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

Your Shasta County Grand Jury

Authority to Act

In California, each county is required by the state constitution to maintain at least one empanelled Grand Jury. Here in Shasta County, as elsewhere in California, Title 4 of the California Penal Code and other state laws and statutes govern and guide our Grand Jury. More specifically, Sections 925 and 925a of the California Penal Code authorize the Grand Jury to investigate and report on the operations of any department or municipal agency within the county. The Shasta County Grand Jury functions as an arm of the Judicial Branch of the government, and operates under the guidance of the presiding judge of the Superior Court of Shasta County. Our primary focus is oversight of government institutions at the county or city level.

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

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

Any communication with the Grand Jury is treated in strict confidence. This includes written documents as well as the testimony of witnesses and participants. All minutes and records of Grand Jury meetings are confidential.

The Grand Jury's final report contains findings and recommendations regarding governmental agencies. Every citizen is urged to study this report.

Areas of Empowerment

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

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

The Grand Jury must inquire into the condition and management of all the adult or juvenile detention or correctional facilities within the county.

The jury is not allowed to continue an oversight from a previous panel. If the jury wishes to look at a subject which a prior panel was examining, it must start its own investigation and independently verify all information. It may use information obtained from the prior jury but this information must be verified before it is used by the current jury.

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

The Grand Jury is required to publish at least one report containing a minimum of one finding and one recommendation. Published reports are the only public record of the Grand Jury's work; there is no minority report. Each published report includes a list of those public entities that are required or requested to respond. California Penal Code Section 933.05 dictates the format of these responses.

Citizen Complaints

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

Shasta County Grand Jury
P.O. Box 99286
Redding Ca. 96099-2085
(530) 225-5098
or online at www.co.shasta.ca.us/grandjury

Why should you serve?

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

To be a Grand Juror The Shasta County Grand Jury is composed of 19 concerned county citizens. Each prospective juror applies in April/May for the fiscal year beginning July 1. The presiding judge selects 30 names. To preserve continuity the presiding judge may select a few jurors to continue into the next year. The balance is randomly selected by a drawing.

Prospective Grand Jurors

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

Shasta County Superior Court
Courthouse room 205
1500 Court Street
Redding, Ca. 96001
or online at www.shastacourts.com

2008/2009 Shasta County Grand Jury

PJ Marsh, Foreperson

Loretta Carrico-Russell	Dick Keene	Phyllis Solberg
Dwayne Coate	Jim Kelly	Lynette Strause
Diane Doderio	Bill Masten	Dale Trudeau
Laurie Freeman	Lori Miles	Shawn Watts
Harla Hanford	Jerry Phillips	Andi Winters
Al Jensen	Nancy Russell	

Grand Jury Committees

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

Summary of 2008/2009 Grand Jury Activities

Agencies, Departments and Districts toured	24
Autopsies attended	1
Committee meetings held	77
Complaints received	63
Criminal Hearings held	0
Interim Report	2
Final Report	1
Governmental Board Meetings attended	60
Indictments	1
Joint Audit Committee Meetings attended	3
Meetings of Full Grand Jury	22
Number of interviews conducted in the course of investigations	58
Citizen Reviews with Shasta County District Attorney	2

Responses to the Grand Jury Final Report

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

The responses to the 2008/2009 Shasta County Grand Jury Final Report can be found at www.co.shasta.ca.us/grandjury/2008/09.

The California Penal Code 919(b) states that the grand jury shall inquire into the condition and management of the public prisons within the county. The 2008/2009 Shasta County Grand Jury toured the following facilities to fulfill that obligation:

Shasta County Justice Center – Main jail

Crystal Creek Regional Boys' Camp

Shasta County Work-Release Annex

Sugar Pine Conservation Camp

Shasta County Juvenile Hall

Shasta Mosquito Abatement District

19200 Latona Road, Anderson, CA 96007 530-365-3768

Just compensation or just a gift?

History

In 1915 the California Legislature authorized the formation of mosquito abatement districts. Pursuant to that legislation (Health and Safety Code, § 2000 et seq.), the Redding Mosquito Abatement District was formed in 1919. In the 1950s the Redding Mosquito Abatement District was consolidated with three other mosquito abatement districts (Anderson, Clear Creek and Cottonwood) to form the Shasta Mosquito Abatement District.

Changing its name again in 1994 to reflect the increase in the scope of its services, the Shasta Mosquito Abatement District became the Shasta Mosquito and Vector Control District (SMVCD). The following year the SMVCD annexed Palo Cedro, Balls Ferry, Shasta Lake, Keswick, Shasta, Centerville, Cloverdale, Happy Valley, Olinda, West Cottonwood, Coleman, Millville, Bella Vista, Mountain Gate, Jones Valley, Lakehead, Castella, French Gulch, Igo, Ono, Shingletown, and Viola. Today, the SMVCD encompasses about 1,086-square miles, employs about 20 part-time and full-time employees and has an annual budget of approximately \$2.6 million.

The SMVCD governing body is a five-member board of trustees. The city councils of the City of Redding, the City of Anderson and City of Shasta Lake each appoint one trustee. Two trustees are appointed by the Shasta County Board of Supervisors. The SMVCD is funded by a share of property taxes and by Mosquito and Vector Control Benefit Assessment fees levied against property owners as a parcel charge.

Background

Having received several letters alleging mismanagement by the board of trustees, credit card abuse, harassment, retaliation and other misconduct at the SMVCD, the Shasta County Grand Jury decided to investigate.

The Grand Jury learned that beginning in 2005, the SMVCD manager engaged in a personal legal conflict with the spouse of another SMVCD employee which eventually resulted in each obtaining a restraining order against the other. During this process the SMVCD manager incurred \$45,000 in personal legal fees, \$38,000 of which were paid for by the SMVCD.

In another matter, a different SMVCD employee was alleged to have used an assigned SMVCD credit card improperly to purchase gas and a smog certification for the employee's personal vehicle and to pay for a meal for which a receipt had already been submitted for reimbursement. After realizing the errors, the employee reported all three incidents to the SMVCD administrative assistant. The SMVCD manager verbally reprimanded the employee and eventually took away the credit card. Some of the employees at the SMVCD told the Grand Jury that the manager repeatedly berated and threatened the employee with criminal charges.

Because of the manager's treatment the employee retained an attorney and filed a complaint with the Employment Risk Management Authority (E.R.M.A.), which, among other responsibilities, investigates "workplace wrongdoing." In order to keep the manager and the employee apart during the ensuing investigation, the SMVCD trustees granted the employee a two-month paid leave of absence which cost the SMVCD several thousand dollars. Later, the employee was directed to take additional time off using accrued vacation time while the trustees negotiated the manager's retirement. Eventually the SMVCD also paid the employee \$15,000 toward legal fees.

