



**Amador County  
Civil Grand Jury  
Final Report  
2018-2019**

Cover Photo: Fall in Amador County's Shenandoah Valley



# AMADOR COUNTY CIVIL GRAND JURY

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May 31st, 2019

The Honorable Judge Renee C. Day, Presiding Judge  
Amador County Superior Court  
500 Argonaut Lane  
Jackson, CA 95642

Your Honor,

On behalf of members of 2018-2019 Amador County Civil Grand jury, I am pleased to submit to you and the citizens of Amador County our Final Report. I was honored to have this opportunity to serve as the foreperson for this Grand Jury.

This year's Grand Jury inspected our three correctional facilities, investigated county administrative operations and a county agency, as well as citizen complaints. These grand jurors spent many hours conducting interviews, obtaining and reviewing documents.

The 2018-2019 Grand Jury would like to thank everyone who was interviewed and provided invaluable background information.

Lastly, we would like to thank you for your support and guidance. We also appreciate the support we received from Court's Administrative Legal Secretary, Heather Korsgaard and Sheryl Brown. We would like to thank Deputy District Attorney, Grace Pak, for her legal assistance throughout the year.

Respectfully,

Meredith Marlin, Foreperson  
Amador County Civil Grand Jury, 2018-2019



Superior Court of the State of California  
County of Amador

500 Argonaut Lane • Jackson, California 95642 • (209) 257-2681

June 4, 2019

Meredith Marlin, Foreperson  
Amador County Grand Jury  
PO Box 249  
Jackson, CA 95642

Re: Amador Grand Jury 2018-2019

Dear Foreperson Marlin, Shani Alviso, Carol Kinsey, Knute Allmindinger, James Daughtee, Laurie Dietrich, Steve Eddy, Otto Fox, Terri Houseman, Marianne Jim, Paul Kovacik, Crystal Meneely, Chuck Polley, Steve Reyes, Jr., Einar Ronningen, Carol Sjoberg and Lisa Watson:

Thank you all for your service on the 2018-2019 Amador County Grand Jury. The citizens of Amador County can be assured of your dedication to all as demonstrated by the hours and effort that you have expended in this service. Those members who served last term and held over to assist this term's jurors in navigating the parameters of their duties deserve an extra note of appreciation for serving above and beyond their required term. All of you working together as a team made this report possible.

Thank you Ms. Marlin for leading this committed team. The time and effort you so graciously gave are well noted.

I wish each of you the best in the coming years.

Sincerely,

A handwritten signature in blue ink, appearing to read "Renée C. Day", with a long, sweeping flourish extending to the right.

Judge Renée C. Day

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# **NOTICE TO RESPONDENTS**

## **Response Requirements**

The legal requirements for responses to the Grand Jury findings and recommendations are contained in California Penal Code (PC) 933.05. Each respondent should become familiar with these legal requirements and, if in doubt, should consult legal counsel before responding.

For assistance to all respondents, PC 933.05 is summarized as follows:

## **Responding to Findings**

The responding person or entity shall indicate one of the following:

1. The respondent agrees with the finding.
2. The respondent disagrees wholly or partially with the finding. The response shall specify the portion of the finding that is disputed and shall include an explanation of the reasons for the disagreement.

## **Reporting Action in Response to Recommendations**

Recommendations by the Grand Jury require action. The responding person or entity must report action on all recommendations in one of four ways:

1. The recommendation has been implemented, including a summary of the implemented action.
2. The recommendation has not been implemented, but will be implemented in the future. This response should include a timeframe for implementation.
3. The recommendation required further analysis. The law requires a detailed explanation of the analysis or study and the timeframe not to exceed six months. In this response, the analysis or study must be submitted to the officer, director, or governing body of the agency being investigated.
4. The recommendation will not be implemented because it is not warranted, or is not reasonable, with an explanation.

# FINAL REPORT RESPONSE FORMAT

The following standard format is to be used when responding to the Grand Jury's report and is to be used by all agencies when responding:

Title of Report \_\_\_\_\_

Responding Agency \_\_\_\_\_

Response by \_\_\_\_\_  
(Governing Body, Department Head)

**Finding number one:** State the finding as written in the Grand Jury Report. Include your detailed response to the finding. Attach any supporting documentation.

**Recommendation number one:** State the recommendation as written in the Grand Jury report.

Include your detailed response to the recommendation. Response should include progress on your planned action. Attach any supporting documentation.

Follow the same procedures for each finding and recommendation as written in the Grand Jury report for this agency.

# 2018-2019 AMADOR COUNTY GRAND JURORS

## Officers

Meredith Marlin	Jury Foreperson
Shani Alviso	Pro Tempore
Shani Alviso	Corresponding Secretary
Shani Alviso	Recording Secretary
Carol Kinsey	Treasurer

## Members

Knute Allmindinger	Paul Kovacik
James Daughetee	Crystal Meneely
Laurie Dietrich	Chuck Polley
Steve Eddy	Esteban Reyes, Jr.
Otto Fox	Einar Ronningen
Terri Houseman	Carol Sjoberg
Marianne Jim	Lisa Watson

**Public Agency Committee**  
Amador Water Agency

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# WHACK-A-MOLE

## AUTHORITY

Under Penal Code §925, the Grand Jury shall investigate and report on the operations, accounts, and records of the officers, departments, or functions of the county.

## SUMMARY

Knowledge is a precursor to understanding. Observing that the Amador Water Agency (hereinafter referred to as AWA or the Agency) has raised water rates eighteen times in twenty years, the 2018/19 Amador County Civil Grand Jury dedicated considerable resources in an effort to learn how AWA operations function. And to understand why it is necessary to raise water rates so frequently. The cost of all goods and services will inevitably increase. Water rates will increase again.

We wanted to understand not just the business drivers that affect cost increases but how the agency is managed. What we found is an organization facing systemic management issues that result in financial distress, frequent and substantial rate increases; low employee morale with a management structure that fosters resentment, confusion, and an overall lack of the most fundamental aspects of public accountability.

The recommendations resulting from our investigation address fundamental management issues in the following areas:

- Rate Increases
- Transparency
- Salary Trends
- Work Environment
- Finance
- Capital Projects

## GLOSSARY

### Conventions

The fiscal year is from July through June. In order to simplify the presentation of a fiscal year, budget years will be represented by the ending year, i.e. 2017/18 will be stated as 2018.

### Acronyms

AC	Amador County
AGM	Assistant General Manager
ATL	Amador Transmission Pipeline
AWA	Amador Water Agency
AWAEA	Amador Water Agency Employee Association

CAFR	California Annual Finance Report
CAWP	Central Amador Water Project
CBA	Cost Benefit Analysis
CDBG	Community Development Block Grants
CIP	Capital Improvement Plan
COLA	Cost of Living Allowance
COP	Certificate of Participation
CPA	Certified Public Agency
EM	Engineering Manager
ENGR	Engineer
FM	Finance Manager
GFOA	Government Finance Officers Association
GSL	Gravity Supply Line
GM	General Manager
HJTA	Howard Jarvis Taxpayers Association
HR	Human Resources/Office Manager
IT	Information Technology
MOU	Memorandum of Understanding
NPV	Net Present Value
PM	Project Manager
ROI	Return on Investment
SCO	California State Controller Office

## Definitions

**66013 Report.** Reports required by California Government Code 66013 for funds that have legal restrictions on how they can be used.

**Action Minutes.** Action Minutes record any "action" or votes that were taken at the meeting. This allows citizens to easily see what happened at a meeting in a short time frame, without having to wait until the minutes of a meeting are approved and sealed.

**Ad Hoc.** Created or done for a particular purpose as necessary.

**Amador County 2006 General Plan.** A roadmap leading to a better future for Amador County. Contained within this roadmap is a description of Amador County today, a vision of a desirable future, and a path, expressed through goals, policies and implementation, to achieve the vision.

**Amador Transmission Pipeline.** A pipeline built by AWA to transport water from Lake Tabeaud to the water treatment plant on Ridge Road.

**Amador Water System.** A service area within the Amador Water Agency which is comprised of Ione, Eagles Nest, Sutter Creek, Ridge Road, Sutter Hill, New York Ranch, Running Gold, Amador City, and parts of Martell.

**Board.** The Amador Water Agency Board of Directors.

**Capital Project.** A project that helps maintain or improve an asset, often called infrastructure. It is a new construction, expansion, renovation, or replacement project for an existing facility or facilities.

**Consumer Price Index.** An index of the variation in prices paid by typical consumers for retail goods and other items.

**Fair Political Practices Commission.** A five-member independent nonpartisan commission that has primary responsibility for the impartial and effective administration of the Political Reform Act of 1974.

**Pay as you go.** A system of meeting costs as they arise or paying for a service before it is used.

**Project Cost Management.** A method that uses technology to measure cost and productivity through the full lifecycle of enterprise level projects.

**Salary Survey.** A tool specifically for remuneration specialists and managers to define a fair and competitive salary for the employees of a company.

## **BACKGROUND**

Eight years ago, the Amador County Civil Grand Jury conducted an investigation of the Amador Water Agency based on complaints received from ratepayers and citizens of Amador County.

Complaints included:

- Financial mismanagement
- Lack of transparency and availability of information
- Lack of concern by the Board of Directors for the overall financial condition
- Long-term debt

...these issues persist to this day.

Water is notably the most precious resource to the citizens of Amador County. The AWA Board of Directors has the responsibility to ensure that the ratepayers can rely on safe, reliable drinking water as well as the long-term financial stability of the agency.

This grand jury investigation necessitated intensive research to gain a working knowledge of AWA operations and administrative responsibilities. We now have a true understanding of the complexities that impact decisions made by the AWA Board of Directors, decisions that affect the quality of life for more than 35,600 citizens. The Board needs a working knowledge of AWA operations, infrastructure, finances, staffing, and capital planning to effectively evaluate recommendations made by AWA staff. Decisions that determine water quality and delivery, as

well as the overall financial stability of the agency, fall on the shoulders of these five Board members.

The average pay of the Board members in 2017 was less than \$7,000. Compensation is based on participation in bi-monthly and special meetings of the Board of Directors, and AWA standing and ad hoc committee meetings. That is four or more meetings a month. Where is the incentive to spend the hours required to evaluate hundreds of pages of technical documents, financial budgets, and operational status reports? Do we count on an altruistic sense of civic responsibility? It brings to mind the adage, “You get what you pay for.”

As the grand jury began reviewing the business drivers for the 2017 through 2021 rate increases, an attempt was made to limit the scope of the investigation to the previous three to five years. It rapidly became apparent that it would be necessary to understand the evolution of rate increases in terms of revenue requirements. These requirements are dependent on fluctuations in water use, as well as past business decisions related to growth and the associated capital spending, and debt acquired to provide anticipated capacity. Thus, a limited scope was ill advised.

### **Growth and the Acquisition of Debt**

From 2000 to 2006, Amador County realized additional growth of 2,733 new residents, a growth of 8.6%.<sup>1</sup> Housing units during that same period increased by 1,815.<sup>2</sup>

It was logical that AWA would focus on developing capital projects to increase capacity to accommodate the influx. A growth posture was established. In 2002, the Amador Transmission Pipeline (ATL) project began with reported expenditures of \$840,014. In 2006, Revenue Certificates of Participation, 2006 Series A were issued totaling \$27,937,278.65 to finance \$22,140,000 for the ATL; \$2,124,300 for the Ione Water Treatment Project Fund; and \$3,672,978 for debt refunding, land acquisition, and various fees and fund deposits.

In 2005, the debt was \$10,073,632. The following year, the debt grew to \$32,736,632. Since then, AWA has continued to amass debt. In the last five years, the average annual cost of debt servicing has been more than \$2,800,000.

The focus on capital spending to accommodate additional capacity became ingrained at AWA. The economic crisis of 2008 inhibited expected growth. From 2006 to 2010, the population actually fell by 0.11%. Population projections developed by the State Department of Finance, as stated in the Amador County 2006 General Plan, forecast that Amador County’s population would increase to approximately 42,257 residents by 2020, representing an increase of approximately 4,124 people. This forecast was no longer reliable, and the AWA Board and agency management failed to make a shift in strategy based on the slow growth business climate. The easy solution was to continue to build and increase water rates.

Over the past two decades, the AWA has faced a number of challenging circumstances that placed a high demand on proper planning and execution. The financial crisis impacted growth. The drought of 2007/08 prompted then Governor Schwarzenegger to take action to address water

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<sup>1</sup> US Census Bureau

<sup>2</sup> Amador County 2006 General Plan & US Census Bureau

conservation.<sup>3</sup> Although these were indicators that gross water sales were at risk of falling and growth was stagnant, AWA continued to invest in capital projects that resulted in continuing debt.<sup>i</sup>

The business climate described here is challenging. No one has a crystal ball that can tell us when it will rain or when the economy might collapse. But there are business strategies that can minimize exposure in uncertain times. This report will identify areas where improvements can minimize the impact of those uncertain times.

## **METHODOLOGY**

The 2018/19 grand jury has spent countless hours in an effort to understand AWA's core business as stated in the mission statement, "providing safe, reliable water, wastewater, conservation and reclamation services." The following highlights how those hours were spent:

- Conducted over forty-five extensive in-depth interviews with past and present AWA personnel, current and past members of the Board, industry consultants and Amador County ratepayers.
- Utilized search tools and techniques to examine over 12,000 files, many containing multiple documents.
- Reviewed various government regulatory agency policies, procedures and reports, as well as additional California agencies such as legislative and financial accounting.<sup>ii</sup>
- Reviewed documentation and information posted on the AWA website
- Extensively reviewed various financial documents, budgets and reports provided by AWA<sup>iii</sup>
- Reviewed labor agreements in Memorandums of Understanding (MOUs), covering 07/01/2001 through 06/30/2021 negotiated by the Amador Water Agency Employees' Association (AWAEA)
  
- Attended multiple AWA Board of Director public meetings
- Toured several agency facilities and viewed associated equipment
- Reviewed the 2011/12 and 2012/13 grand jury reports on AWA

## **DISCUSSION**

### **Introduction**

This grand jury embarked on an effort to document the how and why of rate increases. In order to do this, we had to understand the business environment as well as AWA finances. This effort required immense patience due to the fact that financial documents at this agency are confusing and difficult to follow. Many documents include contradictory and incorrect information. Efforts to cross check information exposed many such contradictions. It seemed that wherever the grand jury looked, another area in need of investigation became apparent. We found ourselves engaging in a perpetual game of Whack-A-Mole.

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<sup>3</sup> Executive Order S-06-08 06/04/2008

Day-to-day operations, maintenance requirements, and capital spending to improve and enhance quality and capacity, are primary cost elements. The core business of AWA is delivery of water to the ratepayers of Amador County. However, the Operations Department does not have a defined budget dedicated to and managed by the Operations Manager. A significant portion of operational expenses are budgeted to capital projects.

It's not clear how spending decisions are evaluated or how capital projects are approved. Due to the fact that capital project costs cannot be clearly identified, this grand jury was unable to accurately associate capital cost elements to rate increases. Projects are poorly documented and business assumptions are vague or misleading. The line between non-operating revenues and expenditures (much of which should be relegated to capital improvements), and operational costs, is vague and difficult to distinguish.

The AWA workforce are the people that enable the simple act of turning on the water. Their skill and dedication are apparent to this grand jury. They have endured reduced pay and benefits while reporting to a management staff that has enriched itself, inhibited collaboration, dampened enthusiasm and fostered an overall hostile work environment resulting in the loss of qualified, experienced personnel.

The following highlights our findings.

### **Rate Increases**

Water rates have increased eighteen times in the past twenty years. Since 2001, the monthly bill for an Amador Water System (AWS) customer has risen from \$26.68 to \$63.32, a 129% increase. Over the same period, the Personal Consumption Expenditures Index<sup>4</sup> rose 41.04%.

Much of the rate increases are attributable to debt servicing. Since 2006, ratepayers have paid over \$28,500,000 in interest and \$44,250,000 in principal. The debt is currently \$37,698,230. AWA has 7,264 connections in service with an average debt of \$5,190 per metered service connection. On a monthly water bill for a typical home, 26% is to pay debt.

As stated previously, the 2007/08 drought should have been a wakeup call for taking definitive action to address the potential reduction in revenues. Within three years, California would experience the beginning of one of the longest droughts in its history, finally ending March 5th, 2019. The most intense drought period occurred October of 2014.

In 2015, the Reed Group submitted a study entitled "FY 15-16 Water Rate Update and Water Shortage Financial Strategy." (Appendix A) This was an effort to establish additional discretionary increases above and beyond existing rates and increases. The proposed water shortage rate surcharge was to address anticipated reductions in sales and would be based on the drought level as declared by Governor Brown. Drought levels were identified as D1 – D4 with water use reductions of up to 20%, 30%, 40%, and 50%, respectively. Water rate surcharges were set at 18%, 34%, 54%, and 75% for each level of drought. These increases were

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<sup>4</sup> The personal consumption expenditure price index (PCEPI) is one measure of U.S. inflation, tracking the change in prices of goods and services purchased by consumers throughout the economy. Of all the measures of consumer price inflation, the PCEPI includes the broadest set of goods and services.

implemented at the discretion of the Board. So, it's clear that AWA reacted to potentially reduced sales by putting in place a contingency with commodity rate increases that would minimize revenue shortfalls. It is unclear when this strategy was approved, but it was rescinded by the Board on May 16, 2016.

An alternate and effective strategy used by water agencies is to maintain a reserve account. As stated in the "Special District Reserve Guidelines"<sup>iv</sup> published by the California Special District Association:<sup>v</sup>

"Reserves are the foundation of the sustainable delivery of core services. Through prudent reserves, special districts offer taxpayers and ratepayers significant benefits including:

1. Savings to balance budgets
2. Emergency preparedness
3. Stable rates
4. Well-maintained infrastructure
5. Investment in the future"

The following text is from the AWA 2019 budget:

"Operating and Capitals Reserve accounts have been established with provisions in the budget for funding. The Water Operating budget assumes \$100,000 will be transferred to the Operating Reserve Fund and \$50,000 will be transferred to the Capital Reserve Fund. Wastewater assumes \$10,000 will be transferred to the Operating Reserve Fund and \$5,000 will be transferred to the Wastewater Capital Reserve Fund."

This budget reflects two transfers associated with Operating Reserves but there is not a line item that reflects the Operating Reserve balance. There are reserve requirements associated with the USDA loan for the Gravity Supply Line. But that is the only required reserve and we learned that no operating reserve policy exists today. Accordingly, there has not been a 'formal' reserve in prior years and there is not a reserve budget line item currently. The Agency is 'pay as you go.'

The lack of an operating reserve policy creates a condition where decisions become reactive in the near term rather than planning for the long term. Volatility can be managed. For example, the Western Municipal Water District established a cash reserve policy in 2013 which states "These funds are established by action of the Board to safeguard the financial flexibility, liquidity, and stability of the District, and to maintain stable customer charges and rates from year to year."

Without an operating reserve in place, the AWA Board restricts their options in a downturn. This limits their options to internal loans of restricted funds intended for capital improvements or to turn to the ratepayers and demand higher rates.

Ratepayers in La Mel Heights received notice of a 43% increase in 2009. In 2010, Comanche customers received a notice of a 23% increase and CAWP/Uppcountry customers were notified of a 23% increase due to the GSL project. All three of these increases were successfully protested.

The Reed Group recommended in 2012 that AWA adopt new system-wide water rates for all water service areas and adopt a debt service charge to be applied to individual service areas.

Among the benefits identified were accurate cost of providing service, improved equity for all customers, and to support more efficient budgeting and accounting practices. One negative aspect of this change in policy is that individual service areas could no longer protest effectively. It is much more difficult for ratepayers to protest a rate increase and engage the Board to reexamine their decisions.

In September 2015, Amador County Elections certified a petition titled “Referendum Against a Resolution Passed by The Amador Water Agency Board of Directors” and signed by over 2,300 voters. AWA, citing that a referendum protesting rates is beyond the power of the voters, disallowed the petition. In March of 2016, the Howard Jarvis Taxpayers Association (HJTA) filed a lawsuit against AWA asking for the court to order the clerk and Board of AWA to process a voter referendum and place it on the ballot. AWA prevailed but the case has been on appeal. In a similar appeal in another county, the plaintiff prevailed. It is unknown what the impact will be if HJTA prevails.

In an effort to quash the public’s effort to get enough signatures, the AWA Board of Directors spent approximately \$9,487 to design, print and mail a letter to ratepayers. “The letter individually named each member of the AWA Board of Directors, and was sent in concert with the AWA Board of Directors. The AWA letter was sent during the qualification drive for the referendum, and referred to the subject matter of the referendum: to overturn the temporary surcharge on water use. And by urging the AWA ratepayers to not sign the referendum petition, the AWA letter contained express words of advocacy against the qualification of the referendum. So by producing and sending the August 12, 2015 letter, AWA violated Government Code Section 89001, and Regulations 18901 and 18901.1.”<sup>5</sup>

The Fair Political Practices Commission fined the Board \$3,000 for violating the government code. (FPPC -AWA STIPULATION, DECISION and ORDER) This action cost the ratepayers over \$12,000 plus legal fees. In the end ratepayers paid for the letter, the \$3,000 fine, and legal fees, in addition to the proposed rate increase.

## Transparency

The AWA’s “Mission Statement” resides within the AWA’s “Administrative Policy Manual” (Policy Manual). The Policy Manual available on the AWA website includes the following Mission Statement:

“Mission Statement – To enhance the quality of life in Amador County by providing safe reliable water, wastewater, conservation, and reclamation services. We will manage our resources with fiscal and environmental responsibility. We will accomplish this as a professional team, dedicated to public transparency, community partnerships and excellent customer service.”

Of note, this phrase is included, with the emphasis added:

“We will accomplish this as a professional team, *dedicated to public transparency*, community partnerships and excellent customer service.”

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<sup>5</sup> FPPC No. 15/1355

At the March 8, 2018 Board Meeting, the following Mission Statement was approved:

“Mission Statement -To enhance the quality of life in Amador County by providing safe reliable water, wastewater, conservation, and reclamation services.”

While it can be argued that a more succinct “Mission Statement” is somehow “superior”, this grand jury notes that the removal of any reference to fiscal responsibility and transparency is actually in accordance with the AWA’s management philosophy and is a detriment to the ratepayers.

Having the vital responsibility of being Amador County’s supplier of drinking water, it is essential that transparency be a core value of the AWA. Information is made available on their website, but much of it is either incomplete, confusing, in error, or illegible.

The AWA Budget document is an example of fundamental information that should be transparently presented. However, during interviews with AWA staff and Board members, most people when asked could not state what the AWA annual budget actually is, even when presented with a copy of the budget. The grand jury asks the question: “If the AWA itself does not know what its budget is, how can a ratepayer understand it?” As the grand jury continued its investigation, much more significant issues of financial transparency were uncovered.

The AWA also modifies the format of their budget on an almost annual basis, having modified the format every year but one since 2010. This makes reviewing the budget over time confusing even to individuals with experience in reviewing budgets.

This grand jury also investigated salary trends and noted that significant increases were given to management in recent years (discussed below). A Salary Survey completed in August of 2018 is posted on the AWA website and is intended to provide justification for management salary adjustments...but it is illegible, making it nearly impossible for a ratepayer to understand what possible justification exists for such significant salary increases.

In summary, during every aspect of this investigation, this grand jury found that the gathering of pertinent information that should be publicly available was either confusing, in error or difficult to understand.

## **Salary Trends**

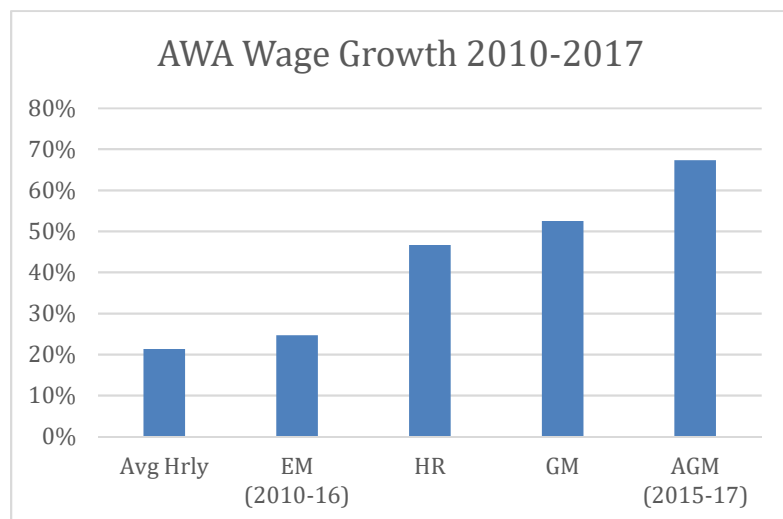
The grand jury reviewed budgets, wage data reported to the State, Board documents, and MOU’s between the AWA and the AWA Employee Association. This gave the grand jury an understanding of:

- how staffing cuts were implemented after the economic downturn of 2008;
- how hourly wages stagnated during the downturn;
- how wages and salaries have changed over time.

Wage data from 2010 to 2017 was collected from the SCO’s office for analysis, with 2017 data being the most recent data available.<sup>vi</sup> The investigation compared the salaries of upper management against the earnings of hourly wage earners, and how the respective groups’ compensation changed over time. Frequent changes in position titles and organizational structure

complicated the review process. The grand jury used Utility II, Distribution II, and Customer Service Rep II positions as representative of the hourly wage earners because those positions were filled full-time<sup>6</sup> during every year of the investigation.

The management positions chosen for comparison were the General Manager (GM), Assistant General Manager (AGM), Engineering Manager (EM) and Human Resources/Office Manager (HR). The AGM position wasn't filled until 2014, with 2015 being the first full year available for comparison. The EM was not filled full-time in 2017, so only data through 2016 was included.



Missing is the Finance Manager (FM), but this position was only intermittently filled during the review period.

The investigation revealed that hourly wage earners at the AWA saw their pay increase by 21% from 2010 through 2017. However, Management salaries increased on average of 48%, over twice the rate of hourly employees. The GM and AGM salaries both increased over 50% during the review period.

## Salary Survey

Noting that the management salaries were rising at a much higher rate than the hourly workers' pay, the grand jury studied how the disparate raises were justified by AWA management.

As part of the justification for management pay raises, and with agreement from the AWA Employee Association, a Salary Survey was conducted in 2018 and was presented to the Board in August of 2018. When the grand jury questioned how these large raises could be justified after just implementing a five-year rate increase, the GM cited two reasons: 1) a two month 'trend' in revenues exceeding expectations and, 2) employee retention.

Revenues for the months of July and August 2018 were reported to have exceeded expected revenues by \$61,265<sup>7</sup> with a high likelihood for the trend to continue into September. According to the GM this would just about cover the cost of proposed salary increases for AWA employees.

On September 17, 2018, members of the grand jury attended the Board Personnel Committee Meeting. The agenda for this meeting was to discuss the results of the salary survey conducted by Bryce Consulting. AWA management was represented by the General Manager, and the

<sup>6</sup> For any given year, the grand jury only considered individuals who made more than the minimum amount for that position: compensation less than the minimum indicated that the position was not filled for the entire year.

<sup>7</sup> See the Finances section for a discussion which raises questions about the reliability of financial information reported to the Board

Finance and HR Managers. Also in attendance were Personnel Committee Board members and AWAEA representatives.

The grand jury expected to hear a discussion on the salary survey results as well as a discussion on options for implementing salary increases, as indicated in the meeting agenda. However, AWA management discounted presenting the results of the salary survey and pressed for a rapid decision by the Board, with emphasis on 100% implementation of management salary increases as soon as possible. Their recommendation was to take the proposed increases to the full Board for approval at the next Board meeting, just two days away.

The HR and Finance managers were in attendance (2 of the 5 managers to receive proposed salary increases) and would stand to realize a combined \$70,872 annual salary increase, representing 57% of the total raises, and more than the combined raises for all non-management employees. The annualized distribution of the proposed raises across the AWA, excluding benefits, are as follows:

- Total proposed increase: \$170,616 100%
- Management increase (5 individuals): \$112,740 66%
- Supervisors/hourly (15 individuals): \$ 57,876 34%

When questioned about the long-term impact, the GM indicated this was not part of the study. The financial impact presented was for the remainder of the budget year only (approximately nine months) providing \$127,963 for salary and \$25,592 for benefits.<sup>8</sup> Only a limited, partial-year financial impact of \$153,555 was presented for consideration.

Looking at annualized cost, we now have two numbers to consider. Assuming a 20% benefit cost multiplier, the total annual increase would be \$204,739 or \$1,023,695 over a five-year period, which is the term of the current rate increase. If a 44% benefit cost multiplier is assumed, the total cost is \$1,228,435 over five years. It's important to point out that the cost of benefits over and above the salary increases was minimized by AWA management, and management would get the primary benefit of salary increases resulting in part from increased water rates.

The grand jury's more robust examination of the impact of the salary increases provides two additional perspectives: a more realistic view of the cost of the raises; and, the distribution of raises across the workforce.

Another item of concern to the grand jury is the statement made that "two months of higher than expected revenues" is cited as one of the rationales. To be clear, AWA does not know what to expect. The managers that would have received the majority of the raises are responsible for the financial viability of AWA, but neglected to fully analyze or inform.

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<sup>8</sup> Benefits were estimated at \$25,592 which would equate to 20% of the salary increase. A review of the benefit cost as stated in the 2019 budget equated to 44% excluding Calpers discount rate and employee benefits.

If one takes a look at actual revenues and expenses, only one of the past five years produced a net profit. The five-year average is a negative \$2,110,752. Two months of revenue increases is not a reasonable justification.<sup>9</sup>

The second rationale was employee retention. The GM indicated that he was aware of two employees who left because of wages. In over forty-five interviews of past and current employees, the grand jury was only able to identify one employee who left for wages. Most others left due to the work environment which will be discussed in the next section.

During the Personnel Committee meeting, the AWAEA representatives voiced objection to taking the recommendations to the full Board for consideration indicating they had just received the salary study that morning. The Personnel Committee Board members agreed and the recommendation to the full Board was postponed until further research could be concluded. Over the next few weeks, the final recommendation was presented to the Board with reduced increases for some management employees.

## **Work Environment**

As the grand jury interviewed both current and former salaried and hourly employees regarding work processes at the AWA, we learned something we were neither looking for nor expected. Over 80% of both past and present employees described a hostile working environment.

Employees described an environment where there was:

- Offensive, abusive and persistent discourteous treatment of employees, characterized by degrading, demeaning and rude remarks
- Taking credit for other employee's ideas
- Little to no positive reinforcement
- Lack of confidentiality regarding employee issues

They also felt overworked and were unhappy about the creation of the AGM position and the salary raises that went with it. Especially after all the concessions they made in the MOUs.

Employees talked about hating to come to work and only staying because the pay and benefits were good. They stated that they were sometimes brought to tears and a few cried during the interviews. An historical look at the work environment will help clarify the employee perspective.

AWA went through a difficult financial period from 2009 through 2011. The scramble was on to cover debt servicing.

After the departure of the GM in 2009, the Engineering Manager assumed the acting GM position and was promoted to the position the following year. He was facing the challenge of an

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<sup>9</sup>This number is based on 2018 budget actuals and compared against several budget years, though reported data is inconsistent. See the Finance section for further discussion on reported numbers.

economic downturn, drought, growing debt and reduced fees. In order to control expenses, the following steps were taken:

- The Agency eliminated 25 positions in 2011, going from 66 to 41 employees.
- Four critical positions eliminated were managers in finance, construction, engineering and IT.
- Between 2010 and 2012, remaining employees made wage and benefits concessions, including unpaid furloughs and forfeited salary increases. A summary of employee wage and benefits changes is included in Appendix B.

