should develop an accurate and comprehensive inventory control and property plan. The MMC currently has no clear inventory controls and it is therefore not clear what property is MMC's, what is personal to an employee, or what belongs to another agency. This has led to at least one legal dispute and such disputes can be avoided in the future. Clear guidelines must be in place that gives direction on the purchase, loaning out, or receipt of inventory items, and disposition of property no longer meeting the needs of the MMC.
7. In the future, the board of Supervisors should pursue recruitment of hospital CEOs that meet the job description and standards established by Board of Supervisors policy. (See Addendum below titled *Article II, Section I Administration*, page 18).
8. The Modoc Medical Center still looks outdated and old. Emphasis on maintenance must be a priority and budgeting for internal and external appearance must be taken seriously. Appearance and presentation goes a long way in the public eye. A positive example is the notably improved appearance of the Clinic under its new manager. A short term and long term maintenance plan needs to be established and publicly announced to help promote change.
9. As emphasized by consultants, agencies such as the MMC and Clinic must pay close attention to state and federal billing laws to avoid major liability

Respondents:

Modoc County Board of Supervisors
 Modoc Medical Center CEO/CFO

ADDENDUM -Board of Supervisors Policy

ARTICLE III ADMINISTRATION

SECTION 1 – ADMINISTRATOR

The Governing Board shall select and appoint an Administrator. This will be done through a panel interview process. The Administrator shall be the Governing Board's representative in the management of the Hospital. The Governing Board and Title 22 shall qualify the Administrator. Candidates for the position of Administrator must meet the following criteria.

- a. Education: Graduation from a recognized college with a Master's Degree, preferably in hospital and /or business administration. (Two years of additional responsible healthcare administration experience with a Bachelor's degree may be substituted for the Master's Degree.
- b. Experience: Two years of experience as an administrator in charge of a general hospital or as an assistant administrator of a hospital, or four years experience in healthcare administration (additional healthcare experience or background may be considered.)
- c. Knowledge of: Principles and methods of hospital administration and management; standards of medical service, budgetary planning and fiscal control, personnel management; regulations pertaining to hospital operations; the organization and maintenance of records.
- d. Ability to: Plan and execute large-scale administrative programs including preparing budgets and controlling large expenditures; establish and maintain cooperative relationships with the general public, with medical and other professional groups, and with other public agencies and departments of government, communicate effectively in oral and written form.

The State Department of Health Services shall be notified in writing whenever a change in administration occurs.

The Administrator shall be given the necessary authority and responsibility to operate the Hospital in all its activities and departments, subject to the provisions of Modoc County Ordinances, policies adopted by the Governing Board and applicable Federal and State laws and regulations. The Administrator shall act as the duly authorized representative of the Governing Board in all matters in which the Governing Board has not formally designated some other person to act.

LAW ENFORCEMENT

Areas of Study:

- Required Annual Inspection of Devil's Garden Conservation Camp
- Required Annual Inspection of Modoc County Jail
- 911 System
- Complaints received from citizens

Devil's Garden Conservation Camp

Members of the Grand Jury inspected the Devil's Garden Conservation Camp. The camp is jointly operated by the California Department of Forestry and Fire and the California Department of Corrections. During 2005 crews provided the local communities with 37,016 hours of conservation work, State agencies with 13,522 hours, Federal agencies with 36,240 hours (BLM 11,096, US Forest Service 14,000 and US Fish and Wildlife 10,392). In addition crews responded to 32 fires and provided 44,241 hours in fire fighting. (2005 was a slow fire season) The camp still sponsors a bike-refurbishing project and maintains its sign shop. The camp is commended for all the community services it provides.

Recommendations: None

Respondents: None

Modoc County Jail

Members of the Grand Jury toured the Modoc county Jail operated by the Modoc County Sheriff's Office. The capacity of jail is 52 inmates. The jail averages 35 to 38 inmates with about ten percent being females.

Facilities offered to inmates include a library, recreation area and laundry room. Inmates are assigned to do the cooking, laundry, etc. The jail is staffed 24 hours a day with three officers assigned to the facility during the day (0700-1500), during the mid-day shift (1500-2300) two officers and during the evening (2300-0700) two officers. The jail is running efficiently.

