

FINAL REPORT

2008-2009

DEL NORTE COUNTY GRAND JURY



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Del Norte County Superior Court

Honorable Judge William H. Follett

On behalf of the 2008-2009 Del Norte County Grand Jury, I submit our final report to you, the citizens of Del Norte County, the Board of Supervisors and the City Council.

This report is based on data obtained from official written records; sworn testimony presented to the Grand Jury and first hand observations noted during site inspections. This document summarizes the investigation and responses to public complaints, randomly selected and mandated agency inspections, along with several carry-over issues from the 2007-2008 Grand Jury.

I wish to commend the members of this year's Grand Jury for their hard work, integrity, impartiality and ability to function as an independent investigatory body. In addition, every member has given countless hours of their time researching data, doing investigative work and compiling reports.

With one exception, the Grand Jury was provided unfettered access to facilities. In one specific case, the Grand Jury disagreed with the assertion that a County building could be inspected by looking through the exterior windows. Eventually, permission was obtained from higher level County management to conduct a legitimate walk-thru inspection.

Collectively, the Grand Jury wishes to thank all agencies and individuals who provided documents, information or their sworn testimony upon which this report is based.

This report represents a reasonable cross-section of agencies and issues that are of concern to the citizens of Del Norte County. Readers of this report should be aware that a limitation inherent to each Grand Jury is the inability to investigate each and every agency and complaint. This is partially due to manpower and time constraints.

It has been my distinct privilege to serve as the Foreperson of the 2008-2009 Grand Jury. In this capacity, I have done my best to serve the citizens of Del Norte County.

Respectfully Submitted,

John Ging, Foreperson
2008-2009 Del Norte County Grand Jury

CORRECTIONAL FACILITIES IN DEL NORTE COUNTY

PELICAN BAY STATE PRISON

REASON FOR INSPECTION: Routine annual site visit.

The 2008-2009 Grand Jury made a scheduled annual site visit to Pelican Bay State Prison. The jurors interviewed the Public Information Officer, Ken Thomas, to discuss any additions or other changes in the prison since the previous Grand Jury visit.

FINDINGS: Due to State-wide budget cuts, the prison has been cutting corners wherever possible without undermining the security to the public and the entitlements to the inmates. The only major project going on at this time is the replacement of the outdated hot water system. Funds for the project were approved during prior budget talks. Replacement of the water system will save money by not having constant repairs to the pipes. Additionally, repairs to the “boiler house” facilities will eliminate the current diesel leakage into the soil. The prison has increased efforts to recycle as much as possible. They are now recycling 50% of the prison trash with a target to increase this to 75% by 2010.

Although there are no funds available to pay a full-time correctional officer at the entrance gate of the prison, there are security measures in place to keep unauthorized people off the property.

The population of inmates at this time is 3,352; 80% of these inmates have life-sentences, either by court order or due to their age. One hundred thirty-eight of the remaining 20% are housed in the gymnasium due to overcrowding.

There are 1,700 employees at the prison at this time, but there is a possibility that this may change in the future due to additional State budget cuts.

RECOMMENDATION: None

RESPONSE REQUIRED: None

ALDER CAMP CORRECTIONAL FACILITY

The 2008-2009 Grand Jury made a routine scheduled visit to Alder Camp Correctional Facility. Two members of the Grand Jury met with Lieutenant R. Patton and Officer D. Pingree. Lieutenant Patton conducted the tour.

FINDINGS:

Alder Camp has been in existence since 1960 as a minimum security facility of the California Department of Corrections and Rehabilitation. There are a minimum of two officers per shift. All staff are trained to perform CPR and the Camp has one defibrillator on-site.

When the inmates are transported from the Susanville Facility, they are already Class I firefighter certified. Their health is a high priority, as they may be called upon for firefighting and other emergencies that may arise. Several years ago, the State took away all weight lifting equipment, but recently allowed the equipment back into Alder Camp, since the inmates need to be in good physical condition. They are required to be able to run an 8.5-minute mile. The inmates are 18 years of age and older. The average stay at the Camp is between 6 months and 1 year.

There are no locks on the cells or barracks at Alder Camp. Inmates are generally happy to be sentenced to Alder Camp. The last person to walk away did so 11 years ago, and he walked back. The inmates are paid \$1.00 per hour for firefighting (and other emergencies), and each day worked subtracts one day from their sentence.

The inmates are offered vocational classes in culinary arts, plumbing, electrical, and more. The inmates do all the cooking, baking, laundry, lawn care and other maintenance as needed for the Camp.

The Camp has family visits which allow the families to visit for three consecutive days (in a converted trailer) with prior authorization. The regular visitation hours are 8 a.m. to 4 p.m., Saturdays, Sundays and holidays.

Every morning and evening, the Camp has "sick call." This allows the inmates to request medication, such as aspirin. Inmates requiring medical, dental or vision care are transported to Crescent City. If an inmate requires emergency care, a helicopter may land in the ballpark for transport.

For entertainment and recreation, the inmates have access to two televisions, basketball, baseball, disc golf, pool, library and weight room. The inmates have a hobby room where they make clocks and jewelry boxes. The inmates also make wooden toys that are given to underprivileged children at Christmas.

The Camp has a sawmill with a log deck (from fallen trees). The logs are processed into lumber which the State parks use for signs, benches, foot bridges and other items.

The Grand Jury found the grounds and buildings well maintained and exceptionally clean.

RECOMMENDATIONS:

- Since cleanliness is so important, we suggest the Camp:
 - install hand sanitation devices, such as wipes or gels;
 - require kitchen staff to wear gloves while cooking or baking.
- Additional weight lifting equipment be acquired as funds become available.

RESPONSE REQUIRED: None

DEL NORTE COUNTY JAIL

REASONS FOR INVESTIGATION: Annual visit and a follow-up on one citizen complaint.

Six members of the 2008-2009 Grand Jury made an unscheduled visit to the Del Norte County Jail. The members met with Sergeant Gary Potter, who has been with the department for 8½ years.

FINDINGS: The members found the facility to be clean and well maintained. Due to the surveillance equipment and electronic locks, a small staff maintains order over an inmate population of between 135 to 140. The average range of incarceration is from one week to a year.

A shift consists of two officers, two civilian technicians, and one sergeant working 12 hours. The inmates have access to medical personnel on a daily basis. Each inmate is issued a “House Kit” consisting of: a spork, cup, razor, toothpaste, toothbrush, and a bar of soap.

The inmates are offered drug rehabilitation classes which are funded by the State through Proposition 17.

CONCLUSION: Even though the Grand Jury’s unannounced visit was at shift change and the end of inmate meals, the staff accommodated the committee and provided a comprehensive tour.

RECOMMENDATION: None

RESPONSE REQUIRED: None

DEL NORTE COUNTY JUVENILE HALL

REASON FOR INVESTIGATION: Routine inspection.

Six members of the 2008-2009 Grand Jury (GJ) made a planned site visit to the Del Norte County Juvenile Hall. They were met by Linda Sanford, the Facility Manager. There was a tour of the facility, after which questions were answered. The GJ committee was provided with a copy of the policies and procedures manual, the organizational chart, duty statements, budgets for the past two years and a copy of the orientation handbook.

FINDINGS:

The entire facility is very well organized. The kitchen and living quarters are extremely clean. The juveniles are provided with clean clothing, medical attention, and access to other departments/agencies as needed. Their educational needs are met on a personalized one-on-one basis. The juveniles cared for at the facility range in age from 13 to 18. A staff member reads and explains the orientation handbook to each juvenile upon arrival; they are then provided with a hardcopy.

A new video monitoring system has been installed as recommended by the 2007-2008 Grand Jury.

This department is, along with many other County facilities, being asked to do more with less. This facility has a requirement of one staff member for every ten juveniles. If staffing is reduced below the maximum level to accommodate 44 juveniles, only juveniles convicted of a felony will be housed.

A juvenile scaled the fence and escaped just prior to the visit by the Grand Jury. It was the first escape in four years. Immediate calls went out to a network of law enforcement agencies. The procedures and network of law enforcement worked well in apprehending the juvenile the same day. A second layer of wrap-around mesh fencing had already been ordered and is planned for installation on the chain link fence surrounding the exercise yard. This should prevent anyone from scaling the fence in the future.

RECOMMENDATIONS:

The Del Norte County web page for Juvenile Hall should be reviewed and updated to ensure that current information regarding policy, visitation and personnel is available to the public.

The joint data collection system, recommended by the 2007-2008 Grand Jury to provide better communication between Bar-O Boys Ranch, Juvenile Hall and the Probation Department, still needs to be completed.

The 2009-2010 Grand Jury should verify that the wrap-around mesh is installed.

RESPONSE REQUIRED: None

DEL NORTE COUNTY BAR-O BOYS RANCH

The 2008-2009 Grand Jury made a scheduled inspection of Bar-O Boys Ranch.

Five Grand Jurors met with Director Al Smith, who has been director for 25 years, and Staff Services Office Manager, Pamela Owen. This was also a follow-up investigation of recommendations listed in the 2006-2007 Grand Jury report.

FINDINGS:

Bar-O Boys Ranch, established in 1956, is situated on over 40 acres, and is under the jurisdiction of the Del Norte County Probation Department. Bar-O Boys Ranch is an institution to rehabilitate and educate non-violent young men between the ages of 14 and 18. The Ranch currently has a staff, including maintenance and cooks, of 16, with seven on site. There is also a nurse who comes in once a week. There are presently 25 boys housed at the Ranch, with a total capacity for 42, and the average stay is between 8 to 9 months.

The Ranch is run on a three-level program, consisting of newcomers, intermediate and those getting ready to leave. The boys wear different colored T-shirts to denote their program level.

The Grand Jury toured the kitchen, gym, recreation room, classrooms, woodshop and barracks. The boys have educational classes Monday through Friday. The students are encouraged to seek a high school diploma as opposed to a GED. Teachers from Del Norte County Schools conduct the classes. The Ranch has a computer lab, which includes access to seven computers. The boys are offered church services on Monday evenings. There is also a successful culinary program. The boys, under supervision, prepare the meals and are taught food safety and nutrition. There is a vegetable garden in spring and summer that is planted and cared for by the boys. In the fall, the boys collect boughs to make between 400 and 800 wreaths, which are sold to raise dual-purpose funds. The proceeds from the wreaths that are contracted to be sold to non-profit organizations are used for recreational programs for the boys. The monies from the wreaths sold to organizations, such as the school district and County offices, are used to purchase Christmas gifts for the "Santa's Workshop" program, which provides gifts for needy children in the County.