By 2014, the GM was unable to keep up with management responsibilities and convinced the Board that he needed additional help because he was filling in for previously eliminated managers. He argued that the Executive Secretary/Clerk of the Board was already performing the duties of many of the eliminated positions.

The new AGM position was approved by the Board on May 8, 2014. It was reported in interviews that the board meeting designated to discuss and approve the new AGM position was placed in recess prior to addressing the issue. After the public had left the room, the session was reconvened and the position approved without public or employee comment. Since Board meeting minutes are “action minutes”, there is no detailed written record available to refute corroborated testimony.

The grand jury also learned that the job description was changed to fit the internal candidate instead of drafting the job description to match the needs of the organization.

AWA went through a variety of finance managers and consultants from 2012 through early 2016. As a result, the finance manager position was vacant as of June 2015. AWA utilized a consultant and a CPA on a part-time basis to assist in the audit process and month-end procedures. During that time, the AGM helped with the heavy financial workload despite having no financial education. After being vacant for approximately 9 months, a new FM position was filled by the temporary bookkeeper on March 10, 2016.

As mentioned previously, AWA employees agreed to modify the 2008 to 2012 MOU and accept substantial wage and benefits concessions after the downsizing, and again from 2014 to 2016. The drought and state-mandated 24% reduction in water use caused another reduction in revenue and more employee concessions. While these concessions were in place, the AGM’s salary was increased by 24.2% in 2016 and another 34.7% in 2017.

Employees took notice of these increases. Due to perceived manipulation of management job descriptions and raises, distrust of AWA management became pervasive. At the request of AWAEA, the MOU dated September 28, 2017 between the Agency and AWAEA for the fiscal year July 1, 2017 through June 30, 2018 included a new “Meet and Confer Obligation” which states the following:

“The Agency agrees to meet and confer over pay increases in the event a non-AWA Employee Association employee gets a raise, COLA, salary adjustment or any pay increase provided it is greater than the terms negotiated within this MOU, with the exception of contract employees,”

As employees reacted negatively to these increases to the AGM's salary, given their multi-year wage and benefits concessions, the Board took notice. An Ad Hoc Organizational Study Committee was appointed by the Board in September 2017 to "look at the whole AWA organization for improvements in efficiencies and effectiveness." Two appointed directors interviewed both management and staff and invited their comments.

The Ad Hoc Committee released its report on February 2, 2018. The following findings are from this report: (Appendix C)

- The EM position was filled in January 2018 which improved the management team, reducing the load on the GM, AGM and OM.
- The need for the AGM to provide supervision to finance, operations and engineering has diminished to the point of extinction.
- The structure and line of authority beneath the GM contributed to misunderstandings of the role, responsibilities, and authority of the GM and AGM.
- The duties and responsibilities of managers and employees are not distinct and need to be clarified to improve morale, trust, and respect for management. Better leadership from the GM and management is needed.
- It is recognized that there is a lack of respect for the GM. The GM needs to have closer contact with managers, and be visible and respected by employees.

The HR/Office Manager position had created a no-win situation for office workers. If an employee had issues with the Office Manager they reported to, they were in the absurd position of having to address any grievance with that same boss who doubled as the HR manager. There was no recourse other than to ignore the issue or report it to the AWAEA leaders.

In the latter case, the issue might be presented to the GM for resolution. This rarely resulted in resolution as the AGM was likely to get involved which only aggravated issues. In corroborated testimony, it was reported that the GM takes a hands-off approach to employee problems and exhibits an inability to stand up to the AGM, FM and HR. The AGM occupies an office next to the GM and confidential conversations overheard have resulted in consequences for employees.

The Ad Hoc Committee recommended the following organizational changes, including but not limited to:

#### Create an Administrative Manager for Grant Acquisition & Administration

- The committee recommended that an Administrative Manager position be created to be responsible for grants.
- Currently, the AGM is heralded as the person that creates and manages grants. However, testimony has indicated that the AGM is unable to perform this task in an efficient way. Engineering and operations staff are required to shift operational priorities and provide assistance to complete applications on time.

#### Eliminate the AGM Position

- Replace the AGM position with Administrative Manager/Executive Secretary/Clerk of the Board. It was recommended that this be a non-supervisory role.

Other Ad hoc Committee recommendations:

- The GM should manage by walking around and visiting different work sites monthly and check-in more frequently with members of the Management Team.
- Encourage employees to find and report improvements and cost savings.
- Move the oversight of the Customer Service staff from the HR manager to the FM; move the Safety Coordinator responsibilities to HR and adjust salaries accordingly.

The Board decided that they were responsible for oversight of operational matters and that meant not telling the GM how to run the agency. As a result, the Board asked the GM to implement the report's recommendations as he deemed necessary, which was communicated only to senior staff. He has done so incrementally. Some of the Ad Hoc Committee's recommendations have been implemented, however many have not.

Employees indicated they were unheard and undervalued as a result of the lack of action taken. This has also contributed to an overall atmosphere of low morale.

On February 12, 2018, the AWAEA sent a letter signed by 30 of its 33 members to the Board. (Appendix D) "As you know, AWA is in the midst of a morale crisis." Members expressed their willingness to work with the agency to keep it afloat in both the letter and multiple interviews. However, they stated that "an agency like ours cannot provide the best possible service to our community when morale issues are not addressed." In their closing sentence, they asked that the Board reconsider the reorganization outlined in the Ad Hoc Committee recommendations.

Based on the letter sent to the Board by the AWAEA in concert with grand jury interviews there can be no doubt the Ad hoc Committee members were fully cognizant of the work environment. Yet no mention of these issues was in their report. The full Board chose to ignore one of the most important aspect of AWA core resources: the employees that provide the services provided to AWA ratepayers.

In interviews with Board members, it was apparent that issues identified by employees were discounted. A follow up email from one Board member to the grand jury clearly reflects the lack of concern. It stated that employees just went along to show solidarity and felt the comments should be taken with a grain of salt.

## **Finances**

### **A Financially Confused Organization**

During interviews and while attending Board meetings, the grand jury observed that the AWA puts an inordinate amount of effort into their "Annual Audit." An organization with properly managed finances should not need to divert such an apparently extensive amount of resources for this effort.

What became apparent is that the AWA confuses their "Annual Audit" with their Comprehensive Annual Financial Report (CAFR).

Every governmental agency in California is required by law to produce a document that details the financial status of that agency, and to make that document readily available to the public.

This is typically called the CAFR,<sup>10</sup> but can be called something similar like “Annual Report” or “Audited Financial Statements.”<sup>11</sup>

Emphasizing the importance of the CAFR, not only is every public agency statutorily required to produce a CAFR, and each CAFR is required to be independently audited to confirm the accuracy of the financial data it contains. The audit also provides a level of legitimacy for the financial methods used to produce the CAFR. Note that an “annual audit” is an *activity* conducted to verify the accuracy and legitimacy of the CAFR, and the results of the audit are included (typically as a letter from the auditor) within the CAFR.

However, the AWA operates in the complete reverse. Instead of operating in a way that their financial information can be easily assembled into an accurate CAFR which can then be audited, they operate using incorrect financial information. They then must place an inordinate amount of resources to come up with true-and-accurate financial information that can survive the scrutiny of an audit.

In fact, the AWA does not provide a CAFR or an “Annual Financial Report” on their website...they provide what they term an “Annual Audit”. More glaringly, a thorough review of Board meeting agendas did not find that staff ever presented the CAFR to the Board: only the results of the audit were presented (by the auditor).

This is significant because it is apparent that the AWA Board and management pay no heed to the factual financial status of their organization: the most accurate financial information that should be used to manage the AWA is apparently passed off as just something done to survive the audit.

### **A Financially Blind Organization**

In reviewing how the AWA manages their finances, the grand jury initially utilized their budgets, which are readily available on the AWA website. Based on attendance at the Board meetings and discussions during interviews, it seemed as though the budgets contained the financial information that serves as the basis for financially managing the organization.

Given the limited resources of the grand jury, this segment of the investigation focused on Operating Revenues and Expenses as an indicator of how the AWA is managed.

Because the grand jury considers transparency as a significant weakness for the AWA, the transparency of the financial information was investigated. The AWA, like all public agencies, is required to report financial information to the State Controller’s Office (SCO) and the SCO makes that reported information available to the public on their website.

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<sup>10</sup> These agencies respective reports were reviewed, and they all use the term “Comprehensive Annual Financial Report” El Dorado Irrigation District, Florin Resource Conservation Water District, Fair Oaks Water District, Nevada Irrigation District, Sacramento Suburban Water District, San Juan Water District, and South Tahoe Public Utility District.

<sup>11</sup> Calaveras County uses the title “Audited Financial Statements”

Table 1 was prepared to compare the “actual” Total Operating Revenues as indicated in the AWA budgets with the information the AWA reports to the SCO. Compared to the SCO data, AWA budget information overstates revenues every year. In fact, since 2009, the AWA budget information indicates over **\$27.7 million more** than the revenues reported to the SCO. Calling this difference “alarming” is not overstating this disparity in revenues.

**Table 1**

	<b>Total Operating Revenues, AWA Budget vs Reported to SCO, in millions of dollars</b>								
	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
<b>In AWA Budgets</b>	\$14.5	\$17.8	\$13.1	\$10.5	\$11.5	\$11.6	\$10.7	\$9.5	\$10.8
<b>Reported to SCO</b>	\$8.7	\$8.8	\$8.4	\$8.7	\$9.6	\$11.3	\$9.0	\$9.1	\$9.0
<b>Difference</b>	\$5.8	\$9.1	\$4.7	\$1.8	\$2.0	\$0.3	\$1.7	\$0.4	\$1.8
<b>Total Difference Budget minus SCO</b>				<b>\$27.7</b>					

Confounded by the magnitude of these errors, the information contained in the CAFRs (a.k.a., “Annual Audits”) was retrieved from 2009 through 2017 and was then compared to the information reported to the SCO. Table 2 compares these two sources of information. Given that the CAFR should be the definitive and accurate accounting of the finances of the AWA, the errors in this table, while small in comparison to Table 1, are extreme. The reported data is only accurate for one third of the years being considered: if an organization is well-managed, accurate information should be the norm, not the outlier.

**Table 2**

	<b>Total Operating Revenues, Reported to SCO vs Annual Financial Report in \$ million</b>								
	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
<b>Reported to SCO</b>	\$8.7	\$8.8	\$8.4	\$8.7	\$9.6	\$11.3	\$9.0	\$9.1	\$9.0
<b>Annual Financial Report</b>	\$8.7	\$8.8	\$9.7	\$10.2	\$9.2	\$9.1	\$8.7	\$9.0	\$9.0
<b>Difference</b>	\$0.0	\$0.0	(\$1.3)	(\$1.5)	\$0.4	\$2.2	\$0.4	\$0.2	\$0.0

So far, the comparisons have been outward-looking, which led to reviewing what the AWA is telling themselves: how does the “real” information contained in the CAFRs compare to the contradictory data contained in the budgets? Table 3 answers this question, and the answer is disturbing.

As shown in Table 3, according to the AWA’s own audited financial statements, the budgets indicate that the AWA has received over \$28 million in Operating Revenues from 2009 through 2017 that simply were never generated.

**Table 3**

	<b>Total Operating Revenues, Budget vs Annual Financial Report in \$ million</b>								
	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
<b>In AWA Budgets</b>	\$14.5	\$17.8	\$13.1	\$10.5	\$11.5	\$11.6	\$10.7	\$9.5	\$10.8
<b>Annual Financial Report</b>	\$8.7	\$8.8	\$9.7	\$10.2	\$9.2	\$9.1	\$8.7	\$9.0	\$9.0
<b>Difference</b>	\$5.8	\$9.1	\$3.5	\$0.4	\$2.4	\$2.6	\$2.1	\$0.6	\$1.8
<b>Total False Surplus</b>					<b>\$28.1</b>				

Devastatingly to the ratepayers, if the AWA is being managed using data contained in the budgets, the AWA has potentially spent over \$28 million more than what they have actually taken in as revenues.

However, revenues are only half of the story, and the investigation continued into expenses, again using operations as an indicator.

Note that the budget data used in this investigation is “in arrears”: in other words, given that there is obvious difficulty in finalizing the current year’s data while preparing the next year’s budget, only the “actual” data from two or more years in arrears was used assuming that, for example, in a budget prepared in June, 2019, the actual revenues and expenses for FY 2016/17 would be well established. The grand jury was disappointed that what should have been well-established information was observed to change inexplicably 3 or even 4 years in arrears in the budget documents. (Appendix E)

It should also not be unreasonable to expect that information in budget documents be at least close to the corresponding data in the CAFRs.

Table 4 is a comparison of the Total Operating Revenues vs Total Operating Expenses as represented in the budget documents. Using data only from the budgets, the AWA Board and management would see that Operating Revenues exceeded Operating Expenses in every year but two, and that in this time frame, there was an excess of over \$11 million in revenues compared to expenses.

**Table 4**

<b>Operating Revenues vs Expenses in Budgets in \$ million</b>									
	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
<b>Revenues</b>	\$14.5	\$17.8	\$13.1	\$10.5	\$11.5	\$11.6	\$10.7	\$9.5	\$10.8
<b>Expenses</b>	\$11.7	\$11.6	\$12.1	\$10.4	\$10.8	\$11.3	\$11.0	\$10.1	\$10.3
<b>Difference</b>	\$2.8	\$6.2	\$1.0	\$0.1	\$0.7	\$0.4	(\$0.2)	(\$0.6)	\$0.5
<b>Total False Surplus</b>				<b>\$11.0</b>					

Again, much to the detriment of the ratepayers, the audited CAFRs tell a completely different story. Table 5 contains what should be the “actual” financial information for the AWA, as contained in their audited CAFRs.

**Table 5**

<b>Operating Revenues vs Expenses in Annual Financial Reports in \$ million</b>									
	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
<b>Revenues</b>	\$8.7	\$8.8	\$9.7	\$10.2	\$9.2	\$9.1	\$8.7	\$9.0	\$9.0
<b>Expenses</b>	\$12.0	\$11.5	\$12.5	\$10.6	\$11.0	\$10.8	\$10.9	\$11.4	\$12.3
<b>Difference</b>	(\$3.3)	(\$2.7)	(\$2.8)	(\$0.5)	(\$1.9)	(\$1.7)	(\$2.2)	(\$2.5)	(\$3.4)
<b>Total Actual Shortfall</b>				<b>(\$20.9)</b>					

Without exception, Table 5 shows that the AWA operated “in the red” every year included in this investigation. While the budgets show an \$11 million “surplus” of revenues compared to expenses, the actual, audited finances indicate that the AWA has seen a shortfall of almost \$21 million in this timeframe. This is a difference of over \$30 million.

### **Comparing Other Water Agencies**

The grand jury reviewed the CAFRs from the water agencies chosen by the AWA as “comparable agencies” that were used for comparisons in the Salary Study and a published Rate Comparison. Most of these agencies received a “Certificate of Achievement for Excellence in Financial Reporting” that is issued by the Government Finance Officers Association (GFOA). The grand jury reviewed the GFOA website and found that many resources are available for assisting with properly managing and reporting finances. Table 6 shows the agencies the AWA used for comparisons, their auditor, and that a majority of these agencies received the GFOA award.

**Table 6  
Comparable Agencies**

Reference	Agency	Auditor	GFOA Awards?
SS	Calaveras County	Richardson & Co, LLP	
SS	Elk Grove	Badawi & Associates	YES
SS	Fair Oaks	Richardson & Co, LLP	YES
SS	Sac Suburban	Richardson & Co, LLP	YES
SS	San Juan	Richardson & Co, LLP	
SS	South Tahoe	Mann, Urita, et al	YES
RC	Nevada ID	Richardson & Co, LLP	YES
RC	El Dorado ID	Hudson Henderson & Co	YES
RC	Tuolumne Utility Dist	Richardson & Co, LLP	

SS = Salary Survey

RC = Rate Comparison (Stockton East WD info not available)

### Examples of Financial Errors

AWA implemented a new finance system (Springbrook) in 2016. The management at AWA took on this effort without the benefit of implementation expertise. Detailed requirements for how the system should be configured to accommodate AWA business practices, reporting requirements, system integration and data migration were not developed. As a result, the system is not used to its full potential.

There is not a single source of data for developing budgets and financial reports. Budgets and financial reports are generated primarily with the use of spreadsheets. It's unclear how data for these reports is sourced but the result is frequent error and inconsistency. To compound the problem, when errors are detected the "correct" number is placed in a cell with no regard for upstream or downstream dependencies. It doesn't take many iterations of this practice to create the problems previously identified.

Here are some examples:

- 66013 Reports do not correlate with budgets. One example from 2018 reports:
  - Budget indicates total beginning value of internal loans is over \$5 million
  - 66013 indicates total beginning value of internal loans is about \$3.8 million
- When errors are corrected in financial reports, they are not disclosed per Audit Standard 154
  - 66013 report for 2017 was changed in 2019 to include a Board referendum from February 2018, but there is no discussion or indication within the so-called "Post Audit" version of what errors were corrected, which is not in accordance with the Standard.

- Audit standard 154, paragraph 26 states:
  - “When financial statements are restated to correct an error, the entity shall disclose that its previously issued financial statements have been restated, along with a description of the nature of the error.”
- AWA might argue that 66013 are not true “financial statements,” but the grand jury believes that financial reports required by state law should conform to the same recognized accounting standards as other “financial statements.”
- “Actual” values of Total Operating Revenues reported in budget documents have changed in arrears.
  - “Actual” Total Operating Revenues reported for FY 2010/11 in the FY 2012/13 budget are different from the actuals reported in the FY 2013/14 budget.
- A lawsuit based on the 2011/12 grand jury report on internal loans and the use of restricted accounts prompted an audit of loan practices and associated interest payments. Based on the results of this audit, AWA retroactively corrected previous 66013 reports and simply replaced the old reports without explanation. This grand jury acquired copies of some of the original reports and found that the 2010 through 2012 reports available on AWA’s website do not match the originals.

## Capital Projects

In order to effectively plan for the future, it is necessary to know the past and understand the present. AWA has maintained two initiatives to help steer capital planning over the next five years, The Capital Improvement Plan and the Strategic Plan 2018-2023. In interviews with AWA Board members and management, the grand jury reviewed the content of the five-year strategic plan questioning if it was a plan or was it more of a plan to make a plan.

In April of this year, the Board adopted major changes to the Administration Policy Manual that reduces the strategic planning period from five years to three years and introduces four specific goals and actions to obtain these goals. (Appendix F)

- Maintain Fiscal Stability
- Safe Reliable Water and Wastewater Service
- Maintain AWA’s Positive Community Interaction
- Actively Participate in Watershed Protection

This grand jury commends the AWA and the Board of Directors for this crucial step of focusing on the planning process.

The fiscal stability of AWA is the most critical aspect of a planning cycle and is dependent on clearly understanding the capital budget and how it impacts operational imperatives. A review of capital spending as reported in AWA budgets and reported to the SCO by AWA indicates a lack of controls. Non-operational expenditures (primarily projects) reported to the SCO equates to 12% of overall expenditure from 2009 to 2016. AWA budgets for the same period show 29%. A significant difference that brings knowledge of past and present capital spending into question.

An audit of capital revenues and spending would clarify and quantify the true state of capital revenues and expenditures. In addition to financial consideration, there are other critical areas that should be addressed.

## **Project Planning**

AWA has had a couple of decades of capital spending without ever developing standard processes and procedures for capital planning. The four primary categories of capital planning are:

- Financial Planning
- Project Identification and Prioritization
- Project Management
- Monitoring and Reporting

Issues with some of the financial aspects of AWA were covered in the previous Finance section. This discussion will address the remaining categories.

The primary document for project identification and prioritization is the Capital Improvement Plan (CIP). This report is frequently reviewed at Board meetings. It contains a list of projects identified by department heads and contains estimated cost, grant and loan availability, priority, and until 2019, a return on investment<sup>12</sup> (ROI).

It should be stated that many projects are required by federal or state guidelines and are identified as such in the CIP. Approximately 24% of 247 projects listed from 2010 to 2018 were identified as required.

A Cost Benefit Analysis (CBA) is a critical tool for evaluating any capital investment. A CBA will usually include all aspects of the cost of developing and executing the project including ROI and NPV. Recurring maintenance cost is usually included as well. The payback is usually monetized and represented in years. Other benefits such as operational efficiencies, maintenance cost reductions and benefits for the ratepayers are considered as well.

AWA produces extensive documentation for projects. These can include such information as engineering specifications, cost, contracts, etc. A search of Board meeting agendas, minutes and supporting documentation from 2016 to 2019 found no reference to ROI other than those included in CIP reports. NPV was found associated with the hydroelectric projects only. These numbers are critical to making sound business decisions yet are vacant in the decision making process.

Project management is a program that is determinant. It requires that a Project Manager (PM) be assigned to oversee the project and all of its elements. The PM is responsible for meeting with all the internal and external stakeholders, i.e. contractors, operations, engineering, finance, personnel, etc., in order to develop a detailed project plan with all tasks and dependencies

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<sup>12</sup> The ROI included was of little value in analyzing cost/benefit. Values used were High, Medium and Low. In many cases the ROI field was vacant.

required to execute the project. If a task is late or exceeding cost, the implications of all dependent tasks can be immediately identified, and action can be taken in the most efficient manner.

AWA does not have processes and procedures in place for project management. Project schedules have been produced, but these are high level timelines that estimate engineering and design, bid, construction, and closeout. The day-to-day project status is managed with various status reports, but there is no mechanism to track the impact to the overall project.

Project management is a skill set that requires training and a commitment to detail. AWA management adheres to the notion that engineering and/or operations personnel are designated as project managers of a given project. In one case, the GM provided the Tanner Hydroelectric project documentation produced by an outside engineering firm only two hours prior to release for bid. Once the bid was awarded, the engineering department was given full responsibility to manage the project despite their concerns about the design.

AWA projects can be large and complex. In order to fully understand the implementation of a project, an understanding of what went right and what went wrong is critical. This is known as a post-mortem. A project post-mortem determines which elements of a project were successful or unsuccessful. This analysis identifies process improvements which will mitigate future risk and promote best practices. AWA does not do a project post-mortem.

And last, but certainly not least, is the importance of monitoring and reporting. It is impossible to understand if the financial or operational benefits identified to approve a project are realized. A perfect example is the Tanner Hydroelectric project.

A press release from the AWA posted July 2017 states, "A hydroelectric generator at the Tanner Water Treatment Plant is providing net energy benefits of more than \$85,000 annually." This is at the very least a misleading statement.

The contractor that sold this project to AWA provided all of the business case conclusions based on faulty assumptions. The annual benefit was based on the generators running twenty-four hours a day. Due to the inline design, the generators only generate power when the treatment plant is treating water.

In addition, there have been numerous issues, such as software problems, that control the bypass valves that route water through the generators. One generator has been offline much of the time. Generator bearings that should last years have already failed and been replaced and wiring termination problems have required extensive repair. Operations personnel spend an estimated twenty to thirty hours per month on maintenance issues that are charged to operations. This obscures the actual cost of the project.

Another hydro project is in the works and AWA has failed to honestly evaluate the efficacy of the Tanner project. It is imperative that complete and honest monitoring and reporting of post implementation results be conducted. For the Tanner Hydro project, a simple evaluation of pre and post electric bills could inform the viability of the Ione project.

## **Project Information Requests**

In order to develop a basic understanding of AWA capital project development and execution, the grand jury acquired over 5,400 documents for two projects, the Gravity Supply Line and Tanner Hydroelectric projects. This effort was to understand the components of capital projects as well as the overall process of identifying, designing, approving, and implementing multimillion-dollar projects for the benefit of ratepayers. Of concern was the fact that, according to witness testimony, AWA rarely if ever completes projects on time and on budget.

The files provided insight into the difficulty of auditing an AWA project. Consolidated documents such as project expenditures, project plans, or project status reports were not found. Most of this information existed in the files but was scattered across hundreds of files. It would take untold hours to seek out and consolidate details that should be easily available.

In order to get a more accurate assessment of how capital dollars are managed, the grand jury attempted to review capital projects from 2009 to present. Detailed summarized information was not readily available. Given our time constraints, reviewing thousands of documents was not feasible.

CIP files are maintained by the Engineering Department. These files list all potential capital projects as identified by the engineering department. It was apparent that reviewing projects listed in the CIP would require a monumental effort. We reviewed a file containing all project grants received since 2009 and decided to focus on eleven projects.

All of the projects selected were funded either in part or whole by grants provided by state and federal agencies. It was thought that grant funded projects, that have state and federally mandated reporting requirements, would be more accurately documented and thus easier to compile the data. AWA has provided limited data for four projects.

As discussed earlier in this report, much of the financial data generated by AWA was not available due to the fact that data was not converted from the old to the new finance system. Engineering has some data available in job cost files; some electronic and some paper files. Much of the data has been stored as microfiche. No source for consolidated historical information exists.

It was assumed by the grand jury that the project data would be readily available. A common method to track projects is via a project number that provides a link across disparate sources. We since learned that a job number or project code is assigned but will often differ from one source document to the next making cost consolidation cumbersome. Using string and substring searches on job numbers and cost elements produced some results. But, there was no way to know if all the applicable information could be found.

For example, the Small Diameter Pipeline project is referenced in the 2010 budget with a general ledger acct# 57103. The 2013 budget references proj# 40426 and in the 2016 budget it is referenced under line item System 04 and lastly, combined with the Tanner Hydro project, under account number 57203 and identified as Transmission (E).

The following is a summary of project documents with a summary of findings:

Tanner Hydroelectric Project

The grand jury researched various reports, budgets, and the available projects files with the following total cost identified.

- Actual cost per the AGM \$1,596,063.98
- Project files \$1,717,621.14
- 66013 Reports \$1,224,403.07
- 2016 & 2017 Budgets \$1,642,061.00
- CIP files \$1,504,321.57

The delta between high and low cost reported is \$493,218.07.

Comanche Tank

The results for cost data search.

- Actual cost per the AGM \$1,824,092
- 2017 Budget for Capital Projects \$1,729,929
- 2018 Budget for Capital Projects \$1,652,723
- 2016 through 2018 66013 Reports Total \$1,985,222

Pioneer Phase 1 – CDBG

This is actually a three phase project with Phase 1 shown in the CIP to have been completed in 2016. The 2017 and 2018 amounts listed below were included due to the fact that the Job number reported was used for Phase 1, but may have been associated with a different phase.

- Actual cost per the AGM \$1,544,581 Job# 140170
- 2016 Budget for Capital Projects \$1,171,410 Job# 140170
- 2017 Budget for Capital Projects \$1,483,261 Job# 140170
- 2017 Budget for Capital Projects \$ 998,695 Buckhorn Ridge/Carson CDBG
- 2015 CIP \$ 710,263 Job# 140170
- 2016 CIP \$1,420,000 Job# 140170 Shown as complete
- 2018 CIP \$ 998,565 Job# 140170

As demonstrated in the examples above, it is difficult to quantify the cost of any project. Issues with identifying project cost were discussed with AWA staff. A spreadsheet for the ATL project was reviewed that identified all of the job cost accounts, their purpose, and expenditures on a fiscal year basis and the grant total cost of the project costs from inception to completion, with the exception of financing cost. It was admitted that this may not be available for all projects.

Project cost management is not subject to rigorous reporting and tracking practices and procedures. The spreadsheet that was reviewed identified the cost of the ATL at \$25,199,743. In the 2014 Municipal Services Review published by the Local Agency Formation Commission, the ATL cost was identified as \$1,200,000 and the Small Diameter Pipeline (phase II of the pipeline

project) at \$1,100,000. A “Big Picture” Capital Improvement Plan reflected ATL cost of \$20,000,000. No date or other identifying information was present on this document.

There were grant monies and a contract with PG&E for water purchase to offset the cost of the ATL, but those figures were not reflected in the documents reviewed. In addition, there have been millions of dollars in participation fees collected, much of which was to pay the developer’s fair share of the project.

Phase II, small diameter pipe project, spent well over \$1.1 million and has been under siege by ratepayers since inception. This project was canceled, and grant monies transferred to a different project. The ratepayers don’t know what the overall project cost was.

The ratepayers have a right to know what they are paying for and how much it cost. AWA has failed to provide consistent and unambiguous information to the ratepayers on capital project cost and benefit, partly due to the fact that AWA does not know. Ongoing analysis of project cost/benefit is not being conducted.

## **FINDINGS**

- F1. The AWA has lost sight of transparency as a core value as demonstrated by the way AWA publishes information for the ratepayers.
- Information is made available on their website, but much of it is either incomplete, confusing, erroneous, or illegible.
  - Efforts to check and cross-check data found consistent discrepancies and errors.
  - Established published reports were modified and prior reports replaced with no explanation of the changes.
- F2. The AWA is not sufficiently transparent with its ratepayers about the costs of current employee compensation. From 2010 through 2017, management salaries increased on average of 48%, over twice the rate of hourly employees. The practice of annually granting relatively substantial increases will impact rate increases for ratepayers in the future.
- The GM and AGM salaries both increased over 50% during the review period.
  - While employee concessions were in place, the AGM’s salary was increased by 24.2% in 2016 and another 34.7% in 2017.
  - The increases in the management salaries significantly exceed what would be expected by economic variables, decreases in revenues and the increased debt.
- F3. The AWA financial reporting and auditing process is not done according to industry standards.
- The AWA publishes an “Annual Audit” on its website in lieu of a Comprehensive Annual Financial Report.
  - The title on the published document is “Audited Financial Statements.”

- The “Audited Financial Statements” do not contain a cover letter that indicates the report was transmitted to the Board
    - i. A transmittal letter is a feature of all “GFOA-awarded” CAFRs
  - There is no evidence that the “Audited Financial Statements” are reviewed by, or formally transmitted to, the Board
- F4. The AWA’s finances are grossly mismanaged, with numerous errors identified in the millions of dollars.
- Total Operating Revenues and Expenses reported to the SCO do not match the amounts contained in the “Audited Financial Statement.”
  - Total Operating Revenues and Expenses indicated in AWA Budgets do not reflect the amounts indicated in the correlated “Audited Financial Statement.”
  - From 2009 through 2017, Total Operating Revenues vs Expenses show a surplus of \$11.0 million according to AWA budgets. Yet the “Audited Financial Statements” for the same period indicate that there was actually a shortfall of \$20.9 million, a difference of over \$30 million.
  - The 66013 reports do not match data reported in the annual budgets.
  - When errors are corrected in financial reports, they are not disclosed per Audit Standard 154.
  - “Actual” values of Total Operating Revenues reported in budget documents are one example of budget data that has changed in arrears.
  - Erroneous reports and frequently changing formats inhibit AWA management’s ability to manage the budget and the debt.
- F5. The AWA converted to a new finance system without in-house expertise. Requirements were not specified and data from the old system was not migrated and is now unavailable. There is not a single repository for financial data.
- F6. Departments do not have a defined budget dedicated to and managed by the department head, leaving managers with no budget control or reporting mechanism to inform the decision process.
- F7. A significant portion of capital project costs are budgeted to operational expenses. This creates a condition where the implementation and ongoing cost of a project are obscured from the ratepayers.
- F8. A ‘formal’ operations reserve has not existed in prior years and there is not a reserve currently reflected in the budget. Although there is a stated goal of contributing \$100,000 per year to the reserve, there is no formal process to assure compliance.
- F9. The lack of an operating reserve policy creates a condition where decisions become reactive in the near term rather than proactive planning for the long term.
- F10. The AWA employs hardworking personnel who are dedicated to the highest level of customer service.

