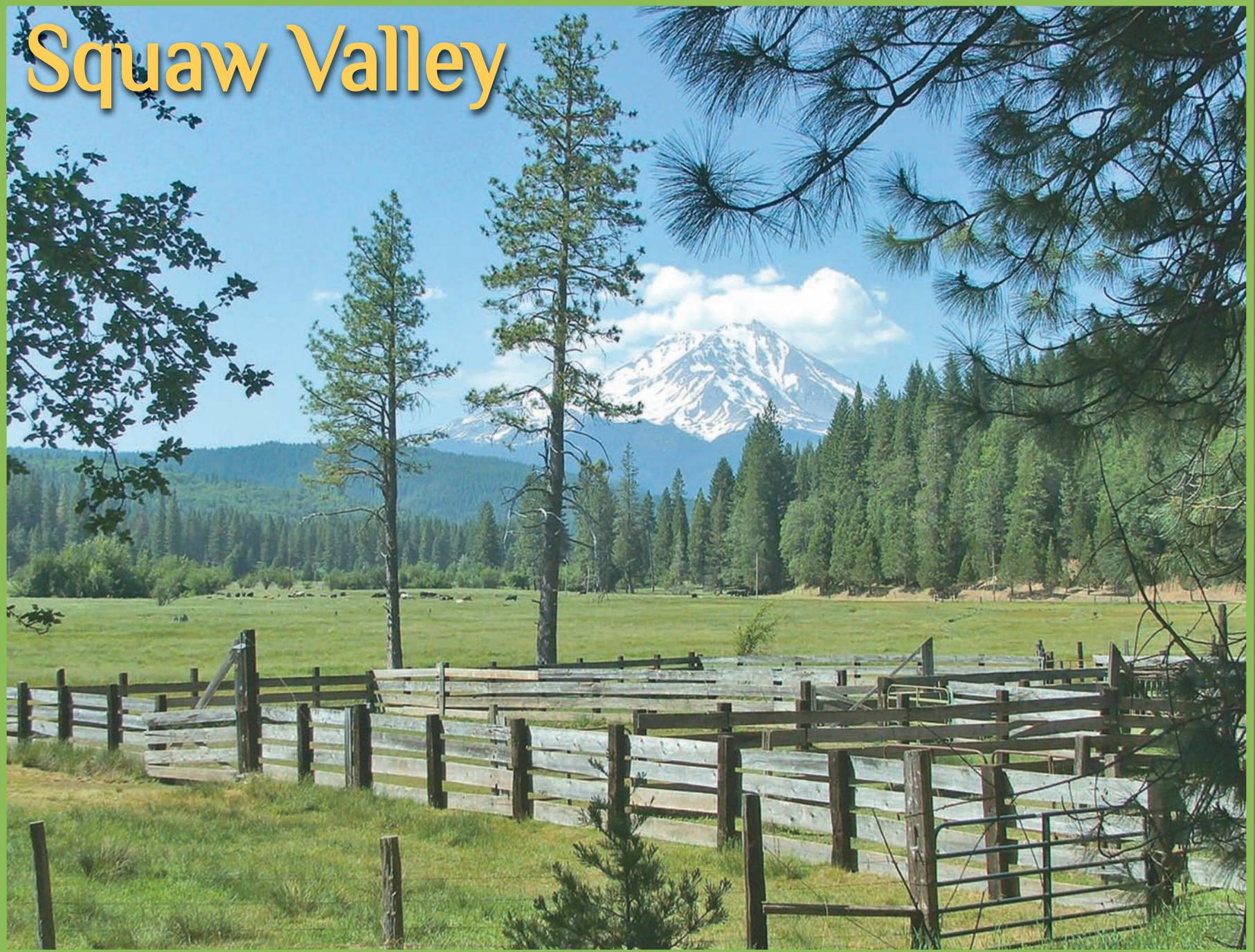


Squaw Valley



2015 - 2016 SISKIYOU COUNTY GRAND JURY

FINAL



REPORT



SERVING SISKIYOU COUNTY SINCE 1859

TABLE OF CONTENTS

SISKIYOU COUNTY 2015-2016 CIVIL GRAND JURY MEMBERS	3
DAY REPORTING CENTER	4
DEADWOOD CONSERVATION CAMP.....	6
SISKIYOU COUNTY SPECIAL DISTRICTS	6
CITY OF MONTAGUE PROPERTY CODE ENFORCEMENT	8
DEADWOOD CONSERVATION CAMP.....	10
CITY OF ETNA	11
SISKIYOU COUNTY JAIL.....	12
GRAND JURY APPLICATION.....	14
CHARLIE BYRD YOUTH CORRECTIONAL CENTER.....	15
THE NEXT STEP PROGRAM.....	16
SISKIYOU COUNTY CIVIL GRAND JURY RESPONSES	18
CITY OF WEED COMMERCIAL DEVELOPMENT BLOCK GRANTS	24