The residents have gained firsthand experience in general maintenance of the Ranch.

CONCLUSION:

The Grand Jury found Bar-O Boys Ranch to be run efficiently and with genuine concern for the physical and psychological well-being of the residents. The grounds, buildings and rooms were found to be exceptionally clean and well-maintained, with the exception of the barracks and bathrooms, both of which need upgrading and repair. Al Smith is aware of this deficiency and informed the Grand Jury members that, at present, extra funding from the State is not available. The boys we encountered were polite, cleanly dressed and groomed, and appeared well-cared for.

RECOMMENDATIONS:

The barracks and bathrooms need to be upgraded as soon as funds become available, and we encourage Bar-O Boys Ranch to look at available grants and optional means of funding to correct these deficiencies as soon as possible.

RESPONSE REQUIRED: None

DEPARTMENTS IN CRESCENT CITY

CRESCENT CITY POLICE DEPARTMENT

REASON FOR INVESTIGATION: Routine annual inspection and receipt of one (1) complaint.

FINDINGS:

Four Grand Jury members met on two occasions with Police Chief Doug Plack. Interim City Manager Mike Young was present at the first meeting. These meetings occurred at the Crescent City Police Department (CCPD) building and were intended to discuss typical procedures for dispatch, response, incident reporting, and follow up to routine calls. Also discussed were staffing levels/hours/shifts, officer experience/training, salary/compensation, citizen complaint process, shared responsibilities with other law enforcement agencies, training and department funding.

Chief Plack explained that the Police Department has 1 Police Chief, 2 Sergeants (each assigned to a shift as shift supervisor), 1 Detective, 7 Patrolmen, 9 patrol cars, 1 motorcycle with 1 qualified rider (the Department is working on getting a second rider). The motorcycle was acquired through a one-time grant funding. All officers must qualify for employment by completing the Peace Officers Standard Training (P.O.S.T.) course including 922 hours (6 months) of Academy training. They then spend 16 weeks with a field training officer. All Officers also receive various annual training. Some examples of this training include: use or

nonuse of racial profiling; DUI handling; interrogation; communication skills; and the use of force. Training averages 70-80 hours per person per year. The CCPD has 2 officers with 30 years experience, 1 with 9 years, the rest each have less than 8 years of experience. Officer pay is covered by Union contract and includes other compensation, such as medical and other benefits.

The CCPD responded to approximately 15,000 calls in 2007:

- 27% of those calls were in response to a dispatch initiated through the 911 system;
- 63% were Officer-initiated calls (Officer sees an incident while on patrol);
- Response to the calls is prioritized at the Officer's discretion, except for 911 calls which are prioritized by the dispatcher (Del Norte County Sheriff's Department). The Officer uses his/her own discretion to call for a supervisor to assist in a difficult situation.

Chief Plack informed us that an inspection by the P.O.S.T. organization was going to occur and a subsequent report would soon be issued to the Department. It was explained that P.O.S.T. is the State of California regulating agency for all law enforcement agencies. The inspection is not automatic and must be requested. The last inspection on the CCPD was done in the year 2000. The current inspection was requested on September 23, 2008, and was completed on January 13/14, 2009. The intent of the report is to show strengths and weaknesses of the departmental operations, personnel procedures, staffing, etc. It may be two months before the report is received, at which time a copy will be forwarded to the Grand Jury.

Chief Plack reported that the Department received two (2) citizen complaints in 2008. Both were handled "in house." The intent is to handle complaints starting at the lowest level, usually by a sergeant, and then proceed up the chain of command to Chief then City Manager, as necessary. Resolution often results in more training being offered to the individual.

In past years, the Drug Task Force (DTF) has been conducted as a multi-agency operation. Currently, the CCPD does not have sufficient personnel to dedicate a position to a full-time commitment with the DTF. The DTF is funded through the State. This type of funding must be given to a county entity. Consequently, the CCPD does not receive funding for any positions on the DTF. The Del Norte County Sheriff's Office (DNCSO) currently has three or four people on the team. The DNCSO is therefore responsible for investigation of all drug related activity in the County and in the City. The CCPD investigates any instance which it comes across in the normal course of business. They handle the case until, and unless, it becomes too complicated, or the time commitment impacts patrol responsibilities, at which point they hand it off to the DTF. The CCPD does provide mutual aid to the DTF when requested.

Cooperation between the local law enforcement agencies is good. The CCPD does have two trained drug dogs. They make these animals available to the DTF upon request. The CCPD also has one trained bomb dog which they have made available to agencies as far away as Gold Beach, Oregon. The dogs came to the Department without cost to the city from private donors. Each of these dogs has its own custom-fitted bullet-proof vest, also donated to the Police Department, saving the city over \$1,800 per vest. These dogs will be in service for 6-10 years.

During the visit by the 2006-07 Grand Jury, it was suggested that the Police Department needed a larger building. At this time, a new building is still being sought. There is a buyer for the current building if and when a new building is found. In the interim, there are plans to revamp the current locker room so that bathroom and shower facilities will be separated for concurrent use by male and female officers.

Chief Plack informed us that in 2008 he had completed a revision of the Department Manual on Policies and Procedures. This update is based on the previous manual directives, revised according to case law, changed regulations and laws, and Department experience. The last manual update occurred in 1994. The current revision has been approved by the Interim City Manager and will be resubmitted to the new full-time City Manager for concurrence. These updates should lessen the potential for liability problems due to out-of-date information.

The Reserve Officer program is being reinstated. It will require that the participants be P.O.S.T. certified. Many of these officers are State prison correctional officers.

The Explorer Post has been a great help in providing extra help at local events. Specifically, they are used extensively at the 4th of July and Sea Cruise events. Many of the officers that are currently serving with the CCPD started in the Explorer program.

Lexipol training will start in January 2009. Lexipol is a risk management company that has assisted in writing the new Policies and Procedures Manual for CCPD and for approximately 300 other departments. The training will consist of manual updates and daily scenarios that are intended to keep the officers current regarding proper procedures.

A Regional Occupation Program in Criminal Justice is being offered at Del Norte High School.

Crime rate is down 30% across the board from last year.

CONCLUSION:

The citizen complaint was found to lack credibility. The current station house is undersized for the operation. Storage is inadequate; separate locker room and bathroom facilities for males and females are inadequate; office space and meeting room space is inadequate.

RECOMMEND:

The 2009-2010 Grand Jury should do a follow-up investigation of the 2009 P.O.S.T. report.

RESPONSE REQUIRED: None

INVESTIGATION OF CRESCENT CITY WASTEWATER TREATMENT PLANT PROJECT AND RELATED ISSUES

Reason: Continuation of investigation begun by 2007-2008 Grand Jury, and response to a total of twelve (12) citizen inquiries and complaints.

Method: The 2008-2009 Grand Jury collected and analyzed more than 500 Public Documents, and conducted sixteen (16) interviews of Public Officials and Private Citizens in connection with this investigation.

Issues: In all, eight (8) major issues relating to the Crescent City Wastewater Treatment Plant (hereafter “WWTP”) arose from Citizen inquiries and complaints, or from information about City policies and processes developed during the investigation.

For each issue, this Report will provide a Discussion, Findings, and Recommendations. The issues are:

- *Evolution of the WWTP Design*
- *Sewer Connection Limitations and Growth*
- *Escalation of WWTP Cost Estimates*
- *Conduct of the Proposition 218 Sewer Rate Increase Poll*
- *Role of City Staff Members in WWTP-Related Issues*
- *Role of City Managers in WWTP-Related Issues*
- *Role of the City Councils in WWTP-Related Issues*
- *“Conflict-of-Interest” Questions*

1. Evolution of the WWTP Design

DISCUSSION:

The WWTP underwent two design processes between 2002 and the present. The *Final Facilities Plan* of 2003 was found to be too expensive at \$48 Million, and the new Director of Public Works, who assumed office in December 2003, was asked to find ways of reducing the Project cost. In March 2004, the City Council approved contracting for a “Value Engineering” study to determine how efficiencies might be achieved. Based on that study, in August 2004, the Council approved a re-design for improvement and upgrade of the existing WWTP. That design became finalized as the plan for the current WWTP.

Among the primary considerations in the 2004 re-design was confirmation of the 2003 Facility Plan’s choice to use a Membrane BioReactor (MBR) in the treatment process. Although it was more expensive than other options, the MBR had the advantage of being “state of the art” and able to meet the City Manager’s mandate that it fit within the existing footprint of the WWTP.

Additionally, the MBR choice was influenced by the desire and expectation that the Elk Valley Rancheria would offset the cost by purchasing the better-quality (Title 22) wastewater produced by the MBR process for use at its planned golf courses.

Once the basic design components for treatment had been approved by the City Council, the engineering process continued uninhibited until a set of design specifications was ready to be sent out for bid. By that time, the components were sufficiently integrated that any change would require additional engineering work.

In its approval of the 2004 re-design, the Council also approved plans for three new buildings: (a) an Administrative/Operations/Laboratory Building, (b) a MBR/Chemical Storage/Electrical Building, and (c) a Dewatering/Maintenance Building. Once those facilities were approved, the planning process shifted focus to how they would look from the outside. A “coastal woodlands” design was approved for development by the Council.

At each step in the re-design that led to the current composition and configuration of the WWTP, recommendations from the City Staff and consulting engineers and architects were presented to the City Council for review and approval. Council *Minutes* of the relevant meetings from 2004–2009 were reviewed by the Grand Jury. It appears that, on most occasions, neither Council questions nor the bulk of Public comment were at all critical of what was being proposed.

The lack of meaningful Council or Public critique of the composition and configuration recommendations may have resulted from their highly technical nature, which might have overwhelmed both the Councils and the Public.

FINDINGS:

The basic design for the current composition and configuration of the WWTP was essentially complete by the end of 2004.

All major design and composition decisions leading to the current WWTP configuration were submitted to – and made by – a succession of City Councils in open meetings with opportunity for Public Comment.

The written City records reflect no significant Council or Public critique or denial of these design, composition, or configuration proposals.

RECOMMENDATIONS:

That future City Council deliberations regarding projects involving significant expenditure be subjected to more scrutiny and, if appropriate, skepticism.