Of greatest concern to the Grand Jury is the handling of the manager's retirement package negotiated by the trustees to persuade the manager to retire in order to avoid a lawsuit by the employee. Invoking its authority under the California Penal Code and also using the California Public Records Act, the Grand Jury sent a letter dated April 24, 2009, to the SMVCD Board of Trustees. The Grand Jury requested documentation and justification for the manager's negotiated retirement agreement and other compensation. The letter requested the trustees' rationale for:

- Giving the manager a 13.5 percent salary increase in July 2008 while the other SMVCD employees received only a 3.5 percent salary increase.
- Reimbursing \$38,000 of the \$45,000 in legal fees the manager incurred during the 2005 restraining order conflict between the manager and the spouse of an SMVCD employee.
- Authorizing a lump sum wage payment of \$29,000 to be paid to the manager on the last day of the manager's employment, June 30, 2009.
- Reimbursing the manager more than \$6,000 for lumber, described by some SMVCD employees as "termite infested" and "rotted," which had been stored on the SMVCD property for years and without obtaining proof from the manager of ownership, verifying the condition of the lumber, or determining its original cost.

The SMVCD board of trustees responded in writing with the following:

- As to the 13.5 percent pay raise and the \$2,000 pay increase for four months, "the Board determined that the approved compensation was appropriate in light of the Manager's experience and qualifications."

- As to the manager's paid leave of absence and the \$29,000 lump sum wage payment on the manager's final day of employment, the trustees justified the board's decision by referring to its "Retirement Agreement and Mutual Release" negotiated with the manager.
- As to the reimbursement for the lumber, the response stated that the board of trustees "decided the claim was meritorious, and approved the claim."

Findings

1. Although the credit card abuse allegations were confirmed, the abuse was due to carelessness on the part of the employee and not due to intentional fraud.
2. The SMVCD manager failed to apply appropriate disciplinary actions against the employee for the misuse of the SMVCD credit card.
3. The district's grievance procedure was not followed when the employee alleged a hostile work environment existed.
4. A majority of the trustees stated to the Grand Jury that because of a fear of a lawsuit from the employee they agreed to pay \$15,000 toward the legal fees of the employee who had misused the SMVCD credit card. One trustee told the Grand Jury that the board of trustees wanted to "smooth things over," and another trustee said that the board wanted to "make it go away."
5. The Grand Jury finds that before the manager received the 13.5 percent raise, the additional \$2,000 a month for four months, and the lump sum wage payment of \$29,000, his wages had been in line with those of managers in other mosquito abatement districts in Northern California.
6. The Grand Jury finds that the SMVCD manager was an "at-will" employee; that is, the manager could be terminated without cause and without the specially negotiated retirement package. The Grand Jury found that the board of trustees used taxpayers' money to entice the manager into retirement by granting extra wage increases and payments, paying for a leave of absence amounting to more than \$40,000, and allowing the manager to remain as an employee while using accrued vacation time until retirement on June 30, 2009, in spite of the manager's "at-will" status.
7. The wage increases and the lump sum wage payment were negotiated in order to increase the manager's retirement compensation, since the manager's retirement compensation is based upon a percentage of the highest amount of wages earned by the manager prior to retirement.
8. The Grand Jury finds that the board of trustees reimbursed the manager \$38,000 of the \$45,000 legal fees the manager incurred during the manager's personal conflicts with the spouse of an SMVCD employee.
9. The board of trustees reimbursed the manager \$6,900 for lumber which the manager regarded as his own without proof of ownership, condition or its original cost.
10. Without a receipt or adequate proof of ownership the board of trustees paid the manager \$675 for lava rock (based upon current costs) that sat on SMVCD property for years.

11. The Grand Jury finds that it is in disagreement with the judgment of the SMVCD Board of Trustees in approving the Retirement Agreement and Mutual Release negotiated between the SMVCD manager and the trustees.
12. The board of trustees violated the Brown Act (Government Code, § 54950 et seq.) by circulating a document outside of a board of trustees meeting to gather trustees' signatures. The document authorized the \$2,000-per-month pay increase to the manager for four months.
13. The board of trustees violated the Brown Act by having a sign-in sheet placed at the entrance to the room in which meetings were held without clearly stating that signing the sheet was voluntary and that all persons could attend a meeting regardless of whether or not the person signed it.
14. At the meetings attended by the Grand Jury the SMVCD President of the Board of Trustees failed to control the meetings, in that he allowed constant interruptions by the district's manager.
15. Regarding appointments to the board of trustees, there is no process in place for screening applicants, and there is no accountability in place for poor representation by trustees.
16. The SMVCD Personnel Manual contains no policy or procedure for employee performance evaluations, and the SMVCD employees interviewed by the Grand Jury indicated that no evaluations have been conducted.
17. For many years the manager stored personal property on SMVCD premises. On March 17, 2009, the board of trustees adopted a resolution (Resolution 2009-01) prohibiting the storage of employees' personal property on SMVCD grounds.

Recommendations

1. The Grand Jury recommends that those SMVCD trustees who approved the Retirement Agreement and Mutual Release between the trustees and the manager consider resigning.
2. The Grand Jury recommends that the City Councils of the City of Redding, the City of Anderson, the City of Shasta Lake and the Shasta County Board of Supervisors adopt a selection process that includes personal interviews for all appointments and reappointments to the board of trustees of the SMVCD.
3. The Grand Jury recommends that the SMVCD trustees receive training on the Brown Act and on the laws (and the SMVCD's own policies) concerning anti-harassment, vacation and sick leave accrual, and grievances.
4. The Grand Jury recommends that the president of the SMVCD Board of Trustees control meetings by establishing, publishing and enforcing rules concerning the public comment period and by preventing interruptions.
5. The Grand Jury recommends that the SMVCD policy and procedures manual be revised to include definitive procedures for job performance evaluations.

6. The Grand Jury recommends that all SMVCD employees, including the manager, receive annual written job performance evaluations.