SISKIYOU COUNTY 2015 - 2016



CIVIL GRAND JURY

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JIM SOARES
ELAINE RANDOLPH
SUE LANDSTROM
STEVE THORNBURG
ROXANNE WOODS

Another year has come and gone, and you, the reader, are asking this question: "Didn't we hear from this foreperson last year, and why are we hearing from her again?" I guess you are just lucky!

On the other hand, I am honored. I am honored to serve this county not only for a few months at the end of last year, but also this year as the foreperson of the Siskiyou County Civil Grand Jury. I am also honored to have 13 of the most awesome people on the panel. I couldn't have better, even if I had hand picked them.

The story seems to be the same, though. And it's one that I would like to see changed. The grand jury is designed to have 19 members and, ideally, 2 alternates. In July last year, this jury started with 19 people, and lost two almost immediately. As time went on we lost a few more, until we were left with 14. That seemed to be the magic number, because we have remained at that number for the rest of the year. And, as you will read, the work that has been done; the investigations and inspections that have been completed are a testament to the hard work that this jury has done over the last year. It has been fun, frustrating, informative and challenging to say the least. As many times as I've been on the grand jury, you might think that it would be the same old boring information, but it is exactly the opposite. I always learn more than I expect about departments of the county and how they are run, and that there are always two sides to every story. When complaints come in, the investigation is done, and it is absolutely necessary to keep an open mind before forming an opinion. In certain circumstances, people need to recuse themselves because they know people involved or because of prior knowledge have already formed an opinion. The 2015/2016 jury ended its term on June 30, 2016. Our report will be published sometime in the late summer/early fall, and I hope everyone will read it and learn something new about the county in which they live, vote, and pay taxes. We are very proud of the report we've done.

In an effort to get more people to apply to be members of the grand jury, this year's panel tried to develop a list of people they thought would be good jury members and submitted them to the Judge. Those folks have received an invitation to apply to be on the grand jury. We hope that they, along with others will agree to participate in this next year in the 2016/2017 grand jury. While there is payment for every meeting and mileage, it's more like a volunteer position.

Now that the new year has begun, I can report that the jury barely met the 19 person requirement. We are beginning with 19 members, and we hope to maintain that number throughout the entire year. At this point, I am not optimistic about the odds of that happening. Someone always gets sick, or finds he/she cannot commit to the time required like they thought they could. I certainly hope I am wrong. You will hear from your new foreperson about that next year. So here's to another awesome year for the Siskiyou County Civil Grand Jury for the 2016/2017 year. I would challenge each and every one of you to support your fellow citizens and your county government by participating next year. You are the ones who pay taxes in this county. You should be the one taking the responsibility for making sure it's being run as efficiently as it can be. Or, you can do what you've been doing, sitting in your easy chair complaining about how you hate the way things are going in your county government. This Please! There's a better way!

Susan Boston
Foreperson



Lake Shastina



DAY REPORTING CENTER



the program due to jail overcrowding. Most of these offenders are felons. Most are on probation.

The DRC provides the following services and programs:

- Life training
- Anger management
- Domestic violence prevention
- GED classes
- Lumber milling and furniture construction
- Gardening
- Cooking classes
- Animal husbandry
- Equine therapy
- Drug and Alcohol treatment

(by June 2016 they plan to have a drug and alcohol rehabilitation program available)

The purpose of these services is to reduce the risk of re-offense. Many participants continue in the program on probation when their jail sentence ends. Serving a day at the center is equivalent to a day in jail. While some participants may return to their families at night, others are homeless. This day program saves the cost of housing them in jail. According to DRC staff, the number of participants re-offending is reduced due to this program.

The DRC has found that working with animals is very helpful for rehabilitating offenders. Staff related that the animals give unconditional love, and are sensitive to the offenders' emotions. The Grand Jury was told that many offenders become quite attached to the animals, and caring for them helps build loyalty and commitment. The jury was informed that even participants who are physically unable to perform tasks in other areas can care for the animals. Rabbits and pigs are raised for food; the meat is either used on site or donated to charity. Chickens and turkeys provide eggs, which are either used on site or may be taken home by participants. The center also has two goats.

