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- c. The Independent Auditor noted that the county reflects the solid Waste Planning and Operations as a special revenue fund instead of an enterprise fund.
  - d. The depreciation schedule for senior transit buses did not include an acquisition date for the vehicles. Depreciation appears to be based on the model year of the vehicle rather than the acquisition date of the vehicle.
  - e. The County Workers Compensation internal service fund had a deficit fund balance of \$1,572,431 on June 30, 2004. Adequate reserves are necessary to ensure that the county is able to meet its self insurance obligations.
2. In response to an article in the Feather River Bulletin stating that the position of budgetary officer was being transferred from the County Administrative Officer to the Auditor/Controller the Grand Jury reviewed the reason for this change.

### **Recommendations**

1. In the *County of Plumas, California Management Report For The Year Ending June 30, 2004* the Independent Auditor has made recommendations to correct the five (5) conditions mentioned. These recommendations are clear and specific and need to be put in place as soon as possible. It is to be noted that at the time of the presentation of the Independent Auditor's report the Auditor/Controller had already implemented the Cash with Fiscal Agent condition and partially implemented the Transportation System Accounting. The Auditor/Controller will raise the Workers Compensation rates to ensure adequate reserves. That will leave the Depreciation on Transit Buses and Classification of Solid Waste Planning and Operation to be implemented. It is important the Board of Supervisors monitor these items to ensure their completion.
2. The establishment of an Audit Committee is an acceptable and widely used tool in other counties to aid in the process of monitoring county operations. The Grand Jury recommends that The Board of Supervisors seek to establish such a committee. The members should include at least two (2) members of the Board of Supervisors, two (2) members of the Grand Jury, and the Auditor/controller.
3. The Auditor/Controller has been instrumental in preparing the budget in years past and at the time of this report is the most knowledgeable person in the process. The Auditor/Controller must cross-train his staff and any other persons (in the county with a need to know) in the process of the budget preparation to ensure continuity in this process under all circumstances.

## **PLUMAS COUNTY HUMAN RESOURCES**

### **Function**

Human Resources administers implementation of *The Personnel Rules of Plumas County*. The purpose of these rules is to provide a consistent, equitable, and efficient program of personnel administration.

It has come to the attention of the Grand Jury that the problem with the lack of interaction of the Human Resources Department is common in many other departments. A well run and efficient Human Resources Department is the key to the success of all other county functions.

## **Findings**

The Grand Jury findings are that:

1. Nepotism is an ongoing issue within the county. The appearance of nepotism is as harmful as the actual fact itself.
2. People are hired to fill vacant positions that do not meet the County's job qualifications as described in the Plumas County Job description's qualifications. The results are poor performance and employee problems.
3. Department managers do not follow proper procedures for disciplinary and termination action resulting in wrongful termination claims and issues involving the employee's union. These actions are very costly and should be avoided. The training provided to department managers in the appropriate ways to handle employees with stress leave, disciplinary action, and termination procedures is inadequate.

## **Recommendations**

1. Human Resources must monitor all employee job positions to insure that there are no family members working in the same department and equally important, that no family members are working in departments that share confidential information or that would have a conflict of interest.
2. All job applications should receive approval by Human Resources before hiring can take place. It is the responsibility of Human Resources to see that each applicant meets the qualifications of the position for which they are applying. Each applicant must have a reference check performed by Human Resources. These actions would eliminate the hiring of non-qualified persons.
3. It is the responsibility of Human Resources to provide training to all managers and supervisor to handle disciplinary problems in the proper manner. This training can be done by conducting classes and by providing the managers and supervisors with a management handbook that spells out the correct procedures to follow in all cases of disciplinary actions.

# **PLUMAS COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT**

## **Function**

Provide for the control, storage, and distribution of storm, flood, and other waters under district's jurisdiction and make that water available for any present or future lawful, beneficial use or uses of lands or inhabitants within the district. The water can be used for irrigation, recreation, fire protection and can be used by municipal, commercial, industrial entities. .