Responses required

- The Shasta Mosquito Vector and Control Board of Trustees as to Recommendations 1, 3, 4, 5, 6.
- The Redding City Council as to Recommendation 2.
- The Anderson City Council as to Recommendation 2.
- The City of Shasta Lake City Council as to Recommendation 2.
- The Shasta County Board of Supervisors as to Recommendation 2

Method of Inquiry

The grand jury interviewed:

- SMVCD Board of Trustees
- SMVCD District Manager
- SMVCD District Employees
- Shasta County Clerk of the Board of Supervisors

The Grand Jury reviewed the following:

- Constitution of California Article XVI, §6, Gifts or Loans of Public Money or Pledging of Credit Prohibited
- The Ralph M. Brown Act
- “The Brown Act” (2003), a publication of the California Attorney General’s Office at http://caag.state.ca.us/publications/2003_Main_BrownAct.pdf
- SMVCD Policy and Procedures Manual
- SMVCD 2008-2009 Revenue and Expenditure Report
- SMVCD Audited Financial Statements for the Fiscal Year, June 30, 2007 and June 30, 2008

- SMVCD 2007-2008 and 2008-2009 West Nile Virus Augmented Budget Expenditures
- Retirement Agreement and Mutual Release between SMVCD Board of Trustees and the SMVCD manager dated December 5, 2008
- Mosquito Vector Control Agency of California Salary Survey Report 2006
- Invoices of the SMVCD processed by the Shasta County Auditor-Controller for legal expenses dated December 16, 2008; for lava rock dated January 20, 2009; and for lumber dated January 20, 2009
- Various SMVCD agendas and meeting minutes
- Roberts Rules of Order
- SMVCD letter from the manager to the SMVCD attorney, dated January 6, 2006, regarding Assembly Bill 1234 (Stats 2005, ch. 700; legislation pertaining to ethics training and claims for travel and meeting expenses)
- Note, to the district's manager from board of trustees president dated September 18, 2008
- SMVCD Resolution 2009-01 dated March 17, 2009, Setting Guidelines for the Storage of Personal Property on District Grounds.
- Review of 452 pages of Shasta County Superior Court documents regarding the conflicts between the SMVCD Manager and the spouse of an SMVCD employee

The Grand Jury attended:

- Four meetings of SMVCD District Board of Trustees.



September 15, 2009

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

Dear Judge Baker:

On behalf of the City of Anderson, we wish to express our thanks and appreciation for the work of the 2008-2009 Shasta County Grand Jury.

As required by California Penal Code Section 933.05, the City of Anderson offers the following response to *Shasta Mosquito Abatement District – Just compensation or just a gift?*

Recommendation No. 2:

The Grand Jury recommends that the City Councils of the City of Redding, the City of Anderson, the City of Shasta Lake, and the Shasta County Board of Supervisors adopt a selection process that includes personal interviews for all appointments and reappointments to the board of trustees of the SMVCD.

Response:

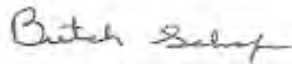
The City of Anderson has already implemented this recommendation. In December 2007, the City's appointee to the SMVCD advised the City that he would be unable to serve an additional term and the City Clerk solicited applicants to fill the board vacancy. Two applications were received from interested citizens. At the City Council meetings of February 5 and February 19, 2008, these two applicants were interviewed publicly by the City Council. At the conclusion of these interviews, the City Council

selected Mr. Larry Mower as the City's representative to the SMVCD for a four year term.

The Honorable Stephen H. Baker
September 15, 2009
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The City of Anderson appreciates this opportunity to respond to relevant portions of the 2008-2009 Shasta County Grand Jury Final Report. We believe the Grand Jury system helps strengthen the provision of local government services in California and we are pleased to provide our comments.

Sincerely,



Butch Schaefer
Mayor, City of Anderson

ds



Shasta County

BOARD OF SUPERVISORS

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

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

August 18, 2009

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

Re: Response of Board of Supervisors to Fiscal Year 2008-2009 Grand Jury Report

Dear Judge Baker:

The Shasta County Board of Supervisors appreciates the time and dedication which the 2008-2009 Grand Jurors contributed to their charge. The following findings and recommendations are under serious consideration and discussions are being held regarding solutions to any unresolved problems.

RESPONSES AND FINDINGS

BOARD OF SUPERVISORS:

A. SHASTA MOSQUITO ABATEMENT DISTRICT

RECOMMENDATIONS:

2. The Grand Jury recommends that the City Councils of the City of Redding, the City of Anderson, the City of Shasta Lake and the Shasta County Board of Supervisors adopt a selection process that includes personal interviews for all appointments and reappointments to the board of trustees of the SMVCD.

Response The Shasta County Board of Supervisors disagrees with this recommendation as the Shasta County Board of Supervisors has no statutory

authority to adopt a selection process which would include personal interviews for appointments and reappointments to the SMVCD board of trustees. Further, the Shasta County Board of Supervisors finds the SMVCD selection process currently in place, is adequate to fulfill the requirements and needs of the SMVCD.

BOARD OF SUPERVISORS *(Since issuance of the Grand Jury Report, Risk Management has issued a check to the complainant for the appraised value of his three handguns.)*

B. SHASTA COUNTY SHERIFF'S OFFICE: FIREARMS CONFISCATION

RECOMMENDATIONS:

4. The Grand Jury recommends that the Shasta County Risk Management Office reopen the complainant's claim and review new information discovered by the Grand Jury indicating that the guns should not have been sold.

Response: N/A

5. The Grand Jury recommends that the complainant be reimbursed for the appraised value of his three handguns.

Response: N/A

BOARD OF SUPERVISORS *(The Board previously provided responses on April 14, 2009, but will include them with this response for the convenience of the Court.)*

C. AGRICULTURE - WEIGHTS & MEASURES

RECOMMENDATIONS:

1. The fueling station inspector should be authorized to take home the county testing vehicle when this practice would shorten travel time, save gas and vehicle wear and tear, and allow the inspector more time to inspect fuel pumps.

Response The Board of Supervisors concurs with the recommendation in that this is an allowable authorization by the Department Head per County policy. The Board of Supervisors further finds that the California Business and Professions Code Section 12209 states that, "Every Sealer shall (a) Carefully preserve all copies of the standards of weights and measures in his possession; (b) Keep the copies in a safe and suitable place when not actually in use". All of

the County's weights & measures testing devices (standards) are officially traceable to the state, federal, and international standards. Preserving the integrity of these pieces of equipment is one of a County Sealer's primary duties. Additionally, all testing equipment is very expensive and must be maintained to maximize their useful life spans and minimize costs to the public.

These particular pieces of testing equipment are permanently mounted on a truck bed and are stored in the department's shop garage. They are stored in the garage for security, maintenance, safety, and liability reasons. Garaging them daily minimizes their exposure to potential vandalism and the elements. It also prevents any inspection of this unique truck by children or others who might be curious and might be tempted to touch or climb on the equipment. Glass gauges could be broken or the provers themselves could be dented or damaged. Any damage to the provers will destroy their integrity and immediately terminate their certification as official standards. Additionally interested parties could hurt themselves by climbing on the truck, etc. and expose the County to unnecessary liability.