Horses are brought in for an equine therapy program. There is a small corral area where clients work with the horses. Staff told the Grand Jury that in order to successfully work with horses, clients must learn to recognize and suppress hostile emotions. Participants do not ride the horses.

A portable sawmill at the DRC is used to teach participants how to mill wood. A donated supply of logs is milled into usable lumber for furniture construction and the sawdust is used for mulch. Offenders are also trained in other aspects of woodworking. The Grand Jury observed a chain saw safety class.

SUMMARY

The 2015-2016 Civil Grand Jury chose to tour and report on the Day Reporting Center (DRC).

BACKGROUND

Previous Civil Grand Juries had not toured the DRC. Jail staff suggested this tour when the 2015-2016 Jury visited the Siskiyou County Jail.

METHODOLOGY

The tour of the DRC was conducted on February 19, 2016, and staff was interviewed.

DISCUSSION

Located in the city of Yreka, tucked in behind the old hospital between Yreka Creek and the I-5 freeway lies an important part of the criminal justice system. The DRC was set up about four years ago by a consortium headed by the Sheriff, District Attorney, and other agencies when alternatives for jail sentencing were needed. The DRC is run jointly by the Sheriff's Department and the Siskiyou County Probation Department and is funded by the state through AB109. Staff works with sentenced offenders ordered into



DAY REPORTING CENTER



A garden tended by offenders yields approximately 900 pounds of produce each year, which is used in cooking classes, given to charity and is available to the public.

Domestic violence prevention and drug and alcohol treatment classes are provided. A psychologist with experience working with prison

populations and a therapist run these classes. GED classes are also available.

Two work crews operate out of the DRC. One crew does manual labor, such as freeway trash removal. The other, more skilled with tools, handles brush clearing and other more complex tasks.

Staff serve as mentors and build rapport with offenders. For example, the Grand Jury was told the following story: while cleaning up trash along I-5, one of the most violent offenders picked something up by the side of the road and started walking toward the crew leader, who was sitting in the van. When the offender arrived, he handed the

startled leader a fully loaded .38 caliber handgun.

As a relatively new program, the DRC shows great promise. We encourage future grand juries to inspect this program.

Reports issued by the Grand Jury do not identify individuals interviewed. Penal Code section

929 requires that reports of the Grand Jury not contain the name of any person or facts leading to the identity of any person who provides information to the Grand Jury.





SISKIYOU COUNTY SPECIAL DISTRICTS



SUMMARY

During its evaluation of projects being considered, the Grand Jury became aware that at times there are a number of vacancies on special district boards. As special districts are a form of government, formed, operated and managed locally by the people receiving service, the Grand Jury decided to investigate the vacancies. We wanted to know more about how special districts operate, how services are provided and how board vacancies are filled. It soon became apparent that there are many factors involved. As we worked through the process we found that there were some dramatic differences in how districts operated. We found that although several county agencies provide some form of training to special districts, that training does not meet the specific needs of those board members interviewed. The following is our analysis of some of the issues regarding management and board turnover.

GLOSSARY

CSDA - California Special District Association

CSAC - California State Association of Counties

BACKGROUND

California leads the country in the number of special districts, with 4,792 districts, followed by Illinois. Of California's 4,792 districts, over half are actually non-profit corporations or cities. However, voters have created 2,160 independent districts to serve their needs.¹

Special Districts are unique in that as much as possible, they give local control to members of the served community. This local control serves the community much better than a less responsive, distant entity such as the county, state, or federal government. Their greatest strength and their greatest weakness may be that they are controlled locally by the very same people they serve.

Special Districts are also unique in that they can serve large or small neighborhoods without regard to political boundaries. They are the only type of government entity whose jurisdiction can cross city, county and state boundaries. For example, the Metropolitan Water District of Southern California serves over 18 million people, in six counties, covering more than 5,200 square miles. In contrast, Arden Manor Recreation and Parks district in Sacramento County covers only 21 acres.²

The characteristics of a special district are that they are a form of government, are governed by a board, provide specific services and/or facilities, and have unique geographic boundaries.

The Grand Jury became aware that there have been, and continue to be, a significant number of unfilled special district board positions in Siskiyou County. The 2015/2016 Civil Grand Jury was concerned about these vacancies and investigated.

Special Districts are governed by a board of directors that is either elected for a fixed term or appointed for a fixed term by an outside government entity such as the County Board of Supervisors. The qualifications for a prospective candidate to serve on a special district board are minimal: they must be a registered voter, and they must reside within the physical boundaries of the district under consideration.