- F11. A number of the recommendations cited in the 2018 Ad Hoc Organizational Study Committee report were of high value. The GM was not held accountable for resolving issues raised in the ad hoc report.
- F12. Hourly employees agreed to modify the 2008 to 2012 MOU and accepted substantial wage and benefits concessions after the downsizing and again from 2014 to 2016 in an effort to help AWA maintain financial viability while management salaries increased.
- F13. The AWA failed to adequately communicate management raises and responsibilities.
- F14. The May 2014 Board meeting, designated to discuss and approve the new AGM position, was placed in recess prior to addressing the issue. The meeting reconvened after the public and employees had left the Board room. Board members dispute this account. Since Board meeting minutes are “action minutes” there is no detailed written record available to refute corroborated testimony.
- F15. The Clerk of the Board does not produce and publish detailed minutes of board meetings. Action minutes are produced but there is no follow up to provide details to the public.
- F16. The job description for the AGM was created to fit the internal candidate instead of drafting the job description to match the needs of the organization. The job description was changed at least twice more as the perceived role and responsibilities changed. The need for the AGM position and the corresponding responsibilities remains in a state of flux.
- F17. The AWA has a work environment where there exists offensive, abusive and persistent discourteous treatment of employees, characterized by degrading, demeaning and rude remarks; taking credit for other employee’s ideas; little to no positive reinforcement; and a lack of confidentiality regarding employee issues.
- F18. The AWA does not have standard processes and procedures for capital planning and project management.
- F19. Ongoing analysis of project cost and benefit to assure original assumptions is not conducted.
- F20. Project cost tracking is not subject to rigorous reporting and tracking practices and procedures.
- Capital projects are not assigned and tracked by a single general ledger account number. Projects are identified by account number, job number, job name, funding source or any combination thereof.
- F21. The AWA does not perform a project post-mortem.
- F22. The AWA does not accurately track and report project cost, benefit or operational effectiveness.

- F23. The AWA has failed to provide consistent and unambiguous information to the ratepayers on capital project cost and benefit due in part to the fact that AWA management does not know.
- F24. The AWA does not adhere to a standard for capital project evaluation. Business case development is not consistent and does not address a cost benefit analysis.
- F25. The AWA does not have processes and procedures in place for project management. Project schedules have been produced, but these are high level timelines that estimate engineering and design, bid, construction and closeout. The day-to-day project status is managed with various status reports, but there is no mechanism to apply the impact of delays and changes to the overall project.
- F26. AWA management adheres to the notion that engineering and/or operations personnel are designated as project managers of a given project.

## RECOMMENDATIONS

- R1. The AWA Board should determine if the AWA is currently being managed to their satisfaction. The Board should evaluate:
- if the magnitude of the errors identified by the grand jury in published AWA financial documents are deemed ‘acceptable.’
  - if the work culture endured by AWA employees allows them to best serve the ratepayers.
  - if the lack of accurate capital spending and reporting is detrimental to the financial health of the organization.
- [F1, F3, F4, F5, F7, F10, F11, F12, F13, F14, F17, F20, F22, F23]
- R2. The AWA Board should consider engaging a Business Analyst in a contract or permanent role by January 1, 2020. This type of position is primarily responsible for process analysis, generating new ideas and essentially implementing them to insure proper functioning across all departments. The analyst’s responsibilities would include but not be limited to:
- Strategic Planning – Evaluation of strategic activities
  - Business / Operation Model Analysis – Identification and evaluation of policies and procedures of the organization
  - Process Definition & Design – This analysis includes business process modeling, often the outcome of process definition and design
  - IT & Technology Business Analysis – Encompasses the rules as well as needs for technical systems and integration
- [F5, F6, F18, F19, F20, F21, F22, F23, F24, F25, F26]
- R3. The AWA Board should commission a forensic financial audit of the Agency by October 1, 2019. The financial mismanagement outlined in this report makes it clear that a fundamental review of the financial status of the agency is necessary for the protection of the ratepayers. A thorough review is also necessary to assure conformance with both

accounting and legal standards. The magnitude of the financial errors uncovered far exceeds the cost of an audit. [F1, F3, F4, F6]

- R4. By January 1, 2020, the AWA should engage financial and/or legal professionals to determine if erroneous financial data historically reported to the SCO needs to be corrected. If it does need to be corrected, staff should work with SCO staff to correct erroneous historical data in accordance with SCO processes. [F1, F3, F4, F6]
- R5. The AWA should standardize all of their financial processes to conform to standard accounting practices by January 1, 2020. The problems with accounting and budgeting practices are persistent as evident by similar recommendations made by the 2011/12 grand jury and the failure to make proper disclosures when financial reports are modified. [F3, F4]
- R6. The grand jury recommends that the Springbrook financial system be fully evaluated and re-implemented after developing detailed requirements. A Business Analyst is best suited to oversee this activity. AWA does not have the required expertise on-staff. [F1, F3, F4, F5, F6, F7]
- R7. The AWA Board should oversee the development of the CAFR with guidelines as follows, when preparing the next annual report:
- Day-to-day AWA finances should be managed based on audited/auditable information.
  - At the end of the fiscal year, the financial status of the AWA should be finalized.
  - The finalized financial data should be compiled and submitted for audit.
  - After the audit is completed, the results of the audit, along with the audited financial information, are compiled into a Comprehensive Annual Financial Report.
  - The audit results are presented to the Board.
  - The CAFR is formally transmitted and presented to the Board.
  - Soon after transmittal to the Board, the CAFR should be posted on the AWA website. [F3, F4]
- R8. The AWA Board should require the staff to present the CAFR annually, including a comparison of information between the Budgets and the CAFR. The currently available document should be presented to the Board by August 1, 2019; annual presentations should become a standard practice. [F3, F4]
- R9. The AWA should acquire membership in the GFOA by October 1, 2019, implement GFOA standards for compiling the CAFR and strive to be awarded the GFOA's "Certificate of Achievement for Excellence in Financial Reporting" to improve transparency in financial reporting. [F3, F4]
- R10. This grand jury recommends that the Board revisit the February 2018 Ad hoc Organizational Study Committee report and recommendations.
- The Board should take authority and responsibility to assure an effective way of managing conflict is implemented, which is vital to the continued health of AWA.

- The AWA Board should evaluate the benefit of in-house versus outsourcing the human resources and payroll functions pursuant to modern business practices. The standard ratio of HR to employees is one for every 150 employees.
  - The Board should consider placing the safety coordinator position in Operations
  - The management team should be re-evaluated in terms of competence, roles and responsibilities, and activities that don't correspond to AWA's core business.
- [F10, F11, F12, F13, F14, F15, F16, F17]
- R11. The AWA Board should consider the use of a professional grant management consultant to oversee Agency grants. [F11]
- R12. Establish practices and procedures for Capital Project development, funding, implementation and tracking. This should at a minimum include:
- Business case development including ROI and/or NPV and a threshold for what is an acceptable timeframe to realize benefit.
  - Evaluation of business cases including validation of cost assumptions.
  - Critical evaluation of grants to ensure grant funds are used to advance AWA's core business and/or regulatory requirements.
  - Project management processes including detailed project plans with dependencies identified.
  - Acceptance testing criteria.
  - Post mortem evaluation and reporting.
  - Ongoing tracking and reporting of project effectiveness and cost
- [F18, F19, F20, F21, F22, F23, F24, F25, F26]
- R13. The grand jury recommends suspension of all capital projects until such time as finances are reviewed, corrected and evaluated, and capital project processes and procedures can be developed and implemented. Projects in process should be evaluated in light of apparent misreporting of cost and benefit to ensure that the needs of the business and ratepayer investment is properly addressed. Exceptions should include only those projects required by state or federal agencies to meet regulatory compliance. [F18, F19, F20, F21, F22, F23, F24, F25, F26]
- R14. The grand jury recommends that the Clerk of the Board produce complete and clear minutes of Board meetings. Board meetings are recorded and should be transcribed to provide a complete and permanent record to the public. [F14, F15]
- R15. The grand jury recommends that the Board's complete response to these findings and recommendations be posted on the AWA website at the same time as they are transmitted to the presiding judge and grand jury, as a demonstration of the AWA's commitment to transparency. [F1, F2]

## REQUIRED RESPONSES

Pursuant to Penal Code sections 933 and 933.05, the grand jury requests responses as follows:

From the following governing body within 90 days:

- Amador Water Agency Board of Directors is required to respond no later than 90 days after the Grand Jury submits a Final Report to Findings F1-F26 and to Recommendations R1-R15.

## ADDRESS RESPONSE TO:

- The Presiding Judge - Amador County Superior Court  
500 Argonaut Lane  
Jackson, CA 95642
- Amador County Civil Grand Jury  
PO Box 249  
Jackson, CA 95642

Reports issued by the Grand Jury do not identify individuals interviewed. Penal Code section 929 requires that reports of the Grand Jury not contain the name of any person or facts leading to the identity of any person who provides information to the Grand Jury.

## End notes

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<sup>i</sup> Additional reading on the 2007-2008 drought can be found at <https://water.ca.gov/-/media/DWR-Website/Web-Pages/Water-Basics/Drought/Files/Publications-And-Reports/Californias-Drought-of-200709An-Overview.pdf>

<sup>ii</sup> California State Controller Office: <https://www.sco.ca.gov/>;  
California Legislative Information: <http://leginfo.legislature.ca.gov/faces/codes.xhtml>

<sup>iii</sup> Amador Water Agency financial information: <https://amadorwater.org/financial-information/>

<sup>iv</sup> Special District Reserve Guidelines published by the California Special Districts Association can be found at [http://www.californiacityfinance.com/2013\\_csda\\_reserve\\_guidelines\\_special\\_districts.pdf](http://www.californiacityfinance.com/2013_csda_reserve_guidelines_special_districts.pdf)

<sup>v</sup> California Special District Association: <https://www.csda.net/home>

<sup>vi</sup> Government Compensation in California: <https://publicpay.ca.gov/Reports/SpecialDistricts>

***Proposed Temporary Water Shortage Rate Surcharges***

California is now in its fourth year of drought. The Amador Water Agency and all of California are confronting limited water supplies. In January 2014, California's Governor called for a 20 percent voluntary reduction in water use. On April 1, 2015, the Governor called for a 25 percent mandatory statewide reduction in water use. The State Water Resources Control Board adopted an emergency regulation requiring all urban water suppliers, including the Agency to impose significant reductions in their customers' water usage.

In response to the continuing drought, the Agency adopted four stages of water supply shortage and has developed specific water use restrictions and other actions that apply to each stage. These stages are defined as follows:

Normal supply conditions	No water use restrictions <sup>1</sup>
Stage 1 - Water Alert	Up to 20% use reduction goal
Stage 2 - Water Warning	21% to 30% use reduction goal
Stage 3 - Water Crisis	31% to 40% use reduction goal
Stage 4 - Water Emergency	41% to 50% use reduction goal

Reduced water sales inevitably reduce the Agency's water rate revenues. The Agency's finances are affected in several ways by water shortage conditions, including (1) reduced water sales and water sales revenue; (2) reduced pumping and other water production and treatment costs; and (3) increased water conservation program costs.

Based on the Agency's revenue and cost structures, any reduction in operating and maintenance costs from reduced water sales will likely be offset by increased conservation program costs, and a financial deficit will be created because of reduced water sales revenue. In response to water shortage conditions, and the financial deficit created, the Agency can take several actions, including:

- Using money from the Agency's Operating Reserve<sup>2</sup> intended, in part, for rate stabilization;
- Supplementing water rate revenues through imposition of water shortage surcharges; and/or
- In the more severe stages of shortage, reducing the annual funding of capital improvement projects to preserve cash for operations.

Drought conditions and reduced water sales have largely depleted the Agency's financial reserves, and the funding of the Operational Reserve is a goal at present. As the Agency enters the fourth year of drought, the current financial situation is unsustainable. While the Agency has cut costs wherever possible and is relying on its limited reserves to meet financial obligations, State-mandated restrictions on water use is necessitating supplemental water rate revenue. As a result, proposed temporary water rate surcharges are required to help cover the Agency's ongoing cost of providing water service during periods of declared water shortage. **Exhibit III-6**, on page 19 of this report, presents proposed temporary water shortage surcharges

<sup>1</sup> Waste and unreasonable use of water is always prohibited.

<sup>2</sup> On May 28, 2015, the Agency's Board of Directors adopted a policy to formally establish an Operating Reserve and a Capital Replacement Reserve. The Agency will strive to maintain in its Operating Reserve an amount equal to two months of annual operating and maintenance costs.

for each stage of water shortage, as they would be overlaid on the Agency's normal water rates for FY 15-16. No changes to the water rates would occur under normal conditions. The water shortage surcharges are incremental increases only in the water usage rates. The amount (percentage) of increase would vary with each stage of shortage. The Agency's monthly service charges and monthly debt service charges would be unaffected by the water shortage surcharges.

Once adopted, the temporary water shortage rate surcharges would be implemented when the Agency's Board of Directors declares a water shortage condition, and the surcharges would be terminated as soon as the shortage conditions end. Because the Board of Directors has already declared Stage 2 - Water Warning conditions for 2015, the proposed water shortage rate surcharges would be implemented effective on August 1, 2015, if adopted following the public hearing on July 21.

The proposed water shortage rates are intended to help eliminate the financial deficit created by reduced water sales. These surcharges are both appropriate and necessary in the current financial environment, with limited financial reserves. In the long-term, the Agency should establish and fund a Rate Stabilization Reserve, which could be utilized to help bridge the deficit gap.

Under the proposed temporary water shortage rate surcharges, customers that achieve or exceed water use reduction goals, in general, will have similar or slightly lower water bills than they normally pay. Customers that do not reduce water usage or do not reach use reduction goals will see their water bills increase, relative to normal bills. Details of the financial and water rate analyses are presented in the body of this report. This includes examples of how the proposed water shortage surcharges would affect various customers including those that do reduce water usage and those that do not.

## SUMMARY OF WAGE AND BENEFIT CONCESSIONS

Benefit Inception Date	COLA	Merit	Furlough (unpaid days off per year)	Employee Benefits & Changes
7/1/2008	2 – 5%	0 – 5%	n/a	<ul style="list-style-type: none"> <li>• Medical: 100% paid for employees 90% paid for dependents</li> <li>• CalPERS: All employee contributions paid by AWA</li> <li>• 457 Deferred Compensation: Up to \$3,000 match/yr</li> <li>• Compensated Time Off option in lieu of overtime pay</li> </ul>
7/1/2009	2 – 5%	0 – 5%	n/a	No Changes
11/1/2010	Forfeited	Forfeited	8	7/1/2010 MOU modified to eliminate raises and institute unpaid furlough program
7/1/2011	Forfeited	Forfeited	12	No Changes
7/1/2012	Forfeited	Forfeited	12	<ul style="list-style-type: none"> <li>• 457 Deferred Compensation: Employer match program eliminated</li> <li>• Compensated Time Off: eliminate paying out except on separation</li> </ul>
7/1/2013	2.9%	0 – 5%	n/a	<ul style="list-style-type: none"> <li>• Medical: 95% paid for employees hired before 7/1/11 80% paid for employees hired after 7/1/11</li> <li>• CalPERS: employees hired before 7/1/11 pay 2% of wages employees hired after 7/1/11 pay full contribution</li> <li>• Compensated Time Off program eliminated</li> </ul>
7/1/2014	2.4%	0 – 5%	n/a	<ul style="list-style-type: none"> <li>• CalPERS: employees hired before 7/1/11 pay 3.5% of wages employees hired after 7/1/11 pay full contribution</li> </ul>
7/1/2015	2 – 3%	0 – 5%	n/a	<ul style="list-style-type: none"> <li>• Medical: 87.5% paid for dependents</li> <li>• CalPERS: employees hired before 7/1/11 pay 5% of wages employees hired after 7/1/11 pay full contribution</li> </ul>
7/1/2016	2%	1%	n/a	<ul style="list-style-type: none"> <li>• CalPERS: employees hired before 7/1/11 pay 7% of wages employees hired after 7/1/11 pay full contribution</li> </ul>

**Benefit Inception Date:** Memorandums of Understanding are employee bargaining agreements with varying durations that typically cover multiple fiscal years. Changes to benefit terms are usually instituted at the beginning of the fiscal year.

**COLA:** Cost of Living Adjustment

**Merit:** Indicates the allowable increase in salary based on performance

**Furlough:** A program instituted to save money by having employees take a number of unpaid days off each year. The employee does not lose any associated benefits, like time in service.

**Employee Benefits & Changes:** Select modifications to employee benefits, as dictated by the MOU's. Benefits listed for 2008 are included as a baseline, with subsequent concessions listed.

## AWA AD HOC ORGANIZATIONAL STUDY COMMITTEE REPORT

Directors Farrington and Molinelli

February 7, 2018

### EXECUTIVE SUMMARY

The Committee recommends the following organizational changes, subject to the Agency's Meet and Confer requirements,

- 1) Create a new Administrative Manager/Executive Secretary/Clerk of the Board position using the attached job description (Exhibit A); review and adjust the salary commensurate with like positions in similar water agencies;
- 2) Abolish the Assistant General Manager/Clerk of the Board Position;
- 3) Create and fill a new Customer Service Rep. (CSR) II by spring;
- 4) Increase the Finance Manager (FM) salary by approximately 25% to be commensurate with the Agency's salary survey;
- 5) Reassign the Customer Service Staff from the Human Resource Coordinator/Office Manager (HR/OM) to the FM starting July 1; revise the FM Job Description; review and adjust the salary commensurate with like positions in similar water agencies;
- 6) Reclassify the current HR/Office Manager to HR Manager/Safety Coordinator, eliminating the Office Manager duties after moving Customer Service under the FM; review and adjust the salary commensurate with like positions in similar water agencies;
- 7) Reclassify the Administrative II in the CS Dept. to a CSR I with pay protection;
- 8) Refill the GIS/CAD Technician in FY 2018-19.

### INTRODUCTION

President Thomas appointed Directors Farrington and Molinelli to an Ad Hoc Organizational Study Committee in September 2017 to "look at the whole AWA organization for improvements in efficiencies and effectiveness." The Committee developed a plan for the Organizational Study with the General Manager (GM). The work was divided into 3 phases: fact-finding, analysis, and recommendations. The Committee held 8 meetings with the GM. It also interviewed the Management Team (AGM, FM, HR/OM, and Operations Manager -- OM) once in a group and twice individually, once without the GM and once with the GM. The Committee interviewed the HR/OM, FM and GM twice as a group to evaluate the feasibility of moving the

Customer Service Department to the FM from the HR/OM. The Committee met twice with the AGM and GM, and once with the Administration II with the Employee Association Representative and HR/OM.

Following a notice sent to all employees on October 26, 2017 (attached as Exhibit B/1-5; B-6 identified in December), the Committee held two group meetings with non-management employees. The notice described the issues the Committee planned to address, a preliminary range of possible management organizational designs, and an invitation to comment.

The Committee recommendations are based on the information collected and analyzed during the study. Information collected includes notes from interviews and meetings, organization charts for 2001, 2002 and each year from 2009 to the present, and job descriptions for the Management Team (GM, AGM, OM, FM, HR/OM, and Engineering Manager -- EM). Other job descriptions collected for reference were the 2000 Financial Services Manager, the 2002 CS Supervisor, the 2006 HR Coordinator, and CSR's I -- III.

Interviews with each Manager, except the EM, included 5 basic questions: (1) Accuracy of job description; needed additions or deletions, (2) Lead versus support roles, (3) Oversight needed by the AGM, (4) FTE's (Full-Time Equivalents) required to perform the duties in the job description, and (5) Preference for organizational alternatives in the October 26 notice or any new proposals.

## HISTORICAL PERSPECTIVE

AWA went through a very difficult financial period from 2009 to 2016. The loss of revenue from home foreclosures and developer fees became so severe between 2009 and 2011 that the Agency eliminated 25 positions in 2011, from 66 to 41, the staff was reorganized, and employees made painful wage concessions. Four of the eliminated positions were Managers: Financial Services Manager, Construction Superintendent, Engineering Manager and IT Manager. In addition, the Human Resource Coordinator position was modified to combine HR duties with those of both the Customer Services Supervisor and Office Manager, essentially folding multiple positions into one. In the period 2014 to 2016, the drought and State mandated reduction in water sales by 24% caused another downfall in revenue with associated problems.

In 2012, the Agency discovered that restricted and unrestricted funds had been improperly combined each year for the prior 7 years. As a result, the Agency's annual government code 66013 reports were not accurate. The agency was sued by a local group over the issue before staff made appropriate corrections.

Correcting the accounting of funds required a large amount of financial research of 10 years of records. During the same period, the Agency experienced a shortage of financial expertise in the staff. In 2010, the long-time Controller retired, and the Financial Services Manager position was abolished as a cost cutting measure. A

Controller was hired in 2012 and left within 2 years. A Finance Manager position was filled in 2014, and it was vacated after about 7 months. The current Finance Manager has been in place about 2 years, from 2016.

During this difficult period of transition, the Executive Secretary/Clerk of the Board helped with the heavy financial workload, including research for the financial lawsuit, 66013 annual reports, budget preparation, support to the consulting firm MRG's financial study of the agency, conversion and integration of new a financial software program replacing the old financial program in use for the prior 35 years, extensive California Public Records Act requests, coordination of annual audits, refinancing some \$20 million in bonds for lower interest rates, and preparation of reimbursement requests for \$13 million in expenses from the GSL construction grant and loan.

In May of 2014, three years after downsizing middle management, the Board of Directors realized that the GM was overloaded and appeared to be close to burnout. An Ad Hoc Committee was appointed that discussed the need for additional oversight of several departments with the GM and Board. As a result, an Assistant General Manager (AGM) job description was proposed and approved. It was combined with the existing position of Executive Secretary/Clerk of the Board. The AGM was able to assist the GM in many ways through the difficult period after downsizing, including through the transitions between 3 financial leaders to 2017 and in teaming with the new Operations Manager and GM to oversee and supervise the Engineering Department prior to filling the Engineering Manager position.

## FINDINGS

As of January 2018, the Engineering Manager position is filled, and the Management Team is functioning with much less supervision by the AGM. An Accountant was recently hired in the Finance department to replace a retired Accounting Clerk, and he is being trained. A CSR II employee was promoted internally to Lead CSR III, and in this new position is working to assume the responsibilities of the former Customer Service Supervisor position that was eliminated in 2010. The new EM has taken over supervision of the engineering department which reduces the load primarily on the Operations Manager as well as the AGM and GM.

The Operations Manager (OM) is performing at a high level. He has been spread overly thin over the past years and has spent many extra hours on the job. However, the addition of the Engineering Manager has relieved the OM of having to oversee the engineering staff. This allows the OM to focus on management of the water and wastewater operations that is needed to provide safe, reliable water services. The need for the Assistant General Manager to provide supervision to the finance, customer service, operations, and engineering departments which existed from 2014 – 2017 has diminished and can be taken over by the GM.

The Employee Association recommended five alternative reorganization charts (Exhibit C/1-5). In summary, of the alternatives recommended for consideration:

- 5 of 5 – eliminate AGM
- 5 of 5 – create a CS Supervisor over CRS III, II, & I (4 positions in CS Dept.)
- 5 of 5 – move Purchasing to OM
- 4 of 5 – move Admin II out of CS
- 4 of 5 – change HR/OM to HR
- 4 of 5 – move CS under EM
- 2 of 5 – create Adm III Board Clerk
- 1 of 5 – create an Adm I /Board Clerk
- 1 of 5 – change HR/OM to HR/Board Clerk
- 1 of 5 – create an Adm II Board Clerk

Assistant General Manager – The AGM job description contains key duties that are redundant with other Agency managers. These duties have become no longer necessary with the filling of the previously vacant manager positions. However, the AGM continues to lead many important administrative management tasks. Examples of duplicated duties with other manager's job descriptions are:

- 1) AGM: "Direct, oversee and participate, with division and/or department managers' cooperation, in the preparation and administration of the Agency's budget; direct the forecast of additional funds needed for staffing, equipment materials and supplies; monitor and approve expenditures."

Finance Mgr: "Prepare and administrate the Agency's annual budget; assist the General Manager in reviewing departmental budget requests; Plan, develop, implement and administer the cash management, debt management and investment programs."

- 2) AGM: "Direct the preparation of plans and specifications for work which the Board orders."

Engineering Mgr: "Manages and directs the implementation of projects, programs and responsibilities as assigned, including engineering design documents, negotiation and implementation of agreements and contracts, coordination of grant funding projects."

- 3) AGM: "Direct the planning and execution of a comprehensive and integrated program of activities relating to the production, storage, treatment, transmission and distribution of the Agency's water supply."

Operations Mgr: "The incumbent has broad management authority for the day-to-day operations of the Water Agency, as well as functional authority/responsibility for overseeing numerous activities related to the operation, construction, and maintenance of the Agency's water, wastewater, distribution, transmission and related facilities."

In addition, the duty below is listed in the AGM job description but can and should be carried out by the GM now that manager positions have been filled and the GM has more time available:

AGM: "Select, train, motivate and evaluate personnel; provide or coordinate staff training; conduct performance evaluations; implement discipline procedures; maintain discipline and high standards necessary for efficient and professional operation of the Agency."

The Committee's research revealed the AGM does not currently directly evaluate performance or discipline any employees even though the approved Agency organization chart for 2017-2018 shows that the position supervises the Finance, Operations and HR/Office Managers. The apparent stove-pipe line of authority beneath the GM has contributed to misunderstandings among the department managers and employees on the roles, responsibilities, and authorities of the AGM and GM.

#### AGENCY ORGANIZATIONAL EFFICIENCY & EFFECTIVENESS

For the Agency organization to work efficiently and effectively, each position needs to have clear duties, responsibilities and authorities that do not duplicate other jobs. Once these distinct duties and responsibilities are clarified for both managers and employees, this clarity should result in better leadership from the GM and Management Team, improved morale, trust, and respect for management among employees. The GM needs to maintain closer contact with each of the managers and needs to be more visible to the employees below this level. This should enhance efficiency of, and respect for, the GM position by all employees.

#### AGENCY ORGANIZATIONAL NEEDS & RECOMMENDATIONS

In light of the above, the Committee recommends the following:

Create an Administrative Manager for Grant Acquisition & Administration – Acquiring grants to restore the Agency's aging water and wastewater systems without adversely impacting customers is an important need. Currently, the responsibility for applying and administering grants is in the Finance Manager's job description; however, the FM has insufficient time for this important work considering all the other FM responsibilities. Therefore, the Agency needs a dedicated person to seek grant opportunities, coordinate with the EM, FM, OM, & GM on what to apply for, prepare the typically massive application packages, and administer grants through completion, including reports and any audits.

As such, the Committee recommends creating a non-supervisory Administrative Manager to be responsible for grants as well as the water conservation program, to administer service contracts and agreements, and to lead policy development and a variety of administrative programs. The Administrative Manager should be combined

with an Executive Secretary/Clerk of the Board using the attached job description. Salary should be commensurate with like positions in similar water agencies. While the Committee does not envision supervisory duties for the Administrative Manager currently, there may be supervisory duties in the future if administrative staff is approved.

Eliminate the AGM Position – In light of the redundancy of the AGM position with other manager positions, the Committee recommends abolishing the AGM/Clerk of the Board.

Enhanced Role for Human Resources/Safety Coordinator – The Committee recommends that the HR and Safety roles get more emphasis. The HR and Safety duties in the current HR/Office Manager job description are only minimally accomplished. Only 20% of an FTE is available for these 2 programs. To increase the emphasis, the Committee recommends the HR Manager/Safety Coordinator be made a stand-alone position. It should not supervise employees to be a more independent counselor for all employees. The Committee recommends that the staff supervised by the HR/Office Manager position be moved to the Finance Manager starting July 1 to increase the emphasis in HR and Safety programs.

Increase Finance Manager Salary – The salary of the FM is lower than this job in similar water agencies based on the Agency's salary survey. The Committee recommends that it be increased commensurate with this survey, and it should be reviewed again for an increase after the FM takes over supervision of the CS staff on July 1.

Reclassify Administrative Assistant II – This position is in the Customer Service Staff where it is needed. Prior to 2011 it was in engineering as an assistant to the Engineering Manager. It is not needed there or elsewhere in the organization at this time. Thus, the Committee recommends that it be reclassified to a Customer Service Rep. level I with pay protection.

Add Customer Service Rep. II – The Committee recommends adding a second CSR level II to the Customer Service Department because of the increased workload created by eliminating the Office Manager (OM) duties from the HR/Office Manager. Without adding a CSR II, the CSR III will not be able to fully perform the level III duties, and there could be greater CS impact on the Finance Manager duties. Currently the average split in FTE's between HR & OM duties is 20/80. Moving CS to the FM would shift 10% of OM's CS duties to the Finance Manager and 70% to the CSR III. The additional CSR II would take the 70% from CSR III, 5% of phone coverage that is being provided by the account clerk and allow the additional 25% for overdue Project and Task list items that are not currently being completed. Adding this position would staff the CS Department the same as it was in 2009. It would be consistent with the AWA Employee Association's recommendation of four CSRs, and it would better achieve the Agency's Mission Statement to provide "excellent customer service."

### OTHER RECOMMENDATIONS

- 1) In meetings with Managers and the GM, the Committee noted the need for some additions and corrections to Management Team job descriptions. The Committee's notes on this will be provided to the Personnel Committee and HR.
- 2) Some Managers and first line supervisors have not had supervisory training other than on-the-job at the Agency. Accordingly, Supervision and Leadership training is needed for these positions. In addition, coordination of training opportunities is needed in the rest of the organization. The Committee recommends the HR Manager be responsible for coordinating management, supervisory and certification/license training opportunities for all employees.
- 3) The GM should "check-in" more frequently with members of the Management Team and employees to reinforce their responsibilities and be "more visible" to improve morale. As such, the Committee recommends the GM manage by walking around and visiting different work sites at least monthly. This should be a factor in the GM's performance evaluation.
- 4) The Agency water and wastewater maps are incomplete and out of date. As a result, the Committee recommends the Agency fill the former GIS/CAD Technician in FY 18/19. This position is needed to complete and update the mapping of pipelines, valves and fire hydrants. The financial plan calls for filling the position in FY 19/20, but this Committee recommends filling it sooner.
- 5) The Committee recommends keeping the Purchasing Agent under the FM for financial accountability reasons.

### RECOMMENDATIONS FOR FUTURE FOLLOW-UP THAT ARE OUTSIDE THE COMMITTEE'S SCOPE

- 1) The Agency Time Card process needs to be streamlined.
- 2) Encourage and engage employees to find and report cost savings and improvements in efficiency. Use employee committees periodically to address opportunities and issues.
- 3) The Staff needs to create a plan to fully implement the Strategic Plan direction on infrastructure "Preventive/Predictive/Corrective Maintenance.
- 4) The employees in the Customer Service Department are the Agency's "face" to many of its customers. Managers should encourage and appreciate these employees for being customer friendly and helpful.

**AMADOR WATER AGENCY**

**Job Title:**           **ADMINISTRATIVE MANAGER/EXECUTIVE  
SECRETARY/CLERK OF THE BOARD**

**Department:**    Management  
**Approval By:**    Board of Directors  
**Approved Date:** DRAFT 2/5/2018  
**FLSA Status:**    Exempt

**SUMMARY**

Under general direction of the General Manager, performs duties of the Administrative Manager; manages the grant and conservation programs in coordination with other departments; develops and oversees Service Contracts; manages development, interpretation, and administration of administrative policies; acts as the Agency's point of contact for the public, including functioning as the Custodian of Records. It is expected that the incumbent will spend his/her time primarily in the exercise of independent judgment and discretion in fulfilling the Administrative Management responsibilities. In addition to those duties, the incumbent also acts as Executive Secretary to the GM and as Clerk of the Board.