County policy allows (Section 34.9 B) a department head to authorize an employee to retain a vehicle overnight...for a limited term to enable completion of special or unusual assignments. Retail meter (gas station) inspections typically do not meet this standard. The shop is fairly centrally located (and is even closer to the individual's home generally assigned this duty than the office is). Because of the security, maintenance, safety, and liability concerns the vehicle is garaged in a county facility. Any employee assigned to this job is allowed to start their day from the shop thereby eliminating the need to come into the office at the start of the day. No employee has ever requested to take the vehicle home and if that request is made it would be considered in conformance with County policy, the Grand Jury's recommendation, and the need to store the vehicle properly. The truck would not be allowed to be parked on the street at an employee's home.

2. The County should consider increasing the load capacity of the next vehicle used by the Shasta County Department of Agriculture/Weights & Measures for testing fuels and pumps by purchasing a heavy duty one-ton truck during the next replacement cycle.

Response The Board of Supervisors concurs with this recommendation and finds that this is an excellent recommendation and it is the Department's intent to eventually replace the existing vehicle with a heavy duty one-ton truck. The existing vehicle is an older County fleet vehicle that was retrofitted with the

testing equipment because the department was not able to fund a new vehicle when the equipment was initially purchased. Staff worked with Fleet Management to safely complete the retrofit.

BOARD OF SUPERVISORS

D. ADULT SERVICES

RECOMMENDATIONS:

1. The Grand Jury recommends that APS purchase two satellite phones for use by social workers traveling to areas of the county where cell phone usage is limited. Satellite phones would provide a much needed measure of safety.

Response The Board of Supervisors concurs with the recommendation with a slight modification. Social Services – Adult Protective Services has purchased and is in the process of testing and setting up usage guidelines for the utilization of two Satellite Personal Tracker (SPOT) devices to provide a means of communication for social workers who find themselves in areas without cell phone reception. These devices include a GPS locator feature, and will send pre-programmed messages including an emergency call for assistance to pre-programmed email and cell or other phone numbers as well as 911. Implementation of these devices is to occur in the near future.

2. The Grand Jury recommends that APS provide a personnel sign-in/sign-out board on which all employees leaving the premises during work hours are required to post their times of departure, their destinations and their expected times of return. In addition, the Grand Jury recommends integrating GPS capabilities into the cell phones used by social workers. In case of an emergency a GPS could pinpoint the location of a social worker.

Response The Board of Supervisors concurs with this recommendation and it has been implemented. APS has used an in-out board for many years that included the expected time of return, but have added the physical addresses of the destinations workers are traveling to. The APS duty officer will monitor activity flow and take appropriate action if a worker is not back at the time noted on the board.

As noted in the response to the satellite phone recommendation, the SPOT devices include GPS technology to provide an additional measure of safety for social workers in the field.

APS staff meets every morning as a group to discuss staff assignments and any identified visitation safety concerns. If any safety concern is brought forward two staff will be sent out on the visitation and/or law enforcement will be asked to accompany the social worker. This process acts as an additional safeguard for social workers and was implemented years ago.

3. The Grand Jury recommends that APS provide formal, structured on-the-job training, utilizing a learning check list that articulates in detail what the social workers must do to perform the job to expected standards. The training also should prepare social workers to meet and respond to threatening or emergency situations.

Response The Board of Supervisors concurs with this recommendation, and in addition to its regular training procedures, APS is in the process of implementing a formal structured on-the-job training plan that utilizes a learning checklist and includes prevention tactics and response to threatening or emergency situations.

Annual safety trainings by local law enforcement will continue to be held for all staff to ensure safety while working in the office and out in the field.

4. The Grand Jury recommends that Shasta County Adult Services re-evaluate its budget to make available funds for reinstating law enforcement contracts which would provide specially trained investigators to assist in abuse cases.

Response The Board of Supervisors does not agree with this recommendation as the program does not have the resources to reinstate these contracts. APS will continue to work with all law enforcement agencies toward maintaining collaborative relationships and providing training to allow for more thorough response to and investigation of criminal elder abuse issues.

BOARD OF SUPERVISORS

E. PURCHASING

RECOMMENDATIONS:

1. The Grand Jury recommends that Shasta County Board of Supervisors expand section 2.4 of the Shasta County Contracts manual (contract manual) to include standardized procedural guidelines for establishing open accounts with local vendors and for making purchases and paying invoices on those accounts.

Response The Board of Supervisors concurs with the recommendation. Staff will review section 2.4 and provide recommendations to upgrade the policy where appropriate. Consideration shall include but not be limited to; assessing procedures for how open accounts with local vendors are created, how purchases are approved, and how invoices are paid on those accounts.

2. The Grand Jury recommends that in expanding section 2.4 of the contracts manual the county adopt a policy that requires departments to go through the purchasing division to establish new open accounts so that the county maintains one central control for those accounts.

Response The Board of Supervisors concurs with the recommendation. The County will study the feasibility, cost and efficiency of implementing this recommendation or developing additional controls to ensure that accounts are created and managed in accordance with established procedures.

3. The Grand Jury recommends that each department head using open accounts be required to establish written purchasing policies and procedures specific to that department's open account activity, in accordance with the standardized guidelines established by the county in Recommendations 1 and 2.

Response The Board of Supervisors concurs with the recommendation. The County encourages departments to incorporate county wide policies into their daily operations and believes that appropriate business controls will be in place and standardized by the taking of action on recommendations one and two.

4. The Grand Jury recommends that all county employees involved in the purchasing process receive formal, written and documented training in purchasing procedures.

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August 18, 2009

The Honorable Stephen H. Baker

Responses: The Board of Supervisors concurs with the recommendation. The county already conducts an annual employee training series that includes a module on purchasing procedures. The county will look to include additional written materials in this training and ensure that the training is documented.

Sincerely,



Glenn Hawes, Chairman
Board of Supervisors
County of Shasta

GH:LL/rbhl

✓ Cc: Members of the Grand Jury



CITY OF REDDING

OFFICE OF THE MAYOR

777 Cypress Avenue, Redding, CA 96001

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

530.225.4447 FAX 530.225.4463

Rick Bosetti
Mayor

August 20, 2009
B-080-600-800

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

Dear Judge Baker:

Pursuant to Section 933 of the California Penal Code, the attachments to this letter shall serve as the City of Redding's responses to the following sections of the *2008/2009 Shasta County Grand Jury Final Report*:

1. Policing Themselves
2. Enough Study! Just Do It!
3. Just Compensation or Just a Gift?
4. Electronic Highway – Use and Abuse

The City of Redding appreciates and respects the important function that the Shasta County Grand Jury serves in local government.