When board vacancies are filled by election, the opening is published in the local newspaper and board descriptions are posted at the County Clerk's office.

When board vacancies are filled by appointment, prospective candidates submit their applications to the Board of Supervisors who, in turn, fill the vacancies.

Unscheduled openings must be posted in the County Clerk's Office for 15 days and in three additional places within the district. Prospective candidates submit their applications, and the Board of Supervisors then appoints new members for the remainder of the unfilled term.

Most of the special district boards in Siskiyou County consist of five members; however, there are some boards that consist of only three members.

Special districts derive their operating funds from one or more of the following sources. They may include:

- A percentage of the property tax assessment
- User fees
- Grants from the State or federal government
- Charitable donations via an auxiliary or other community service organization

The function of the special district board is fiduciary. They are responsible for managing the monetary and/or capital equipment and resources of the district. The board is also responsible for insuring that the district, the board members themselves and all employees, whether paid or volunteer, comply with all county, state and federal regulations.

District board members are also bound to comply with the Ralph M. Brown Act stated in Government Code §§54950-54960.5 describing the rules for board proceedings to be conducted within an open session format. Meetings of public bodies must be open and public. Actions may not be carried out in secret and any action taken in violation of open meeting laws may be voided. Among other requirements are the following:

- Post a notice and agenda for regular meetings three days in advance
- Allow "non-disruptive" recording of the meeting
- Allow the public to address the board on any item within the district's jurisdiction
- Treat all documents as "public" unless exempted by the Public Records Act

All board members who receive any monetary or non-monetary compensation, or receive reimbursement for expenses are required to take a two-hour ethics training course within one year of assuming office, and every two years thereafter.

Cities, counties and special districts in California are required by law (AB 1234, Chapter 700, Stats. of 2005) to provide ethics training to their local officials. The training is provided by the Fair Political Practices Commission.

Siskiyou County has 45 Special Districts that provide the citizens of the county with a myriad of services. Some of the services offered in Siskiyou County are cemetery,

drainage and drainage maintenance, electric enterprise, fire protection, lighting and lighting maintenance, local and regional planning or development, police protection and personal safety, parks and recreation, resource conservation, streets and roads, transportation, electric and communication facilities, waste disposal enterprise and water enterprise.

The special districts in Siskiyou County run the gamut from those with multi-million dollar budgets and 40+ paid staff, to those with all-volunteer boards, minimal or no staff and an annual operating budget of only a few thousand dollars. Certain districts own millions of dollars' worth of capital equipment to perform services, while others own absolutely nothing and merely serve as a conduit to authorize payment for the services that the district provides.

Required financial audits cost the districts anywhere from \$2,500 to \$14,000. For small districts with limited income, the cost of an annual audit can severely limit their ability to operate. The Siskiyou County Auditor has volunteered to work with the California State Association of Counties (CSAC) Legislative Advocate to get AB 2613 passed, with language that would address and limit the financial impacts of required audits.

Special districts are also divided into those that collect and disburse their own funds, and those that handle no money directly. The latter types submit their funds to the County Auditor. These funds are held in dedicated accounts for payment of district bills.

The Siskiyou County Auditor reported that they currently dedicate 1.5 financial technician positions to process special district deposits and warrants for payment of district expenditures. Similarly, the County Clerk reported that managing special district vacancies consumes the equivalent of 2 full-time employees.

The Siskiyou County Auditor, County Clerk, and County Counsel all schedule training for new and current board members once a year.

METHODOLOGY

Due to the large number of special districts in Siskiyou County, the Grand Jury chose to investigate a cross section of the districts.

The Jury interviewed personnel from the following types of districts: Community Services, Cemetery, Fire Protection, Irrigation, Recreation and Parks, and Waste Disposal. The districts chosen represented a range of financial resources. Board members and staff of the districts were asked a wide range of questions including the district's function, the district's funding sources, and the makeup of the governing board. They were further asked about the number of current board vacancies, the difficulty of filling any vacancies, conflicts, including any current complaints, and board remuneration. Other questions related to board member training, the expectations and realities of being a board member and the most significant challenges to being a board member, with about 30 to 40 specific inquires tailored to each district. The County Clerk, County Auditor and County Counsel were also interviewed.



SISKIYOU COUNTY SPECIAL DISTRICTS



The Grand Jury also attended one of the annual training sessions offered to board members by the County Clerk and County Counsel. Circumstances prevented the Grand Jury from attending a training session given by the Auditor's office, but the Jury was provided with, and examined, the handouts from the previous session.