Based on an inspection by the State of California's Corrections Standards Authority in September of 2005 a number of issues were pointed out, particularly those pertaining to procedures and manuals. The Sheriff's Office has put together the documentation to comply.

Recommendation:

The Sheriff's Office to continue to follow up on the State of California's Corrections Standard Authority's recommendations.

Respondents:

Modoc County Sheriff's Office

911 System

The 911 system is complete with all residences in the county identified. All residential 911 calls come to the Sheriff's Office with cell phone 911 calls going to Susanville.

Recommendation: None

Respondents: None

Complaints Received from Citizens

Issues:

Six separate complaints were received during the tenure of the 2005-2006 Grand Jury.

1. Mistreatment by a Sheriff's Deputy.
2. Speeding in Adin.
3. Deputy's use of foul language.
4. Deputy publicly divulging sensitive information.
5. Deputy's favoritism.
6. Domestic dispute not handled properly.

Findings:

The Grand Jury interviewed Sheriff Mix and the complainant regarding complaint No. 1, and found that there was no validity to the complaint, notifying the complainant of such action.

Complaint No. 2, speeding in Adin, after interviewing the Sheriff, a member of the Highway Patrol and the Alturas Chief of Police, the speed limit in Adin has not been surveyed for an official speed limit by the State of California, nor has many other small communities in the county including some streets in Alturas. Because of this, unless the speeding is excessive, officers do not issue citations since the court will not uphold them.

As to complaints 3, 4, and 5 the Sheriff's Office is aware of these complaints and has been working on them to get matters solved.

There was a report of a domestic dispute and it was found there was no court order specifying the issues concerning the complaint. Therefore, the officer had no jurisdiction.

Recommendations: None

Respondents: None

SPECIAL DISTRICTS/AUDITS

Areas of Study:

- Audits for Special Districts
- Conflict of Interest Laws for Special Districts

Audits for Special Districts

Background:

Special districts are required by law to be audited each year by the County Auditor if no other proper audit is filed with the Auditor (Government Code 26909). Costs are to be borne by each district. The audit may be done every two years if unanimously requested by the district board and unanimously approved by the Board of Supervisors, or every five years if the district's budget does not exceed an amount specified by the Board. Districts also file annual financial reports with the State Controller (Government Code 53890).

Issues:

The required audits of special districts have not been forthcoming.

Findings:

1. Few special districts have been audited and none have been filed with the County Auditor.
2. The County Auditor now estimates that each audit by a CPA would cost about \$ 1,500.00. It may be possible to reduce the cost if the audits are performed at the same time or on a schedule convenient to the CPA.
3. Many of the small special districts are staffed by volunteers and have insufficient funds. The cost of audits is a significant burden for them.
4. Government Code 29009 does not address non-payment of audit costs by a district, but most districts have tax funds through the County and can be charged for the audit.
5. The County Auditor maintains the tax funds of most districts and pays bills on presentation of the invoice by the district. Many small districts work entirely through the Auditor. Many provide the original invoice for such bill payments. The Auditor could also handle donated or outside monies. For districts whose monies and original invoices are handled by the Auditor, the audit process would be much easier and presumably less costly.
6. Dependent districts are covered by the annual County audit.
7. The County Auditor is the initiator of the audits absent action by the districts (Government Code 26909(a)).
8. The County Auditor has been doing the annual financial reports to the State Controller for the districts (Government Code 53890).
9. Sound accounting, audits, filing of audits, and public review of the audits is important to efficient and proper government.

Recommendations:

The 2005-2006 Grand Jury recommends as follows:

1. The County Auditor should proceed expeditiously to audit all special districts that have not provided audits.

The Grand Jury recommends the following elements for the audits:

- a. Notify all independent special districts that they are required to participate in an audit as per Government Code 26909:
 1. They must make and file a proper audit with the Auditor by date certain,
or
 2. They must provide all original invoices and other financial paperwork as specified by the Auditor by date certain. They can achieve this by:
 - a. keeping all of their accounts with the County and always submitting original invoices with payment warrants,
 - b. or by submitting the paperwork before their scheduled audit date.

The districts will be charged for the audit by the Auditor (a fixed amount or rate should be specified). Future audit expense can be reduced by submitting a request to the Board of Supervisors for a two or five year audit schedule that is unanimously approved by the district's governing board as per Government Code 26909(f). Also some cost reduction might be achieved as above.