If you have any questions regarding this matter, please do not hesitate to contact me at 225-4447.

Sincerely,

A handwritten signature in black ink that reads "Rick Bosetti".

Rick Bosetti
Mayor

Attachments

c: City Council Members
Kurt Starman, City Manager
Rick Duvernay, City Attorney
Greg Clark, Assistant to the City Manager
Pam Mize, Administrator-Office of City Clerk
Gerry Kersten, Support Services Director
Peter Hansen, Police Chief

N:\GrandJury\2009GrandJury\GrandJuryResponseLtr.spd

2008-2009 Shasta County Grand Jury Final Report
REDDING POLICE DEPARTMENT COMPLAINTS
Policing Themselves

RECOMMENDATION:

- 1. The Grand Jury recommends that the Redding Police Department allow a complaint to be completed and transmitted online at the RPD Web site.**

Response: The City agrees with this recommendation and has implemented a procedure to submit a complaint online via e-mail. The web site contains instructions on what to include in the complaint and provides a "hot link" to send the e-mail. The e-mailed complaint is received in a confidential mailbox and reviewed by the Office of the Chief of Police and processed.

An electronic version (Adobe PDF file) of our complaint/commendation form also is available on the Redding Police Department web site at www.reddingpolice.org. Someone wishing to make a complaint can print a copy of the form, fill it out, and either mail it or personally deliver it to the Redding Police Department. The form is also available in the lobby at the main building located at 1313 California Street, Redding, California, 96001.

The Police Department has modified its web site to include a page dedicated to the personnel commendation and complaint procedures. It also provides an overview of the investigation procedure and a definition for each of the findings. This information is currently available to the public in the form of a brochure on the Internet and at our main facility.

2008-2009 Shasta County Grand Jury Final Report
REDDING POLICE FACILITY
Enough Study! Just Do It!

RECOMMENDATIONS:

1. **Given the current condition of the property and evidence storage areas, the Grand Jury recommends that the Redding Police Department immediately relocate the property unit personnel, along with all evidence and confiscated property, to a different facility. This facility should have enough space to allow for proper lifting, for maneuvering between aisles and for safe egress in the event of an emergency.**

Response: The City has implemented a portion of this recommendation, transferring property personnel into a new office. This space has nearly twice the square footage and improved lighting. The Police Department is also utilizing several volunteers to help remove backlogged evidence in the existing storage area, which will increase space and improve accessibility to property and evidence. The City does not intend to immediately implement the remainder of this recommendation due to space and budget constraints.

2. **The Grand Jury recommends that all Redding Police Department staff and equipment be relocated temporarily to a facility that is safe for all employees and large enough for them to conduct RPD work.**

Response: The City does not intend to implement this recommendation. The City concurs that the existing Police facility is inadequate; however, it is not aware of any significant health or safety issues that would require the City to immediately relocate all of the staff at the existing Police facility.

3. **The Grand Jury recommends that the Redding City Council expedite the construction of a new facility or the retrofitting of an existing building to house the Redding Police Department.**

Response: The City agrees that there is a compelling need for a new Police facility and is currently evaluating several options, including the possible retrofit of at least two buildings. The engineering/cost analysis necessary to evaluate those alternatives is currently being performed by the property owners and is due by the end of August 2009. The City Council has communicated its desire to review and act on that information as quickly as possible, but is unable to make a responsible evaluation and decision on those alternatives until the analysis is complete. Further analysis is required before the City can implement the recommendation.

4. **The Grand Jury recommends that the Redding City Council should fund a new RPD facility or retrofit an existing building, using public/private partnerships, bonds, one-time funding previously identified by the Police Facility Review Committee, general fund reprioritization or reserve draw downs, borrowing from other funds or reserves, or any other such funding method.**

Response: This recommendation requires further analysis. The City Council has indicated it will evaluate Police facility alternatives and their costs after the completion of the retrofit analysis. As noted by the Grand Jury, the weak economy has required reductions to be made to the General Fund, impacting the viability of potential funding methods. Once the exact cost of a new or retrofitted Police facility is known, the City Council can determine what funding method is appropriate.

2008-2009 Shasta County Grand Jury Final Report
SHASTA MOSQUITO ABATEMENT DISTRICT
Just Compensation or Just a Gift?

RECOMMENDATION:

2. **The Grand Jury recommends that the City Councils of the City of Redding, the City of Anderson, the City of Shasta Lake and the Shasta County Board of Supervisors adopt a selection process that includes personal interviews for all appointments and reappointments to the board of trustees of the SMVCD.**

Response: The City does not intend to implement this recommendation as the City Council feels existing practices provide for a thorough review of candidates and have served the City well.

Currently, any member of the public interested in serving on the Shasta Mosquito and Vector Control District (SMVCD) Board representing District 1 (Redding area) may fill out an application on the City's web site or on paper. The application solicits all pertinent information about the candidate, including qualifications for the position and reasons for seeking the appointment. All City Council members receive copies of these applications as they are submitted throughout the year. For an impending District 1 vacancy on the SMVCD Board, applications are reviewed by the Mayor and one or more candidates are interviewed by the Mayor at his/her discretion. The Mayor's proposed appointment is then considered and voted upon by the City Council in open session. The appointment is for a two- or four-year term at the City Council's discretion.

The City Council feels that this process provides for sufficient review of SMVCD candidates' qualifications and performance and does not need to be modified at this time.

2008-2009 Shasta County Grand Jury Final Report
INFORMATION TECHNOLOGY
Electronic Highway – Use and Abuse

RECOMMENDATIONS:

1. **The Grand Jury recommends that the City of Redding modify its computer usage policy to prohibit personal use of City computers and to require random audits of e-mail.**

Response: The City does not intend to implement the recommendation to modify the computer usage policy. The current policy prohibits inappropriate use of the City's computers, equipment, and inappropriate behavior while working on City time. The City Attorney's Office has reviewed and updated the policy and feels it sufficiently protects the interests of the City and its employees. Existing City policy specifies that the City may audit e-mails and it has done so, which has led to appropriate disciplinary action based on evidence of inappropriate use. For all intents and purposes, that portion of the Grand Jury's recommendation has already been implemented.