## **Background**

The Plumas County Board of Supervisors serves as the Board of Directors for the Plumas County Flood Control and Water Conservation District (PCFC). In the past, the primary function of PCFC was purchasing water from the State Water Project (from Lake Davis) as one of the 29 state water contractors and distributing that water to customers in Plumas Count, including the City of Portola and the Grizzly Lake Resort Improvement District. However, as a result of an agreement settling a lawsuit over changes in the state water contract (the Monterey Amendment), the PCFC also became one of three parties to the Plumas Watershed Forum (WF). The forum was established to implement watershed management and restoration activities for the benefit of Plumas and the State Water Project.

The Monterey Settlement Agreement (MSA) provides for the California Department of Water Resources to pay the PCFC \$8 million in the form of eight annual payments. The first four payments must be made as long as the PCFC complies with the MSA, but the final four payments are contingent upon the successful completion of a new Environmental Impact Report for the Monterey Amendment.

Under the MSA, a majority of the \$1million received each year must be spent on "watershed programs." The Watershed Forum members have adopted the Feather River Watershed Management Strategy, which provides a framework for the forum's prioritization and funding of specific watershed management and restoration projects. The balance of each \$1 million payment may be used for any PCFC-related purpose, as determined by the PCFC after considering the needs of the Watershed Forum. In practice, the forum members have agreed that \$500,001 (a "majority") of each payment will be spent on watershed programs and the remaining \$499.000 will be spent by the PCFC after consulting with the forum.

## **Findings**

1. It is not clear that all projects or proposals for which MSA funds have been expended have been approved by the WF.
2. It is not clear exactly how much money has been received by PCFC under the MSA.
3. It is not clear how the money received by PCFC under the MSA has been spent.

4. The previous Grand Jury expressed the belief that some of the project expenditures did not meet the MSA's stated goals. Further investigation reveals that these project expenditures were approved by the WF. However, it is unclear how the programs specified in the MSA were served by the expenditure of \$115,000 for "budget expenditures" and \$452,000 to "repay the general fund for loans to PCFC for expenditures that had accumulated for several years ". These expenditures are being reviewed by DWR.

## **Recommendations**

The Grand Jury recommends:

1. That while the directions for expenditure of funds under the MSA allow some latitude, the PCFC avoid the temptation to expend MSA funds for purposes not approved by the WF and that do not specifically benefit the MSA programs.
2. That the PCFC explain how the \$115,000 of "budget expenditures" and the \$452,000 for loan repayment benefited the programs specified by the MSA.
3. That the PCFC states exactly how much money it has received to date under the MSA.
4. That the PCFC states clearly how the funds received under the MSA were spent and how much of those funds have not yet been spent.
5. That the PCFC keep the public informed of the status of the EIR and legal challenges to the MSA.

## **COMPLAINT SUMMARY**

### ***COMPLAINT #04/05-01***

#### **Nature of Complaint**

This is a continuation of last year's Grand Jury Complaint #03/04-03 alleging widespread and gross misconduct within County Offices.

#### **Response**

The issues of this complaint were discussed by the Law and Justice Committee and the complainant was advised by letter to take the complaint to the California Attorney General's Office.

### ***COMPLAINT #04/05-02***

#### **Nature of Complaint**

This complaint was a continuation of several complaints previously filed with previous Grand Juries against a Plumas County employee.

#### **Response**

This complaint was referred to the District Attorney and County Counsel offices.

### ***COMPLAINT #04/05-03***

#### **Nature of Complaint**

This was a continuation of complaint 03/04-09 alleging wrongful and retaliatory termination of employment at Plumas District Hospital (PDH).

#### **Response**

As this complaint had been investigated by the Health, Education, and Welfare Committee of the Grand Jury last year, and deemed a labor dispute, it was not investigated further as it did not fall under Grand Jury jurisdiction. The complainant was notified by letter.

### ***COMPLAINT #04/05-04***

#### **Nature of Complaint**

Complaint delineated a list of problems arising from a private civil matter.

#### **Response**

The Grand Jury declined to pursue investigation, indicating to the complainant by letter that this was a private civil matter and could possibly be resolved by legal counsel.

### ***COMPLAINT #04/05-05***

#### **Nature of Complaint**

The complaint lodged was of a possible criminal nature involving the destruction of property.

#### **Response**

The complaint was referred to the District Attorney and after his review it was determined that the statute of limitation has expired.

### ***COMPLAINT #04/05-06***

#### **Nature of Complaint**

The complainant accused a Sheriff Deputy of not acknowledging monies he had supposedly received.