That highly technical matters up for decision be aired more fully with both the Council and the Public, bringing in subject matter experts to assist in making the issues more understandable to laymen. Recent “workshop” efforts such as that conducted with the sewer rate “*Ad Hoc* Committee” could prove useful.

On highly technical issues, sufficient decision “lead time” should be required — to permit the full airing described above. At all events, a “rush to judgment” should be avoided.

2. Sewer Connection Limitations and Growth

DISCUSSION:

California Regional Water Quality Control Board, North Coast Region (hereafter “RWQCB”) Meeting *Minutes* and Orders from 2002 to the present were reviewed by the Grand Jury in order to determine the actual “state of play” with respect to sewer connection allocations under the so-called “Cease and Desist” Orders (hereafter “CDO”) affecting the WWTP and its service area. It appears that consistent Staff-level interaction between City/County Staff and that of the RWQCB, along with demonstrated progress toward a solution of the WWTP’s effluent problems, was responsible for obtaining sufficient connection allocations to keep the sewer service area in business. For example:

- In February 2004, even though the RWQCB noted that the City did not have sufficient funds to build the \$48 Million WWTP then under consideration, sufficient progress had been made on interim repairs and planning for eventual solutions to grant connection allowances for an additional 160 single-family dwellings or equivalents.
- According to the Grand Jury’s review of the City’s Monthly Hookup Status Reports, that allowance was sufficient to carry the system through at least the end of 2005.
- In June 2005, even though the RWQCB realized that the City still did not have sufficient funds to build the re-designed WWTP, it noted (a) progress toward the Rumiano pre-treatment facility, (b) a pending City-wide Industrial Pre-Treatment Ordinance, and (c) Elk Valley Rancheria’s testimony that “... it would need an additional 160 hookups in the next six months and up to 500 more over a five-year period” - payment for which could be used toward the cost of WWTP upgrades. As a result, the RWQCB granted connection allowances for an additional 500 single-family dwellings or equivalents.
- According to the Grand Jury’s review of the City’s Monthly Hookup Status Reports, 376 of the total hookups granted by mid-2005 remained available as of December 31, 2008.

It appears that, at no time between 2002 and January 2009 was the WWTP service area in danger of running out of sewer hookups. Additionally, the Grand Jury found no record of threatened “recall” of those RWQCB allowances as long as progress toward improvement and resolution of the WWTP effluent problem was being made.

FINDINGS:

Close and consistent interaction between the Staffs of the City, County, and RWQCB was largely responsible for maintaining an adequate level of sewer connections available under the CDO’s.

While completion of WWTP improvements and upgrades to solve the effluent and overflow problems was the ultimate solution to the CDO issue, the key to maintaining RWQCB approval of incremental allowances of additional connections was steady improvement of existing conditions – such as outfall maintenance and new construction, and industrial pre-treatment.

At no time during the period reviewed was there a serious threat of “shutdown,” or recall of existing connection allowances.

RECOMMENDATIONS:

That the City continue its steady progress toward enforcement of a comprehensive industrial pre-treatment ordinance.

That the current and future City Councils keep abreast of more stringent State and Federal effluent control requirements now under consideration, such as revisions to the existing “Ocean Plan” and regulations covering urban area septic systems – in order to ensure that appropriate measures are taken to assist the WWTP in meeting its goals.

That the City Staff be encouraged to continue its close working relationship with the RWQCB Staff, and that Senior City Management and Council support be provided to that relationship whenever needed.

3. Escalation of WWTP Cost Estimates

DISCUSSION:

One of the most problematic aspects of the investigation was coming to grips with what the cost estimates were – and what they covered – at any given point in time.

It appeared that the estimates varied according to which plan was being proposed, or from which source they were derived. Additionally, cost estimates over time rose along with the price of required goods and services.

From written records and testimony, the Grand Jury developed the following cost information, almost all of it subject to interpretation:

- The WWTP described in the 2003 *Final Facilities Plan* was estimated to cost about \$48 Million.
- The early “Value Engineering” process was charged with developing an alternative, or interim, project of about \$10 Million. It came in with recommended options that had a capital cost of \$10.3 Million, but this was seen as barely capable of meeting the effluent requirements under the CDO – with limited capacity for additional or seasonal flows.
- In May 2004, the City Council received a report outlining “value engineering” costs and options, totaling “... 10 to 13 million dollars.” This report did not address a Lab Building, but indicated that “Approving the above plan will provide at least 10 years of plant capacity ... [and] ... provide flexibility to construct facilities, as the city is able....”

- In the Fall of 2006, the Council authorized the City Staff to submit an application to the State Water Resources Board (hereafter “SWRB”) for a State Revolving Fund (hereafter “SRF”) loan in the amount of \$19.6 Million. In January 2007, the SWRB made a preliminary commitment to that loan request, with a cap of \$25 Million.
- In December 2006, the Council approved a recommendation to authorize soliciting bids for the WWTP construction contract. The Council was told that (a) going to bid did not obligate the City in any way to accept a bid, (b) the timing of the bid solicitation was at the optimum time of year to secure the most and best bids, and (c) the bid would be structured so as to permit the Council a “cafeteria-style” range of options “... to allow doing any, or all, of five different projects, with prices for each.”
- By January 2007, City Staff had some inkling that the price of the project was going up. The Council was provided with a memorandum outlining WWTP financing options to cover a cost ranging from \$26 Million to \$42 Million.
- Despite that, the bureaucratic wheels ground on as, on February 20, 2007, the SWRB approved the City’s Fall 2006 application for a preliminary SRF Loan commitment of \$19.6 Million.
- On March 19, 2007, the City Staff informed the Council that only one bid (hereafter “The Wahlund Bid”) had been received, and it was for \$37 Million. The Council *Minutes* for that meeting provide no concrete details as to any Council or Public comments on what should have been a surprising development. Even the SWRB Staff report on the City’s revised SRF Loan application noted that the bid was 50% higher than the originally requested SRF Loan amount.
- Even more surprising and inexplicable, the official City records of that Council Meeting were found (on May 12, 2007) to contain not one single page of information which would and should have been provided to the Council on a matter of that significance. Moreover, the City Staff Department responsible for that Agenda Item (Public Works) has been unable thus far to produce a copy of the information and advice provided to the Council for their consideration of the Wahlund bid. Thus, on the written record, the Council appears to have accepted a \$37 Million bid without any indication of why they did so.
- In late March 2007, the City issued a revised SRF Loan application to the SRWB requesting a preliminary loan commitment for \$43.8 Million.

A number of questions regarding the adequacy of City processes arise. Most of them relate to the quality of Staff work and the intellectual curiosity of the various City Councils.

- The written record of Council meetings relating to the cost of the WWTP Project reflects little in-depth questioning of the Staff.
- The several City Managers during the process appear to have delegated the work to the Public Works Director, and do not seem to have been “players” overseeing the cost escalation.
- It is disturbing in the extreme to see that the City could have submitted an SRF Loan application in the Fall of 2006 for \$19.6 Million, then inform the Council in January 2007 that the price had changed to \$26-\$42 Million, then reveal a single bid for \$37 Million and have to re-apply for a changed SRF Loan commitment for \$43.8 Million. While all of this was going on, the written Public Record reveals little effort by City Senior Management or the Council to (a) question what was going on, (b) explain the cost fluctuations to the State bureaucracy, or (c) prepare the general Public for a significant WWTP cost increase.

At almost every step in escalation of WWTP costs, information from the City Staff was presented to the City Council for review and approval. Council *Minutes* of the relevant meetings from 2004 – early 2007 were reviewed by the Grand Jury. It appears that, on most occasions, neither Council questions nor Public comment were at all critical of what was happening.

The lack of meaningful Council or Public critique of the evolving and escalating WWTP cost estimates – at least as far as it is indicated on the written record – allowed the process to unfold almost without serious challenge or review.

FINDINGS:

The number and variety of cost estimates for the WWTP Project from 2003 – 2007 made it difficult for the Council and the Public to keep track of where the City was with respect to the ultimate cost of the Project.

Senior City Staff made little effective effort to place these widely varying figures in perspective for both the Council and the Public.

Too much responsibility was delegated to the Department of Public Works, which was focused on getting the Project done, rather than on keeping open the necessary lines of clear communication with the rest of the City.

There was a breakdown in effective communication with the Public and – as far as the Grand Jury can tell from the available written record – the Council regarding the changing cost estimates in the crucial period from October 2006 to March 2007.

This “communication problem” was a major contributing factor to the surprise, disappointment, and resentment evident in the Public reaction to the bidding outcome and the Council’s acceptance of it.

There is no indication on the written record that, when the Council accepted the Wahlund bid on March 19, 2007, they exercised the options presented to them in December 2006 (see above).

At present, owing to the failure of the City Staff to produce a written record of what the Council was told prior to its March 13, 2007, acceptance of the Wahlund bid, it is impossible for the Grand Jury to determine why the Council chose to do so.

RECOMMENDATIONS:

That the current and future City Councils become more involved in the technical details of large project financing and management.

That Senior City Staff, including the City Manager, City Attorney, and Finance Director become more directly involved in oversight of, and communications about, major City projects with implications that reach beyond the City limits, such as utilities, housing, and development.

That a greater atmosphere of “transparency” with the Public regarding interim developments of large City projects be fostered – to preclude future “surprises” such as occurred with respect to the escalated cost of the WWTP Project.

That the current and future Councils be more inquisitive, and question closely, the information provided by Staff and Consultants on major city projects.

That Council Meeting *Minutes* be revised and expanded - to provide more detail about why decisions are reached, and on what advice. An example of improved practice would be the County Planning Commission’s Public Hearing *Minutes*, which are far more detailed, and furnish an understanding of why certain decisions were reached.

That the City produce the “missing” documents from the official March 19, 2007, Council Agenda Package regarding the Wahlund bid.

4. Conduct of the Proposition 218 Sewer Rate Increase Poll

DISCUSSION:

a. The Proposition 218 Process.

In August 2006, the California Supreme Court rendered a decision (*Bighorn-Desert-View Water Agency v. Verjil*) (hereafter “the *Bighorn* decision”) which brought rate increases for water, sewer, and some other utilities under the Proposition 218 (hereafter “Prop. 218”) process. That process required proposed rate increases for such utilities to be brought before the Public to determine whether or not a majority of the affected population objected to the increase.