2. **The Grand Jury recommends that the City of Redding restrict access to inappropriate Internet sites and monitor City employee Internet activity.**

Response: The City does not intend to implement this recommendation at this time. Sufficient City personnel policies already exist prohibiting inappropriate behavior including viewing of inappropriate Internet sites. The City does reserve the right to monitor Internet access and has undertaken disciplinary action as appropriate in instances of abuse.

3. **The Grand Jury recommends that the City of Redding institute automatic "time outs" on City personal computers. "Time outs" either blank the screen or invoke the screen saver and lock the keyboard when the computer is not in use for a specific period of time.**

Response: The City of Redding does not intend to implement this recommendation at this time. The City has not found evidence that problems have occurred as a result of the computer not being "timed out," or the keyboard locked, after the computer has remained idle. As such, the cost/time necessary to enable the "time outs" Citywide does not appear justified at this time. The City of Redding agrees that if a problem is experienced with not locking out a computer, the City will consider implementing the recommendation in the future.

4. **The Grand Jury recommends that the City of Redding archive all e-mail traffic for a period of at least twelve months in order to monitor the appropriateness of email.**

Response: The City does not intend to implement this recommendation at this time. The City already has a policy governing the retention of records and e-mail that complies with the law. Existing City policy specifies that the City may audit e-mail usage to determine if inappropriate use of e-mail is occurring.

5. **The Grand Jury recommends that the City of Redding begin now either to phase out, or to replace, software that is dependant upon the RPG programming language.**

Response: The City has implemented this recommendation. The City has been deploying newer technologies that are not dependant upon RPG programming language. It must be noted, however, that the RPG programming language continues to be upgraded and modernized and will remain a major component of a vast array of City Information Technology resources.

6. **The Grand Jury recommends that the City of Redding simplify and make more specific its policy on computer usage.**

Response: The City has implemented this recommendation. The City adopted a new Computer Usage Policy, which it believes adequately addresses appropriate computer usage.

7. **The Grand Jury recommends that the City Hall computer room remain locked at all times to prevent unauthorized access.**

Response: The City does not intend to implement this recommendation. The City's computer room is located in the hallway of the Information Technology Division, which is open only to authorized personnel. After hours, the entire division is locked down and an alarm is activated to prohibit unauthorized access. There does not appear to be a need to place a lock specifically on the computer room door.

8. **The Grand Jury recommends that the generator at City Hall be fueled by either propane or diesel fuel to provide continuity during an emergency of natural gas lines or disruption.**

Response: The City does not intend to implement this recommendation. When City Hall was built, natural gas was chosen as the fuel to power the generator in case of electrical disruption. With natural gas, there was no need to permanently house a large tank of flammable fluid in close proximity to City Hall to serve in what would be an extremely rare emergency event. In the very highly unlikely event that both a natural gas disruption, and an electrical disruption occur simultaneously, the uninterruptible power supply for the computer room will allow for an orderly shut down of the systems. If Information Technology operations must resume prior to the re-establishment of electrical or natural gas service, the City will make arrangements to rent a large generator with an on-board fuel supply to provide the necessary power to the City Hall.

9. **The Grand Jury recommends that the City of Redding establish a tracking system to document which employees have read and agreed to abide by the Computer Usage Policy.**

Response: The City has implemented this recommendation and already has developed steps to ensure records are kept that indicate employee acknowledgment of the Computer Usage Policy. Policy acknowledgments will be sent to employees each January and are filed alphabetically and checked against employee lists. Since the Grand Jury investigation, all but five employees have read, and agreed to abide by, the Computer Usage Policy.

10. **The Grand Jury recommends that the City of Redding remove games from personal computers before placing them into service.**

Response: The City of Redding does not intend to implement this recommendation at this time. The City has not found evidence that this pre-installed software is interfering with workplace conduct and therefore their removal does not justify the cost/time necessary to remove them. The City of Redding agrees that if a problem is experienced with the standard games that come with the operating systems, the City will remove the games in the future.

11. **The Grand Jury recommends that the City of Redding re-prioritize its I.T. budget to pay for the previous recommendations, possibly taking from funds allocated for overtime, consulting services, or office equipment maintenance/repair.**

Response: The City of Redding has implemented this recommendation for recommendations 5, 6 and 9; the City of Redding does not intend to implement this recommendation for the other items listed above. The City regularly prioritizes and readjusts its budgetary expenditures to meet the most important Information Technology needs of the City.

City of Shasta Lake

P.O. Box 777 • 1650 Stanton Drive
Shasta Lake, CA 96019
Phone: 530-275-7400
Fax: 530-275-7414
Website: cl.shasta-lake.ca.us



September 8, 2009

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

Dear Mr. Marsh:

The City is in receipt of your letter received July 2, 2009, regarding the Shasta County Grand Jury's Annual Report and the Shasta County Mosquito and Vector Control Abatement District (SMVCD). The following information is offered:

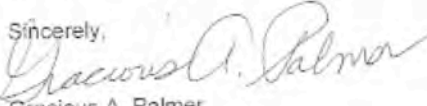
Finding #2

The Grand Jury recommends that the City Councils of the City of Redding, the City of Anderson, the City of Shasta Lake and the Shasta County Board of Supervisors adopt a selection process that includes personal interviews for all appointments and reappointments to the board of trustees of the SMVCD.

The City of Shasta Lake disagrees partially with this finding. The City does not intend to implement this recommendation because the City Council feels their existing practice provides adequate review of the appointments and reappointments. The City currently advertises for commissions, committees, or board representatives in the local newspaper. Additionally, the City posts notices at various locations within the City for these vacancies and/or appointments. Individuals interested in volunteering for vacancies or appointments submit a letter of interest which is forwarded to the City Council for consideration and approval. If the City Council receives more than one letter of interest, the City Council will conduct public interviews. When the City receives only one letter of interest, the individual will provide a statement of interest to the City Council at the time of selection and the City Council may conduct a public interview at their discretion. The City Council does not believe it is necessary to hold interviews for reappointments at this time. Representatives of committee, commissions, or boards communicate their activities, either verbally or in writing, on a frequent basis to the City Council. If the City Council believes an individual is not suited to continue as a representative of the City, the City Council may take action to relieve the appointee at their discretion.

The City of Shasta Lake appreciates the Shasta County Grand Jury and respects all of their efforts. If you need additional information regarding this matter, please do not hesitate to contact me at 275-7400.

Sincerely,


Gracious A. Palmer
Mayor

Mountain Gate Community Services District

Community Government

14508 Wonderland Blvd., Mountain Gate, CA (530) 275-3002

In the best interest of the district

Background

Mountain Gate Community Services District was established in May 1956. The district's service area encompasses 3,540 acres, or 5.5-square miles, in the unincorporated areas of northern Shasta County. Mountain Gate's water district serves a population of about 2,500, and its volunteer fire department protects the Mountain Gate community as a whole and assists with mutual aid in other nearby communities.