**ESSENTIAL DUTIES AND RESPONSIBILITIES** include the following. To perform this job successfully, an individual must be able to perform each essential duty satisfactorily. Reasonable accommodations will be made as appropriate to enable individuals with disabilities to perform the essential functions. Other duties may be assigned.

**ADMINISTRATIVE MANAGER:**

Leads the planning, acquisition and administration of grants and loans in coordination with Operations, Engineering, and Financial departments. Attends Funding Fairs and coordinates information with Engineering, Operations, Finance, General Manager, and the Board of Directors on project identification, prioritization, and grant application. Prepares grant/loan applications and supporting information. Prepares budgets for grant-related activities. Serves as a contact with funding agencies. Coordinates, tracks, and submits project reimbursement requests. Complies with grant/loan requirements and completes required pre- and post-construction reports. Maintains the Agency's grant/loan accounting system. Reports on the status of grants and loans.

Coordinates and directs the work of consultants and contractors for assigned areas of support in coordination with other Agency Managers, including but not limited to, outside service agreements, fleet vehicles, building cleaning and maintenance, information technology for office software and equipment, website design and maintenance, support to public relations activities, office supplies and equipment,

document management and retention, Agency facilities security, surplus equipment, bottled water program for raw water customers audits, financial studies, labor compliance services, and other contracts as assigned.

Manages the Water Conservation program in coordination with Financial, Customer Service, Operations, and Engineering Departments. Acts as the Agency's conservation coordinator, including overseeing the meter changeout program.

Responsible for administrative policies and procedures in coordination with other department managers, and coordinates implementation of adopted policies, including, but not limited to, the Administrative Policy Manual (excluding employment policies), Water and Waste Water Codes, and Policy Principles. Uses independent judgment to develop, review, propose, and revise administrative policies, including developing proposals for alternative ways of performing Agency business.

Works as a peer team member with other department heads. Monitors and reports on critical Agency deadlines, implementation of administrative policies, enforcement, and government codes to the Agency Management Team and General Manager.

Administers the Records Retention policy and program. Administers legal filings including for easements, agreements, CEQA and other legal documents. Acts as the Custodian of Records for the Agency. Coordinates revisions of Water and Wastewater Codes, miscellaneous fees, and other policy updates. Ensures compliance with local, state and federal regulations for assigned responsibilities.

In coordination with the General Manager, acts as the Agency's Public Information Officer. Manages the Agency public relations activities, including coordination with other departments on responding to public information requests, website design and operation, social media, public outreach, notices, emergencies, ground breaking and ribbon cutting events, newsletters, parade and fair exhibits, and press releases.

Researches, prepares and presents staff reports and correspondence.

Prepares the Agency administrative services budget in cooperation with department managers. Monitors and periodically reports on administrative budget and expenditures.

Participates in the agency strategic planning, long-term planning of capital improvements, financial planning, and the administration of the Agency's Capital Improvement Plan.

Reviews contracts and other legal and financial documents.

Attends Board Committee meetings on Administrative issues. Explains Administrative policies, procedures and programs except for Human

Resources (HR) programs.

Researches, prepares and presents staff work, including administrative reports and studies to the General Manager, Board of Directors, and Committees; prepares written correspondence.

Coordinates administrative support with outside agencies as needed.

Builds and maintains positive working relationships with co-workers, other Agency employees and the public using principles of good customer service. Performs other administrative duties as assigned.

#### EXECUTIVE SECRETARY

Performs a variety of responsible secretarial duties for the General Manager. Schedules appointments for GM, drafts correspondence, maintains confidential Agency files, exercises mature judgement in matters of a confidential nature; develops and maintains effective working relationships with the GM, other employees, and consultants.

#### CLERK OF THE BOARD:

Performs a variety of responsible secretarial duties for the Board of Directors, including drafting correspondence and maintaining confidential files for the Board. Schedules appointment, coordinates changes in Board positions and assignments. Prepares and coordinates agenda packages for Board of Directors' Regular, Special and Committee meetings. Records action minutes for Board approval and maintains permanent records of the official activities of the Agency. Publishes agendas, public and legal notices and files required documentation. Confirms committee review of Accounts Payables for Board packet. Coordinates scheduling of Board Committee meetings. Reviews Director monthly meeting compensation claims. Provides administrative policy information and manuals to Board Members. Coordinates and files required Fair Political Practices Commission and other legal forms. Monitors and coordinates required Board of Director training with the Human Resources Manager. Acts as the Agency's Notary Public. Executes various routine details of the Board of Director transactions. Maintains confidential files as needed. Maintains effective working relationships with the Board of Directors, Agency Staff and public. Coordinates with legal counsel on assignments as needed. Performs other duties as necessary with staff. Informs the public of the procedures and legal requirements for presentation to the Board; exercises mature judgment in confidential matters.

**QUALIFICATIONS** The requirements listed below are representative of the knowledge, skill, and/or ability required to perform the functions of this job:

Knowledge of principles, practices and techniques of public administration; principles and practices of organization, administration and personnel management, pertinent

Federal, State and Local laws, rules and regulations; basic principles of California water law; principles and practice of budget preparation and administration; effective community relations practices; modern office procedures, methods and computer equipment; and principles and practices of safety management.

**EDUCATION and/or EXPERIENCE**

Any combination of education, experience and training that has led to the acquisition of the knowledge, skills and abilities indicated above may be qualifying.

A typical way to obtain the required knowledge and abilities would be:

Education: High school graduate and an equivalent to a bachelor's degree from an accredited college or university with major course work in public or business administration, or a closely related field.

Experience: Seven years of progressively responsible experience in a municipal or special district organization involving the responsibility for planning, organizing, implementing and supervising varied work programs; including three years of administrative and management responsibility.

**CERTIFICATES, LICENSES, REGISTRATIONS**

Active California Notary license

**OTHER SKILLS AND ABILITIES**

Prepares accurate financial reports; reviews and checks staff work as appropriate; analyzes budgets, contracts and technical reports; requires knowledge of accounting principles; interprets and evaluates staff reports and related documents; knows and interprets Agency-related laws, regulations, codes and procedures; assists with solving department related issues; and explains and interprets administrative policy and procedures. Administers Administrative budget; gains cooperation through discussion and persuasion; analyzes problems, identifies alternative solutions, consequences or proposed actions and implements recommendations in support of goals; interprets and applies Agency, County, State and Federal administrative policies, procedures, rules and regulations; exercises leadership, authority and management tactfully and effectively; is a strong team- orientated leader; works effectively under time deadlines and within limited financial and staffing resources; analyzes, interprets, summarizes and presents administrative information and data in an effective manner and makes sound policy and procedural recommendations; proficiently uses computers including the use of email, word processing, and spreadsheet software; complies with safety policies and practices; communicates clearly and concisely orally and in writing; establishes and maintains effective working relationships with those contacted in the course of work. Supervises any part-time support personnel in the Grants and Conservation programs.

**PHYSICAL DEMANDS**

The physical demands described here are representative of those needed to successfully perform the essential functions of this job. Reasonable accommodations

will be made, as appropriate, to enable individuals with disabilities to perform the essential functions.

While performing the duties of this job, the employee is regularly required to sit. The employee frequently is required to use hands to finger, handle, or feel objects, tools, or controls, and to talk or hear. Specific vision abilities required by this job include close vision and the ability to adjust focus.

**WORK ENVIRONMENT**

Requires working at a desk and in meetings for long periods of time; may intermittently twist to reach equipment surrounding desk; perform simple grasping and fine manipulation; use telephone, write or use a keyboard and mouse to communicate through written means. Travels periodically on Agency business. The noise level in the work environment is usually low to moderate. The ability to visit field infrastructure sites and other utility agency offices is desirable.

This job specification should not be construed to imply that these requirements are the exclusive standards of the position. Incumbents will follow any other reasonable instructions, and perform any other related duties, as may be required.

**Gene Mancebo** Oct 27, 2017 at 6:08 AM

To All:

I apologize, I just noticed there was an error in the last sentence which should have read "The Agency management team has already met with the committee and will not be participating in this meeting.

Sincerely,

Gene

From: Gene Mancebo

Sent: Thursday, October 26, 2017 5:36 PM

Subject: Organization Structure Ad Hoc

To All Employees:

The Board assigned a special Board Committee (Ad Hoc) which includes Directors Farrington and Molinelli to review the Agency's organizational structure with the intent of improving efficiency and effectiveness. Their work follows and continues concepts such as the Board's decision to fill the Engineering Manager position instead of the recently vacated Engineering Supervisor position, the creation of the Accountant position, and the creation of the Customer Service Representative III position as examples. The committee is also investigating potential salary inequities and job responsibilities. The committee is dedicated to hearing from all employees prior to making a recommendation to the full Board. The committee is currently performing its' fact-finding activities. Attached is a list of possible issues and some possible organizational structures. These are only concepts and the committee is open to expanding options to consider and would like to hear from you. The organizational structures are simplified and remain unchanged for positions not shown; however, the committee would like to discuss other changes anywhere in the structure to improve efficiency and effectiveness. The committee will be available following the All Employee meeting November 1. If you are unavailable or wish you speak to the committee individually, please feel free to contact either Board member directly. The Agency management team has already met with the committee and will be participating in this meeting.

Director Farrington: [REDACTED]

Direct Molinelli: [REDACTED]

Sincerely

Gene

Gene Mancebo  
General Manager  
Amador Water Agency  
(209) 257-524

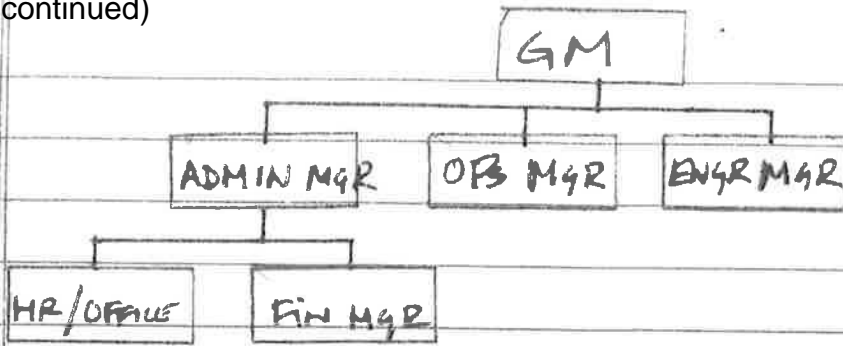
## Re-Organization Ad-Hoc Committee

### Identified Issues to Address

1. Operation Manager supervises a substantially greater number of employees as compared to other managers.
2. HR/Office Manager has limited time for HR and certain areas do not seem to be receiving adequate time. Examples:
  - a. Safety training including safety manual
  - b. Orientation for new employees
  - c. Availability for employee/manager walk-ins needing HR advice
3. General Manager is not spending adequate or quality time addressing certain priorities of the Board. Some items could be delegated and others require more time from General Manager. Examples
  - a. Strategic Planning
  - b. Master Planning
  - c. Legislation
  - d. Watershed-ERC/UMRWA
  - e. Grant acquisition and administration
  - f. ACWA, Mountain Counties participation and involvement in forthcoming issues including conservation, Bay Delta, WaterFix, etc
  - g. Outreach Committees
4. Responsibilities which are not specifically assigned to any one person/job description:
  - a. Grant Administration
  - b. Security
  - c. IT Contract Management
  - d. Document Management/Laser Fiche/File archive
  - e. Outside Service Contracts
  - f. Building Management/Contract Administration
  - g. Public Information Officer duties
  - h. Website Management
  - i. Photocopy Contract Management
  - j. General Contract Management (Including Fleet Lease)
  - k. Conservation Administration
  - l. Public Outreach (including Agency Facebook, email blasts, flyers, fair, parades, newsletters, general ongoing info to public)
  - m. Updating Agency manuals, policies, water/wastewater codes

5. Evaluate Organizational Structure to look for efficiency improvements including "Stove Pipe" structures which may foster duplication and unclear roles and responsibilities.
6. Evaluate Organizational Structure and job titles to build upon changes in progress to further enhance and define associated roles and responsibilities. Also review salaries for any ranges substantially low or high.
7. Agency Maps are not being kept current with the ongoing vacancy of the GIS/Cad position

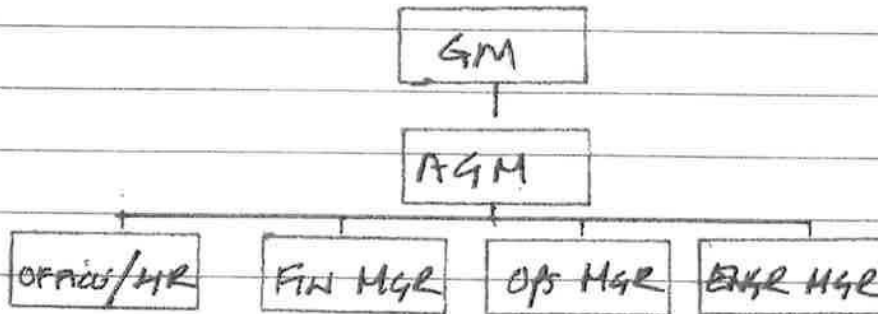
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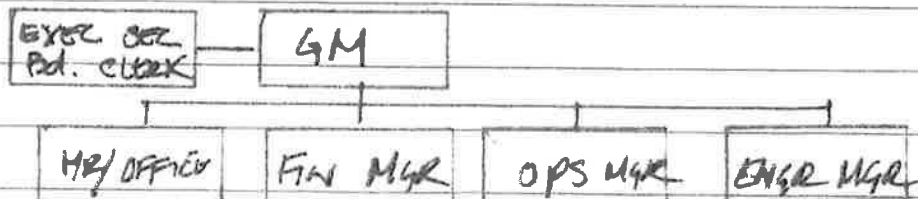
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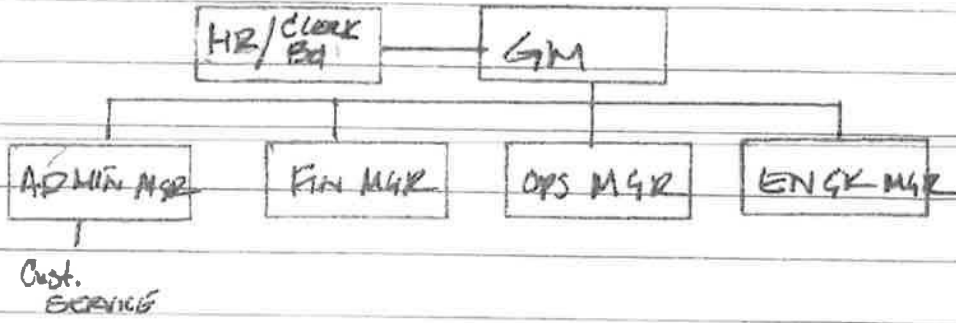
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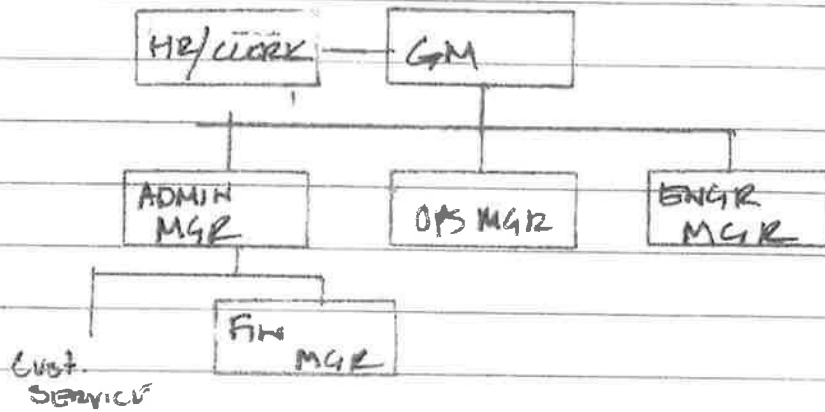
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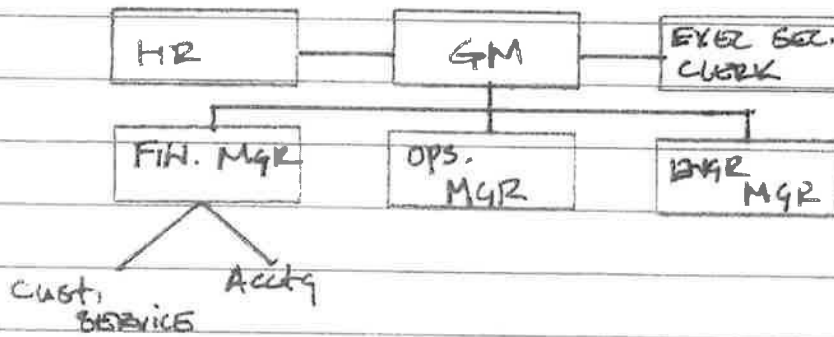
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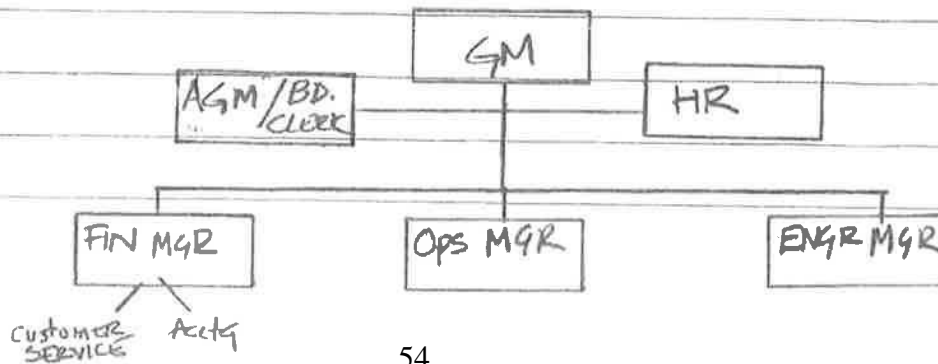
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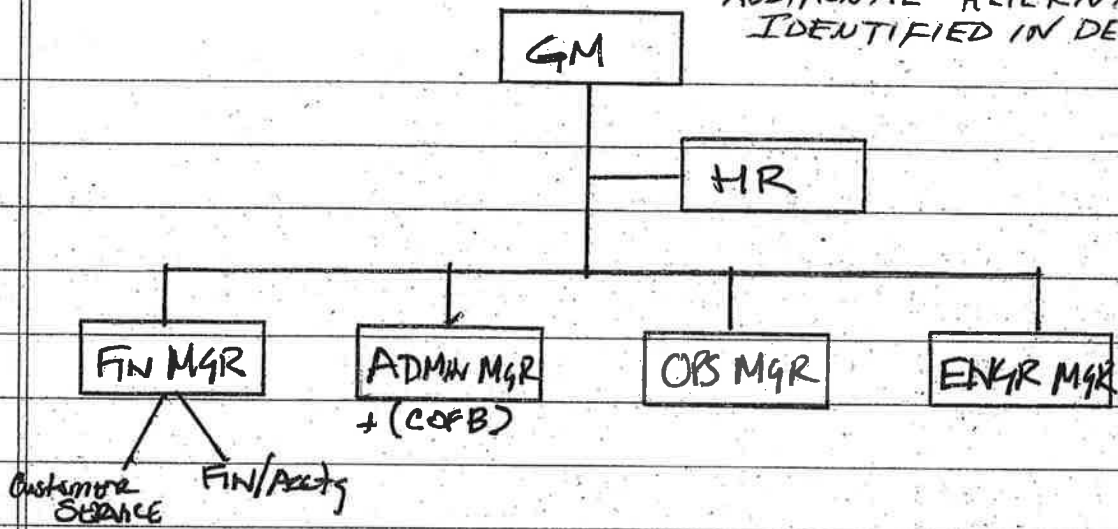


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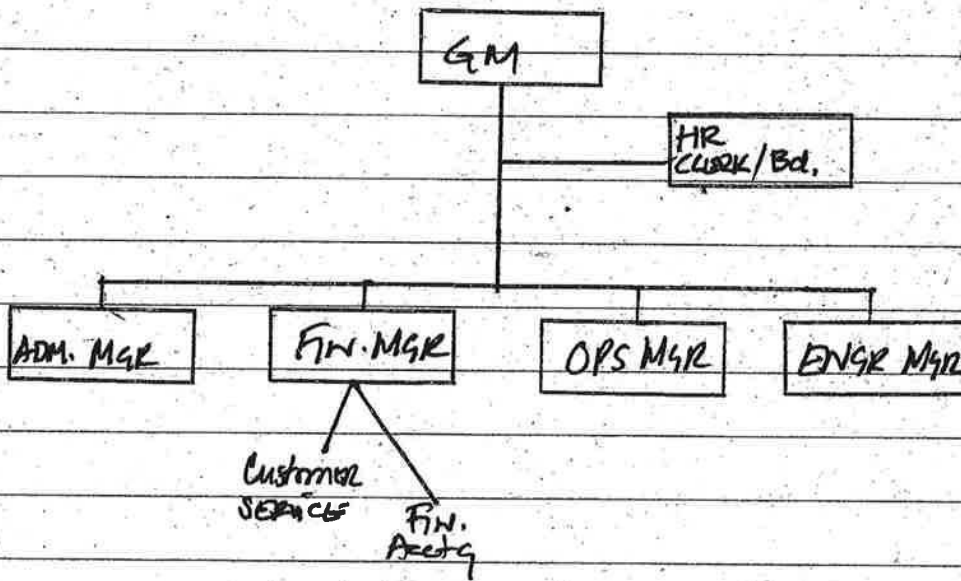


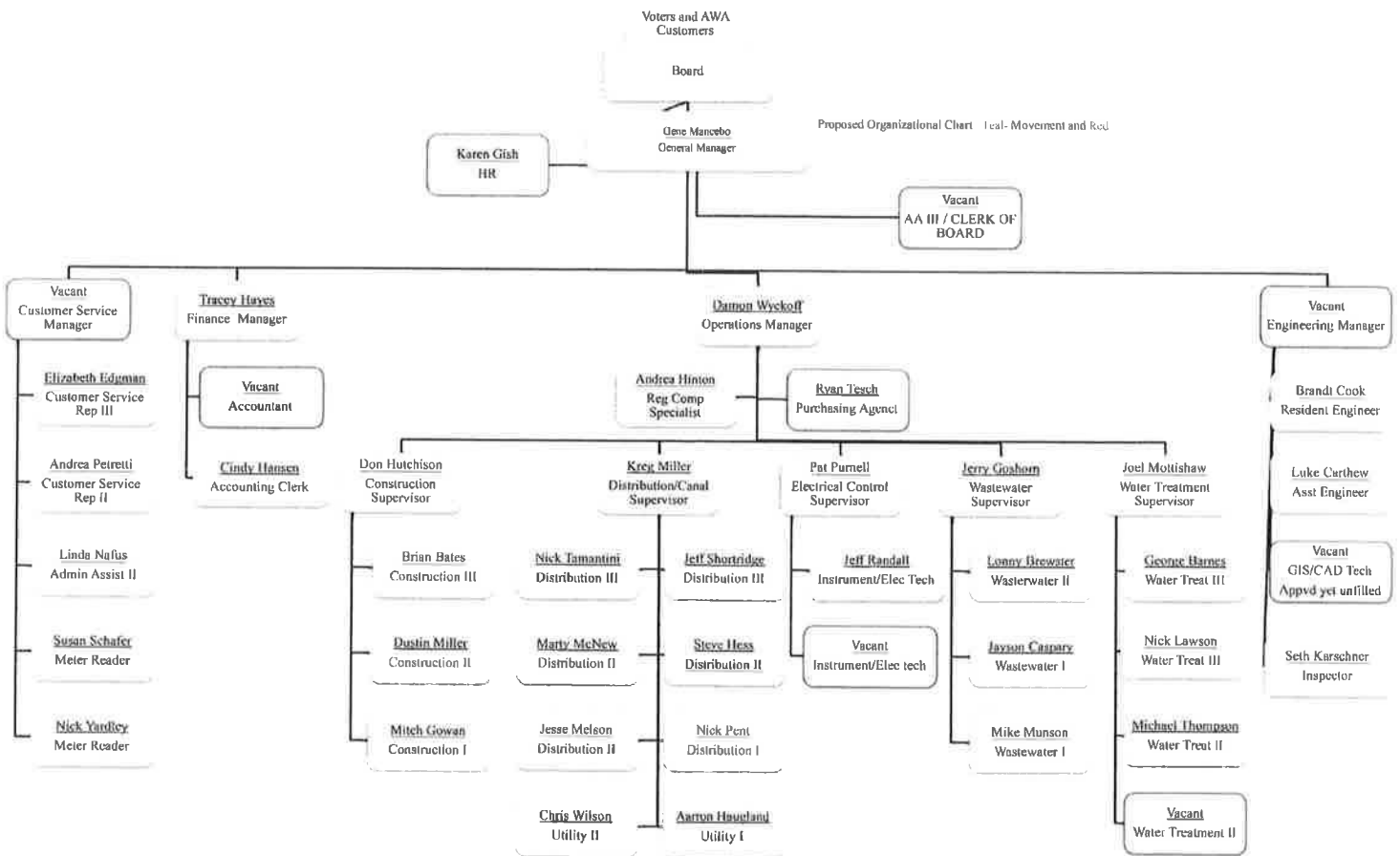
ADDITIONAL ALTERNATIVES IDENTIFIED IN DEC. 2017

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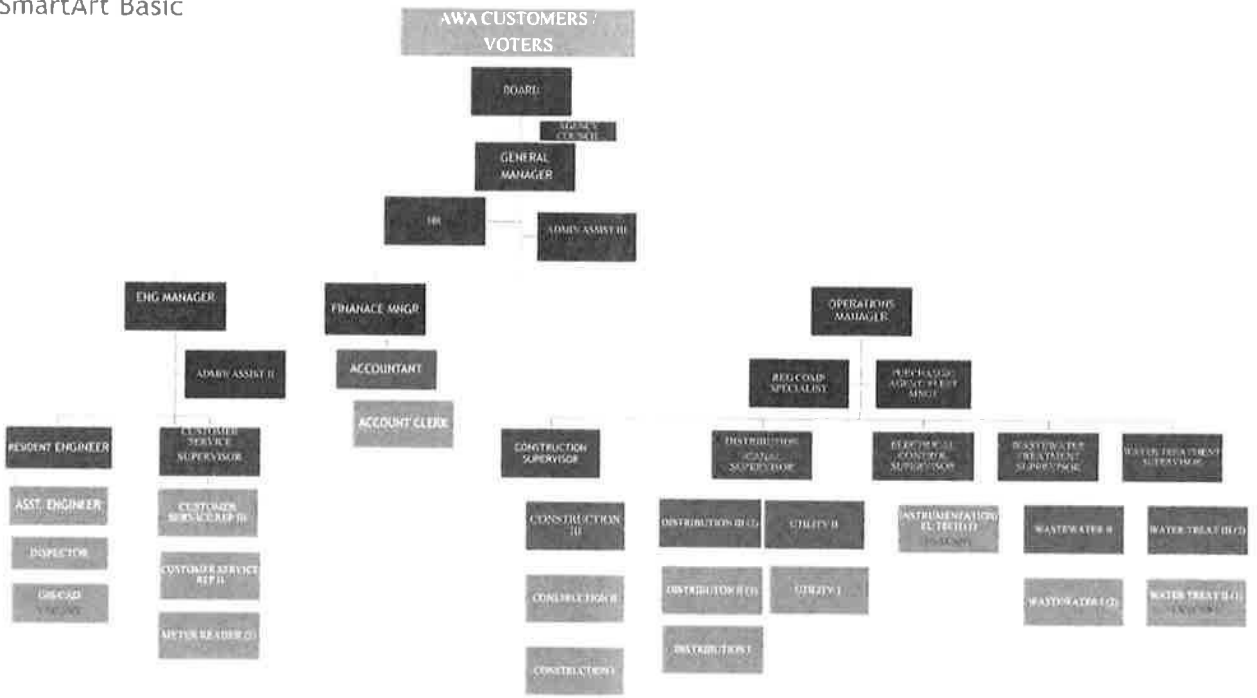


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EXHIBIT C - 3

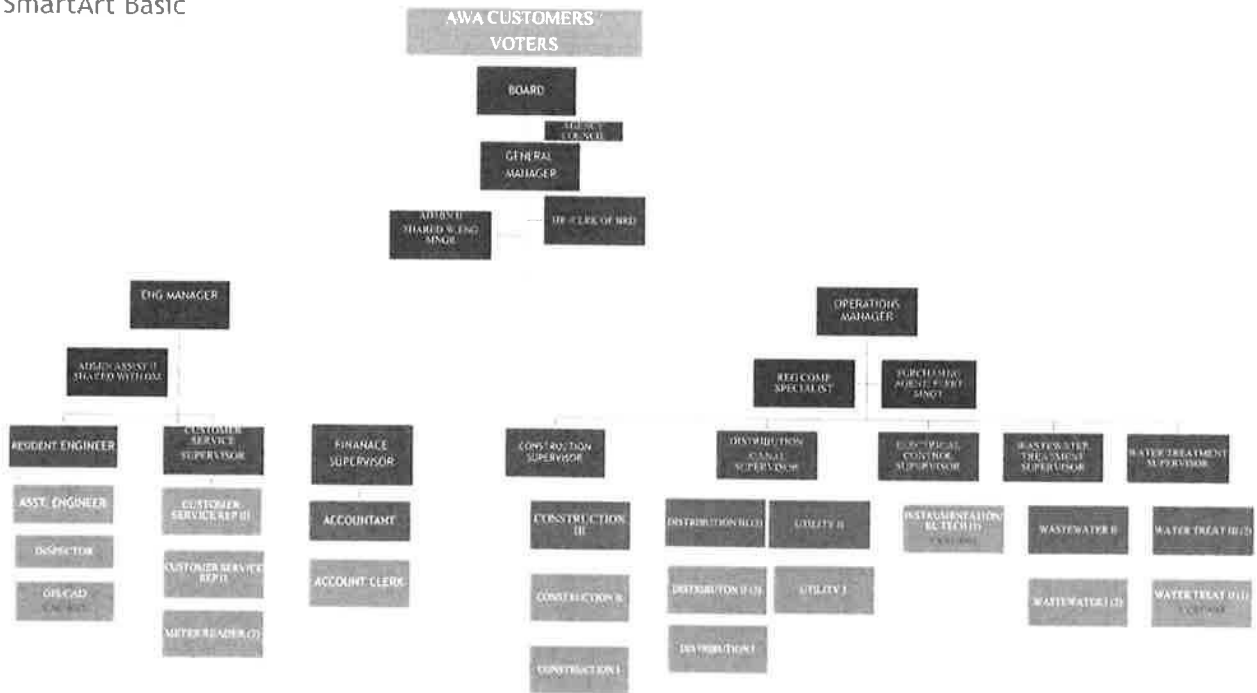


SmartArt Basic

EXHIBIT C - 4



SmartArt Basic



Appendix D

**Amador Water Agency Employee's Association**

12800 Ridge Rd Sutter Creek, CA 95642 Email: [AWAEA@gmail.com](mailto:AWAEA@gmail.com)

Officers:

Andrea Hinton- President

Steve Hess- Vice President

Andrea Petretti- Treasurer

Elizabeth Edgman- Secretary

George Barnes- Sergeant-at-Arms

Don Hutchison- MBU Representative



February 12, 2018

Dear President Toy,

As you know, AWA is in the midst of a morale crisis. These issues began with the promotion of the current AGM, the toxic atmosphere she created, and the stream of raises she received while AWAEA was conceding pay and benefits. However, our concerns are not driven by low compensation. Recent studies have shown that rather than pay, it is poor leadership that contributes the most to low employee morale, and the experiences of the AWAEA Membership reflects this.