#### **Response**

The complainant was informed by letter that this was not considered a matter for the Grand Jury.

### ***COMPLAINT #04/05-07***

#### **Nature of Complaint**

Complaint was submitted regarding an issue the complainant had with Plumas County several years ago.

**Response**

After reviewing the history of the incident the Grand Jury felt that this was not an item for Grand Jury investigation and the complainant was informed by letter of this action.

***COMPLAINT #04/05-08***

**Nature of Complaint**

This complaint stated that no action had been pursued by Plumas County Officials on a previous criminal conviction.

**Response**

The complaint was referred to the County District Attorney.

***COMPLAINT #04/05-09***

**Nature of Complaint**

Alleged improper actions that were taken by the Indian Valley Fire Chief, while at a Greenville Park the summer of 2004.

**Response**

Complaint was reviewed by the Grand Jury, but not investigated. A letter was written to the complainant stating that all district fire departments would be notified to use caution when exhibiting equipment.

***COMPLAINT #04/05-10***

**Nature of Complaint**

Complainant charged that the Portola City Council is remiss in dealing with the citizens of the City of Portola and is out of compliance with the Portola Municipal Code.

**Response**

The Grand Jury reviewed the complaint, but action will not be taken this year. This item will be referred to the 2005-2006 Grand Jury.

***COMPLAINT #04/05-11***

**Nature of Complaint**

Complaint was made against actions by the Plumas County Planning Department.

**Response**

The Grand Jury reviewed the complaint, but action will not be taken this year. This item will be referred to the 2005-2006 Grand Jury.

***COMPLAINT #04/05-12***

**Nature of Complaint**

The complainant brought a situation to the Grand Jury's attention regarding a card lock transaction.

**Response**

This matter was unfounded and resolved.

***COMPLAINT #04/05-13***

**Nature of Complaint**

A complaint was received by a parent whose child attends elementary school within the Plumas Unified School District. The complaint alleged mistreatment of the child by a teacher and was supported by letters received by the Grand Jury through the District Attorney. The complaint also alleged a lack of response from the school district administration.

**Response**

An Accusation Hearing was conducted by the District Attorney. The Grand Jury heard testimony from several witnesses and complainants.

The Grand Jury deliberated after the hearing and concluded that there was reasonable cause for the District Attorney to bring an accusation against the school district administration. This matter is now in the hands of the District Attorney.

***COMPLAINT #04/05-14***

**Nature of Complaint**

This complaint involves the alleged mistreatment and harassment of family members over a number of years by the Plumas County Sheriff's Department.

**Response**

The Grand Jury will review the complaint, but action will not be taken this year. This item will be referred to the 2005-2006 Grand Jury.

***COMPLAINT #04/05-15***

**Nature of Complaint**

The complaint stated problems that had occurred because of lack of following zoning ordinances by his neighbors.

**Response**

No action will be taken this year and the complaint will be referred to the 2005/2006 Grand Jury.

## Plumas County Grand Jury Investigation History

<b>DEPARTMENT/ AGENCY/PROGRAM</b>	<b>Earlier Years</b>	<b>2001- 2002</b>	<b>2002- 2003</b>	<b>2003- 2004</b>	<b>2004- 2005</b>
Administrative/CAO	95-96	X			
Assessor	95-96, 98-99				
Auditor/Controller		X			X
Board of Supervisors		X			X inc
Clerk/Recorder		X inc			
Chamber of Commerce					
Information Technology	99-00				
Fair		X			
Farm Advisor					
Law Library	99-00				X
Library	98-99				
Literacy Program	98-99				
Museum	98-99				
Human Resources	99-00			X	X
Treasurer/Tax Collector	98-99				
Alcohol and Drug	95-96	X inc			X
Senior Services					
District Attorney – Family Support Division	97-98				
Mental Health	95-96, 99-00				X
Plumas County Public Health Agency				X	
Public Administrator					
Public Guardian/Conservator	99-00				
Sierra House	99-00				
Social Services	95-96				
Veteran's Services	95-96				
Animal Control	95-96	X	X		
County Counsel					
District Attorney	98-99				
Fish and Game Commission					
Jail	98-99	X	X	X	X
Victim Witness					
Office of Emergency Services					
Probation	98-99	X		X	
Juvenile Hall			X		