Prior to that time, government entities such as the City of Crescent City merely had to notify affected Citizens of such increases.

The Grand Jury examined all written City Council records from 2006 – early 2007 and found no mention of Prop. 218 considerations applying to any rate increase that might be used to repay the SRF Loan for the WWTP Project. In fact, in the 2006-2007 budget cycle, a \$3 per month surcharge had been levied on sewer customers in the County Service Area (hereafter “CSA”), with no notification other than the publication of the Budget. Of interest, that levy later was found to be in violation of the Prop. 218 process, and the Council decided to refund the funds collected – with interest. Various interviews conducted by the Grand Jury supported a conclusion that the City went into the WWTP construction contract bid process “blind” as far as Prop. 218 requirements were concerned.

The written Public Record on the Council’s March 19, 2007, Meeting – when the Wahlund bid was brought up for consideration – reflects neither any discussion of how a SRF Loan for that amount would be funded, nor any mention of a Prop. 218 requirement relating to a potential rate increase.

There has been some indication that the Council was advised of changes in Prop. 218 requirements for utility rate increases at about the time of its consideration of the Wahlund bid. The City has yet to produce any documentation, so the exact date cannot be determined.

By May 2007, the Interim City Attorney advised the Council that it would be necessary to go through a Prop. 218 process in order to pass the sewer rate increase needed to provide security for the needed SRF Loan. In the meantime, the City already had accepted the bid from Wahlund Construction and was moving to

contract – with preliminary work between the engineers and the construction planners under way.

The City was in a position of having to scramble to get the process done, and to do so under the stringent conditions required by Prop. 218. The Grand Jury has looked into those requirements in some detail, and has determined that the City basically was required to:

- Provide a basis (at minimum) for property owners of every recorded parcel [APN] served by an active sewer hookup, and who were rate-payers, to register an objection to the proposed rate increase
- At its discretion, provide non-property owners on recorded parcels [APNs] served by active sewer hookups, who were rate-payers, an opportunity to register an objection to the proposed rate increase
- Limit the count of “objections” to one per recorded parcel [APN] served by an active sewer hookup
- If the number of validly counted “objections” amounted to 50% plus one of the number of recorded parcels [APNs] served by an active sewer hookup, deny the rate increase

Clearly, this would have been a difficult process to explain to the Public under the best of circumstances. The City conducted a series of Public Workshops during the Summer of 2007, focusing more on the need for WWTP funding than on the mechanics of the sewer rate poll to be conducted.

Additionally, the City Council may have muddied the water even further by (a) first deciding to permit only the property owners to register objections, and sending them mailers to that effect, (b) subsequently deciding to add non-owner rate-payers to the mix, and sending them mailers to that effect, (c) employing an external format for the mailer that looked quite similar to the City’s annual Water Quality Report which many Citizens are in the habit of discarding, and (d) providing a set of instructions inside the mailer that was filled with “legalese” and proved confusing to some of the people interviewed by the Grand Jury.

It is unfortunate that the explanation of the Prop. 218 processing requirements provided by then-Mayor Burns at the November 5, 2007, Council Meeting could not have been provided to the Public before the process of registering objections to the rate increase began. It was clear, lucid, and to the point. But, it was too late.

Despite the fact that the City desperately wanted, and needed, the rate increase poll to provide a “favorable” result for the City, these decisions, taken as they were made – one by one – appear to have been made in good faith.

b. The Count.

The Grand Jury has gone over in some detail the methodology used by the City in counting the “objections” received by the City Staff.

There is little indication that incoming documents were diverted or tampered with on their way to the City Clerk’s Office. The City Clerk retained custody of the documents all during the count (including when they were provided for review by interested members of the Public), and until they were turned over to the Grand Jury for review.

The count was performed by a standing set of City Staffers, under the direction of the City Clerk and the advice of the City Attorney. The City Manager selected the Staffers who took part in the count.

Tallies of the ongoing count were entered into a program designed by the City’s Information Technology Officer to assist in the following tasks consistent with the Prop. 218 requirements:

- Cross-check names of property owners against billing addresses and/or recorded parcels [addresses were considered valid substitutes for APNs as long as they equated to recorded parcels with active sewer connections]
- Cross-check non-owner rate-payers against billing addresses and/or recorded parcels with active sewer connections
- Identify and set aside duplicate submissions, such as multiple objections sent in from the same billing address or parcel number
- Identify and set aside duplicate submissions, such as names and addresses on petitions that were the same as those on objections sent in from the same billing address or parcel number
- Identify and set aside submissions, either mail or petition, with names and/or addresses that did not equate to valid billing addresses or to addresses or APNs for recorded parcels served by active sewer connections

Determining and validating “eligible” objections was made more difficult by the fact that existing County databases of APN’s and City databases of billing or street

addresses were inconsistent. This gave rise to a number of apparent mis-counts or non-counts that continue to be challenged by the Public.

Testimony has indicated that, in some cases, the “human element” assisted in making the count as inclusive as possible. Staffers from the Finance and Water Departments, who are quite familiar with their rate-payers, were able to equate some names that came in without addresses to the proper address and/or APN so that their objections could be counted.

As to the matter of multiple rate-payers on the same sewer-served recorded parcel – such as those living in separately-metered apartments – some may feel that their votes were not counted since someone else’s objection was recorded for the same parcel. If it occurred that way, the Grand Jury has discovered, it was because of Prop. 218’s “one objection per parcel” requirement.

c. Prop. 218 Is Evolving.

The Grand Jury has learned that even more changes may be forthcoming in the application of Prop. 218 to utility rates.

In March 2009, the California Court of Appeals for the First District held that a Prop. 218 rate-increase process in Marin County was invalid because it was not conducted by secret ballot, in addition to all of the other requirements discussed above. Whether that will be binding on other jurisdictions remains to be seen, but it is evident that the City must remain current on such developments. Another gap in City Council awareness of significant changes in Prop. 218 mechanics, such as that which occurred in 2006-2007, should not be allowed to happen.

FINDINGS:

The City Council did not receive timely warning and advice from the City Staff regarding the new requirement for a Prop. 218 process to approve the sewer rate increase that was needed to secure a SRF Loan to cover the cost of WWTP construction.

The apparent delay – from August 2006 to May 2007 – in notifying the Council of changes in the Prop. 218 requirements for utility rate increases reflected a lack of ongoing awareness of the regulatory environment in which the City was operating.

Having entered into a \$37 Million construction contract, apparently without awareness of the Prop. 218 requirement, the City had to rush to devise and implement a Prop. 218-compliant Public approval/disapproval process.

In so doing, the City also had to overcome the deep suspicion and resentment among the Public regarding the “Wahlund surprise” that resulted from the apparent “failure of communications” discussed previously.

The various outreach efforts conducted by the City Council and Staff regarding WWTP funding in the period leading up to the sewer rate poll were not focused on explaining the mechanics of the Prop. 218 poll process itself.

Actions taken by the Council to define – and later expand – the field of eligible “objectors” to the rate increase, was poorly coordinated and, though well-intentioned, resulted in considerable confusion as to how the poll would be conducted and whose objections would be counted.

The poll instrument (mailer) itself was poorly designed and confusing, not only complicating the process, but also undermining Public confidence in the outcome.

The incompatibility of County and City databases needed to establish the eligibility of “objectors” was a significant problem that needs to be addressed before any future Prop. 218 polling is conducted.

The actual count of “objections” was performed according to a logical methodology, and adhered to the requirements of Prop. 218. That some objections were set aside appears due to Prop. 218 restrictions and database incompatibility problems.

Prop. 218 interpretations are evolving. The City Council and Staff should remain current regarding significant regulatory changes that would affect City business.

RECOMMENDATIONS:

That the Council require Staff to provide monthly briefings, in advertised open session, regarding significant regulatory changes that might affect City business.

That steps be taken in advance to clean up and “normalize” the various databases that will be used in any future Prop. 218 poll processes.

That the City, in anticipation of Prop. 218 processes for the programmed future sewer rate increases, require Staff to (a) develop a standard procedure and maintain a set of “eligible objector” data that can be implemented without confusion and delay, (b) develop and prepare to disseminate a clearly-written set of “objector guidelines,” (c) involve interested Citizens in the process of developing these Prop. 218 implementation tools, and (d) bring the completed “tool set” back to the Council for approval.

5. Role of City Staff Members in WWTP-Related Issues

DISCUSSION:

The Grand Jury looked into the roles of the various City Managers, City Attorneys, and Finance Directors, as well as the City Clerk and the Public Works Director in WWTP-related issues.

At least as reflected in available written City records and through interviews, it appeared that Staff interaction on WWTP matters was minimal.

City Managers appeared to have delegated much of the responsibility for WWTP matters, including loan applications and issues that logically would fall into other Departments, to the Public Works Director. While this permitted “single-management” of the WWTP Project, the apparent lack of City Manager oversight and Staff-level cross-checking of information and recommendations led to the process deficiencies noted under other “issues,” above.

For his part, the Public Works Director assumed a heavy load of responsibility for all aspects of the WWTP Project. While commendable, this caused him occasionally to be spread too thin to address important procedural and public outreach matters that seemed peripheral to the main objective of designing and building the plant.

At several points in the process, the written Public Record does not reflect City Attorney involvement in matters that should have come under his purview. Examples include lack of updated guidance on Prop. 218 changes to the City Council before (a) they voted to approve the 2006-2007 Budget containing a \$3 per month surcharge for sewer users in the CSA, and (b) their March 2007 acceptance of the Wahlund bid for \$37 Million.

FINDINGS:

Staff procedures within City Hall did not appear adequate to prevent some Prop. 218 procedural errors – and a considerable loss of Public confidence – in the conduct of the WWTP bidding, contracting, and rate increase approval processes.

Available written Public Records and testimony indicate that interdepartmental coordination and interaction did not occur in several decision processes relating to the WWTP Project. This led to incomplete information being provided to the Council and to the Public.

RECOMMENDATIONS:

That the current and future City Managers take steps to implement or improve Staff interaction and coordination on projects or matters that naturally involve more than one department.

That the City Attorney and Finance Director be integrated more fully into projects or matters with legal, regulatory, or fiscal implications.

That, before Departmental advice and/or recommendations on major projects go forward to the City Council, they be subjected to wider Staff review, under the direction of the City Manager.