The AWAEA membership is very appreciative that the Board took notice of our concerns, and has moved towards reorganizing the Agency. However, we have some serious concerns with the proposed reorganization, and the risks of repeating the mistakes of the past. It was our hope that the serious issues with the AGM position be addressed, and the imbalance between management and labor salaries be evaluated. Under this proposed reorganization, many of the root causes of low employee morale will continue.

It is bothersome to see the same salary survey that the Agency did not want to use during our MOU negotiations suddenly be used to support a 25% pay increase to a new management employee, with the possibility of another pay raise in July. When someone in management receives such large raises while our merit freezes continue and one of our members is being demoted, it should come as no surprise when employee morale continues to sink. Additionally, AWAEA has made it clear that we have concerns with the person selected for this position.

AWAEA has worked with the Agency during the past few years of financial difficulties. We have surrendered our merit pay, taken decreases in retiree medical care and 457 matching, and agreed to pay more for health insurance. Clearly, we are willing to work with you to keep this agency afloat. However, an agency like ours cannot provide the best possible service to our community when morale issues are not addressed. As public employees, it is our duty to provide the best service we can. As an elected official, it is your duty to ensure that we are provided with the proper leadership to help us in our endeavor.

We respectfully ask that you reconsider this proposed reorganization. It is our belief that major issues will continue to develop, and employee morale will continue to suffer.

Thank you for your time,

AWAEA

**AWAEA Member List**

Please sign to indicate you support the rejection of the proposed reorganization

Employee Names Redacted for Privacy

Dated:

**2/12/2018**

Excerpt From FY 2012/13 Budget

Amador Water Agency All Systems FY 2012 - 2013 Operating Budget								Adopted June 28, 2012
	07/08 Actual	08/09 Actual	09/10 Actual	10/11 Actual	11/12 Budget	11/12 Forecast	12/13 Budget	Notes
<u>Operating Revenue</u>								
Water Sales	6,176,552	6,273,350	6,436,984	6,568,146	6,564,721	6,506,623	6,512,552	Apr 2012 forecast, CAWP slight inc
Waste Water Sales	1,092,535	1,090,791	1,205,286	1,327,789	1,437,665	1,356,350	1,356,350	Apr 2012 forecast
Other OP Revenue	3,345,933	6,059,817	5,815,275	1,184,698	1,463,673	1,456,612	5,229,074	Grants, \$900K, GSL-Existing
Transfer Ins	1,189,605	1,136,651	1,186,980	960,958	1,047,627	1,047,627	1,084,976	CAWP, AWS Partic Fee Repayment
<b>Total Operating Revenue</b>	<b>11,804,625</b>	<b>14,560,609</b>	<b>14,644,525</b>	<b>10,041,590</b>	<b>10,513,686</b>	<b>10,367,213</b>	<b>14,182,953</b>	

Excerpt From FY 2013/14 Budget

Amador Water Agency All Systems FY 2013 - 2014 Operating & Non Operating Budget								Amended September 12, 2013
	08/09 Actual	09/10 Actual	10/11 Actual	11/12 Actual	12/13 Budget	12/13 Actual	13/14 Budget	Notes
<u>Operating Revenue</u>								
Water Sales	6,273,350	6,436,984	6,568,146	6,591,320	6,512,552	7,025,045	6,943,512	Water 2.9% over prior 3 FY Avg
Waste Water Sales	1,090,791	1,205,286	1,327,789	1,347,136	1,356,350	1,356,656	1,384,205	
Other Revenue	6,048,040	5,833,194	1,184,697	1,137,811	1,068,729	1,417,632	1,977,900	Incl \$900K GSL Reim
Transfer Ins	1,136,651	4,372,665	4,052,369	1,458,116	1,084,976	1,729,793	1,331,413	CAWP, AWS Partic Fee, Internal Loans
<b>Total Operating Revenue</b>	<b>14,548,832</b>	<b>17,848,128</b>	<b>13,133,001</b>	<b>10,534,384</b>	<b>10,022,607</b>	<b>11,529,126</b>	<b>11,637,030</b>	

*THREE- YEAR GOAL: Maintain Fiscal Stability*

	WHEN	WHO	WHAT	STATUS	COMMENTS
1	12/30/2019	Finance/HR	Eval Health Savings Plan-Long Term reduction of retiree liability	Done	On Target Revised
2	12/30/2019	Finance/HR	Eval Trust & other scenarios to reduce AWA retiree liability-		
3	12/30/2019	Customer Service	Shut Off Protection- SB 998 Participate in regulation development and Implement		
4	12/30/2019	Executive	Drinking Water Tax Legislation- Participate with other organization to oppose or amend proposed legislation to avoid a water tax		
5	2019-2020	Exec/Finance	WW Rate Study		
6	6/30/2020	Customer Service	Low Income Assistance Program- Participate in regulation development and implement-		
7	2020-2021	Exec/Finance	Participation Fee Study		
8	2021-2022	Exec/Finance	Water Rate Study		

*THREE- YEAR GOAL: Safe Reliable Water and Wastewater Service*

ID	WHEN	WHO	WHAT	STATUS		COMMENTS
				Done	On Target Revised	
1	12/30/2019	Engineering	Comprehensive Master Plan-Hydraulic Model			\$50,000
2	12/1/2019	Executive	Emergency Response Plan Update			
3	6/30/2020	Engineering	Resolve Camanche WW 15 year moratorium by creating a financial solution to implement the current plan			\$13 million project
4	6/30/2020	Engineering	Develop 40-year Water Supply Plan which includes conservation, reuse, and new water supply projects			
5	12/1/2020	Engineering	Comprehensive Master Plan-develop plan for replacement and expansion			\$200,000

*THREE- YEAR GOAL: Safe Reliable Water and Wastewater Service- Continued*

6	12/30/2020	Operations	Develop Preventative Maintenance Plan utilizing CMMS			
7	6/30/2021	Operations	Hire two distribution operators who along with other exiting staff will implement the PM Plan			\$120,000 annually
8	6/30/2021	Engineering	Develop Water Use Efficiency, Conservation , and Drought Preparedness to meet regulations and support the Water Supply Plan and comply with AB 1668 & SB 606			
9	12/30/2021	Engineering	Develop a Re-Use plan to coordinate wit the New SCWWTP and support the Water Supply Plan			

THREE- YEAR GOAL: *Maintain AWA's Positive Community Interaction*

	WHEN	WHO	WHAT	STATUS		COMMENTS
				Done	On Target Revised	
1	6/30/2019	Executive	Project updates and news stories regularly posted on website and social media			
2	9/30/2019	Executive	Install TV Monitor in front entrance hall with website loop showing photos of current activities Target a loop of 25 slides and a minimum of two new			
3	12/30/2019	Human Resources	Create an intern program with High School and Sacramento State and Delta Junior College			
4	9/30/2019	Human Resources	Create create a scholarship program for both high schools with total annual donation of \$1,500 paid through discretionary funds			
5	1/1/2020	Operations/ HR	Facility Tours- public schools, council members, service organizations, etc. Minimum 1 per quarter			Outreach Committee Agenda item
6	6/30/2020	Engineering	Participate in Community Events- Parades.... Lone Home Coming, Italian Picnic Parade, S.C. Xmas Light Parade, Fair Window, Poss. Sutter Amador Health Fair, Chamber Events, Jackson Xmas Parade.... Target 6 events per year			Outreach Committee Agenda item

**THREE- YEAR GOAL: Actively Participate in Watershed Protection**

	WHEN	WHO	WHAT	STATUS		COMMENTS
				Done	On Target Revised	
1	December 2019, December 2020, & December 2021	Executive	Direct involvement in the Ecologic Resource Committee (ERC) ....Annual Report to the Board			Recent acceptance as ERC member
2	December 2019, December 2020, & December 2021	Executive	Actively support healthy forest improvements thru UMRWA-Annual Report to the Board			
3	December 2019, December 2020, & December 2021	Executive	Actively participate in Lower Mokelumne fisheries improvement with EBMUD-Annual Report to the Board			
4	December 2019, December 2020, & December 2021	Executive	Participate in committees on ACWA that enhance Headwaters Awareness-Forest Management-Fire Infrastructure Improvements ,educate legislators and others on watershed protection , and seek funding opportunities.-Annual Report to the Board			

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**Criminal Justice Committee**  
Amador County Sheriff's Department

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# BETWEEN A ROCK AND A LAWSUIT

## AUTHORITY

California Penal Code (PC) 919 mandates that the Grand Jury shall inquire into the condition and management of all public prisons and detention facilities within the county.

## SUMMARY

The 2018/19 Amador County Civil Grand Jury toured Amador County Sheriff's Office (ACSO) which operates the Amador County Jail (Jail) in the city of Jackson. We found the Jail continues to be overcrowded, is in dire need of expansion and updating, is non-compliant with the use of their sobering cell due to overcrowding issues, and doesn't inform inmates of their right to appeal their grievances to the grand jury. However, we also found the correctional staff to be professional and dedicated to fulfilling their mission and maintaining a safe environment. During this past year, the Jail did upgrade their monitoring system in their Central Control Room.

We recommend that the Sheriff's Office ensure that staff inform new detainees of the complete grievance process, fill staff vacant positions, and continue to pursue the construction of the Jail expansion.

## GLOSSARY

AB109	The Public Safety Realignment Act or Assembly Bill 109, known as "Realignment."
ACSO	Amador County Sheriff's Office
BSCC	Board of State and Community Corrections
CCR	California Code of Regulations (Title 15)
CCP	Community Corrections Partnership
CCTV	Closed Circuit Television
CDCR	California Department of Corrections and Rehabilitation
CEQA	California Environmental Quality Act
CO	Correctional Office
CORE	Fundamental set of courses that introduce new county corrections officers to the knowledge, skills and basic work functions that are at the core of corrections, and is required to be completed within one year
Jail	Amador County Jail
N3	Non-non-non offenders – Non-violent offenders, Non-serious offenders, Non-sex offenders
PC	Penal Code

PRCS	Post Release Community Supervision
RN	Registered Nurse
SB	Senate Bill
STC	Standards and Training for Corrections

## BACKGROUND

The grand jury initiated its annual inquiry into the condition and management of the Jail as mandated by California Penal Code 919. Our task was to inspect the condition of this detention facility, review whether staffing levels are adequate, and to determine whether the overcrowding issue continues.

The Jail has a history of being overcrowded. The review of previous grand jury reports spanning the past twenty years, found that the Jail is overcrowded and outdated, and each grand jury has made a finding and recommendation that these issues be addressed.

Realignment in 2011 added additional strain on the Jail by changing the culture of the county jail and by adding to the overcrowding issue. Inmates that would be serving their sentence in prison and are now bringing their “prison mentality” to county jails.

The county’s plans to expand the Jail have been delayed due to pending legal issues; no current construction completion date of the expansion is available.

## METHODOLOGY

The grand jury reviewed the following documents:

- Amador County Jail Grievance Form and Guidelines
- California Board of State and Community Corrections (BSCC) website  
<http://www.bscc.ca.gov/>
- California Code of Regulations Title 15, including:
  - Section 1073(a) CCR
  - Section 3079 (a) (b)CCR
- [https://www.cdcr.ca.gov/Regulations/Adult\\_Operations/docs/Title15\\_2018.pdf](https://www.cdcr.ca.gov/Regulations/Adult_Operations/docs/Title15_2018.pdf)
- Jail Inspection Handbook for Grand Jurors
- Jail Rules and Regulations provided by the ACSO
- Medical Screening Form
- Policy and Procedure Manual (California Department of Corrections and Rehabilitation Adult Institutions, Programs, and Parole Operations Manual)
- Custody Manual (Adult Custody and Security Operations)
- Serious Incident reports
- Sheriff’s Policy and Procedure Manual
- Amador County Civil Grand Jury Reports (2004 through 2018)

- State Assembly Bill 109 (AB109) (The Public Safety Realignment Act)  
[http://rcrcnet.org/sites/default/files/documents/BSCC\\_2011\\_Public\\_Safety\\_Realignment\\_Act\\_July%202018.pdf](http://rcrcnet.org/sites/default/files/documents/BSCC_2011_Public_Safety_Realignment_Act_July%202018.pdf)

The grand jury conducted interviews with various individuals including:

- Sheriff
- Correctional staff
- Registered Nurse (RN)
- a female inmate
- a male inmate

## **DISCUSSION**

### **Introduction**

The Jail was built in 1984 with a 20-year life span. In 2005, the Jail did complete a renovation: adding a sobering cell, enlarging the kitchen, adding administrative office space, and enlarging the laundry room. In April 2018, the control system (inmate intercoms, CCTV system, and control panels) was upgraded.

The Jail is a Type II facility that holds adult inmates: pending arraignment, awaiting and during trial, and after sentencing. The Jail staff is responsible for detaining persons accused of crimes, transporting such persons to and from court appearances, and housing convicted criminals. It was built to house 76 inmates, 65 males and 11 females, in six cell blocks. The Board of State Community Corrections (BSCC) rated capacity of the Amador County Jail is 76 inmates and it has been exceeded every year since 2007.

At the time of our initial visit on January 15, 2019, there were 58 males and 21 females. Upon the second visit on April 11, 2019, there were 59 males and 16 females.

### **Facilities**

A commonality, found in reading past grand jury reports and in our inspection, is the urgent need to expand the Jail. The need for a new facility dates back at least as far as the 2004/05 grand jury report. The county has taken steps to expand the Jail: they have evaluated different locations and determined expanding their existing site meets their needs. Currently, the jail expansion project has been funded, but has been placed on hold due to a lawsuit that is currently on appeal.

The Jail has limited space to house, feed, and provide outdoor time and exercise. It also doesn't have adequate classrooms to offer educational programs. The grand jury observed bunk beds in the day rooms of both male and female cell blocks to accommodate overcrowding. Placing bunks in the day room has been the practice for many years.

According to the 2016/18 BSCC Inspection Report, the Jail is non-compliant with Title 15, Section 1056, Use of Sobering Cell and Title 24, Sections 470A.2.9, Dayrooms and 470A.3.4, Showers. One of the two sobering cells is frequently used as an observation cell resulting in non-compliance with this regulation. The sobering cell, specified in Title 24, Part 2,

Section 123 I.2.4, is used for holding inmates who are a threat to their own safety or the safety of others due to their state of intoxication and pursuant to written policies and procedures.

For the last three inspection cycles, this facility has been non-compliant with this regulation due to its frequent use as an observation and/or housing cell.

Maintenance beyond the public and administration areas is lacking. All areas that inmates either pass through or are housed in are in need a coat of paint.

## **STAFF**

At the time of the tour, twenty-seven positions were filled, with three vacancies as follows: one Correctional Officer, and two Correctional Officer Assistant positions. When the Jail expansion project is completed, additional staff will be added.

<b>Allocated Staff</b>	<b>Number</b>
Captain	1
Lieutenant	1
Sergeants	6
Correctional Officers	20
Correctional Assistants	2
<b>Total</b>	<b>30</b>

## **Training**

All personnel must complete the following training to be minimally qualified to carry out the Jail responsibilities:

- CORE course – 178 hours
- PC 832 course – 40 hours
- STC mandated – 24 hours annually
- cultural diversity – 8 hours
- mental health first aid – 8 hours
- first aid and CPR – 8 hours

## **Specialized training**

Additional training is offered to staff to increase proficiency in specific areas, including:

- anxiety disorders, PTSD and polytrauma
- practical responses to people with cognitive and personality disorders
- inmate hearings and progressive discipline
- National Alliance of Gang Investigators Association (Cal-Gang) - 40 hours
- PREA (Prison Rape Elimination Act)
- basic peer support
- Narcan training

## BUDGET

The budget is discussed further in the County Administrative Committee’s report, entitled, “Law Enforcement - Amador County Jail and Sheriff’s Department.” The current budget is as follows:

Description	Budget
Employees	\$3,420,887
Services and supplies	\$688,926
County-wide cost allocation plan	292,216
Inmate medical	\$766,164
<b>Total Jail Budget</b>	<b>\$5,168,193</b>

## INMATE QUALITY OF LIFE

### Meals

- The meals are prepared by a vendor, Aramark, at Santa Rita County Jail in Pleasanton and transported to the Jail.
- The inmates receive two hot meals and one sack lunch daily.
- Meals are chill-cook-serve.
- A RN approves special dietary needs.
- Meals that conform with religious dietary restrictions are available.
- Inmates are supervised during meal preparation and service.
- Meals meet all state nutritional requirements.
- Environmental Health oversees the inmate meals.
- The grand jury sampled the sack lunch and found it adequate

### Medical

Each inmate is given a routine check-up upon arrival, within 72 hours or sooner if necessary, and every six months of incarceration thereafter. Inmates can request to see the RN or doctor and requests are prioritized by need. When an inmate wants to be seen, a medical call slip must be completed. A \$3.00 medical fee is charged for inmate initiated sick call visits. No inmate is denied necessary medical care if unable to pay for the medical fee. Staff may submit the inmate for medical care, though an inmate can refuse medical treatment at any time. Medical services are available as follows:

- The RN is available five days a week.
- A doctor is available one day a week and on call 24/7.
- A nurse advice phone line, One Care Connect, is available 24/7.

The following visits were recorded in 2018:

- 2276 inmates were seen for routine sick calls.
- 331 inmates were seen for physician sick calls.
- 128 inmates were seen for dental visits.
- 27 inmates required emergency room visits.

## **Mental Health**

During the Jail inspection, it was learned that persons who were determined by the court to be unfit for trial are housed in temporary holding cells awaiting transportation to state hospitals for treatment. The waiting time is determined by the availability of bed space by state administrators. One person spent 191 days in the Jail until a bed was available at a state hospital.

## **Inmate Psychological Services**

A mental health therapist is at the Jail one day per week and a psychiatrist is at the Jail four hours per week. There is a crisis worker on call 24/7. Requests for care can either be made by inmate or a staff member. In 2018, the following were recorded:

- 194 inmates were seen for routine medical visits.
- 179 inmates were seen for safety cell evaluations.
- 20 inmates were unable to stand trial due to incompetency.
- 129 female inmates attended a counseling group.
- 95 male inmates attended a counseling group.

## **Programs and Education**

The Jail offers inmates the opportunity to rehabilitate themselves through programs such as:

- Alcoholics Anonymous
- Narcotics Anonymous
- Positive Parenting Life Skills Education
- Bible study
- Behavioral Health coping skills
- High school diploma and preparation for General Equivalency Diploma

## **Female Inmates**

- A female officer is always on duty.
- There is information provided on family planning and services.
- Gynecological services are available.
- When an inmate is pregnant, the RN reviews available services, medical, and dietary needs.
- In 2018, there were seven offsite obstetric gynecological visits.

## **Inmate Welfare Fund**

Individual inmates may maintain funds in personal spending accounts. These accounts can be funded by the inmates themselves, and family members may add money to the accounts using the kiosk available in the Jail lobby, by processing the deposit online, or by phone.

The Inmate Welfare Fund conforms with Penal Code Section 4025 and is managed by Jail staff. Inmate purchases of telephone time and commissary products generate funds that are then used for a variety of programs and services, and may be used to repair inmate vandalism. A kiosk is available in the library for inmates to place orders for commissary items.

## **GRIEVANCES**

### **Grievance Procedure (15 CCR §1073)**

The grievance process permits an inmate to resolve a complaint that arises during their incarceration. Grievances will not be accepted if they challenge the rules and policies themselves, state or local laws, or court decisions and probation/parole actions. Retaliation for use of the grievance system is prohibited. Any inmate may file a grievance relating to conditions of confinement, including:

- release date
- housing
- medical care
- food services
- hygiene and sanitation needs
- recreation opportunities
- disciplinary actions
- program participation
- telephone and mail use procedures
- visitation procedures
- allegations of sexual abuse

During the orientation process, the inmate will receive information regarding the grievance process. The information is also available in the inmate handbook and in a language they understand. However, the complete grievance appeal process is not being communicated to the inmates including the fact that the inmates can appeal their complaint to the grand jury.

There have been 100 total grievances filed during 2018. Forty-four of the grievances were resolved at the lieutenant level. Sixteen grievances were from one inmate. The grand jury made several requests for a copy of the grievance log, nonetheless, it was never delivered.

### **WHAT IS AB109?**

The Public Safety Realignment Act (AB109) was passed in an effort to address overcrowding in California's prisons, was signed by the Governor Brown on April 4, 2011, and went into effect on October 1, 2011. AB109 shifts the responsibility for specific felons to county control. A new sentencing schedule and the Post Release Community Supervision program (PRCS) were established.

To qualify for consideration under AB109, offenders must be non-violent, non-serious and non-sex-related. These so-called "Non-Non-Non" or N3 offenders are now serving their sentences locally, sentenced under PC 1170(h). Typically, sentences are structured as some combination of local jail time with a period under mandatory supervision by the Probation Department.

AB109 includes the following stipulations:

- No inmates currently in state prison will be transferred to county jails.
- No inmates currently in state prison will be released early.
- All felons sent to state prison will continue to serve their entire sentence in state prison.
- All felons convicted of current or prior serious or violent offenses, sex offenses, and sex offenses against children will go to state prison

When a state prison parolee commits a new crime in the same class of offenses they are already on parole for, they will serve their violation sentence in county jail. AB109 results in a more dangerous inmate population in the Jail. These inmates have sentences of several years.

### **AB109 Community Corrections Partnership (CCP) funds**

Amador County receives funds from the state to assist with successful Realignment implementation. The CCP is comprised of local officials, including the Chief Probation Officer, Presiding Judge, District Attorney, Sheriff, and others. CCP is tasked with the local planning process and recommending a strategic plan to the county Board of Supervisors for the implementation of Realignment. In order for the county to receive the funds, they must submit data to the state each year.

## **SUPERVISION UNDER AB109**

### **Mandatory Supervision**

State prison and probation are two ends of the response continuum traditionally available to judges who sentence felony offenders in California. Realignment has given the courts the additional tool of “split sentencing.” A split sentence allows a judge to split the time of a sentence between a jail term and a period of supervision by a probation officer known as “mandatory supervision.”

Mandatory supervision is defined as a court ordered period of time in the community under the supervision of the county probation department. Felony probation, mandatory supervision, and post release community supervision (PRCS) are all types of supervision that fall under the mandate of Probation Departments to enhance public safety and reduce recidivism.

Global Positioning System monitoring is also available for eligible offenders.

### **Post Release Community Supervision (PRCS)**

PRCS is an option for eligible offenders who would have previously been under parole supervision and will now be supervised by the Probation Department after release from prison. PRCS can last for up to three years, but can end earlier, if the offender does not violate the terms of supervision resulting in a return to custody.

In order to be eligible for PRCS the offender must not be a:

- violent offender
- serious offender
- serious sex offender

- third strike offender

## **FINDINGS**

- F1. The Jail was built in 1984 with a 20-year lifespan. It is obsolete, overcrowded, and is showing a lack of periodic maintenance. It has an aging infrastructure; a lack of programming space; a very small library; a small outdoor recreation area; and lacks the space to properly segregate inmates.
- F2. The Jail houses both male and female adults.
- F3. Three staff positions are unfilled.
- F4. Use of the sobering cell is non-compliant as noted in Jail inspections and grand jury reports, but alternatives are not available until the expansion can be completed.
- F5. The outdoor recreation area is small and not conducive to recreational activity.
- F6. The Amador County Jail Grievance Form does not indicate that inmates have the right to appeal grievances to the grand jury, and inmates are not otherwise informed of this right.
- F7. A copy of the grievance log was never provided to the grand jury.
- F8. Hot food is delivered by the vendor, Aramark, to the standards established in the food service contract and Title 15.
- F9. The staff are professional and dedicated public servants. The day-to-day operations are handled with professionalism and competence.

## **RECOMMENDATIONS**

- R1. Schedule painting of the common areas by October 1, 2019. [F1]
- R2. Fill the vacant staff positions by January 1, 2020. [F3]
- R3. Update the Amador County Jail Grievance Form to indicate the inmates' right to escalate grievances to the grand jury by January 1, 2020. [F6]
- R4. Initiate the use of a grievance log to track inmate grievances immediately. [F7]

## **REQUIRED RESPONSES**

Pursuant to Penal Code sections 933 and 933.05, the grand jury requests responses as follows:

From the following county officials:

- Amador County Board of Supervisors is required to respond no later than 90 days after the grand jury submits a final report to Findings F1 through F7 and Recommendations R1 through R4.
- Amador County Sheriff is required to respond no later than 60 days after the grand jury submits a final report to Findings F1 through F7 and Recommendations R1 through R4.

**ADDRESS RESPONSES TO:**

The Presiding Judge - Amador County Superior Court  
500 Argonaut Lane  
Jackson, CA 95642

Amador County Civil Grand Jury  
PO Box 249  
Jackson, CA 95642

Reports issued by the Grand Jury do not identify individuals interviewed. Penal Code section 929 requires that reports of the Grand Jury not contain the name of any person or facts leading to the identity of any person who provides information to the Grand Jury

**Criminal Justice Committee**  
Mule Creek State Prison

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## **A SMALL CITY**

### **AUTHORITY**

California Penal Code (PC) 919 mandates that the Grand Jury shall inquire into the condition and management of all public prisons and detention facilities within the county.

### **SUMMARY**

Mule Creek State Prison (MCSP) is a small city, with a total population of inmates and prison staff of over 5,000 individuals. And, like any city, problems exist within the population. For example, contraband is an ongoing concern at all California prisons, but MCSP could be more proactive in contraband prevention. Other problems exist, evident by the Warden having been placed on administrative leave pending an internal investigation.

Such a concentrated population requires a good infrastructure to support the basic services expected in modern society. Evidence exists that there are problems with the infrastructure resulting in contamination of Mule Creek. State agencies are involved, and the investigation into the source and extent of the pollution continues. This remains an important issue for the citizens of Amador County.

And, like any city, there exists a spectrum of individuals and facilities at MCSP. The staff that interacted with the grand jury were professional and engaged. The programs available to the inmates include: the dog training program, the prison newspaper, and the various Prison Industry Authority (PIA) vocations which provide very positive ways for the inmates to be productive. The medical program is also apparently improving; and “continually improving” should be an ongoing theme fostered by MCSP management.

### **GLOSSARY**

ACA	American Correctional Association
MCSP	Mule Creek State Prison
OIG	California State Office of Inspector General
PIA	Prison Industry Authority

### **BACKGROUND**

In accordance with California Penal Code 919, the 2018/19 Amador County Civil Grand Jury investigated the condition and management of Mule Creek State Prison located in Ione, CA.

## **METHODOLOGY**

The grand jury reviewed many documents, including:

- reports on MCSP by previous grand juries
- information provided by MCSP staff
- California State Office of Inspector General (OIG) medical inspection reports for MCSP
- Amador Ledger Dispatch news reports related to MCSP

The grand jury met with MCSP staff, toured the facility, and conducted interviews with various individuals including former MCSP employees.

## **DISCUSSION**

### **Tour**

On March 6, 2019, the grand jury visited MCSP. The acting Warden, Assistant Warden, Health Care CEO, and additional staff representing every facet of operations at the facility, provided a detailed overview and answered questions from jury members. The grand jury understands how disruptive such visits can be and appreciates the significant resources made available to facilitate the investigation.

Note that the Warden was not on site due to an ongoing internal investigation. The grand jury understands that information cannot be disseminated while the investigation is ongoing and the results of the investigation should remain confidential should no wrongdoing be found. However, if laws or prison policies were violated to the level requiring such an investigation, as much of the investigation should be made public as possible, erring on the side of transparency.

After the informative discussions with MCSP staff, the jury members were taken on a thorough tour of the facility. Corrections staff were all very accommodating, answering questions, pointing out features, and allowing the grand jury access wherever requested. The tour of the In-Fill Complex facilities included:

- yard in Facility E
- medical offices
- cafeteria
- food packaging area of the Prison Industry Authority
- Mule Creek Post newspaper office
- indoor gymnasium
- areas set aside for religious services and other programs
- cell block in Facility E

In addition to touring the facilities, the grand jury had limited interactions with inmates, including a discussion with inmates participating in the dog training program dubbed POOCH – Prisoners Overcoming Obstacles & Creating Hope as well as spending time with inmates in the newspaper office.

The Minimum Support Facility was only viewed from the tour bus when driving past it between the main facility and the In-Fill Complex. During the briefing, the prison staff discussed in detail the “escape” of a prisoner from the Minimum Support Facility. This is the minimum-security facility where inmates can be housed if they meet certain criteria related to behavior and release date. In this case, a prisoner scaled a short fence on February 7, 2019, and was apparently met by an accomplice with a vehicle and left the area. The inmate was captured in Merced, CA two days later. The prison staff indicated that the relatively short fence was scheduled for replacement with a taller fence.

The grand jury was then taken to the main facility and toured Facility A after being processed through Main Control. This area is designated as the highest security level at MCSP. The tour here included the PIA coffee roasting facility, the PIA fabric products facility, entry into one of the cell blocks, and some of the program areas in Facility A. There were limited interactions with inmates in this area, including a brief interaction with an inmate in his cell with the dog he was training.

The grand jury was then taken for a brief viewing of the medical facility for the main prison area, and a brief discussion was held back in the administration building at the end of the tour.

## **Observations**

The grand jury noted that the inmates involved in both the POOCH dog training program and those working on the prison newspaper were very enthused about being able to participate in those programs.

The grand jury did not witness any specific evidence of contraband, but it seems unlikely that a large group of people on an announced and limited official tour would encounter illegal materials. During the interviews, examples of contraband within the facility were described and the ex-staff acknowledged that contraband control remains a problem.

While the grand jury was being processed through the Main Control building, several people were being processed in and out, including employees and contract employees. Employees were often carrying coolers, backpacks, and other personal effects. According to MCSP Operating Procedure MC 156, “Allowable Employee Property,” employees are permitted to bring in one hand carried item such as a cooler or backpack. However, the items being carried by employees were not “thoroughly inspected” as required by MC 156.

## **Review of Documents**

Several documents were requested from the staff at MCSP. All requests were promptly fulfilled. MCSP staff provided an informative booklet during the tour and copies of the Mule Creek Post were handed out during the tour. OIG reports on medical facility inspections were also reviewed.

Of note are the results of medical inspections. The most recent data available, from the OIG’s Inspection Cycle 5 (the most recent inspection), indicated that MCSP received an overall grade of “Inadequate,” though there was improvement noted from the Cycle 4 inspection. In Cycle 4, only one of the thirteen areas inspected received a rating of “Adequate.” In the Cycle 5 inspection, three of the thirteen areas received an “Adequate” rating, indicating some

improvement. The inspections look at fifteen “indicators” but two of them are not applicable to MCSP. The results of the inspection are included in Table 1.