The Shasta County Grand Jury began its investigation into Mountain Gate Community Services District based on a citizen's complaint. During the inquiry we reviewed additional complaints and several newspaper articles relating to the district.

The Grand Jury discovered:

Threats and misrepresentations: A complainant alleged that a board member threatened residents with a lawsuit unless they removed their names from a recall petition, but there was insufficient evidence to conclude that the intimidation had occurred. When questioned, residents denied being intimidated or said the issue was resolved to their satisfaction.

There were also claims that citizens were tricked into signing a separate recall petition which was misrepresented as another document. The Grand Jury was unable to confirm these accusations.

Conflict of interest: An initial complaint alleged that a board member had engaged in a conflict of interest. The Grand Jury determined that one board member did vote on an action item involving his employer, but the vote had no direct benefit to the board member. He said he will recuse himself from future votes relating to his employer.

Donation: One complaint alleged that a \$1,000 donation made to the district was a pay off in exchange for an alleged arson cover-up. Another complaint alleged that this donation was for the inappropriate

installation of a fire hydrant. Upon advice from counsel the board of directors returned the donation. The Grand Jury found no evidence of improprieties.

Bank accounts: The original complaint alleged that five bank accounts were “hidden” and “controlled” by a district employee. The Grand Jury found that the accounts were established during a period of years and for various purposes. Most of the accounts were established before the employee was hired, and the employee was an authorized signator on only one of the accounts. The Grand Jury found no misfeasance or malfeasance with the establishment of the accounts. Now the accounts are audited regularly.

Fire Hydrants: There were allegations that fire hydrants were illegally installed. The Grand Jury found no credible evidence of illegalities.

However, during our investigation the Grand Jury discovered conflicts within the board, between board members and district employees, and between board members and community members.

Findings:

1. **Municipal Service Review (MSR):** Mountain Gate’s MSR is incomplete. A completed MSR is designed to inform Local Agency Formation Commissions (LAFCo), local agencies, and the community about the municipal services provided by agencies. The MSR explains the services the district provides, analyzes information, and identifies the district’s structures and opportunities for growth. Without an MSR, LAFCo will not authorize an agency to expand its services or service area.

The Grand Jury discovered:

- The fire department isn’t addressed in the MSR
- Property tax revenue appears to be used as water income
- The MSR does not address confined spaces and hazardous materials
- The MSR does not explain the water contract with the Bureau of Reclamation
- There is no mention of the pumps in Lake Shasta
- The MSR does not identify the source, transportation and storage of the district’s water supply

2. **Revenue:** According to the district’s incomplete MSR, water rates were not raised for 13 years, despite increased fuel, materials and labor costs. The Grand Jury queried other districts and learned that it is common practice to raise water rates on a regular basis to accommodate increased costs, to modernize infrastructure and to purchase additional and replacement equipment.

3. **Audit:** The district retained Nystrom & Company, LLC (Nystrom) to perform the district’s financial audits. Nystrom informed the district that it had not completely adopted the standards set forth in

Governmental Accounting Standards Board Statement No. 34. That is, the district's financial records do not disclose the overall financial health of the district, provide complete information about the cost of delivering services to the district's customers, or provide information on its infrastructure assets. In the audit for year ending June 2008 Nyström continues to recommend that the district record the accumulated depreciation and depreciation expense of its capital assets, such as fire equipment. Depreciation information is necessary for planning purposes like budgeting for replacement equipment and repairs.

4. **Enterprise/non-enterprise:** The district's enterprise funds (from the sale of water and services) and non-enterprise funds (property taxes for fire protection) are not separated in the district budget as recommended by Governmental Accounting Standards Board Statement No. 34.

5. **Credit cards:** The district has not authorized issuance of credit cards for use by its fire protection personnel. The lack of credit cards available to the fire department impedes the ability of fire personnel to purchase fuel and other needed items when responding to out-of-area fires. Although these responses eventually generate money, the department must have the means to sustain itself while working these fires.

6. **Management:** Three present and former board members reported to the Grand Jury that the current manager has technical field expertise but lacks administrative abilities.

7. **Two departments:** Although the present manager is head of the water and fire operations of the district, he has no expertise in the area of firefighting but depends on information provided by the part-time fire chief.

8. **Board interactions:** The board of directors violated the Brown Act on March 10, 2009, by discussing an agenda item during a break in its meeting.

Board meetings attended by members of the Grand Jury were not conducted in accordance with Robert's Rules of Order. Audience participation was not controlled, and audience outbursts were tolerated.

As a consequence of board infighting a recall petition was circulated that resulted in a cost to the district of approximately \$10,000.

9. **Statement of Economic Interests (700 Form):** The law requires that special districts' board members each must complete a 700 Form, which is public information. The Grand Jury could not locate 700 Forms for some of the board members.

10. **Policy & Procedures:** The district's policy and procedures manual is outdated and consists mainly of board resolutions, making it difficult to locate pertinent information.

11. **Training:** The general manager and board members acknowledged that they have not received training on how to perform their duties. District board members and staff do not participate in any association conferences, such as the Association of California Water Agencies or the California Special Districts Association.

12. **Fire Department Manuals:** Neither the fire department's training manual nor the policy and procedures manual comprehensively guides the firefighters in understanding what is expected of them.

13. **Infrastructure:** Board members and the general manager stated to the Grand Jury that the district's infrastructure is in "severe disrepair." For example, the water pipeline contains asbestos, is very old and is prone to breaks.

Recommendations:

1. The district's Municipal Services Review should be completed. The Grand Jury recommends that the district use the Shasta Community Services District's MSR as a template.

2. A financial committee of board members and customers should explore revenue options available, like regularly raising rates, implementing benefit assessment fees or impact fees.

3. The district should follow the recommendations of the Nystrom audit that the district should record the accumulated depreciation and depreciation expense of its capital assets, such as equipment. To meet its fiduciary responsibilities the district should consider utilizing the Shasta County Auditor-Controller's free services for future financial reviews.

4. The Grand Jury recommends that the district's enterprise funds (from the sale of water and services) and non-enterprise funds (property taxes for fire protection) be separated in the budget.

5. The fire department should have at least two credit cards for use in purchasing gas and supplies by personnel responding to out-of-area fires.