6. Role of City Managers in WWTP-Related Issues

DISCUSSION:

As indicated above, several City Managers seemed to have delegated much, if not all, of the matters relating to the WWTP Project to the Public Works Director.

On the written Public Record, there was little evidence of City Managers' questioning of commitments and recommendations on policy and fiscal matters related to the WWTP.

Moreover, in the critical period from late 2006 to 2007, most of the advice and information provided to the City Council about the WWTP came from the Public Works Director, with little apparent interpretation or input by the City Manager.

As a result, it appeared that the Council received advice that was focused on getting the Project done, with little attention to ramifications of the Project's impact on other City matters.

The role of a City Manager as "silent partner" to Department Directors seems unnatural, and at variance with procedures observed in other jurisdictions, where they function as a highly visible "guiding hand."

If a City Manager is required to participate in presenting an important issue to a decision-making body, he or she will understand it more deeply than would be possible from simply being an "observer."

In 2006 – 2007, the City Manager did not ensure that the Staff was up to date on changes in Prop. 218 requirements affecting the potential funding of the WWTP. This

resulted in considerable difficulty for the Council, confusion for Citizens participating in the Prop. 218 process, and a significant loss of Public confidence in the outcome.

In 2006 – 2007, the City Manager apparently did not ask hard questions and follow up with regard to significant fluctuations in cost estimates for the WWTP Project that were provided to the SWRB, the City Council, and the Public. This led to the March 2007 “Wahlund surprise” and significant loss of Public confidence in the City’s stewardship of the Project.

In 2007, the City Manager did not ensure that (a) the Prop. 218 process for approving the proposed sewer rate increase was understood clearly by the Public, (b) the rate increase poll document was understandable, and (c) the counting process was understood clearly in advance of the poll. Once again, this led to a loss of Public confidence in the overall WWTP process.

FINDINGS:

Several City Managers were not sufficiently involved in WWTP matters to fill the gaps in Council information and Public outreach that resulted from the Public Works Director’s natural focus on the Project itself.

As evidenced by some of the lapses in coordinating Staff work relating to the WWTP Project, City Managers need to take a more active role in Staff work on major projects than that observed with respect to the WWTP from 2004 to 2007.

RECOMMENDATIONS:

That the City Council require the current and future City Managers to become and remain more active in the affairs of all City Departments.

That the current and future City Managers:

- Become and remain inquisitive and objectively challenge major recommendations made by Department Heads to the City Council – in short, ask the hard questions in advance of Council Meetings
- Take an active role in reviewing input and commitments provided by Department Heads to agencies outside the City
- Take an active role in advice provided by Staff to the Council, subjecting Departmental views to “whole Community” scrutiny and interpretation

7. Role of the City Councils in WWTP-Related Issues

DISCUSSION:

Through reading more than six years' worth of Council *Minutes* and WWTP-related Staff reports, the Grand Jury has gained an impression that various City Councils were called upon to tackle and decide a number of important – and often contentious – questions of policy and fiscal import.

Additionally, it appears from the written record that many issues relating to the WWTP were so technical that Council members were especially dependent upon Staff and Consultants for advice and recommendations.

The written record reflects a number of occasions when Council questioning of Staff and discussion of alternatives appeared to be minimal. While this may be due to a defect in the way that Council Meeting *Minutes* are prepared, they are the record most of the Public has to work with when reviewing past Council activities.

The Grand Jury's overall impression of the body of written records is that, with several notable exceptions, various City Councils from 2003 to 2009, were not sufficiently critical of Staff input to avoid the problems that arose with respect to the WWTP Project. For example:

- In 2003, the Council appears to have approved a *Final Facilities Plan*, and its associated Environmental Impact Report (hereafter, "EIR"), with no prospect of being able to meet the \$48 Million price tag.
- In 2004, the Council relied on Staff assertions of a \$12-\$13 Million price tag to approve a "value engineered" re-design and associated Supplemental EIR.
- In the Fall of 2006, the Council approved a Staff recommendation for application to the SWRB for a \$19.6 Million SRF loan, when the Staff knew, or should have known, that the engineering cost estimates already were well above that. No significant questions appear to have been raised.
- In December 2006, the Council approved a Staff recommendation to solicit bids on the WWTP Construction Project when Staff assured them of (a) multiple bids, (b) no obligation to accept any bid, and (c) an ability to choose from among the five separately-costed main components in any bid. No significant questions appear to have been raised.

- On March 19, 2007, Staff presented, as the only bid, one from Wahlund Construction for \$37 Million. The *Minutes* reflect no serious questions and, despite the fact that the Council had been advised in December that it could either reject the bid or choose from among the five main components, the whole bid was accepted with only one negative vote.

The Council's role in the Prop. 218 issue has been discussed in detail above, along with the difficulties it encountered as a result of outdated advice regarding changes in Prop. 218 requirements. Here again, the Council appeared totally dependent on Staff for advice.

The written record and testimony shows a tendency on the part of City Staff and several Councils to have been dismissive of Public input and comment on questions relating to the WWTP.

FINDINGS:

Throughout the period covered by this investigation, a series of City Councils was overly dependent on City Staff for advice and recommendations – especially with regard to technical matters.

Compounding that difficulty, it appeared that these Councils, in large part, were not sufficiently demanding of Staff on major matters.

In several instances, incorrect, incomplete, or untimely information from Staff placed the Councils in a position where they had little choice but to rush to judgment with insufficient information.

City Councils, as a matter both of right and of good government, can require and demand that City Managers, and the Staffs that they supervise, provide Council members with timely, complete, accurate, and unbiased information, advice, and recommendations.

RECOMMENDATIONS:

That the current and future City Councils require complete City Staff review – under City Manager direction – of all proposals and recommendations on major projects or matters of significant Community import before they are brought to the Council for consideration or decision.

That the issue of “lead time” for significant matters be re-examined to ensure that Council members receive Agenda packages containing Staff reports and recommendations in time to give them a thorough review prior to their Meetings.

That Staff advice and recommendations be treated with appropriate respect, but skepticism. Several Councils have been ill-served by advice they did not appear to have questioned sufficiently.

8. “Conflict-of-Interest” Questions

DISCUSSION:

a. Reporting Requirements.

The Grand Jury reviewed State and Local Conflict of Interest (hereafter, “COI”) Guidelines to determine which, if any, restrictions applied to outside business activities by City Staff Members.

Additionally, scores of property, zoning, and land use hearing/decision records were obtained and reviewed to assess the scope of the City Public Works Director’s real estate and development interests.

Eleven (11) different interviews were conducted regarding (a) the City’s interpretation and application of its own local COI guidelines, (b) the City’s awareness of the Public Works Director’s outside business activities, and (c) the City’s sensitivity to “the appearance of a conflict of interest.”

Finally, the Public Works Director’s *Statement of Economic Interests* [CA Form 700] Reports for 2003 – 2008 were obtained and reviewed. These reports are required by the California Fair Political Practices Commission (hereafter, “FPPC”) for persons whose official positions and private activities might produce a conflict of interest.

b. The RBS Connection.

It appears that in June 2004, shortly after his return to Crescent City to assume the post of Public Works Director, he and at least two partners from the Sacramento area formed a Limited Liability Corporation (LLC) called RBS Washington Boulevard/Summer Lane (hereafter, “RBS”) for the purpose of buying and developing a 50 acre tract of land behind Wal-Mart and Ace Hardware. In July, 2004, RBS completed purchase of the land for about \$1.1 Million.

Subsequently, RBS sought and obtained annexation to the CSA in order to complete its access to the Public sewer system.

A number of other activities, including subdivision, zoning, re-zoning, boundary adjustment, use permits, and partial sell-off of portions of the subdivided 50 acre tract

occurred during the period 2004 – 2009. In the majority of these activities, the Public Works Director interacted with County officials on behalf of both RBS and a subsequent buyer of sold-off portions of the RBS tract.

For the majority of these development applications, access to the Public water and sewer systems was mandated for gaining County approvals. The City provided, as required, so-called “will serve” letters in support of RBS’s land use approval applications. These letters, none signed by the Public Works Director himself, assured the County that the City had sufficient water and sewer capacity to serve the developments or uses under consideration.

In March 2006, a special *Sewer Capacity Evaluation* was prepared for RBS by Stover Engineering to supplement the various development applications. It concluded that the only shortfall in providing sufficient sewer capacity was the need to upgrade two Lift Stations for wet-weather conditions. Mitigation fees of \$2,000 per single family equivalent (hereafter, “SFE”) unit were imposed as conditions on the proposed developments to help fund those system improvements.

c. *The CFY Connection.*

In September 2006, a Sacramento area developer of low-income apartment complexes applied to the County for a major use permit to develop an 81-unit complex of low-income apartments on a portion of the RBS tract. RBS was listed as the property owner, and the Public Works Director signed the application on its behalf. The developer was C.F.Y. Development, Inc. (hereafter, “CFY”).

In its application, CFY indicated that it would have access to the Public water and sewer systems. It relied on the March 2006 Stover Engineering *Sewer Capacity Evaluation* to demonstrate that adequate sewer capacity would be available.

Virtually all of the County approval process documents highlighted the availability of Public water and sewer service as a condition of development. City “will serve” letters for water and sewer service were provided in support of the CFY application. The City’s November 9, 2007, sewer letter said that CFY would be charged for 68 SFE connections for its apartment complex, and indicated that the City still had 400 connections “... available on a first come first service basis.”

The Public Works Director played an active role in shepherding the CFY applications through the approval process, appearing at the County Planning Commission’s Public Hearing to praise the project, introduce Mr. Cyrus F. Youseffi (the CFY President) and indicate that he had been familiar with CFY’s high quality work in the Sacramento area.

In December 2007, after the CFY development application had made its way through all County approval processes, CFY purchased the land from RBS for \$700,000.

Application for a similar CFY low-income apartment development on another portion of the RBS tract was submitted in November 2008. That one called for two 81-unit apartment complexes, to be built in two phases. Although it remains in the early stages of the County approval and permitting processes, the new CFY development will require access to Public water and sewer service in order to gain approval.

d. CA Form 700 Irregularities.

The FPPC requires that officials in designated positions complete a CA Form 700 at various points in their tenure. The Public Works Director was required to complete his Form 700's upon taking office and annually thereafter. That form has a section where "Real Property" economic interests are to be reported.