**Table 1**  
**Inspection Results from “Cycle 5”, July 2018**

<b>Inspection Indicator</b>	<b>Rating</b>
Access to Care	Inadequate
Diagnostic Services	Inadequate
Emergency Services	Inadequate
Health Information Management	Inadequate
Health Care Environment	Adequate
Inter- and Intra-System Transfers	Inadequate
Pharmacy and Medication Management	Inadequate
Preventive Services	Adequate
Quality of Nursing Performance	Inadequate
Quality of Provider Performance	Inadequate
Specialized Medical Housing	Inadequate
Specialty Services	Inadequate
Administrative Operations (secondary)	Adequate
<b>Inspection Indicators Not Reviewed</b>	
Prenatal and Post-Delivery	n/a
Reception Center Arrivals`	n/a

Specific statistics on the number of ambulance transports for emergency medical treatment were not included in the information provided to the grand jury, but there is no evidence that this issue has changed.

## **Accreditation**

The pamphlet provided to grand jury members by MCSP during the tour (revised February, 2019) contains information about MCSP being accredited by the American Correctional Association (ACA). However, during the tour, the grand jury was verbally told by staff that MCSP had severed ties with the ACA due to the cost of membership.

## **Water Issues**

There have been a series of five reports in the Ledger Dispatch newspaper outlining issues around contaminants from MCSP getting into Mule Creek. While the official position of MCSP is that the issue does not exist, the Central Valley Regional Water Quality Control Board is now involved. Enough evidence exists documenting contamination that there will be further action to quantify and determine the source of the contamination.

This is a serious issue for the residents of Amador County and should be monitored as more information becomes available. Newspaper reports and grand jury interviews with former employees of MCSP point to potentially serious problems with the sewage system under the aging facility, but this grand jury did not have the resources to conduct further investigation.

## **FINDINGS**

- F1. The Warden is on administrative leave pending an investigation.
- F2. Staff is generally professional and engaged.
- F3. Many positive programs exist that provide benefit to the inmates.
- F4. Staff can enter the secure areas of the prison without having personal effects thoroughly inspected.
- F5. Contraband remains an ongoing problem at MCSP.
- F6. Contamination has been found in water outside of MCSP.
- F7. Accreditation of MCSP by the ACA is no longer being sought.
- F8. Inspections of the medical program at MCSP by the OIG show need for improvement, and some improvement was realized during the last inspection conducted (Cycle 5).

## **RECOMMENDATIONS**

- R1. Immediately enforce existing policies regarding search of all materials entering the secure areas of MCSP. [F4, F5]
- R2. Fully and transparently cooperate with state agencies investigating the possibility of contamination originating from MCSP entering Mule Creek and the surrounding environs. [F6]

- R3. Re Engage with the ACA or another similar organization by January 1, 2020 to ensure independent oversight of MCSP operations. The protection of the citizens of Amador County is a serious responsibility, and as such, should be conducted with extensive and thorough oversight. [F7]
- R4. Maintain the focus on improving the medical program at MCSP and strive for continued improvement in OIG medical inspection results. The goal should be “Proficient” for every inspection indicator. [F8]

## **REQUIRED RESPONSES**

Pursuant to Penal Code sections 933 and 933.05, the grand jury requests responses as follows:

From the following individuals within 90 days:

- Mule Creek State Prison Warden is required to respond no later than 90 days after the grand jury submits a final report, to Findings F4 through F7 and Recommendations R1 through R3.

## **INVITED RESPONSES**

The following individual is invited to respond within 90 days:

- Mule Creek State Prison CEO of Healthcare Services is invited to the grand jury report, Finding F8 and Recommendation R4.

## **ADDRESS RESPONSES TO:**

The Presiding Judge - Amador County Superior Court  
500 Argonaut Lane  
Jackson, CA 95642

Amador County Civil Grand Jury  
PO Box 249  
Jackson, CA 95642

Reports issued by the Grand Jury do not identify individuals interviewed. Penal Code section 929 requires that reports of the Grand Jury not contain the name of any person or facts leading to the identity of any person who provides information to the Grand Jury
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## **Criminal Justice Committee**

California Department of Corrections  
and Rehabilitation

Pine Grove Youth Conservation Camp

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# **A WORTHY PROGRAM**

## **AUTHORITY**

California Penal Code (PC) 919 mandates that the Grand Jury shall inquire into the condition and management of all public prisons and detention facilities within the county.

## **SUMMARY**

The 2018/19 Amador County Civil Grand Jury inquired into the condition and management of the Pine Grove Youth Conservation Camp (PGYCC) as mandated by the Penal Code. The grand jury found that the facility dates to the 1930s and is showing its age. The grand jury finds that painting the dormitory bays, the common living area, and performing maintenance on a dormitory bay door will improve living conditions.

The PGYCC staff is dedicated to fulfilling the mission of the camp. However, to ensure that released wards are truly benefiting from the programs being offered, the staff should provide data on recidivism rates, continuing education, or gainful employment for released wards on the PGYCC website.

PGYCC is unique in that it is the only youth facility of its type in California and gives wards the opportunity to benefit the community through productive work. The wards earn genuine respect being seen as firefighters rather than youth offenders.

## **GLOSSARY**

AB109	Public Safety Realignment Act - Assembly Bill 109
CALFIRE	California Department of Forestry and Fire Protection
CDCR	California Department of Corrections and Rehabilitation
DJJ	Division of Juvenile Justice
DNA	Deoxyribonucleic acid
GED	General Education Development
ICE	US Immigration and Customs Enforcement
NCYCC	Northern California Youth Correctional Center
MD	Medical Doctor
PGYCC	Pine Grove Youth Conservation Camp
TB	Tuberculosis

## **BACKGROUND**

PGYCC was built during the Great Depression of the 1930's as part of the Civilian Conservation Corps, a public-relief program for the unemployed. The California Youth Authority, the previous name of the Division of Juvenile Justice (DJJ), in conjunction with the California Department of Forestry, the previous name of CALFIRE, acquired the Camp in 1946. It is the oldest fire camp in continuous operation in the country. PGYCC is dedicated to the rehabilitation of our young men and the conservation of California's natural resources. The camp is located at 13630 Aqueduct-Volcano Rd., Pine Grove, CA.

The PGYCC is the only youth camp that is operated in partnership with the California Department of Corrections and Rehabilitation (CDCR), the DJJ, and CALFIRE. PGYCC and CALFIRE share the facility in Pine Grove. PGYCC's mission is to protect the public by providing fire protection to the citizens of California, performing public conservation projects, and providing youth with necessary treatment and training for their successful transition back to society. The youth offenders at the PGYCC are known as wards.

The major emphasis of the camp program is on employability skills with a strong emphasis on developing good work habits. Wards receive leadership training within their crew structure. Most wards are assigned to a fire fighting crew consisting of twelve to fifteen young men, working from 8:00 a.m. to 4:00 p.m. daily. The current population of the PGYCC is sixty-nine.

## **METHODOLOGY**

The grand jury conducted its inspection by undertaking the following activities:

- a review of past grand jury reports, disciplinary documents, Serious Incident Reports, and Dormitory Inspection Reports
- an inspection/tour of the facility and an overview and history given by the camp's Superintendent and Lieutenant on December 4, 2018
- a follow-up inspection/tour on February 14, 2019
- an inspection of the camp facilities including the education classrooms, medical office, dayroom, dormitories, kitchen, dining room, showers, exercise room, control center, visitors lounge, and picnic area

Interviews were conducted with the PGYCC staff and wards as follows:

- two Correctional Officers
- educational teacher
- nurse
- four wards

## **DISCUSSION**

The PGYCC selects their wards aged seventeen to twenty-five from approximately 600 inmates at the two correctional facilities managed by DJJ; houses them in a campus-like facility; and offers employment, counseling, education, and training.

## **Placement Consideration**

The qualifications for placement in this program include:

- must be eighteen years of age to be eligible for fire crew assignment or may transfer at age seventeen and one half as camp worker
- approval by the Juvenile Justice Administration Committee
- cleared medically and clinically at the referring institution
- free of serious disciplinary action for the past sixty days
- must be free from psychotic medication for a period of 120 days
- completion of a DNA screening

## **Permanent Exclusions**

No history of sustained juvenile court petition or criminal court conviction for the following:

- escape by force
- arson
- possession of an explosive device
- sex offense
- criminal court cases with a release date after their twenty-first birthday
- medically unfit (youth with medical issues may be approved as camp workers only)
- an undocumented offender with an US Immigration and Customs Enforcement (ICE) hold
- criminal court cases with an ICE hold

Effective July 1, 2018, there are three possible jurisdiction termination dates. Depending on the aggregate sentence for juvenile court commitments those dates will be:

1. aggregate sentence of less than seven years, jurisdiction expires at age twenty-three; or
2. aggregate sentence of seven years or greater, jurisdiction expires at age twenty-five; or
3. a two-year period of control set from the date of court action, whichever occurs later.

The third criterion is the only scenario in which a youth could remain in the DJJ beyond age twenty-five. In this case and assuming that the youth meets the criteria for camp, he could conceivably remain in camp beyond age twenty-five. The camp currently has one ward that falls into this category and is almost twenty-six.

## **Staff**

The camp is comprised of two groups, CALFIRE and CDCR.

- CALFIRE has a total of twelve staff: one Chief, one support, one mechanic, and nine Fire Captains.
- CDCR has a total of twenty-seven staff which includes: one Superintendent, one Lieutenant, two Sergeants, one Registered Nurse, nine custody staff, three Parole Officers/Agents, two Associate Governmental Program Analysts, one maintenance mechanic, three cooks, and three teachers.

## Wards

The wards' workday begins with physical training, then field training exercises, and ends with educational instruction. On any given day, this schedule may vary. The wards are available year-round to respond to emergencies, primarily wildland fires. Weekend schedules for the wards provide recreation, outdoor activity, time in the dayroom, and family visitation.

Wards attend school each day to achieve a high school diploma. The curriculum is accredited by the Western Association of Schools and Colleges. The library shelves are stocked with a wide variety of subject matter such as: math, science, biology, and social studies which would be required to obtain a high school diploma or GED. Wards whose commitment period is too short to fulfill that requirement are given the opportunity to earn a GED. The wards are offered fire science college classes. Wards also have access to a driver simulator to obtain a learner's permit from the Department of Motor Vehicles.

The wards learn how to work together as a team including job and life skills. Training and certification for forklift operator is also available.

The wards receive an hourly wage for their work which consists of:

- fuel break construction
- road and highway clearance
- creek and stream clearing
- facility and ground maintenance
- providing a labor force in wildfire mitigation
- brush clearing
- maintenance of fire trails used by the local community
- wildland fire suppression throughout the state
- timber stand improvement
- road maintenance
- land clearing and replanting
- public conservation projects
- flood control
- search and rescue
- structure fires
- other labor intensive endeavors

The wards aged eighteen or over, under the supervision of CALFIRE, protect the public by providing fire protection to the citizens of California.

Many wards are from urban areas and have not experienced wildlife, such as deer and wild turkeys, and one even had a surprise encounter with a bear. Some wards had never seen a cow before or even snow. The wards are grateful for the opportunity to serve their time at a place that provides the support and training to make a fresh start in their community upon their release. Wards feel they can discuss their problems with staff members at any time. Wards are given the opportunity to open their own bank accounts with their hard earned pay and are given references to use on job applications. The programs offered are considered successful if, upon the wards'

release, they are gainfully employed or continue their education. However, there is no published tracking of this data. PGYCC did track recidivism during the past twelve months, but there is no formal reporting system in place.

## **Services Provided by PGYCC**

Routine healthcare services provided on-site:

- daily sick call services
- weekly medical doctor visits
- yearly TB testing (mandatory) and vaccines (voluntary)

As-needed healthcare services provided off-site:

- dental care provided by NCYCC in Stockton
- urgent care provided by NCYCC in Stockton
- emergency care provided by Sutter Amador Hospital

Religious options:

- church services
- sweat lodge ceremonies
- Bible study
- volunteer religious group activities

Additional activities:

- visits to the Volcano and West Point theatres
- organized athletic events
- fishing trips
- bingo bash
- pizza parties, movies, outings
- participation in local parades
- assembly of Christmas wreaths for surrounding communities in cooperation with the US Department of Forestry
- Adopt a Family program
- Friends of the Library activities

## **Programs**

Programs available to the wards include treatment and life skills training to assist them in gaining personal insight, knowledge, and ethical behavior. Other programs include individual counseling, anger management, decision making/impulse control, alcohol and substance abuse prevention, volunteer programs, case conferences, group counseling, gang awareness, victim awareness, and best parenting practices.

## **Program Credits**

Up to twenty-three program credits can be earned monthly. Credits may be used to reduce a ward's sentence. In criminal court cases, these credits may be earned on a day-for-day basis upon completion of fire camp.

Wards are expected to maintain good behavior, and work or participate in approved rehabilitative programs and activities to give them the tools and skills for their eventual return to society. Under Proposition 57, wards who comply with the rules, avoid violence, perform duties assigned to them, and actively participate in approved rehabilitative and educational programs are eligible to earn Good Conduct Credits, Rehabilitative Achievement Credits, or Educational Merit Credits. Wards who perform an heroic act in a life-threatening situation may be eligible to receive Extraordinary Conduct Credits.

**Budget**

The PGYCC budget for FY 2018/19 is as follows:

Description	Description
PGYCC facility budget	\$4,426,879
Education budget	\$552,429
Health Services budget	\$179,068
Total Budget	\$5,158,376
Total projected reimbursements from CALFIRE and other agencies	\$790,942
Net Fund Total	\$5,949,318

**Facility**

PGYCC is an old facility and is showing its age. During the grand jury’s inspection/tour, it was found that maintenance is overdue. It was observed that the dormitories and day room looked as if they had not been painted in years. Since we toured this facility in December and the weather was cold, it was observed that a rag had been stuffed at the threshold of the northern door of dormitory bay two to stop drafts. The microwave ovens used by the wards, one in each dormitory bay, were also old and dirty looking.

**FINDINGS**

- F1. The dormitories and the day room need paint.
- F2. The northern door in dormitory bay two had a rag stuffed at the threshold.
- F3. The wards can discuss their problems with the staff at any time.
- F4. PGYCC is unique in that it gives the wards an opportunity to benefit the community through productive work.
- F5. The wards earn genuine respect being seen as firefighters rather than youth offenders.
- F6. PGYCC is the only facility of its type in California.

- F7. The staff at PGYCC is dedicated to fulfilling their mission.
- F8. No data was provided on: recidivism rates, continuing education, or gainful employment for released wards.

## **RECOMMENDATIONS**

- R1. Schedule maintenance to paint the dormitories and day room by October 1, 2019. [F1]
- R2. Replace or add insulation to the northern door in bay two to eliminate drafts by October 1, 2019. [F2]
- R3. Provide data on recidivism rates, continuing education and gainful employment for released wards on the PGYCC website. [F8]

## **REQUIRED RESPONSES**

Pursuant to Penal Code sections 933 and 933.05, the grand jury requests responses as follows:

From the following individual:

- Pine Grove Youth Conservation Camp Superintendent is required to respond no later than 60 days after the Grand Jury submits a Final Report.

## **ADDRESS RESPONSES TO:**

The Presiding Judge - Amador County Superior Court  
500 Argonaut Lane  
Jackson, CA 95642

Amador County Civil Grand Jury  
PO Box 249  
Jackson, CA 95642

Reports issued by the Grand Jury do not identify individuals interviewed. Penal Code section 929 requires that reports of the Grand Jury not contain the name of any person or facts leading to the identity of any person who provides information to the Grand Jury
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# **County Administration Committee Report**

Voluntary Furloughs, Pension Liability and  
Facilities Maintenance

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# REVIEW OF AMADOR COUNTY ADMINISTRATION DEPARTMENTS

## AUTHORITY

Under Penal Code §925, the Grand Jury shall investigate and report on the operations, accounts, and records of the officers, departments, or functions of the county.

## SUMMARY

The 2018/19 Amador County Civil Grand Jury investigated Amador County Administrative functions and policies. Through our interviews and review of documents, we found the county is overstaffed by 1.34 positions at a cost of \$170.1K in the General Fund, will have substantial increases in CalPERS costs for future years, and inappropriately used voluntary furloughs in the special funded programs. We recommend the county eliminate the voluntary furloughs in the general funded programs, reduce the staff by 1.34 positions, and redirect salary and benefit savings of 170.1K to pay for increases in CalPERS Unfunded Liability.

## GLOSSARY

Board	Board of Supervisors
BOMA	Building Owners Managers Association
CalPERS	California Public Employees' Retirement System
CAC	County Administration Center
CAO	County Administrative Officer
FY	Fiscal Year
GSA	General Services Administration
HHS	Health and Human Services
SB-1	Senate Bill 1 - The Road Repair and Accountability Act of 2017

## BACKGROUND

In October 2017, the 2017/18 grand jury recognized the general lack of maintenance in landscaping outside the County Administration Center (CAC) and the Health and Human Services (HHS) facilities leading to their investigation of these issues. In follow-up, the 2018/19 grand jury studied administrative and/or fiscal practice(s) that led to funding and staffing shortfalls behind the facilities problem. As a result, the current grand jury was able to expand this issue to address other administrative concerns and discuss the difficult strategies the county must face. In this report, we examine and provide findings and recommendations in the areas of voluntary furloughs, pension liabilities, and other administrative functions.

## **METHODOLOGY**

The grand jury reviewed the following public documents:

- Amador County Budgets FYs 2006/07 through 2018/19
- 2018 California Statewide Local Streets and Roads Needs Assessment
- Prior Amador County Civil Grand Jury Reports
- SB-1 Transportation Funding Legislation (2017-2018)
- Additional references as notated in the report

The grand jury conducted various interviews with county officials, including:

- Amador County Budget Director
- Amador County Auditor
- General Services Administration Director
- Public Works Officer
- Facilities and Project Manager
- Human Resources Officer

## **DISCUSSION**

### **County Administrative Officer**

The County Administrative Officer (CAO) coordinates the actions of the county departments to ensure the efficient and effective development and implementation of Board priorities, policies, and staff directives.

When queried on whether the CAO had an organizational chart or plan for the county in its entirety, there was none available. The grand jury felt this is an important omission to its study of county functionality since it was difficult to determine reporting responsibility. In addition, this makes it difficult to justify position authority and supervisor-to-staff ratios, thereby, making it impossible to compare to other counties.

The CAO oversees the budget function for the Board in conjunction with the oversight efforts of the County Auditor, and the Office of Human Resources. These offices and their functions are described below.

### **Budget Office**

Amador County does not have a budget office, per se. The responsibility of the budget falls under a budget director who reports to the CAO. The budget director is highly qualified and a professional member of the county team having over twenty-nine years in service, with the last five years in her current position. Duties assigned to this position include:

- organizing and directing the development, preparation, and monitoring of program budgets;
- providing complex administrative and financial support to the CAO, Board, and county departments;

- planning, directing, coordinating, reviewing, and participating in fiscal and administrative activities, and special projects;
- developing and implementing policies and procedures affecting the county budget and related aspects; and
- acting as liaison with and support to departments in all phases of budget development, implementation, and ongoing review.

Under the adopted budget, the county reports on the following major governmental funds, including but not limited to:

- **General fund** - used to account for revenues and expenditures necessary to carry out basic governmental activities including public protection, public ways and facilities, health and welfare, public assistance, education, and recreational services.
- **Social Services fund** - used to account for revenues and expenditures for social service programs. Funding comes primarily from state grant revenues.
- **Mental Health fund** - used to account for revenues and expenditures for mental health programs. Funding comes primarily from state grant revenues.
- **Road fund** - used to account for revenues and expenditures for streets and road expansion. Funding comes primarily from state highway users' taxes and state and federal highway improvement grants.

### **Office of Human Resources**

Human Resources provides services and advice to the county departments and its employees on compensation, benefits, recruitment, disciplinary actions, staff training, performance management, personnel policies and procedures, risk management, and workers' compensation.

### **Amador County Auditor**

The Amador County Auditor is an elected position. The auditor is currently serving in her second term in office. The auditor's main functions include:

- auditing the operations of agencies under the Board
- receiving and disbursing county monies
- serving as a fiscal advisor to the Board
- calculating, apportioning and distributing taxes
- auditing all claims and vouchers before issuing warrants
- serving as a financial officer for Special Districts
- monitoring and controlling the financial status of all funds
- providing payroll services to county departments

During the grand jury's investigation, the auditor was helpful, except for the overtime issue discussed under the "Law Enforcement – Amador County Jail and Sheriff's Department Report." In that case, it appears the current accounting system does not clearly define payroll categories such as salaries, overtime, compensated time off, vacation, sick leave, and other payroll categories. Staff time was needed to decipher payroll categories from data dumps to create separate excel files. This was done for two of the four fiscal years requested, after which, the auditor was unwilling to devote any more staff time. Only upon our repeated requests for information was the grand jury provided the data dumps to compile on their own, which at this

time has not been validated by the payroll unit. It should be noted that a majority of the payroll staff participate in the voluntary furlough program.

### County Fiscal Issues

Budget development, maintenance, and reporting is performed as prescribed by the State Controller’s Office - County Budget Guide. Table 1 details the county’s budget for FY 2018/19.

<b>Financial Sources</b>	<b>Amount (M)</b>
General Fund (GF)	\$46.5
Other Governmental Funds	\$46.0
Internal Service Funds	\$6.0
Special Districts	\$0.2
<b>Total</b>	<b>\$98.7</b>

Table 1. Amador County FY 2018/19 Adopted Budget

The financing sources included carryover of \$2.9M in GF, \$3M in other governmental funds, and \$1.5M in all other funds, as well as increases in property tax, vehicle license fees, sales tax and Prop 172 sales tax.

In both FYs 2017/18 and 2018/19, revenue carryover and tax increases allowed the county to cover those years’ salaries and benefits, the countywide cost allocation plan, GSA Cost Allocation, communications and software license increases, without general fund cuts.

During these budget-building periods, department heads were asked to maintain general and special fund requests to their current base levels. Any increases to budgeted line items would need to come from decreases in other department expenditures, or departmental revenue increases.

### General Furlough Policies

In 2009, the Board initiated a mandatory furlough program, in response to the economic downturn of 2008, which lasted thirty-six months. Currently, many county employees are still able to participate in a voluntary furlough program. The county saves the salaries that the employees would have earned but still pays its usual share of CalPERS retirement and other benefits. The participating employee earns full vacation, sick leave, and time in service, regardless of working a reduced schedule.

The Amador County voluntary furlough program is offered to select departments. A request for voluntary furlough time taken by an employee is subject to managerial approval so as not to interfere with the operational demands of the department. However, road and facility maintenance are adversely affected so the furlough program should not apply to employees in these departments, as well as other special funded programs.

In response to the 2017/18 grand jury recommendation to eliminate the furlough program to bring the work force to full strength, the Board stated:

*“The recommendation will not be implemented because it is not warranted, or is not reasonable. The furloughs do result in cost savings to the County, and the terms of those furloughs are flexible enough that management can work with those employees that elect to take the reduced hours. The elimination of this program would result in additional costs that would need to be addressed through cuts to other spending.”*

In our analysis, several managers consider the voluntary furlough program more of an incentive for staff than a savings mechanism. In most cases, when asked, managers indicate that tasks are being accomplished with these reduced staffing levels. This indicates that the county is overstaffed and that the Board should consider a reduction of staff to achieve solid salary savings without paying excess employee benefits.

According to the Amador County Reduced Work Schedule Summary (refer to Appendix A), the furlough program equates to a savings of 1.34 in general funded position authority or only 0.35 percent of 374 total positions. The average cost for 1.34 full time equivalent positions is \$145.1K (refer to Appendix B).

### **Future CalPERS Expenditures**

Based on the “Annual Financial Report” for the year ended June 30, 2017, governmental activities decreased the county’s net position by \$2,484,818. This decrease was largely due to increases in net pension and accrued interest on long-term debt.

Minimum county payment of pension costs includes two components:

1. **Normal Cost (NC) Rate** - this represents the annual cost of service accrual for the upcoming fiscal year, for active employees. Normal cost is shown as a percentage of payroll and paid as part of the payroll reporting process.
2. **Annual payment on the Unfunded Accrued Liability (UAL)** - the amortized dollar amount needed to fund past service credit earned (or accrued) for members who are currently receiving benefits, active members, and for members entitled to deferred benefits, as of the valuation date. The UAL is billed monthly.

The *FY 2019/20 California State Governor’s Budget Proposal* dedicates a large part of surplus revenue to making a \$13.6 billion one-time payment to pay down retirement liabilities and loans taken during the Great Recession. This includes \$4 billion to eliminate debts and reverse deferrals, \$4.8 billion to build reserves, and an additional \$4.8 billion to pay down **unfunded retirement liabilities**. Of most importance, the proposed State budget includes a \$3 billion supplemental payment, in addition to the statutorily required \$6.8 billion contribution, to CalPERS. The additional \$3 billion will save the state \$7.2 billion over the next 30 years in required pension costs. As one can see, this investment significantly reduces future expenditure liabilities.

Similarly, from notes acquired from the Amador County 2017/18 Budget Workshop, dated May 11, 2017, the county opted to pre-pay the CalPERS unfunded liability during the previous two years (FYs 2015/16 and 2016/17) to take advantage of a pre-pay discount. In FY 2016/17, the miscellaneous unfunded liability was not yet separated out as a lump sum; it was included with the normal cost and paid as a percentage of payroll. According to the county actuarial,

unfunded liability for the miscellaneous group was valued at \$2,001,071. This brought the FY 2017/18 unfunded liability payments for all retirement groups to \$3.68 million. This large lump sum payment coupled with a reduction to their reserves prompted the county to be more conservative with cash flow; as such, there was no pre-payment for FY 2017/18. However, CalPERS unfunded liability will be prepaid for FY 2018-19, resulting in a savings for the year of \$154,883.00.

This depiction reflects the balancing act the county must consider to meet their budget.

According to a Sacramento Bee article dated December 5, 2018: *“Pensions costs are climbing because CalPERS is billing [local government] more money to pay down its debts. The pension fund in 2016 acknowledged it expected to earn less money over time from its investment portfolio and made a corresponding hike in the rates it charges to its members. Some government executives now contend those costs are “crowding out” their ability to fund basic services.”* Furthermore, Amador County’s CalPERS costs as a percentage of wages began to substantially increase after FY 2015/16, which will grow from 21.89% to a projected 33.15% of wages by FY 2020/21. CalPERS unfunded liability payments are expected to increase from \$3.68M in FY 2017/18 to \$5.9M in FY 2020/21 – or approximately \$2.22M, with increases of around \$700K each year thereafter.

## **Facilities Maintenance**

In October 2017, the 2017/18 grand jury recognized the general lack of maintenance outside the CAC and HHS buildings. The grand jury investigated the deferred maintenance of county facilities and the lack of funding available for buildings and maintenance.

Based on interviews, the facilities operations component of the Department of General Services Administration (GSA) is the "behind the scenes" strike team providing building maintenance, repair, and contract support services to the county. This includes performance of preventive maintenance on essential building systems, time critical response to emergency repairs, accomplishment of unscheduled maintenance services, and service quality oversight for contract support.

Due to a lack of staff and funding, facility maintenance services provided by the GSA staff of 5.5 budgeted employees (not including janitorial employees), has resorted to “firefighting,” deferring most significant capital improvement projects. Facilities maintenance staff has little time to make significant progress on items described in the Capital Improvement Project (CIP) summary, submitted to the Board in 2016. Knowing this, GSA and facility maintenance management continue to allow voluntary furloughs. This is contrary to the needs of the county and should be corrected.

## **Building Maintenance**

During the investigation, the grand jury learned that facilities maintenance is the one area that has suffered the most over the past few years, as staff has simply evolved into addressing only emergency repairs. Before 2008, facilities maintenance had a construction crew that consisted of five contractors who would oversee and at times construct county building projects. Over time, facilities maintenance downsized their construction crew and then replaced them with Building Maintenance Workers who are now supervised by a Senior Building Maintenance Worker

(added in FY 2018/19). Currently, one-contractor position remains which will eventually be replaced through attrition.

There are only four Building Maintenance Workers for all county facilities, and one Senior Building Maintenance Worker to supervise large jobs. This results in a volume issue with too much work for too little staff. Facilities maintenance management has proposed and remains hopeful to receive another position to support land management activities to be funded with waste management fees. However, the Facilities Maintenance Program continues to participate in the furlough program.

### **Building Maintenance Funding**

Building maintenance funding is not based on an annual maintenance plan such as the CIP summary. Instead, it's built on prior year budget levels only. The CIP plan was provided to the Board several years ago and has not taken action.

Priority for building maintenance comes from the Board, the GSA Director and the CAO and is prioritized by:

1. Life and Safety
2. Sheriff's Office
3. Annual equipment maintenance
4. General maintenance

Maintenance staff is directed by the Board to perform work for the Sheriff's Office including Jail and Probation, even though they have a separate Maintenance – Buildings and Structures budget (Budget Acct# 51800). The grand jury was told that these funds are charged back when maintenance staff completes a work order. Furthermore, it was our understanding that this situation makes it difficult to fully utilize the countywide maintenance budget and these particular (Sheriff's) funds are susceptible for redirection for other activities. To validate these concerns the grand jury reviewed actual 2017/18 expenditures under this account, only to find that expenditures were for legitimate materials used for facilities maintenance, making this argument moot.

### **County Custodial Staff**

The county was staffed with 5.26 Custodian II positions. The CAC and HHS buildings are each assigned and budgeted for one full-time position. Accordingly, the county is out of compliance with the Building Owners Managers Association (BOMA) standards: based on square footage, each building should have two custodians. Contrary to these staffing needs, authority for .5 Custodian II position was redirected to support a reclassification in the program reducing staffing to 4.76 Custodian positions. Additionally, one custodian is allowed to participate in the voluntary furlough program.

### **Voluntary Furlough Program**

As noted, in the Voluntary Reduced Work Schedule Summary (Appendix A), one Custodian II, one Building Maintenance Worker III and the Facility and Project Manager (program manager) all participate in the furlough program. However, management indicates they are able to accomplish all tasks while implementing the furlough program, which is contrary to our analysis.

## **FINDINGS**

- F1. The lack of a countywide organizational chart illustrating basic lines of communication and staffing ratios is a transparency issue.
- F2. The accounting system does not adequately report payroll by specific category.
- F3. The Budget Director is a valuable asset to the county and as such should be commended for managing the county budget by herself.
- F4. If all county functions are being satisfactorily completed while implementing the voluntary furlough program, then the county is overstaffed by 1.34 positions (\$145.1K General Fund).
- F5. The current voluntary furlough program should not apply to the Road and Health Funds.
- F6. Due to cash flow in FY 2017/18, the county did not opt to pre-pay their CalPERS unfunded liability to take advantage of a pre-pay discount.
- F7. CalPERS costs to counties will substantially increase in the coming years.
- F8. Facilities Maintenance funding is not based on an annual maintenance plan.
- F9. There are only four Building Maintenance Workers for all county facilities, and one Senior Building Maintenance Worker to supervise large jobs. There is too much work for too little staff.
- F10. The county is out of compliance with BOMA requirements for custodial staffing based on square footage of office space.
- F11. Facilities Maintenance participates in the voluntary leave program.