6. The district should consider hiring an administrative manager skilled in organizational management, knowledgeable of available funding sources and able to create a comprehensive policy and procedures manual. The district administrative manager should focus on management of the district and not on field work. Options for funding for this position include salary re-structuring, implementing fees, increasing water rates and obtaining grants to free up money from other areas in the budget.

7. The district should modify the organizational chart so that the water department and the fire department both report directly to the board, or to the administrative manager, if hired.

8. Board members should educate themselves about the Brown Act and should adhere to its provisions.

9. Board meetings should be conducted according to Robert's Rules of Order as per the district's policy. Audience participation should be controlled, and outbursts should not be tolerated. All board members should conduct themselves in a courteous, polite and respectful manner.

10. The district should ensure that all board members complete the Statement of Economic Interests 700 Form as mandated by law.

11. The district's policy and procedure manual should be purged of inapplicable documents and revised, organized and updated.

12. Board members and district staff should take advantage of the training and networking available through the Association of California Water Agencies, California Special Districts Association and other such as sociations. They should utilize the training on the California Attorney General's website and seek out additional training on the websites of the California Special Districts Association and the Association of California Water Agencies.

13. The fire department training manual and the policy and procedures manual should be written or modified so that the firefighters understand what is expected and so that training is properly documented.

Responses Required

- The Mountain Gate Community Services Board as to Recommendations 1 through 12.

Method of Inquiry

The Grand Jury visited:

- Several Mountain Gate Community Services District Board of Directors meetings
- Mountain Gate Community Services District offices
- Mountain Gate Community Service area

The Grand Jury interviewed:

- Mountain Gate Community Services District Chairman of the Board
- Mountain Gate Community Services District sitting board members
- Mountain Gate Community Services District manager
- Mountain Gate Community Services District secretary/office manager
- Mountain Gate Volunteer Fire District Chief
- Mountain Gate Community Services District employees
- Mountain Gate Volunteer Fire District volunteers
- Former Mountain Gate Community Services District board member
- Mountain Gate community members

The Grand Jury reviewed:

- Citizens' Complaints
- The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000
- Governmental Accounting Standards Board Statement No. 34
- Government Code §56430 regarding municipal service reviews
- California Code §16111-16111.5 regarding enterprise and non-enterprise special districts
- California Code §6253.5-6270 regarding recall petitions
- California Codes §1770-1782 regarding filling vacancies on a board
- Mountain Gate Community Services District Policy & Procedures
- Incomplete Mountain Gate Community Services District Municipal Service Review
- California Special Districts Association <http://www.csda.net>
- Mountain Gate Community Services District's audit by Nystrom & Company, LLP
- Recordings of Mountain Gate Community Services District Board of Directors meetings
- Mountain Gate Community Services District meeting minutes
- Mountain Gate Community Services District budget
- Mountain Gate Volunteer Fire District agendas
- Mountain Gate Volunteer Fire District Training Log
- Mountain Gate Volunteer Fire District Policy and Procedures
- Mountain Gate Community Services District Resolution 2005-15, revising customer agreement for installing pipeline extensions
- Mountain Gate Community Services District Resolution 90-05, amending bylaws on job description of the fire chief
- Mountain Gate Community Services District Resolution 2006-07, rescinding resolutions 2002-2007 giving general manager sole authority to instruct employees and to prohibit board members from usurping manager's authority
- Mountain Gate Volunteer Fire District approval of plot plan of private property
- Correspondence from Mountain Gate Volunteer Fire District regarding the closed bank accounts

- Mountain Gate Volunteer Fire District Incident Report on January 8, 2008
- Letter from Shasta County Clerk/Registrar of Voters
- Mountain Gate Community Services District Notice of Special Meeting
- Letters to the Grand Jury from community members
- Mountain Gate Community Services District Organizational Flow Chart
- Correspondence between community member and Mountain Gate Community Services District
- Letters of resignation from board members of Mountain Gate Community Services District
- Letters from Mountain Gate Community Services District employees regarding a board member
- Notice of intention to Circulate Recall Petition
- Answer to Notice of Intent to Recall Petition
- Unsigned Recall Petition
- Six Redding Record Searchlight newspaper articles regarding Mountain Gate Community Services District
- Request to be heard by the Mountain Gate Community Services District Board of Directors
- Draft Municipal Service Review of City of Redding
- Draft Municipal Service Review of Cottonwood Community Services District
- Municipal Service Review of Shasta Community Services District

Response:

Mountain Gate Community Services District *“Claims of Questionable Decisions by the Board”*

SUMMARY

The Grand Jury initiated an investigation into the Mountain Gate Community Services District after several citizens from that district questioned the conduct of the board of directors. Complaints addressed the possibility of violations of the Brown Act, misuse of the district's credit card policy and tailoring a job description to fit a predetermined candidate.

FINDINGS

F1. The Mountain Gate board was advised by its legal counsel that there was no conflict of interest in the hiring of the General Manager. The Grand Jury, however, determined there was the appearance of favoritism when the board lowered the employment standards and hired the former board member to be general manager.

F2. Prior to the board implementing a policy on credit card usage, charges to the district's credit card were incorrectly reported as fuel expenses when actually they were meals for employees. Although the bylaws allow for a per diem, there is no specific authorization in the bylaws for employees to charge meals on the district's credit card.

F3. After receiving training, board meetings attended by the Grand Jury were orderly.

RECOMMENDATIONS

The Grand Jury recommends:

R1. The board create a policies and procedures manual separate from the bylaws for all operations of the district. The manual should state which personnel may use the district's credit card and for what purpose.

R2. All board members complete training on the Brown Act and government ethics every two years as required by law.

R3. The policies and procedures manual should designate the maximum reimbursement rates for lodging. Further, meal reimbursement should be limited to authorized out-of-county travel.

RESPONSE

FINDINGS:

F1

The respondent disagrees partially with the findings, the board of directors did not lower the employment standards. The General Managers job description was revised to conform with the ACWA Joint Powers Insurance Authority Water Industry Job Descriptions and Americans with disabilities act manual. ACWA/JPIA is our insurance carrier.

F2

The respondent agrees with the findings.

F3

The respondent agrees with the findings.

RECOMMENDATIONS:

R1

The recommendation has not yet been implemented, but will be implemented in the future, the district's attorney is already writing the new by-laws and a draft has been presented to the board. The adoption of these by-laws should be within the next few months. The policies and procedures manual is a work in progress with completion in the near future.

R2

The recommendation has been implemented.

R3

The recommendation has been implemented.

Response By:

**David Selby, Chairman of the Board - Cary Park, Vice Chairman - Greg Peterson,
Director - Gary Gunter, Director - Janice Heck, Secretary to the Board**