The City had a *Conflict of Interest Code* in effect at the time of the Public Works Director's assumption of office. That Code remained in effect thereafter – until it was changed by the City Council in March 2009.

Although the City has not yet complied with the Grand Jury's months-old request for complete copies of any Conduct or Conflict of Interest Codes, examination of recent revisions to the Code suggests that the wording applicable to the Director of Public Works was:

"The following designated members and employees report financial interests within the jurisdiction of Crescent City, California in accordance with the disclosure categories listed:

.... [here, the Director of Public Works/City Engineer is listed under disclosure categories I and II]

"Designated members and employees assigned Disclosure Category I must report:

All interests in real property, investments and business positions in business entities and income from sources which are located, doing business or planning to do business in the jurisdiction of the applicable agency (City of Crescent City/ Redevelopment Agency/ Housing Authority) [Wording and punctuation as in original]...."

The old Crescent City Code was silent on the geographic area question, but the California Attorney General's guideline is more specific.

The California Attorney General’s Handbook on conflict of interest identifies covered real estate economic interests as follows:

“An official has an ‘interest in real property’ when the official, spouse or dependent children have a direct or indirect equity, option, or leasehold interest of \$2,000 or more in a parcel of property ... located in, or within two miles of, the geographical jurisdiction of the official’s agency (e.g. within two miles of city boundaries for city officials).”

Whether or not the RBS tract is within two miles of the City limits can be argued in several ways. However, the issue seems more clear cut when the “agency” of the Public Works Director is considered. His “agency” is responsible for water and sewer service beyond the physical city limits – at least to the edge of the Urban Services Area boundary, which encompasses the RBS tract.

In both sets of guidelines, it appears that the only requirement was for the Public Works Director to report or disclose his real estate development interests. However, he did not do that.

- In 2004, he or his outside project appeared in official documents relating to development of the RBS property in at least seven instances. His CA Form 700 for that year reflected “no reportable interests on any schedule.”
- In 2005, he or his outside project appeared in official documents relating to development of the RBS property in at least four instances. His CA Form 700 for that year reflected “no reportable interests on any schedule.”
- In 2006, he or his outside project appeared in official documents relating to development of the RBS property in at least seventeen instances. His CA Form 700 for that year reflected “no reportable interests on any schedule.”
- In 2007, he or his outside project appeared in official documents relating to development of the RBS property in at least thirty instances. His CA Form 700 for that year reflected “no reportable interests on any schedule.”
- In 2008, he or his outside project appeared in official documents relating to development of the RBS property in at least ten instances. His CA Form 700 for that year – filed after the City amended its COI Code in March 2009 – finally reflected his interest in RBS, but made no mention of his activities on behalf of CFY.
- In all of the documents reviewed, he was identified either as “property owner;” “RBS Member;” “RBS Partner;” “Hidden Creek, Inc. Manager, Director, or

Chief Financial Officer;” and/or “Hidden Creek of Crescent City Homeowners Association Director.”

The Public Works Director indicated that he omitted listing his RBS-related interests on his CA Form 700’s because he interpreted the applicable geographic area as bounded by the City limits.

Testimony to the Grand Jury has indicated that no Senior City Officials were charged with examining or monitoring the content of the CA Form 700’s filed by various City Staff and Council or Board Members. They were simply checked off a list, forwarded as appropriate, and filed.

While various City Councils adopted Resolutions on the “*Biennial Review of the Conflict of Interest Code*,” there is no indication on the written record that it actually was reviewed or that any deficiencies were noted by the Councils involved.

e. *Was There An Actual Conflict?*

Given the ambiguity of the written guidelines, and the apparent failure of Senior City Management to define its application to the Public Works Director’s range of responsibilities beyond the City limits, it is unlikely that a strong technical case can be made for *actual* conflict of interest on his part.

The fact that 660 additional hookups were obtained from the RWQCB between 2004 and 2005 – without a City commitment to anything other than interim improvements and making progress toward an upgraded WWTP – appears to negate the argument that the Public Works Director pushed for an overly expensive WWTP to support the RBS and CFY real estate developments.

The fact that a succession of City Managers and City Councils seemed to be aware of his activities and did not take action to counsel him or “rein in” his activities apparently led him to believe that he was not in violation of the City’s guidelines.

In fact, the record shows that in early 2006 he reported his activities to the Interim City Manager and requested guidance. Despite the fact that this provided an opportunity for the City Manager, the Council, and the City Attorney to adjudicate the appropriateness of his outside business activities under City guidelines, no conflicts appear to have been identified nor acted upon by those City leaders.

f. *What About The “Appearance of Conflict”?*

The written record and testimony to the Grand Jury reflect no real concern on the part of past or current City leaders about the appearance of a conflict of interest by the Public Works Director.

When City leader comments were discovered on the written record or made to the Grand Jury, they ranged from “it’s beyond the City limits,” to “as long as his project is treated the same as others, it’s okay.”

The Public, however, appears to have been concerned about the appearance, if not the fact, of a conflict of interest between his City work and his outside real estate development activities. According to the written record and testimony, when these complaints were raised by members of the Public to the City Council they were given short shrift. In fact, testimony from several witnesses has indicated that, at one City Council meeting leading up to the rate increase protest count, a Council member pointedly told an inquiring Citizen, “.... What ... [the Public Works Director] ... does is his own business.”

Both the available written record and testimony before the Grand Jury indicate that the Public certainly perceived a conflict of interest. Additionally, they indicate clearly that the Council and City Leadership’s unwillingness to take on the question and resolve it contributed to an atmosphere of distrust that colored the entire WWTP contract acceptance and sewer rate increase processes.

g. *The City Closes A Loophole.*

Belatedly, after several years of Public expressions of concern over conflict of interest matters – perceived or otherwise – the City Council, in March 2009, revised the City’s *Conflict of Interest Code* to define clearly its applicability to specific City employees and expand its geographic scope to cover the entire County. Of interest, the CA Form 700 submitted by the Public Works Director after the Council’s Code amendment finally disclosed his RBS connections and activities.

FINDINGS:

The City had no active, enforced program of Staff training and review relating to COI matters.

Definition of who was required to disclose outside economic interests, and for what geographic areas, was ill-defined.

Although FPPC-required CA Form 700's were required for specific City employees, their submission was treated as a *pro forma* exercise, and no serious review to identify potential COI trouble spots was undertaken – by either the various Councils or City Managers.

The Public Works Director's outside real estate development interests were widely known within the City leadership, but were not reported on his CA Form 700's for the years 2003 – 2007.

Lax attention to the CA Form 700 process, coupled with an apparent City leadership and Council view that economic interests outside the City limits created no conflict, allowed the Public Works Director to omit – for more than four years – disclosure of activities and interests in areas affected directly by his responsibilities for water and sewer system management throughout the Urban Services Area.

Given (a) the failure of City leadership to question the Public Works Director's outside real estate development activities – even though they were given an opportunity to do so in 2006, and (b) the ambiguity of the City's old Conflict of Interest Code – makes it difficult for the Grand Jury to find an *actual* conflict of interest on his part.

The *appearance* of a conflict of interest on the part of the Public Works Director did occur, and was ignored by various City Councils and City Managers.

To its credit, the City Council finally closed the existing loopholes in the City's COI Code in March 2009, by expanding the geographic scope of economic interests to include the entire County.

The long-standing, unresolved, COI cloud surrounding the Public Works Director and the WWTP Project contributed to an atmosphere of Public distrust that colored the entire WWTP contract acceptance and sewer rate increase processes.

RECOMMENDATIONS:

That the current and future City Councils should be more attentive to Public perceptions of existing and potential conflicts of interest, and be willing to air and resolve such questions openly and on the record.

That the current and future City Councils:

- Monitor implementation of the recent amendments to the City's COI Code – to ensure that Council intentions are being carried out
- Remain alert to potential conflict of interest problems and take timely steps to air and resolve them

- Take steps to require serious review of the information provided by City Staff on their CA Form 700's, in order to detect and resolve potential conflict of interest problems early
- Require that periodic update training of City Staff be designed to stress avoidance of actual or perceived conflict of interest

That the current and future City Managers:

- Establish a conflict of interest training program for City Staff, including orientation for new employees and periodic refresher or update training for all Staff
- Ensure that the processing of employee CA Form 700's includes a City Manager or City Attorney review – to detect and resolve both actual conflict of interest problems and potential “perception problems”

CONCLUSION: This investigation has revealed a number of problems in the area of oversight and the adequacy of city processes. In addition, conflict of interest questions warrant referral to the appropriate agency.

RESPONSE: The City Manager, City Attorney, and City Council need to provide responses to the findings and recommendations in this report to the 2009-2010 Grand Jury.

DEPARTMENTS IN DEL NORTE COUNTY

DEL NORTE COUNTY BUILDING MAINTENANCE AND PARKS DEPARTMENT

REASON FOR INVESTIGATION: Routine inspection.

FINDINGS:

Five members of the 2008-2009 Grand Jury made a planned site visit to the County of Del Norte Building Maintenance and Parks Department. They were met by Mr. Ed Fulton, the Superintendent of Maintenance.

Mr. Fulton informed the members that his staff consists of four full-time maintenance workers, six custodians and two park maintenance employees. The department maintains approximately 30 county owned and leased buildings, three campgrounds and two boat ramps. Public rental of these facilities must be scheduled through the maintenance office. Mr. Fulton disperses employees to the various jobs according to seasonal demands and necessity. He routinely inspects all county buildings to assure that all fire and safety regulations are being met.

Departments send maintenance requests annually to Mr. Fulton, who creates a county maintenance budget. All buildings receive custodial services on a routine schedule; however, the county is not responsible for major repairs on leased buildings. Maintenance services on buildings the county owns are handled by phone requests from the county departments and scheduled according to urgency. Departments are charged for time, labor and materials.

CONCLUSIONS:

The Grand Jury found the Maintenance Department to be well run and organized despite budget limitations. Mr. Fulton uses his small staff efficiently to cover the variety of maintenance needs of Del Norte parks and buildings.

RECOMMENDATIONS:

Although it is not the jurisdiction of the Building Maintenance and Parks Department, the Grand Jury suggests that the county police itself regarding county buildings that are beyond repair, and handle demolition as soon as funds become available.

RESPONSE REQUIRED: None

DEL NORTE COUNTY CHILD PROTECTIVE SERVICES

The 2008-2009 Grand Jury made a routine, independent visit to the Del Norte County Child Protective Services (CPS).