## **RECOMMENDATIONS**

- R1. The County should develop a countywide organizational chart illustrating its basic lines of communication and staffing ratios by January 1, 2020. [F1]
- R2. The payroll problem arose late in the grand jury's investigation and more time is needed to fully investigate the accounting payroll system and staff procedures. It is suggested this topic be included in next year's grand jury scope of work. [F2]
- R3. If all county functions are being satisfactorily completed while implementing the voluntary furlough program, the County should consider eliminating the voluntary furlough program by January 1, 2020 and reduce general funded staffing by 1.34 positions in FY 2020/21. This would result in permanent general fund salary and wage savings of \$145.1K and additional savings of \$25K in benefits, which the county was willing to spend, for a total savings of \$170.1K. Redirect these savings to pay for increases in CalPERS unfunded liability by July 1, 2020. [F4, F5, F6, F7]

- R4. If all county functions are not being satisfactorily completed, then the County should consider eliminating the voluntary furlough program by January 1, 2020. [F4 and F5]
- R5. The County should consider eliminating the voluntary furlough program for all special funded programs to be consistent with legislative intent, by July 1, 2020. [F6]
- R6. The County should redirect other savings identified by the current grand jury to support CalPERS unfunded liabilities, by July 1, 2020. (Refer to the County Administration Committee Report on Law Enforcement – Amador County Jail and Sheriff’s Department) [F6, F7]
- R7. For FY 2020/21, the County should develop funding and position authority for Facilities Maintenance based on an annual maintenance plan rather than past year budget authority. This would allow the Board, GSA Director and CAO to assist in prioritizing workload. [F8]
- R8. The County should consider having the GSA Director report to the Board by January 1, 2020, on correcting problems associated with the lack of facilities maintenance in the county. This includes participation in the voluntary furlough program and the lack of an approved annual maintenance plan. [F8 through F11]
- R9. By July 1, 2020, the County should develop and implement a strategy to fund facilities maintenance needs through the cost allocation plan. This would allow county program management the option to choose the facility maintenance services they are willing to pay for. [F8 through F11]

## **REQUIRED RESPONSES**

Pursuant to Penal Code sections 933 and 933.05, the grand jury requests responses as follows:

- Amador County Board of Supervisors is required to respond no later than 90 days, after the Grand Jury submits a final report to Findings F1 through F11 and Recommendations R1 through R9.
- Amador County Auditor is required to respond no later than 60 days after the Grand Jury submits a final report to Finding F2 and Recommendation R2.

## **ADDRESS RESPONSE TO:**

- The Presiding Judge - Amador County Superior Court  
500 Argonaut Lane  
Jackson, CA 95642
- Amador County Civil Grand Jury  
PO Box 249  
Jackson, CA 9564

Reports issued by the Grand Jury do not identify individuals interviewed. Penal Code section 929 requires that reports of the Grand Jury not contain the name of any person or facts leading to the identity of any person who provides information to the Grand Jury.

Amador County Reduced Work Schedule Summary FY2018-19 (Adopted Budget)

Dept No.	Dept	Unit	Rec App	Job Title	Pay Rate	Step	1% Wage Increase	LOE	Base Hrs	Reduction Hours	Gross	Total	Retire	OASDI	Total	
1100	Board Of Sup	C	X	Dep Board Clerk III	26.41	0.00	26.67	1.00	2088	208.80	5,555.12	5,555.12	483.85	424.97	6,473.94	
1200	Auditor	G	X	Finance Technician	20.73	21.98	20.93	1.00	2088	208.80	4,469.36	4,469.36	397.33	341.91	5,208.60	
1200	Auditor	G	X	Accountant I	27.39	29.05	27.66	1.00	2088	208.80	5,906.33	5,906.33	525.07	451.83	6,883.24	
1300	County Counsel	C	X	Deputy County Counsel	60.76		61.37	1.00	2088	173.00	10,590.32	10,590.32	941.48	810.16	12,341.95	
1400	Human Resources	C	X	Human Resource Technician	28.50		28.79	1.00	2088	208.80	5,995.43	5,995.43	532.99	458.65	6,987.08	
1400	Human Resources	C	X	HR Specialist	35.92		36.28	1.00	2088	208.80	7,556.35	7,556.35	671.76	578.06	8,906.17	
1700	Facilities	G	X	Custodian II	18.24		18.42	0.62	1295	129.50	2,379.80	2,379.80	211.56	182.05	2,773.41	
1700	Facilities	G	X	Build Maint Wrk III	28.02		28.30	1.00	2088	208.80	5,894.46	5,894.46	524.02	450.93	6,869.40	
1700	Facilities	G	X	Facil & Project Mgr	46.14		46.61	1.00	2088	208.80	9,707.63	9,707.63	863.01	742.63	11,313.28	
1710	Records Mgmt	C	X	Records Manager	30.20		30.5	1.00	1252.8	3,811.64	3,811.64	338.86	291.59	4,442.09		
1970	Info Tech	G	X	Inf System Tech II	29.49		29.78	1.00	2088	208.80	6,202.93	6,202.93	551.44	474.52	7,228.89	
2620	Building	G	X	Blg Plans Checker	30.31	32.15	30.62	1.00	2088	208.80	6,441.31	6,441.31	572.63	492.76	7,506.70	
2620	Building	MM	X	Chief Building Official	42.03		42.45	1.00	2088	208.80	8,841.68	8,841.68	786.03	676.39	10,304.10	
2710	Recorder/Clerk	G	X	Recorder Clerk I	17.02	17.87	18.05	1.00	2088	208.80	3,744.65	3,744.65	332.90	286.47	4,364.02	
2710	Recorder/Clerk	G	X	Recorder Clerk I	17.02	17.87	18.05	1.00	2088	208.80	3,744.65	3,744.65	332.90	286.47	4,364.02	
7210	Archives	C	X	Records Manager	30.20		30.5	1.00	835.2	83.52	2,541.10	2,541.10	225.90	194.39	2,961.39	
<b>Total-General Fund</b>										2808.10	2808.10	2,541.10	2,541.10	225.90	194.39	104,464.25
										1.34 Positions		Total full time equivalent				
<b>Road Fund</b>																
3000	Public Works	G	X	PW Maint Wkr III	26.77		27.04	1.00	2088	208.80	5,631.86	5,631.86	500.67	430.84	6,563.37	
3000	Public Works	G	X	Admin Tech	25.99	27.56	26.24	1.00	2088	208.80	5,557.73	5,557.73	484.08	435.17	6,476.98	
3000	Public Works	G	X	Pow Equip Maint III	35.87		36.23	1.00	2088	208.80	7,546.03	7,546.03	670.84	577.27	8,794.15	
3000	Public Works	G	X	PW Maint Lead Worker	29.47	30.20	30.51	1.00	2088	208.80	6,341.60	6,341.60	563.77	485.13	7,390.51	
3000	Public Works	G	X	PW Maint Wkr II	23.76		23.99	1.00	2088	208.80	4,997.11	4,997.11	444.24	382.28	5,823.63	
3000	Public Works	G	X	Assistant In Civil Engineering	33.19	34.85	35.20	1.00	2088	208.80	7,273.72	7,273.72	646.63	556.44	8,476.80	
<b>Total-Road Fund</b>										1252.80	1252.80	7,273.72	7,273.72	646.63	556.44	43,525.42
<b>Health Fund</b>																
4030	Environmental Health	G	X	Environ Health Tech III	27.02		27.29	1.00	2088	208.80	5,684.06	5,684.06	502.02	434.83	6,620.90	
4030	Environmental Health	G	X	Environ Health Tech II	26.95	27.28	26.61	1.00	2088	208.80	5,635.86	5,635.86	497.76	431.14	6,564.76	
4030	Public Health	G	X	Registered Nurse	33.76	35.81	34.10	1.00	2088	208.80	7,280.86	7,280.86	643.05	556.99	8,480.89	
<b>Total-Air District</b>																13,185.67
<b>County Total</b>															<b>161,175.34</b>	

**Average Cost of Full Time Equivalent (FTE)**

**FY18-19 Adopted Budget**

	PERS Unfunded	OASDI (Social Security & Medicare)	Other*	457K Deferred Comp Match Contribution	Health Insurance	Total
Salary	\$71,463.00					
Pers Normal Cost	\$7,972.00					
Liability	\$10,648.00	\$4,027.00	\$1,479.00	\$194.00	\$12,552.00	\$108,335.00

Average cost of 1.34 positions on voluntary furlough

CalPERS costs associated with 1.34 positions (including Normal costs and Unfunded Liability)

Total Costs

\$145,168.90
\$24,950.80
<b>\$170,119.70</b>

\*Cash in lieu of Health Insurance, Cash in lieu of PERS, Vacation payout, non-perishable uniform allowance

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**County Administration  
Committee Report**

Public Works and Transportation

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# ROAD MAINTENANCE ISSUES

## AUTHORITY

Under Penal Code §925, the Grand Jury shall investigate and report on the operations, accounts, and records of the officers, departments, or functions of the county.

## SUMMARY

The grand jury investigated the Department of Public Works and Transportation (Department). Through our interviews and review of documents, we found the Department does not use a detailed maintenance plan in budget development or work scheduling; voluntary furloughs do not meet the operational needs of the Department or the intent of the special fund legislation; and SB-1, as enacted, provides significant increases to Road Funds. We recommend the Department develop a detailed maintenance plan, discontinue the voluntary furlough program, and redirect portions of SB-1 to fund salaries, equipment and operating expenses during the next budget development period.

## GLOSSARY

Board	Amador County Board of Supervisors
Caltrans	California State Department of Transportation
Department	Department of Public Works and Transportation
Director	Director of Public Works and Transportation
FY	Fiscal Year
PCI	Pavement Condition Index, on a scale of 1 to 100 with 100 being a perfect road
SB-1	Senate Bill 1 - The Road Repair and Accountability Act of 2017
SHC	California Streets and Highway Code

## BACKGROUND

The 2018/19 grand jury reviewed the Department as a follow up to the 2017/18 grand jury report regarding maintenance issues on county roads and the impact of the voluntary furlough program on providing adequate staff to repair roads. The committee expanded its investigation to include the use of Senate Bill 1 funds for road maintenance.

## METHODOLOGY

The grand jury reviewed the following public documents:

- Amador County Budgets FYs 2006/07 through 2018/19
- 2018 California Statewide Local Streets and Roads Needs Assessment

- prior Amador County Grand Jury Reports
- Senate Bill 1 - The Road Repair and Accountability Act of 2017 (SB-1)
- additional references as notated in the report

The grand jury conducted interviews with county officials, including:

- Amador County Budget Director
- Amador County Auditor
- Public Works and Transportation Director

## **DISCUSSION**

### **Introduction**

California's transportation network consists of streets, highways, railways, airports, seaports, bicycle routes, and walkways. This network provides people and businesses the ability to access destinations and move goods, and services throughout the state. Construction, operation, and maintenance responsibilities are shared amongst state, regional, and local governments. Funding for these activities comes from federal, state, and local taxes, fees and assessments, and private investments.

The Department has responsibility for the management of special road maintenance districts, the review of property development projects, divisions of property, modification or establishment of property lines, the acquisition and deposition of real property related to county public improvements, and the permitting for encroachments or other proposed construction in the road right-of-way on county-maintained roads.

The Director is responsible for developing or managing the preparation of various master plans for future construction of county roads, drainage, and other transportation improvements. The Director has sole supervision and jurisdiction over personnel and over the assignments of personnel engaged in work on county roads and bridges.

The Department has twenty-two positions. A Public Works (PW) Maintenance Supervisor in charge of two road crews (each includes one PW Lead Worker and five Maintenance Worker II/IIIs) oversees road maintenance. Depending on the job size and scope, many jobs are contracted out, including design and engineering specifications. At the time of this investigation, the Senior Engineer position was vacant, requiring that engineering of certain local maintenance work be contracted out until the position is filled. Accordingly, the Department has used an on-call engineering contractor for the past three years having assigned fifteen to sixteen task orders during this period.

There are 411 miles of road within the county's jurisdiction. Under the Federal-Aid Highway Act of 1973, the county is required to submit to the State Department of Transportation (Caltrans) any additions to or exclusions from its list of functional class of county roads. An annual update is submitted to the Board for their approval and later filing with Caltrans.

Road spans over thirty feet are classified as bridges, for which county road crews perform the maintenance and Caltrans performs the necessary inspections. Bridge maintenance funding

comes from Caltrans, however the agency changed funding requirements to include only higher profile bridges based on location and usage (major roads and arterials only and other priority applications). This leaves no funding for bridges outside these parameters or road spans under thirty feet. The county has proposed to pay for these repairs using funds provided under SB-1.

A Special Revenue Account, Road Fund, is used to account for and report the proceeds of specific revenue resources. These funds are restricted or committed to expenditures for the Department.

### **Board of Supervisor's Responses to the 2017-18 Grand Jury Report are Insufficient**

As stated in the 2017/18 grand jury report, "The 2014 California Statewide Local Streets & Roads Needs Assessment, shows Amador County as having the lowest Pavement Code Index (PCI) of all the counties in the State of California." In the following years, Amador's PCI scores remain in the lower twenty-five percentile of the State's fifty-eight counties. The Board has taken no corrective action.<sup>1</sup>

Further in the report,<sup>2</sup> the 2017/18 grand jury found: 1) voluntary furloughs impede the repair of county roads, 2) a need to plan and fund road replacement, and 3) a need to commission road replacement studies for long-term replacement strategies and solutions. Accordingly, the Board stated that furloughs increase available funding, and that "*having more staff but less material to work with is not necessarily a benefit.*" They agreed there is a need to plan and fund road replacement, and the county is in need of a dedicated funding source for road maintenance.

The Board's response to the 2017/18 grand jury report was prefaced with the concern that the grand jury identified areas where the county should allocate funding, but did not offer solutions as to where these funds would come from. As stated, "*In order for funds to go to one place, they must come from another, and the question is always: what should the County stop doing?*" The 2018/19 grand jury found this a reasonable concern and plans to assist the county in finding solutions. However, the Board also failed to offer solutions and simply agreed with 2017/18 grand jury findings without further dialogue.

The 2017/18 grand jury made the following recommendation, "The County should consider commissioning road replacement studies and commence long-term replacement strategies in order to replace roadways rather than continue to dig out spot repairs which fail to offer a long-term solution."

The Board responded, "The recommendation will not be implemented because it is not warranted, or is not reasonable. As part of the numerous tasks that the new Public Works

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<sup>1</sup> Refer to Amador County's response by the Amador County Board of Supervisors to the 2018 report of the Amador County Grand Jury County Administration Committee, dated September 19, 2018.

<sup>2</sup> 2017/18 Grand Jury Report – County administration findings: F10 - Continuance of voluntary furloughs reduces road maintenance staff by five (5), level II or III workers and one equipment mechanic by 10% for the 2017/18 fiscal year; F11- Planning and funding for road replacement as opposed to repair is minimal; and recommendation R4 - The County should consider commissioning road replacement studies and commence long term replacement strategies in order to replace roadways rather than continue dig out spot repairs which fail to offer a long-term solution.

Director has in front of him, the creation of a long-term road maintenance plan sits on his desk with high priority. The bigger challenge that he has is how to create a plan with minimal resources, as gas tax revenues continue to shrink, and SB 1 may very well be repealed, leaving the County with minimal resources to address a project deficit that is roughly calculated at \$6 million per year. The intent is to keep the creation of that plan in-house to minimize the costs associated with that work, allowing more funds to be utilized on the roadways.”

This is no longer true since SB-1 was not repealed and continues to provide revenues to the Road Fund. During our investigation, we met with the Director to explore steps to fund and manage our roads, which included:

- proper planning, budgeting and follow-up of an annual road maintenance plan
- SB-1 Funds
- managing road crews and the effect of voluntary furloughs
- effectively using existing funds and actively seeking other resources
- understanding the county’s current road conditions

### **Proper planning, budgeting and follow-up of an annual road maintenance plan**

Planning, budgeting, and long-term analysis is necessary to set achievable goals. The process should be transparent and meet the intention of State law.<sup>3</sup> Under the California Streets and Highway Code (SHC), the Board is directed to hire a director of transportation. Each year, the Director shall prepare a tentative road budget for all proposed expenditures. This budget must be submitted to the Board in accordance with State law and in a format prescribed by the State Controller’s Office.<sup>4</sup>

The SHC requires that the Board hold public hearings on the proposed road budget at the same time the general budget is considered. In adopting the road budget, the Board may make such changes and revisions as it considers will serve the public interest. However, a detailed maintenance plan is not used to support this budget. Instead, budget allotments are made based on prior year funding levels only.

There are still no policies in place for scheduling road maintenance. Instead, work is prioritized based on the knowledge and expertise of the road crews. However, the Director is currently working on a pavement management plan that may help with future decision making.

### **SB-1 Funds**

SB-1 is expected to provide \$5.4 billion annually over the next decade to help address the statewide backlog of transportation system repairs and upgrades.

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<sup>3</sup> Refer to California Streets and Highways Code (SHC) - Division 3. Apportionment and Expenditure of Highway Funds (Sections 2004.5 through 2704.78)

<sup>4</sup> Government Code sections 29000-29144

SHC Section 2034 provides specific direction for cities and counties to apply for SB-1 funding, as follows:

- Prior to receiving an apportionment of funds under the SB-1 program, an eligible city or county shall submit to the California Transportation Commission a list of projects proposed to be funded with these funds.
- All projects proposed to receive funding shall be adopted by resolution by the applicable city council or county board of supervisors at a regular public meeting.
- The list of projects proposed to be funded with these funds shall include a description and the location of each proposed project, a proposed schedule for the project's completion, and the estimated useful life of the improvement.
- The Commission shall submit an initial report to the Controller that indicates the cities and counties that have submitted a list of projects and that are therefore eligible to receive an apportionment of these funds.
- The Controller shall retain the monthly share of funds for a city or county that is not included in the initial report submitted by the Commission.

In 2018, the SB-1 requirements were fulfilled, submitted to the Board and adopted through resolution, and submitted to the California Transportation Commission by the May 1, 2018 due date.

### **Managing road crews and the effect of voluntary furloughs**

During their investigation, the 2017/18 grand jury found that routine road maintenance is adversely affected due to voluntary furloughs. This was confirmed in our interview with the Director.

Based on the Board's response, these furloughs increase available funding and that having more staff but less material to work with is not necessarily a benefit. However, we found that the reduced work schedule is offered more as an incentive to road crews due to working conditions (i.e. weather exposure, emergency call-ins for catastrophic repair, clearing and snow removal) rather than for savings. This is contradicted by allowing other Public Works staff to be on voluntary furlough that don't require the same incentives.

The 2014 Side Letter of Agreement between the county and Service Employees International Union (SEIU) voluntary furlough is allowed for employees as long as it meets the operational needs of the Department. The agreement was to address budget issues within the county. However, the voluntary work furlough program is not offered to special funded programs like Medical, Mental Health and Social Services, yet the Department is permitted to participate. The Department is entirely supported by the Road Fund, which is not fungible for other purposes.

### **Effectively using existing funds and actively seeking other resources**

When asked if the Department could use more road crew staff, the Director agreed that more hands would expedite response time for some requests and that the addition of road crew staff in the future would be something to consider. At this time, the Director was not willing to make this commitment. The Department has other pressing needs, mainly heavy equipment and vehicle replacement. When the state first implemented the reporting for SB-1 funds, the guidelines indicated they could be used in some capacity for operational needs, including equipment, which

has not been discussed with the Board. The California Air Resources Board has new emissions requirements going into effect next year that would require the county to replace more equipment<sup>5</sup> making it unfeasible to add new road staff until these requirements are met.

As stated earlier, the Senior Engineer position has been vacant for a while given the current competitive employment climate for highly skilled applicants. This position has project management responsibility in a wide variety of public works projects, performs traffic engineering and transportation planning work, and supervises the engineering positions within the Department and the work performed by independent contractors. Until filled, engineering of certain local maintenance work has been contracted out. As a result, budget estimates have increased by over \$103K<sup>6</sup> to fund this contract.

### **Understanding the County's current road conditions**

The 2018 California Statewide Local Streets and Roads Needs Assessment Report found that the infusion of new SB-1 revenues has allowed cities and counties to begin stabilizing the average condition of local roads and lifts a significant percentage of the network from an at-risk into good condition.

In order to use taxpayer money wisely, the report suggests preserving and maintaining roads in good condition rather than to wait and repair or replace them when they deteriorate or fail. The costs and recommendations described in the report are based on achieving a roadway pavement condition called Best Management Practices. At this condition level, preventive maintenance treatments (i.e., slurry seals, chip seals, thin overlays) are most cost-effective. In addition to costing less, preventive maintenance interferes less with commerce and the public's mobility and is more environmentally friendly than rehabilitation or reconstruction.

SHC §2010 states: "In order that the provisions of this chapter may be effectively carried out, the members of the board... shall make reasonable inspection from time to time of the roads within their counties maintained from funds supplied by this chapter..." Based on the grand jury's investigation, board members do not "formally" carry out inspections as prescribed under this code section.

The Amador County Executive Summary Report of the Roads Needs Assessment (Appendix B) shows that pavement conditions have worsened during the last four years. Beginning in 2015, Amador County went from a PCI of 53 (representing fairly good road conditions) to a current PCI of 47 (roads considered in poor condition). In part, this may be attributed to the voluntary furlough program that came into effect in 2014, which resulted in fewer hours to achieve preventive maintenance.

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<sup>5</sup> Refer to In-use portable diesel-fueled engines strategies to control emissions regulation (Title 17, California Code of Regulations, Section 93116.3 - Appendix A).

<sup>6</sup> Refer to Budget Item 52300 Professional/Specialized Services, FY 2018/19 Adopted Budget.

## **FINDINGS**

- F1. An itemized list of projects to be funded under SB-1 has been developed, approved and submitted as required by SHC § 2034.
- F2. An itemized list of all other projects within the Road Fund has not been provided.
- F3. The Director is currently working on a pavement management plan that will allow the county to focus on maintenance strategy to prioritize workload based on road usage.
- F4. The majority of SB-1 funds are used for Capital Projects. Very little SB-1 funding is allocated for salaries or other operating expenses, as allowed.
- F5. Offering voluntary furloughs does not meet the operational needs of the Department.
- F6. Unused Road Fund savings generated by voluntary furloughs cannot be used for other county purposes.
- F7. The Department is having difficulty filling a highly technical Senior Engineer position.
- F8. The pavement conditions in Amador County continue to deteriorate.
- F9. County Supervisors do not “formally” carry out inspections as prescribed under SHC § 2010.

## **RECOMMENDATIONS**

- R1. The County should complete the pavement management plan by January 1, 2020. [F3]
- R2. The County should consider discontinuing the voluntary furlough program for the Department to fully utilize the Road Fund as intended and redirect to fund operating expense or additional road staff to ease current working conditions by January 1, 2020. [F5, F6]
- R3. SB-1 allows for funding of salaries and operating expenses. The Department should consider redirecting portions of these funds from capital improvements to support road crew and equipment expenses by July 1, 2020. [F4]
- R4. The County should consider redirecting \$103K from Item 52300 Professional/Specialized Services to Salaries and Wages to increase road crews by July 1, 2020. The County may further consider using these resources to augment the current pay scales for the vacant Senior Engineer position to attract viable candidates. [F7]
- R5. The County should develop a written policy requiring Board members to perform road inspections pursuant to SHC §2010 and to meet the needs of their constituents by January 1, 2020. [F9]

## **REQUIRED RESPONSES**

Pursuant to Penal Code sections 933 and 933.05, the grand jury requests responses as follows:

From the following governing body:

- Amador County Board of Supervisors is required to respond no later than 90 days after the Grand Jury submits a final report to Findings F1 through F9 and Recommendations R1 through R5.

## **ADDRESS RESPONSE TO:**

- The Presiding Judge - Amador County Superior Court  
500 Argonaut Lane  
Jackson, CA 95642
- Amador County Civil Grand Jury  
PO Box 249  
Jackson, CA 95642

Reports issued by the Grand Jury do not identify individuals interviewed. Penal Code section 929 requires that reports of the Grand Jury not contain the name of any person or facts leading to the identity of any person who provides information to the Grand Jury.
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## In-Use Off-Road Diesel Fueled Fleets Regulation

**In-Use Off-Road Diesel-Fueled Fleets Regulation**  
Overview, Revised October 2016



**The Off-Road Regulation Applies To:**

All self-propelled off-road diesel vehicles 25 horsepower (hp) or greater used in California and most two-engine vehicles (except on-road two-engine sweepers) are subject to the Regulation for In-Use Off-Road Diesel Fueled Fleets (Off-Road regulation). This includes vehicles that are rented or leased (rental or leased fleets).

Personal use vehicles, vehicles used solely for agriculture, vehicles that are awaiting sale, and vehicles already covered by the Regulation for Mobile Cargo Handling Equipment at Ports and Intermodal Rail Yards (Cargo Handling regulation), are exempt from the Off-Road regulation.

Emergency operations vehicles, dedicated snow removal vehicles, low-use vehicles (used under 200 hours per year, as confirmed by a non-resettable hour meter), and vehicles used a majority of the time (but not solely) for agricultural operations, must be reported to ARB and labeled, but are exempt from the performance requirements of the Off-Road regulation.

**Summary:**

The overall purpose of the Off-Road regulation is to reduce emissions of oxides of nitrogen (NOx) and particulate matter (PM) from off-road diesel vehicles operating within California. The Off-Road regulation:

- Imposes limits on idling, requires a written idling policy, and requires a disclosure when selling vehicles;
- Requires all vehicles to be reported to ARB (using the Diesel Off-Road Online Reporting System, DOORS) and labeled;
- Restricts the adding of older vehicles into fleets starting on January 1, 2014; and
- Requires fleets to reduce their emissions by retiring, replacing, or repowering older engines, or installing Verified Diesel Emission Control Strategies, VDECS (i.e., exhaust retrofits).

The requirements and compliance dates of the Off-Road regulation vary by fleet size. For a fleet to determine their size, it must add up all of the off-road horsepower under common ownership or control in the fleet.

Fleet Size Category	Description
Small	Fleet or municipality <= 2,500 hp, or Municipality fleet in low population county, captive attainment area fleet, or non-profit training center, regardless of total hp
Medium	Fleet with 2,501 to 5,000 hp
Large	Fleet with more than 5,000 hp, or All state and federal government fleets, regardless of total hp

## In-Use Off-Road Diesel Fueled Fleets Regulation

### Requirements Currently in Effect:

#### **Effective June 2008 for All Fleets: Idling and Disclosure**

The following requirements are in effect and being enforced:

**Idling Limited to 5 Minutes** – Fleets must limit their unnecessary idling to 5 minutes; there are exceptions for vehicles that need to idle to perform work (such as a crane providing hydraulic power to the boom), vehicles being serviced, or in a queue waiting for work.

More information – [www.arb.ca.gov/enf/advs/advs377.pdf](http://www.arb.ca.gov/enf/advs/advs377.pdf)

**Written Idling Policy** – Medium and large fleets must have a written idling policy.

More information – [www.arb.ca.gov/enf/advs/advs391.pdf](http://www.arb.ca.gov/enf/advs/advs391.pdf)

Suggested language – [www.arb.ca.gov/msprog/ordiesel/faq/idlepolicyfaq.pdf](http://www.arb.ca.gov/msprog/ordiesel/faq/idlepolicyfaq.pdf)

**Disclosure for Selling Vehicles** – The seller (whether a dealer or a contractor with just one vehicle) must provide disclosure of the Off-Road regulation (exact language provided in the regulation) on the bill of sale or invoice, and must keep records that the disclosure was provided for three years after the sale. The seller must also report the vehicle sale to ARB via DOORS within 30 days of the sale.

More information and necessary language – [www.arb.ca.gov/enf/advs/advs378.pdf](http://www.arb.ca.gov/enf/advs/advs378.pdf)

#### **Effective 2009 for All Fleets: Reporting and Labeling**

The following requirements are in effect and being enforced:

**Reporting** – Reporting can be completed using DOORS, which is ARB's free online reporting tool for the Off-Road regulation. Additionally, hard copy reporting forms are also available. More information on how to report and what information is required is available on the DOORS website at

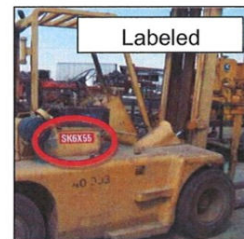
[https://ssl.arb.ca.gov/ssldoors/doors\\_reporting/doors\\_login.html](https://ssl.arb.ca.gov/ssldoors/doors_reporting/doors_login.html).

**Labeling** – After a fleet reports their vehicles to ARB, each vehicle is assigned a unique Equipment Identification Number (EIN). The fleet must label its vehicles within 30 days of receiving EINs. Note that ARB does not issue EIN labels; it is the fleet's responsibility to follow ARB's label specifications and to make or purchase the labels or placards, or paint the EINs on its vehicles.

More information on label specifications is available at

[www.arb.ca.gov/msprog/ordiesel/faq/faq-labeling.pdf](http://www.arb.ca.gov/msprog/ordiesel/faq/faq-labeling.pdf).

*While this document is intended to assist fleets with their compliance efforts, it does not alter or modify the terms of any ARB regulation, nor does it constitute legal advice. It is the sole responsibility of fleets to ensure compliance with the In-Use Off-Road Diesel-Fueled Fleets Regulation.*



## In-Use Off-Road Diesel Fueled Fleets Regulation

A list of label vendors is available at [www.arb.ca.gov/msprog/ordiesel/labelvendors.htm](http://www.arb.ca.gov/msprog/ordiesel/labelvendors.htm).

Previously, fleets were only required to label the right (starboard) side of the vehicle. However, the labeling provisions of the Off-Road regulation were amended in December 2010 to require labels on both sides of each vehicle. Additionally, fleets reported as 'captive attainment area fleets' must have labels with a green background instead of red. Fleets had until January 1, 2013, to implement both of these changes.

More information on these labeling amendments is available at <http://www.arb.ca.gov/msprog/mailouts/msc1208/msc1208.pdf>.

**Annual Reporting** – All fleet owners must review and update their information by March 1<sup>st</sup> each year that annual reporting is required. Large fleets must report annually from 2012 to 2023, medium fleets from 2016 to 2023, and small fleets from 2018 to 2028. For each annual reporting date, a fleet must report any changes to the fleet, hour meter readings (for low-use vehicles and vehicles used a majority of the time, but not solely, for agricultural operations), and also must submit the Responsible Official Affirmation of Reporting (ROAR) form. All of these items should be submitted using DOORS.

**Effective January 1, 2014  
for All Fleets:  
Restrictions on Adding  
Vehicles**

**Effective January 1, 2014, there are  
restrictions on adding older vehicles to a fleet.**

ARB received authorization from the United States Environmental Protection Agency (U.S. EPA) on September 13, 2013, to enforce the Off-Road regulation's restrictions on fleets adding vehicles with older tier engines, and will start enforcing beginning January 1, 2014.

**Ban on adding Tier 0s** – Effective January 1, 2014, a fleet may not add a vehicle with a Tier 0 engine to its fleet.

**Prohibition on adding Tier 1s** – Also effective January 1, 2014, for large and medium fleets, and January 1, 2016 for small fleets, a fleet may not add any vehicle with a Tier 1 engine. The engine tier must be Tier 2 or higher.

**Prohibition on adding Tier 2s** – Beginning January 1, 2018, for large and medium fleets, and January 1, 2023, for small fleets, a fleet may not add a vehicle with a Tier 2 engine to its fleet. The engine tier must be Tier 3 or higher.

More information on the adding vehicles requirements is available at <http://www.arb.ca.gov/msprog/ordiesel/faq/addingvehicles.pdf>.

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## In-Use Off-Road Diesel Fueled Fleets Regulation

### Upcoming Requirements:

<p><b>Upcoming Requirements for all Fleets: Performance Requirements</b></p>
--

The performance requirements begin:  
**July 1, 2014, for large fleets**  
**January 1, 2017, for medium fleets**  
**January 1, 2019, for small fleets**

**Compliance Options** – By each annual compliance deadline, a fleet must demonstrate that it has either met the fleet average target for that year, or has completed the Best Available Control Technology requirements (BACT). Large fleets have compliance deadlines each year from 2014 through 2023, medium fleets each year from 2017 through 2023, and small fleets each year from 2019 through 2028. These requirements are described further below. Note that although the first deadline for large fleets in 2014 is on July 1, the compliance deadline in all future years will be January 1 (for example, the second compliance deadline for large fleets will be on January 1, 2015).