- b. Contract with a CPA to do all of the district audits, or hire a part-time or temporary audit staff member. At the estimated \$ 1,500.00 per audit and 30 audits, that is \$ 45,000.00. From the reports to the State Controller, the Auditor and CPA might negotiate a lower bulk contract based on size of district budgets. Negotiating the audit schedule for the convenience of the CPA or doing all of the audits at one time might lower the cost.
 - c. Consider including the district audits in the annual County audit contract if it would reduce the cost. The two and five year audits could be scheduled with a certain number each year.
 - d. The first audit should cover the past five years or back to the last filed audit whichever is the lesser. Future audits or audit filing would occur annually, or every two or five years if a 26909(f) schedule is approved.
2. The County Board of Supervisors should proceed expeditiously to establish five year and two year audits under Government Code 26909(f):
 - a. Pass a resolution specifying maximum annual budget for the five year audit class.
 - b. Develop a list of districts, which the Board would approve for the five or two year audits.
 - c. Unanimously approve applications from the approved districts upon their proper request.

Do the above as soon as possible and notify the County Auditor of the five year qualification amount and the approved five and two year list, so that the audits may proceed faster. Absent these steps, annual audits are required by law.

Respondents:

County Auditor

County Board of Supervisors

Conflict of Interest Laws for Special Districts

Background:

Special districts are subject to California conflict of interest laws and regulations. Government Code Title 9 prohibits public officials from using their official position to influence a decision in which they have a financial interest (GC 87100), requires them to disclose financial interests that might be affected by their official actions (GC 87200), and districts must adopt and file a Conflict of Interest Code (GC 87300). Additionally, AB1234 requires that any kind of compensation or reimbursement to district officials must be by a written policy and filed expense reports (GC 53232), and the officials must take a two hour “ethics training” every two years (GC 53235).

Issues:

Many of the small special districts are staffed by volunteers. The disclosure filing is intimidating. The Conflict of Interest Code filing is confusing and time consuming. The new compensation and ethics training law is another time and financial burden.

Findings:

1. Special districts have complied with the financial disclosure requirement (Form 700). Some potential candidates have chosen not to serve because the filing is public and otherwise private matters must be disclosed, and some because of a misunderstanding of the requirements. The County Clerk is the “filing officer” for special district Form 700s.
2. Many small districts were exempted from filing Conflict of Interest Codes by Board of Supervisors resolution 95-08, however this exemption may no longer be valid (Fair Political Practices Commission Regulation 18751). 95-08 also provides that the list may be amended by the Board.
3. Some districts have not filed and received approval of their Conflict of Interest Codes. The County Board of Supervisors is the code reviewing body (Government Code 82011(b) and 87303). The filed codes may further limit or add to the types of disclosures required by Form 700 and therefore affect (1) above.
4. AB1234 ethics courses are being developed for in-person, on-site, or on-line use, and most involve costs and fees. AB1234 also requires a written reimbursement and compensation policy, and keeping of public records thereof. Retention of ethics training records is also required.
5. The County has general welfare responsibility and the special districts provide necessary services.

Recommendations:

The 2005-2006 Grand Jury recommends as follows:

1. That the County Clerk prepare a general guide document for Form 700 that points to or quotes the sections that describe what does not need to be reported, and is more specific about requirements for each specific district type when an approved Conflict of Interest Code applies.
2. That the Board of Supervisors review and update resolution 95-08 to include Canby Fire and other small districts. This should include verification that exemptions can still be granted under current law.
3. That the Board of Supervisors order the non-exempt districts to submit a Conflict of Interest Code (Government Code 87304), and work with them in preparing and approving the codes. A prototype could be developed for use by the small but numerous districts such as cemetery and fire protection, if they can no longer be exempted under FPPC Regulations. Provisions of the Conflict of Interest Codes could specify disclosure requirements that might ameliorate candidate concerns about Form 700. While the districts could appeal to the Fair Political Practices Commission for this help, that might not serve the interests of Modoc County.
4. The County should include the special districts in its plans for AB1234 Ethics training.

Respondents:

County Clerk

County Board of Supervisors