FINDINGS:

Three members of the Grand Jury visited the Health and Human Services facility to tour the CPS Department. Crystal Markytan, Program Director, conducted a complete tour of CPS. Ms. Markytan has been with CPS for 15 years and is well-versed in all aspects of the Department.

When a complaint/report/referral is received, the first and foremost concern is the safety of the child/children. A Social Worker is on call 24/7 to interview the family and to assess the situation. The ultimate goal is to protect the child and to attempt to keep the family unit intact. Depending on the Social Worker's findings, CPS will provide classes on parenting skills and help with applications for available County services. The agency may also provide the necessary tools to make a safe and clean home for the child. These tools may include cleaning products and tools, dumpsters, etc.

If it is found that a child should be removed from the home, placement with a relative or close friend is the first choice. If unavailable, then a temporary foster home placement is made. There is a real need for more foster parents in Del Norte County.

During our tour, we were introduced to all the workers present. Although there are only 15 Social Workers to handle the heavy case load, averaging 800 referrals per year, their dedication to doing the best job possible is apparent. Most of the workers have been there for several years, some as long as 15 years. The employees have not had a wage increase since 2004. We were told that this is the lowest pay scale in the State.

Presently, there are four interns assigned from Humboldt State University; unfortunately, interns do not usually remain after training because of the low pay scale. Three Social Worker positions were lost in 2008 and have not been replaced, putting a further burden on the present workers.

CONCLUSION:

The Social Workers and other staff are up-to-date on training, but are always looking for better ways to help the children and families. We found the staff members to be dedicated, compassionate and friendly. We were impressed with the overall positive atmosphere of the entire department.

RECOMMENDATIONS:

Additional attention should be paid to the cleaning of the carpets and wiping down of the chairs and counters with disinfectant wipes to keep the spread of germs to a minimum. Spot checks should be done daily. We would also suggest that a covered outdoor area be constructed for parent/child meetings when the funds become available.

RESPONSE REQUIRED: None

DEL NORTE COUNTY VETERAN SERVICES OFFICE

The 2008-2009 Grand Jury made five site visits with staff of the Del Norte County Veterans Services Office (DNCVSO) during its term. The Grand Jury met with the Del Norte County Veterans Services Officer (VSO), Gerald Cochran; and the Assistant Veterans Services Officer (AVSO), Lyndell Scarbrough.

FINDINGS:

We found that, although the office operates at a high level of efficiency and effectiveness, there is no provision at the County level for developing personnel depth – by identification

and/or development of “back-up” County employees who could step in if circumstances warranted and provide office coverage. Additionally, current regulatory constraints on handling sensitive client personnel records seem to preclude use of community volunteers to assist with the office workload.

Various services provided by the DNCVSO include: **Outreach, Transportation, Counseling, Claims Assistance and Survivor Benefits.** Recently, the DNCVSO has expanded its outreach to the County’s veterans through monthly meetings in Klamath. Additionally, the local newspaper provided ad space to encourage veterans to provide the DNCVSO a method of compiling a more complete database for e-mail and contacts. There is a free bus to link up with VA transport of veterans to facilities in both the Roseburg and San Francisco areas. The DNCVSO is able to provide assistance with referral and completion of forms for VA evaluation and treatment of Post-Traumatic Stress Disorder and Traumatic Brain Injury. Any veteran may receive assistance with claims to request counseling services.

There are 1,605 active files as of January 13, 2009. These are either veterans or surviving dependents. The California Department of Veterans Affairs indicates there are 3,328 veterans in Del Norte County:

WWII	335	Korea	230	Vietnam	695
Gulf	102	Peacetime	243		

Goals and Achievements

Goals for the DNCVSO are established and tracked by the VSO and the AVSO. Progress toward the established goals is an important element of the AVSOs annual performance evaluation. The current overriding goal of the Office is to develop and certify a second, accredited AVSO. This will remain problematic until the County provides a full-time, permanent hire for the Account Clerk position.

Additionally, the Office wants to develop a web presence – accessible through the County web site – that can be used to further disseminate information of interest to veterans. However, this initiative requires County Information Technology (IT) support.

Problems

Funding and staffing are the most significant problem areas observed. Given the County’s budget constraints, it seems unlikely that these issues will be resolved in the near term. Nevertheless, we recommend that the County give due future budget consideration to the important service activities of the DNCVSO, the lack of depth in “certified” staffing to provide those services, and the likely expanded needs and services as our veteran population grows.

Physical Facilities - Veterans' Hall

The DNCVSO is placed strategically astride the flow of veterans accessing the “day room” and the VFW Lounge. The office occupies two rooms – one for administration/records, and an office/counseling room for the AVSO. A small, under the stairs, storage closet for donated equipment is adjacent in the hallway.

Physical security for the admin/records room leaves something to be desired, as it is locked with ordinary door locks set in old-fashioned jambs. The condition of the admin/records office is somewhat run-down. It needs new carpeting, better ventilation, and more frequent cleaning by County custodial personnel.

Finally, the office is running out of storage space for its records. At present, the County has no off-site secure storage space [records privacy concerns] to which the retired records could be moved.

CONCLUSION:

Although the DNCVSO is operating at a high degree of efficiency within its personnel and resource constraints, it is in need of additional County support to:

- (a) develop additional certified personnel depth;
- (b) develop and maintain improved outreach capability through an Internet Web presence – accessible via the County web site;
- (c) improve physical security for sensitive veterans' records kept in the office;
- (d) improve the physical condition and appearance of the office;
- (e) provide secure off-site storage for sensitive retired records; and
- (f) finally, the office's outreach capability could be improved through publication of a monthly veterans' information column in a local newspaper.

RECOMMEND:

That the County budget for development of a second full-time accredited AVSO –to provide needed continuity to the office.

That the County provide sufficient IT support for a DNCVSO web presence accessible through the County web site.

That the DNCVSO pursue an arrangement with a local newspaper to publish a monthly “veterans’ corner” column to disseminate new or updated information for local veterans.

That increased physical security for sensitive veterans’ records be provided for the DNCVSO – install new door frames/doors with more secure locks; and surveillance cameras in the records office area.

That the County develop sufficient off-site secure storage space to accommodate the current overflow of retired records.

That the 2009-2010 Grand Jury follow-up on the County efforts to act on these recommendations.

RESPONSE REQUIRED: None

DEL NORTE COUNTY ANIMAL CONTROL

REASON FOR INVESTIGATION:

Follow up investigation of recommendations listed in the 2006-2007 Grand Jury report.

FINDINGS:

Three members of the 2008 – 2009 Grand Jury made two planned site visits to the County of Del Norte Animal Control main office and dog kennels. During the meeting, they were briefed by Ken Smith, Del Norte Agricultural Commissioner and Director of Animal Control. They inquired about recommendations in the 2006 – 2007 Grand Jury report and learned of the improvements implemented since the 2006-2007 report was filed.

06 – 07 finding:

- Dogs received no health screening during their stay at the facility.

08 – 09 findings:

- All dogs are weighed.
- All unvaccinated dogs receive vaccines, excluding rabies.
- If dogs appear unhealthy, they receive first aid or, if necessary, emergency vet care.
- The budget for emergency vet care increased from \$100 to \$220 per year from 2007 to 2008. The recommended 2009 budget asks for a total of \$1,700 per year.
- The budget does not allow for hiring highly qualified personnel to perform extensive health screening.

06 – 07 finding:

- No certification is required for employees.

08 – 09 findings:

- Current employees who euthanize dogs must be, and have been, certified through a State-sponsored training program.
- The pay scale for employees at Animal Control limits most applicants to high school graduates with little experience.

06 – 07 finding:

- There were no volunteers allowed to work at the facility due to County government regulations.

08 – 09 findings:

- Volunteers *now* are allowed to walk and groom dogs because of a Board of Supervisors Memorandum. Members of the community have averaged 60 hours per month for the past 10 months.
- Volunteers must pay \$25 to join the Humane Society and must receive a one-hour training session.

06 – 07 finding:

- Dogs were sleeping on concrete floors and it was recommended that disposable bedding be used as an alternative.

08 – 09 findings:

- Each kennel now contains a donated wooden platform for the dogs to sleep on.
- Each kennel contains a blanket donated by Pelican Bay State Prison.
- Bedding is washed daily with a new washing machine donated by the Humane Society.

CONCLUSION:

The Grand Jury members learned of many improvements in the facility since the 2006 – 2007 Grand Jury visit. They would like to commend the Director for addressing the Grand Jury's recommendations and for various programs to raise public awareness and increase adoption, thus reducing the kill rate from over 40% to 9%.

Reasons include:

- Dogs are listed on PetFinder.com.
- Lost and found ads are placed in the *Triplicate* newspaper.
- A *Citizen's Resource Guide to Dog Owner Networking* is available to assist in finding new owners for dogs.

RECOMMENDATIONS:

The Grand Jury recommends:

- that the animal control officers have the discretion to keep any dog brought in for euthanasia, if they feel the dog is adoptable.
- improvement of the grounds, including repairing fences and corrals, adding more kennels, and making a concrete exercise pad for dogs.
- that Animal Control tap into the Pelican Bay State Prison system for a *Pups on Parole* program and for maintenance to improve the buildings and grounds.
- the Director continue to pursue grants to help with the funding for various needs and donations by the local community.

RESPONSE REQUIRED: None

DEL NORTE COUNTY MENTAL HEALTH

REASON FOR VISIT: Annual visit; follow up suggested by the 2007-2008 Grand Jury; one (1) complaint.

HISTORICAL SETTING:

The current management situation at Del Norte County Mental Health Department (DNCMH) has its origins in the financial management practices of the past.

- Del Norte County Mental Health has a history of providing a high level of patient care. The Department staff consisted of two psychiatric professionals and several Master's level therapists, plus clinical and support staff. The staff met twice weekly to discuss patient care and prospective treatment options. The entire operation occurred in one facility which allowed for continual contact between clients, staff, physicians, and supervisors. Clients had a high level of continuity in their care, provided by an interactive staff.
- While care level was high, financial tracking of case management was and is very complicated. Payments for Medi-Cal and daily operations are charged to numerous accounting sources. Physicians' treatment time is charged as "billable hours" to Medi-Cal and Medicare. While high quality patient care was being performed, the complicated accounting of operation costs for providing that level of care was inadequate. Consequently, during a periodic audit conducted by Medi-Cal, it was determined that DNCMH had been over-paid for services provided. The DNCMH was required to return this large overpayment.