**Meeting the fleet average targets** – The fleet average index is an indicator of a fleet's overall emissions rate, and is based on the fleet's average NOx emissions which is determined by the horsepower and model year of each engine in the fleet. If the fleet average index is equal to or less than the fleet average target for a given year, the fleet is not required to take further action to reduce emissions from its vehicles.

OR

**Complying with BACT requirements** – If a fleet cannot, or does not want to meet the fleet average target in a given year, it may instead choose to comply with the BACT requirements. A fleet may meet the BACT requirements each year by turning over or installing VDECS on a certain percentage (referred to as the BACT rate) of its total fleet horsepower. 'Turnover' means retiring a vehicle, designating a vehicle as permanent low-use (a vehicle used less than 200 hours per year), repowering a vehicle with a higher tier engine, or rebuilding the engine to a more stringent emission standard. 'Installing VDECS' means installing the highest level VDECS verified by ARB to reduce PM, or installing a VDECS verified to reduce NOx. In order to fulfill the BACT requirements for large and medium fleets, if a VDECS cannot be installed on a vehicle, then that vehicle must be turned over. However, for small fleets, if a VDECS cannot be installed, that vehicle is exempt from the BACT requirements. The BACT rates for each fleet size are shown below.

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## In-Use Off-Road Diesel Fueled Fleets Regulation

**Large fleets:**  
 2014: 4.8 percent  
 2015 to 2017: 8 percent  
 2018 to 2023: 10 percent

**Medium fleets:**  
 2017: 8 percent  
 2018 to 2023: 10 percent

**Small fleets:**  
 2019 to 2028: 10 percent

**Optional Compliance Schedule for Fleets with 500 Hp or Less** – Small fleets with 500 hp or less may comply with the small fleet requirements listed above, or may comply with an optional compliance path which requires the fleet to phase out Tier 0 and Tier 1 vehicles by 2029. This optional compliance schedule is shown in the table below.

**Optional Compliance Schedule for Fleets with 500 HP or Less**

Compliance Date: January 1 of Year	Percent of Fleet (by horsepower) Which Must Have a Tier 2 or Higher Engine
<b>2019</b>	25
<b>2022</b>	50
<b>2026</b>	75
<b>2029</b>	100

By 2029, all of the fleet's vehicles must have Tier 2 or higher engines. If small fleets with 500 hp or less choose not to pursue this compliance path, they must meet the small fleet requirements above.

**Additional Information:**

Off-Road regulation homepage:  
[www.arb.ca.gov/ordiesel](http://www.arb.ca.gov/ordiesel)

For more information on the Off-Road regulation, including Fact Sheets, Frequently Asked Questions (FAQs), and DOORS User Guides, please visit the Off-Road Knowledge Center at  
[www.arb.ca.gov/msprog/ordiesel/knowcenter.htm](http://www.arb.ca.gov/msprog/ordiesel/knowcenter.htm)

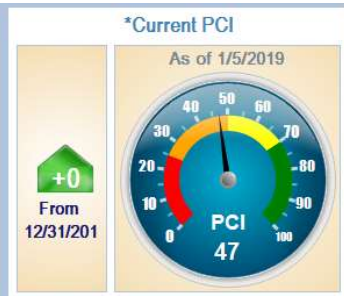
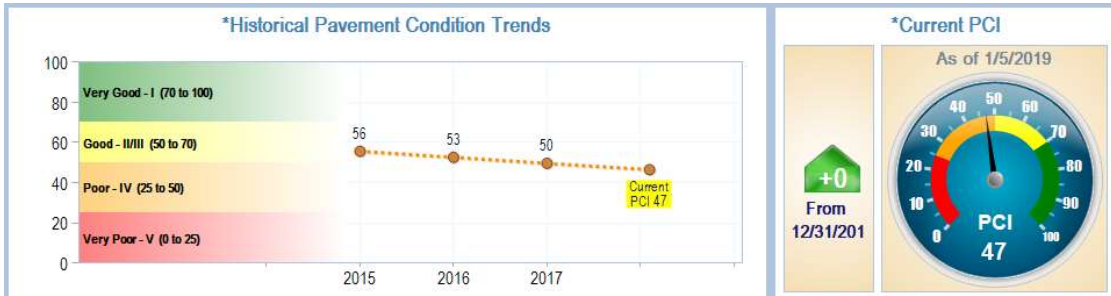
For assistance with Off-Road reporting or using ARB's online reporting system DOORS, please contact the DOORS hotline by phone at (877) 59DOORS (877-593-6677), or by email at [doors@arb.ca.gov](mailto:doors@arb.ca.gov)

*While this document is intended to assist fleets with their compliance efforts, it does not alter or modify the terms of any ARB regulation, nor does it constitute legal advice. It is the sole responsibility of fleets to ensure compliance with the In-Use Off-Road Diesel-Fueled Fleets Regulation.*

Amador County Executive Summary Report of the Roads Needs Assessment

## Executive Performance Summary

Run Date: 2/4/2019



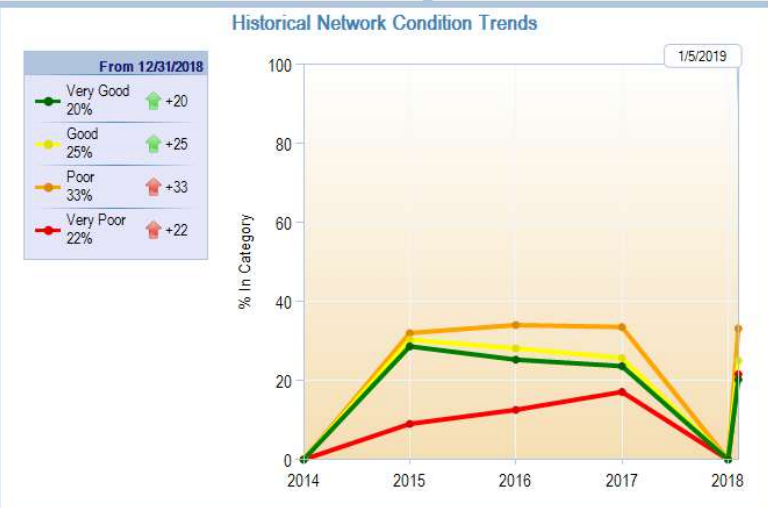
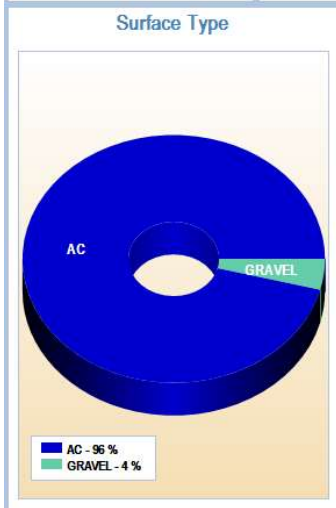
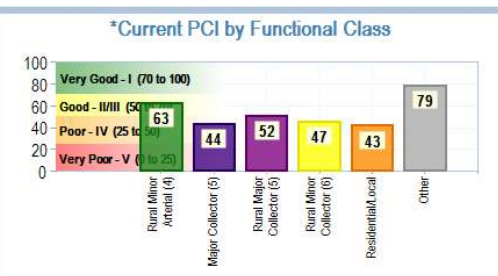
### Network Inventory

Area: 1.61  
*(square miles)*

Miles: 407.86

Lane Miles: 815.69

Sections: 969



**County Administration  
Committee Report**

Law Enforcement - Amador County Jail and  
Sheriff's Department

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# EXCESSIVE OVERTIME IN THE JAIL

## AUTHORITY

Under Penal Code §925, the Grand Jury shall investigate and report on the operations, accounts, and records of the officers, departments, or functions of the county.

## SUMMARY

The 2018/19 Amador County Civil Grand Jury initiated a review of the Amador County Jail and Sheriff Offices. Through our interviews and review of budgets, we found the Jail overtime usage has increased the past four years and the excess overtime exceeds the amount saved in other departments through the voluntary furlough program. The grand jury recommends the Jail management reduce overtime by next year to budgeted levels and redirect excess overtime expenditures to fund pension increases by next fiscal year.

## GLOSSARY

ACSO	Amador County Sheriff's Office
Board	Amador County Board of Supervisors
CTO	Compensated Time Off
FY	Fiscal Year
Jail	Amador County Jail

## BACKGROUND

The grand jury initiated a review of the County's Public Protection Program expenditure reports over the last ten years and discovered a significant spike in overtime usage in the Jail. Based on our analysis, these expenditures began in FY 2014/15 and accelerated each year thereafter. Other overtime salaries in the Sheriff's Department remained steady.

## METHODOLOGY

The grand jury reviewed the following public documents:

- Amador County Budgets FYs 2006/07 through 2018/19
- Additional references as notated in the report

Interviews conducted with various county officials and other private individuals, including:

- Amador County Budget Director
- Amador County Auditor
- Sheriff's Office Management
- Past Job Applicants

## **DISCUSSION**

### **Minimum staffing levels, assignment of overtime, and how the process is managed**

The Board of State & Community Corrections has not set a minimum staffing level for institutions in California, however, as stated under Title 15, Section 1027 (Number of Personnel)<sup>1</sup> *“A sufficient number of personnel shall be employed in each local detention facility to ensure the implementation and operation of the programs and activities required by these regulations. Whenever there is an inmate in custody, there shall be at least one employee on duty at all times in a local detention facility or in the building which houses a local detention facility who shall be immediately available and accessible to inmates in the event of an emergency. Such an employee shall not have any other duties which would conflict with the supervision and care of inmates in the event of an emergency. Whenever one or more female inmates are in custody, there shall be at least one female employee who shall be immediately available and accessible to such females.”*

Under Penal Code. § 1027.5 Safety Checks: *“Safety checks shall be conducted at least hourly through direct visual observation of all inmates. There shall be no more than a 60 minute lapse between safety checks. There shall be a written plan that includes the documentation of routine safety checks.”*

Internally, the Amador Sheriff’s Office requires at least two Correctional Officers and a Correctional Sergeant to be on-duty at any time. As previously stated, at least one female officer must be present at all times to comply with California regulations.

### **Training**

An online training program, Relias, is currently used by the Sheriff’s Office. This platform allows employees to take job specific classes locally, rather than through outside courses. This makes employees more available for task assignments and minimizes travel expenses. Relias was selected based on the services provided, pricing and through recommendations by other county agencies. Since this is the first year of implementation, the Sheriff will evaluate the program to determine if it meets the minimum requirements of the job.

### **Situations Involving Overtime**

Like most management issues, the question of assigned or voluntary overtime is dependent on the situation. For example, if a graveyard shift employee calls in sick, the on-duty supervisor will begin calling potentially available staff to see if they can work. An emphasis is made to find those willing to come in, but occasionally an employee will be required to work given the situation. To meet staffing needs during planned absences, the scheduling supervisor will post available overtime shifts for an employee to sign-up voluntarily and participate. The use of overtime can be partially avoided by limiting the number of officers allowed to take scheduled leave in advance.

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<sup>1</sup> Minimum Standards for Adult Facilities Title 15. Crime Prevention and Corrections, Division 1, Chapter 1, Subchapter 4 Effective April 1, 2017

## **Compensated Time Off**

For purposes of this analysis, the grand jury is considering Compensated Time Off (CTO) as overtime. In lieu of collecting overtime pay at 1.5 times the regular rate, employees can accrue 1.5 CTO hours for every hour worked. When an employee takes a day off using accrued overtime hours they are paid out of the “Salaries and Wages” line of the budget, not overtime.

## **Other State Studies**

Based on our review of five other states, overtime and sick leave usage in correctional facilities has been a problem nationwide. Excerpts from local newspapers and state departments detail this phenomenon, as follows:

### **New Jersey<sup>2</sup>**

In FY 2013/14, the New Jersey Office of State Comptroller performed an analysis regarding overtime and sick leave for state and county correction officers. The objective of the study was to identify the root causes of excessive overtime costs and to recommend ways to reduce these costs. This included the review of several adult county correctional facilities that found some facilities having regularly incurred high overtime costs, while others consistently kept overtime costs to a minimum.

It was found that there is a direct correlation between overtime used and sick leave. When an officer is sick, typically that officer’s post is filled with an officer working overtime. Many wardens within the state reported that sick leave abuse and long-term absences have been a problem at facilities and a significant cause of overtime expenses. Some wardens have made efforts to monitor sick leave usage and identify patterns in its use.

Other reasons for overtime usage included facilities that are understaffed or that have not adequately planned for their staff’s use of leave time, which generally forces them to fill vacant posts with overtime. Additionally, overtime at facilities may be due to special assignments, including unanticipated medical transports.

While the causes of overtime costs differed somewhat from county to county in New Jersey, their study found a direct correlation between sick leave and overtime expenditures.

### **Connecticut<sup>3</sup>**

An article in the Hartford Courant reported on a state audit that cites the Department of Correction for a lack of record-keeping and proper accounting in areas including guards' overtime, sick leave and inmates' property. The audit cites incomplete and missing documentation, deficient training hours, and inadequate monitoring of sick leave. The auditors blame a lack of management oversight and improperly implemented internal controls.

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<sup>2</sup> State of New Jersey Comptroller, Marc Larkins: “An Analysis of overtime in Adult County Correctional Facilities across New Jersey”, dated February 15, 2015.

<sup>3</sup> Article in Hartford Courant: “Audit Cites Correction Department On OT, Sick Time”, dated May 10, 2017, by Dave Altimari.

The auditors concluded that the failure to properly account for sick leave, funeral leave, overtime hours and other administrative duties could lead to potential “abuse and limit the overall ability of the department to function properly. In addition, the use of sick leave by staff in correctional institutions often created the need for overtime, which increased state spending.”

#### **Nevada<sup>4</sup>**

An article in the Elko Daily Free Press cites that an “...exasperated Gov. Brian Sandoval declared Nevada had a ‘fiscal emergency’ on its hands after hearing that the Nevada Department of Corrections is \$15 million over budget ... because of soaring correctional officer overtime costs.”

“Sandoval said the audit discussed ... at the Executive Branch Audit Committee, which includes all other Nevada constitutional officers, was the worst he’d seen in his seven years as governor.” Sandoval further stated, “This is the zero moment when the ship sinks or stays up,” pointing out that the spiraling costs could wipe out a reserve fund, depriving other agencies of emergency funds or forcing him to call a special session to fix a budget hole.

In each of the past three years, overtime costs for the Nevada prisons department have grown thirty percent, auditors said. The prison population itself has grown by an average of just two percent in that time period.

This statistic directly correlates with the Amador County problem, where in each of the past three fiscal periods, overtime grew by 73%, 30% and 30%, respectively. FY 2017/18 is 193% in excess of overtime spent in FY 2014/15, essentially wiping out all savings made through the County’s voluntary furlough program (refer to Appendix A – Trend Analysis of Overtime for the Jail and Sheriff Offices).

The Elko article further points out that some officers are calling in sick so their colleagues can pick up their shift on overtime pay.

#### **Wisconsin<sup>5</sup>**

On May 02, 2012, Governor Scott Walker announced that the Department of Corrections has saved more than \$2.1 million in overtime costs in the first three months of 2012. Compared to 2011, overtime costs have dropped sharply and are a direct result of a new compensation plan and work rules made possible by Governor Walker’s reforms ending collective bargaining abuses.

Originally the overtime problem was a concern identified by the Governor’s Waste, Fraud, and Abuse Commission. The Commission found sick leave and overtime at the Department of Corrections more than doubled that of other state employees. After new compensation plan and work rules went into effect, sick leave hours dropped by 27.9% compared to the prior months

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<sup>4</sup> Article in the Elko Daily Free Press, “Correctional officer overtime is busting state budget; it would be naïve to think the system is not being gamed”, dated January 17, 2018.

<sup>5</sup> State of Wisconsin Governor’s Website, “State Saves Millions on Overtime by Eliminating Waste, Fraud and Abuse, dated May 02, 2012.

under the old rules and policies. This reduction is similar to the overtime increases experienced in both the State of Nevada and Amador County.

### **Washington State<sup>6</sup>**

A Correction Planning Study performed by the Pierce County Performance Audit Committee, raised the question whether overtime use in jails is a cost-effective use of staff. Several issues having an impact on overtime included difficulties in filling vacancies, inmate processing, and the use of jail escorts. They found that contrary to a common misperception, overtime is not necessarily more expensive than the use of full-time officers for staffing. However, in many cases there are operational concerns related to relying too heavily on overtime.

In the course of their review, they identified two practices that were leading to costs being incurred for overtime use and how these costs could be eliminated entirely. One practice is the number of officers who are allowed to take scheduled leave on any given day. The other relates to the use of CTO. Since CTO is scheduled in advance, there are many days when overtime will be used on the same day that CTO is taken. This situation is due to several factors such as high sick leave use, the rules about vacation and holiday use, and the need to staff additional posts. According to the Committee, it is not uncommon, and in fact it is most often the case, that the time off for CTO takes place at the same time overtime is used. Although the amount of CTO that can be accrued is limited, the policy of allowing it to be scheduled like vacation and holiday leave is having a cost-impact that could be avoided.

### **Amador County**

The Amador County Jail houses inmates in a manner that provides safety to the public, the correctional staff, allied law enforcement agencies, and inmates. The Jail provides for the basic life needs of the inmates including adequate and appropriate food, mental health, and health care pursuant to Title 15 of the California Code of Regulations. The Captain of the Jail reports to the Sheriff.

Over the past ten years, the Jail has maintained steady budget requirements of thirty correctional staff (at different levels), consistent with bookings and average population.

The grand jury realizes that the flexibility to use overtime, within reasonable limits, affords the Jail the opportunity to address staffing needs that arise due to unplanned absences and additional workload. This is why the Jail has an overtime budget of \$80K in each fiscal year to compensate for sick leave, vacation, and catastrophic leave. Overtime costs have increased exponentially over the past four years from \$73K to \$210K.

The grand jury asked what extraordinary circumstances occurred during the four-year period to cause an exponential increase in overtime expenses. In the perspective of the management team, none of the circumstances qualify as “extraordinary.” The Sheriff makes every effort to plan for employee absences and takes steps to ensure that they maintain minimum staffing needs within the budget that is kept below the adopted budget amount.

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<sup>6</sup> Correction Overtime Planning Study, performed for the Performance Audit Committee, Pierce County Council (May 11, 2006).

In addition, our analysis shows that the Jail has been over-budgeted an average of \$223K (\$172K salaries and wages) for the past four years. The Sheriff's Office is over-budgeted by \$267K (\$153K salaries and wages) during the same period. This issue is discussed further in the grand jury's report on pension liabilities.<sup>7</sup>

Of the thirty correctional and supervisory staff, management must constantly deal with employees' situational needs, both personal and professional. Throughout the year, employees are able to collect sick time, vacation time, CTO, and holiday time. These accrued leave balances are utilized by employees throughout the year sometimes requiring overtime to backfill. Other complications occur like family sick leave, maternity and paternity absences, and work related injuries that result in staffing shortages over extended periods of time. However, the examination of payments made to employees reflects inconsistencies in overtime. Only a few employees pull a majority of the overtime assigned, resulting in some employees receiving almost twenty percent above their typical salaries. As described in the Pierce County analysis from Washington State, "emphasis should be made on the number of officers allowed to take scheduled leave on any given day."

Another situation requiring overtime is covering for staff who attends mandatory professional training. Within a year of being hired, new correctional officers are required to attend a full corrections academy that spans approximately six weeks, making them unavailable to serve during that period. At the time of this analysis, two correctional officers have been unable to work in their normal capacities for many months. These are normal parts of operations that are considered when managing workload. However, the four-year trend in increased overtime should not have occurred without being corrected at some point.

This year's overtime problem is partially due to a recent vacancy in their correctional sergeant rank. When the correctional sergeant vacancy was posted, several applications were received from in-house correctional officer staff, but after going through a lengthy testing process the applicants were not prepared to take on the supervisory role. Accordingly, the Sheriff's Office would not hire or promote individuals that did not meet the qualifications of the position resulting in necessary overtime to cover this vacancy.

### **What it takes to fill a vacancy**

The Jail has endured a vacant correctional officer, correctional assistant, and correctional sergeant for several years. While the sergeant position described earlier is now filled, the other vacancies remain.

The grand jury learned of several applicants who had applied for numerous open vacancies submitted at different times and never received responses, either accepting or rejecting their applications.

Getting a candidate from the point of application to a level of competence, where they can work independently of a training officer, is a lengthy and arduous process. Historically, Amador County has struggled in attracting a large candidate pool for correctional officer and correctional

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<sup>7</sup> Refer to Voluntary Furloughs, Pension Liabilities, and Facilities Maintenance Report.

assistant positions. To increase the pool, the Sheriff's Office performs outreach by attending job fairs, advertising vacancies online, and on social media platforms.

The first step is to collect applications so that a California mandated standardized written test can be held. Once there are enough applicants to hold a written exam, the test date is set, a room is reserved, and the supplies are ordered. Typically, several individuals will fail to attend the testing as scheduled. Once testing is completed the exams are sent for scoring. When test results are returned, the Sheriff's Office compiles a list of those individuals meeting the scoring requirements and invites them to interview.

Interviews are held over a three- to four-week period. The interview panel typically consists of three senior employees or supervisors that independently rank each candidate based upon a standardized set of questions. Once total scores are determined, successful candidates are invited to submit to a background investigation. The investigation takes approximately a month to complete, as all aspects of a candidate's life and history are examined to determine suitability for filling a law enforcement position. With the successful completion of the background investigation, candidates are given a conditional offer of employment prior to undergoing a medical and psychological screening examination.

Once these processes are successfully completed, the candidate is given a full offer of employment. After being sworn-in by the Sheriff, the new officer enters the field-training program. The field-training program requires the new employee to work directly with a training officer, under constant supervision, for fourteen weeks. At the end of the training program, if the individual has the skill-set necessary to be safe and successful, the Sheriff's Office will release the officer to work without a training officer under the general supervision of a sergeant.

The grand jury recognizes the length of the hiring process is arduous, complicated, and a normal part of operations for all counties. Vacancies occur through retirement and relocation, so the practice of hiring in all counties remains the same. It still does not explain why in Amador County overtime spiked significantly in the last four years.

The grand jury is concerned with the impact that overtime has on operations. Working too much overtime may have adverse effects on morale and how officers effectively conduct their duties that can manifest in ways that are undesirable. Granted, some officers may like and even rely upon the extra pay they receive; but the additional hours can result in burnout, inattention at work, sick leave usage, and less patience with peers and inmates. Hiring a full complement of qualified staff is the better choice in reducing these liabilities.

## **FINDINGS**

- F1. Overtime increased exponentially over the past four years from \$73K to \$210K, which is \$130K over the budget.
- F2. The excess overtime in the Amador County Jail and Sheriff's Office exceeds the amount saved in all other departments through the voluntary furloughs program.

- F3. Over the past four years, the Jail was over-budgeted by an average of \$223K of which \$173K is in salaries.
- F4. Over the past four years, the Sheriff's Office was over-budgeted by \$266K of which \$153K is in salaries.
- F5. Staffing shortages, mandatory shifts, and overtime seem to be a universal issue that may have an effect on morale. Despite efforts by the Sheriff's Office to recruit additional custody staff and assistants, there remains a shortage of staff.
- F6. The lack of follow-up by the Sheriff on applications does not reflect positively on this department.

## **RECOMMENDATIONS**

- R1. The Sheriff's Office should consider reducing overtime expenditures to the adopted budget level by January 1, 2020. [F1]
- R2. Beginning January 1, 2020, the County should consider redirecting excess overtime expenditures of \$130K and the excess in the operating budget of \$223K for the Jail and the excess operating budget of \$266K for the Sheriff's Office to fund pensions (refer to Voluntary Furloughs, Pension Liabilities, and Facilities Maintenance Report). [F1, F3, F4]
- R3. The County should request that the Sheriff provide a report to the Board regarding the steps taken to correct the current excess overtime usage by January 1, 2020. [F1, F2, F3]
- R4. The Sheriff's Office should inform job applicants that their application have been accepted or rejected in a timely manner. [F6]

## **REQUIRED RESPONSES**

Pursuant to Penal Code sections 933 and 933.05, the grand jury requests responses as follows:

- Amador County Board of Supervisors is required to respond no later than 90 days after the Grand Jury submits a final report to Findings F1 through F5 and Recommendations R1 through R3.
- Amador County Sheriff is required to respond no later than 60 days after the Grand Jury submits a final report to Findings F1 through F5 and Recommendations R1 through R4.

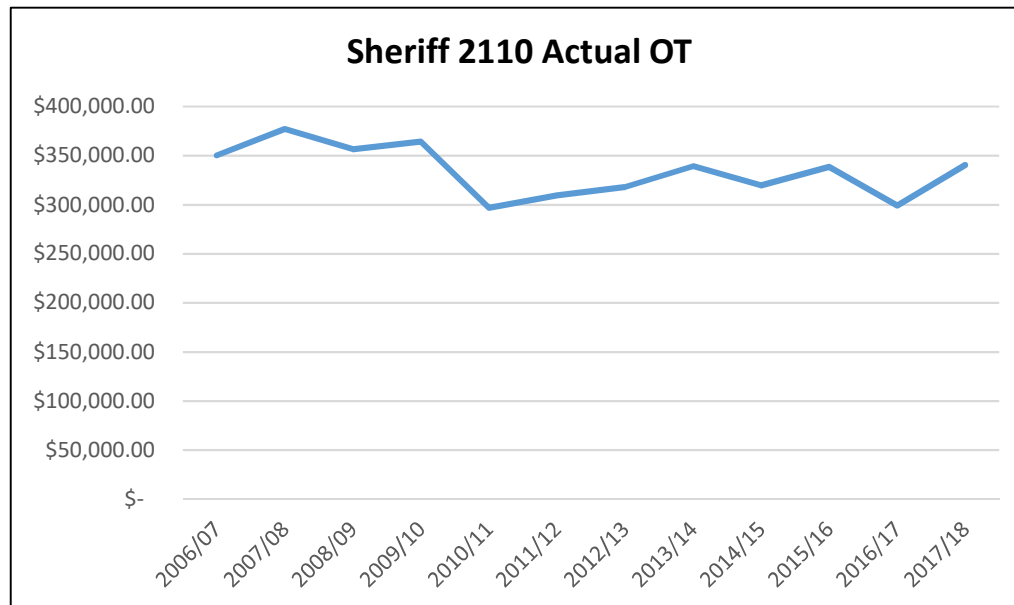
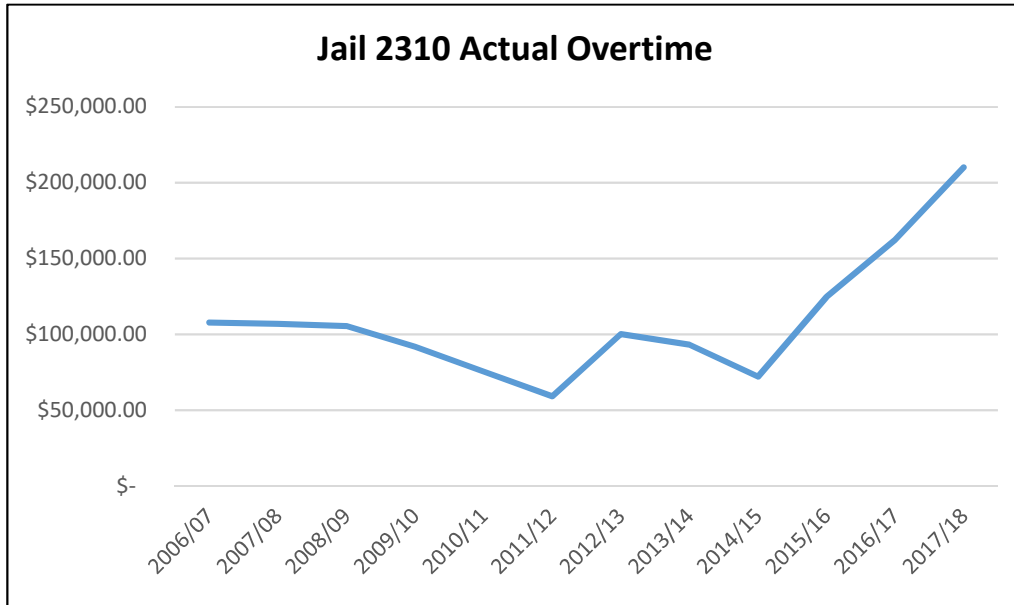
## **ADDRESS RESPONSE TO:**

- The Presiding Judge - Amador County Superior Court  
500 Argonaut Lane  
Jackson, CA 95642

- Amador County Civil Grand Jury  
PO Box 249  
Jackson, CA 95642

Reports issued by the Grand Jury do not identify individuals interviewed. Penal Code section 929 requires that reports of the Grand Jury not contain the name of any person or facts leading to the identity of any person who provides information to the Grand Jury

### Overtime Trend Analysis For the Jail and Sheriff Offices



**Amador County Civil Grand Jury  
2018/19 Complaint Log**

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## 2018/19 COMPLAINT LOG

### GLOSSARY

AC	Amador County
ACOE	Amador County Office of Education
ACUSD	Amador County Unified School District
MOO	Move Out Order
TRO	Temporary Restraining Order

Complaint Number	Date	Brief Description	Ack. Letter Sent	Action Taken
#01	04/10/18	AC Airport hangar being used with no permit	YES	Emailed Complainant for more information with no response. Unable to move forward with investigation due to lack of information. CLOSED.
#02	05/29/18	Monetary conflict (City of Ione Manager)	YES	Investigated and found no wrongdoing. CLOSED
#03	10/25/18	ACUSD Financial Loss	YES	Investigated and found no wrongdoing. CLOSED
#04	11/26/18	Easement Dispute	YES	Out of grand jury jurisdiction. CLOSED
#05	12/17/18	City of Ione issuing fines and seizing and storing vehicles	YES	Investigated and found no wrongdoing. CLOSED.
#06	01/02/19	Bad behavior at 11/26/18 ACOE meeting	YES	Reviewed and found no issue for grand jury to investigate. CLOSED.

<b>Complaint Number</b>	<b>Date</b>	<b>Brief Description</b>	<b>Ack. Letter Sent</b>	<b>Action Taken</b>
#07	01/07/19	TRO with MOO granted on hearsay	YES	Out of grand jury jurisdiction. Mailed Acknowledgemt letter and Out of Jurisdiction letter. CLOSED
#08	01/28/19	Being denied to see dying father	NO	Catharsis letter with a request of no response necessary. CLOSED.
#09	02/05/19	Request for alternative sentencing	YES	Out of grand jury jurisdiction. Mailed Acknowledgemt letter and Out of Jurisdiction letter. CLOSED.
#10	03/18/19	Ongoing litigation case - San Quentin Inmate	YES	Out of grand jury jurisdiction. Mailed Acknowledgemt letter and Out of Jurisdiction letter. CLOSED.
#11	04/25/19	ACUSD Principal Contracts	YES	Not enough time for an investigation. Passed on to 2019/20 Grand Jury
#12	04/25/19	ACUSD - Fiscal Crisis and Management Team	YES	Not enough time for an investigation. Passed on to 2019/20 Grand Jury