- Cumulative budget shortfalls, in addition to repayment of these monies, caused a large deficit in the DNCMH budget.
- Del Norte County decided to produce cost savings by combining DNCMH and Social Services into one agency. By creating this agency, budgets and staffing capabilities could be combined.
- At a point in the fall of 2008, DNCMH was told it needed to immediately “zero out” its deficit. In order to accomplish this, layoffs were made and case management was changed. Twelve clinical and support staff positions were lost.
- Organizational changes were made with little staff involvement. Case management changes were made with limited physician input.
- Financial criteria became the driving force that established the level of care to be provided.
- With the reduction of Master’s level therapists, the Department looked for other treatment options for children’s care. The amount of care contracted to outside agencies increased. Today all child level care is provided by contractors. While the care is good, it is located in a different facility and is physically separated from immediate physician oversight and involvement.
- Cost savings were also achieved by deferring building maintenance on the Williams Drive facility. Maintenance was paid for by the department that used a particular facility. This facility was due for replacement and it was thought that investing money to repair it was not a wise use of the limited County funding available.
- How physicians used their “billable hours” was changed. They were encouraged to see more patients and use less time for preparation and record keeping. Weekly patient care planning meetings have ceased in favor of providing more time for “billable hours.”
- Since payment is made to DNCMH by Medi-Cal on a “billable hours” basis, a new software system was instituted to better track patient Medi-Cal records, note taking and billing. The first system attempted was a failure. The second system (Anasazi) is now functional, but many feel that it is too cumbersome. Physicians are required to use this system to make all notes and reports. Some of the physicians resent the system as being intrusive upon their ability to provide quality care.
- Prior to the consolidation, there were 13 clients in out-of-county long term care facilities. After consolidation, these clients were returned to Del Norte County for local treatment. This saved the Department approximately \$300,000.

CURRENT SITUATION:

- Employee morale appears to be low.
- Staff interaction with physicians is limited. Interaction between staff members is limited. The ability to share information and garner new ideas for treatments is limited. Interaction between staff members and the agency director is limited.
- Patients are being referred from DNCMH to their primary care physicians or the Wellness Clinic based on DNCMH budget considerations.
- Historically, the decisions to incur the costs of transportation and in-patient treatment at facilities outside Del Norte County have been medically driven. The medical professionals on staff made these referrals only when they deemed it medically necessary. Since the consolidation of agencies occurred, the decision to direct patients to in-patient services is being evaluated with both an eye on the potential financial impact to the agency bottom line and the medical needs of the patient. The Grand Jury understands that the financial aspects are real; however, every person charged with making a referral should be both encouraged and allowed to make medically valid referrals without fear of being sanctioned due to a negative financial impact on the bottom line.
- Two long term psychiatrists, one of 30 and one of 20 years service, have resigned and have not been replaced.
- Currently *locum tenens* psychiatrists are contracted from outside the area. They are contracted on a short term basis, usually two months, resulting in a rotation of psychiatrists. Consequently, long term one-on-one care by a single physician has been replaced by revolving physicians.
- *Locum tenens* psychiatrists cost approximately 30% more per hour than long term staff psychiatrists. The increased per hour cost forces a comparable reduction in the number of patient treatment hours available. Most new *locum tenens* require training in the computer system and each requires new prescription pads to be printed at a cost of several hundred dollars.
- In March of 2009, a leak in the roof caused the ceiling to fall in on one of the offices. At that point, the facility was closed and employees and operations were moved to several locations throughout Crescent City.

Since the 2008-2009 Grand Jury annual investigation began:

- There are long term out-placements being made.
- Teams have been formed to meet operational needs, including a Crisis Management Team.
- A Clinical Services Manager has been hired. This person is a licensed Marriage and Family Therapist.
- DNCMH programs and administration are currently operating from several buildings scattered throughout Crescent City.
- The 2007-2008 Grand Jury had recommended improved security of patient records. Records are now locked and inaccessible to casual review.

RECOMMENDATIONS:

- Find a new facility as soon as possible. Ideally, it should be large enough to house all DNCMH operations and records in one location. This would allow better staff communications and easier contact with the clients.
- Hire long-term psychiatrists.
- A periodic Medi-Cal audit is scheduled for spring of 2009. Follow up by the 2009-2010 Grand Jury is recommended.
- The Del Norte County Board of Supervisors should charter an outside independent professional review of the Department of Health and Human Services to determine if the original objectives of the agency consolidation have been achieved, and if both the financial and medical treatment needs are being adequately served by the consolidated agency.

RESPONSE REQUIRED:

Response should be provided to the 2009-2010 Grand Jury regarding the findings and recommendations in this report.

SECRETARY'S REPORT

On June 26, 2008, the Honorable Robert W. Weir impaneled the 2008-2009 Grand Jury. John Ging was appointed Foreperson of the nineteen member panel.

Six of the nineteen members held over from the previous year in continued service to our community. Four current members have elected to stay on the Grand Jury for another year.

This Grand Jury met twice a month during the fiscal year 2008-2009 and as a body conducted on-site inspections of correctional facilities and other public agencies. Special thanks goes to every committee for providing the reports in a timely manner.

I would like to personally thank each and every individual who served this year. A special thanks goes out to Annie Gold who brought order to our existing files and was always supportive. Also, thank you to the "stand-in" secretaries when I had to be absent.

It was a pleasure to work with everyone over the past year and I commend them for the seriousness and dedication with which these individuals approached each task. I appreciate the opportunity to serve this community and its citizens.

Martha Sullens
Secretary, 2008-2009 Grand Jury

RESPONSE INSTRUCTIONS FOR LOCAL PUBLIC AGENCIES

This Grand Jury's report contains findings and recommendations directed to the boards of various local public agencies subject to the "watchdog" functions of the Grand Jury. Pursuant to Penal Code Section 933, **no later than 90 days** after the Grand Jury submits a final report on the operations of any public agency subject to its reviewing authority, the governing body of the public agency shall comment to the presiding judge of the Superior Court on the findings and recommendations pertaining to matters under the control of the governing body. And every elected county officer or agency head or agency head for which the Grand Jury has responsibility shall comment **within 60 days** to the presiding judge of the Superior Court.

Pursuant to Penal Code Section 933.5 as to each Grand Jury finding, the responding person or entity shall indicate one of the following:

- The respondent agrees with the finding.
- The respondent disagrees wholly or partially with the finding, in which case the response shall specify the portion of the finding that is disputed and shall include an explanation of the reasons therefore.

As to each Grand Jury recommendation, the responding person or entity shall report one of the following actions:

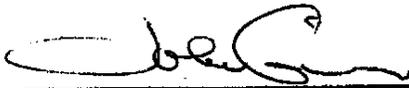
- The recommendation has been implemented with a summary regarding the implemented action.
- The recommendation has not yet been implemented, but will be implemented in the near future, with a time frame for implementation.
- The recommendation requires further analysis, with an explanation and the scope and parameters of an analysis or study, and a time frame for the matter to be prepared for discussion by the officer or director of the agency or department being investigated or reviewed including the governing body of the public agency when applicable. This time frame shall not exceed six months from the date of publication of the Grand Jury Report.
- The recommendation will not be implemented because it is not warranted or is not reasonable, with an explanation therefore.

However, if the finding or recommendation of the Grand Jury addresses budgetary or personnel matters of a county department headed by an elected officer, both the department head and the Board of Supervisors shall respond if requested by the Grand Jury, but the response of the Board of Supervisors shall address only those budgetary or personnel matters over which it has some decision making authority. The response of the elected department

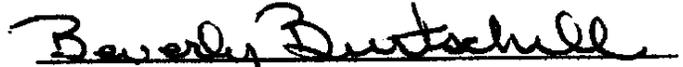
head shall address all aspects of the findings, or recommendation affecting his or her department.

2008-2009 Del Norte County Grand Jury Formal Submittal of Report

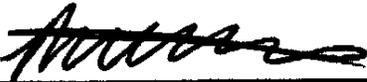
The undersigned, being duly sworn and acting members of the 2008-2009 Del Norte County Grand Jury, and comprising of at least twelve (12) members thereof, hereby affix their signatures and submit this Final Report.



John Ging, Foreperson

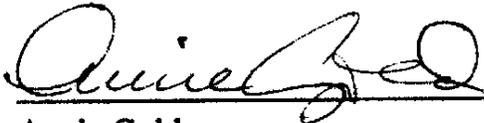


Bev Burtschell



Bob Burtschell

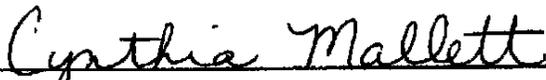
Lyndel Conley



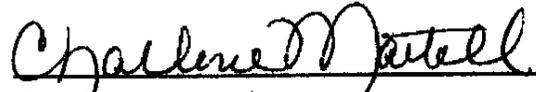
Annie Gold



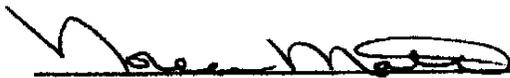
Bill Lonsdale



Cynthia Mallett

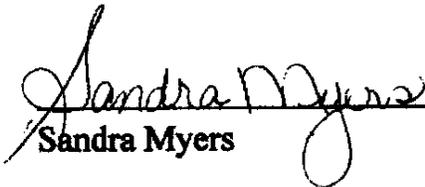


Charlene Martell



Noreen Matt

Stacy McClafin



Sandra Myers

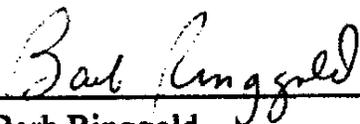


Christa Norton

Phillip Popadic



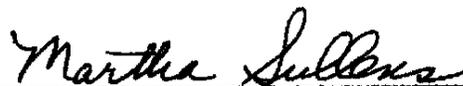
David Reich



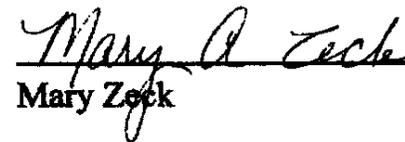
Barb Ringgold



Monte Satern



Martha Sullens, Recording Secretary



Mary Zeck