DISCUSSION

Generally, the larger districts are functioning well. Some districts function reasonably well, but some that were investigated are struggling.

Some of the attributes of boards that function well are: board members who have managerial skills, written policies and procedures, written by-laws and a large population base to draw upon for prospective board members.

Some attributes of struggling district boards are: lack of training, lack of management experience, no written policies and procedures, no written by-laws, small population base to draw upon for prospective board members, changing demographics and one or more board members with an agenda not in the district's best interest.

The effective board works together to accomplish the mission adopted by the district. Board responsibilities include:

1. Determine the district's basic purpose
2. Oversee operations
3. Review and ensure compliance with all applicable laws and regulations
4. Review and correct budget and audit issues
5. Formulate and approve strategic plans
6. Approve major contracts and expenses
7. Insure board continuity by maintaining minutes and documentation of board proceedings
8. Ensure there is a written policies and procedures manual
9. Ensure that all employees receive a written performance review annually
10. Elect a chair who is tasked with controlling board conflicts, while allowing for discussion. The chair also clearly defines each member's role and documents any committee duties. The chair either is, or designates, a spokesperson to regularly communicate with the district's citizens and the press.
11. Formulate a plan to recruit new prospective members, and has a mentoring program to orient and prepare new members for their upcoming role.

Districts that seem to have difficulty in filling board vacancies exhibit some of the following characteristics:

- Districts are rural and less densely populated
- Communication between the boards and its constituents is lacking

- No list of skills or knowledge base for prospective board members has been prepared
- No list of potential new candidates has been prepared
- There is no written job description for board members

Districts that have little difficulty in filling board vacancies have:

- A list of potential candidates who possess desirable qualities
- A list of skills needed by board members
- A plan to recruit and mentor new board members

Members of the Grand Jury found that each of the special districts provides a much needed service or services for its constituents. They also provide an extraordinary opportunity for the citizens who choose to serve their communities to retain local control of those services.

FINDINGS

F1. Some boards are not aware of or in compliance with AB1234 ethics training.

F2. District board vacancies are difficult to fill due to the absence of a succession plan.

F3. Training sessions offered by County agencies for the benefit of district board members are not well attended.

F4. Training sessions offered by County agencies, the County Clerk, County Counsel, and the Auditor, do not include management functions and responsibilities.

F5. There appears to be limited coordination among county agencies providing education and training for district board members.

F6. The prohibitive cost of financial audits consumes a large portion of some district budgets.

F7. Proposed AB2613 is designed to alleviate some of the burden regarding financial audit costs for some of the districts.

F8. Public meeting requirements, as defined by the Brown Act, are not being fully complied with by all of the special districts.

RECOMMENDATIONS

R1. The Board of Supervisors should instruct County Counsel to ensure that all special district boards are aware of AB1234 ethics training requirements.

R2. District boards must develop a set of procedures, including plans to fill vacancies as they occur.

R3. The Board of Supervisors should direct those offices currently providing training for special district board members to develop a comprehensive curriculum to be offered in one session, on a weekday with alternate sessions offered during non-working hours.

R4. The Board of Supervisors should direct those offices currently providing training for special district board members to develop a comprehensive curriculum to be offered in one session, on a weekday with alternate sessions offered during non-working hours.

R5. The Board of Supervisors should direct those offices currently providing training for special district board members to develop a comprehensive curriculum to be offered in one session, on a weekday with alternate sessions offered during non-working hours.

R6. The Board of Supervisors should exercise any influence they possess with the State Assembly to support the County Auditor's efforts to pass AB2613.

R7. The Board of Supervisors should exercise any influence they possess with the State Assembly to support the County Auditor's efforts to pass AB2613.

R8. District Board members should familiarize themselves and comply with the public meeting mandates outlined in the Brown Act.

REQUEST FOR RESPONSES

Pursuant to Penal Code section 933.05, the grand jury requests responses as follows:

INVITED RESPONSES

Board of Supervisors to respond to R1, R3-R7

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

APPENDIX

Additional sources of information on special districts:
California Special Districts Association
<http://www.csdca.org/>

California Association of Local Agency Formation Commission (CALAFCO) <http://www.calafco.org/>
Assembly Bill 1234

http://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=200520060AB1234

<http://www.calafco.org/> Assembly Bill 2613

http://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=200520060AB2613

<http://www.thefirstamendment.org/Brown-Act-Brochure-DEC-03.pdf>

<http://oag.ca.gov/ethics>

http://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=200520060AB1234

1 CSDA (California Special District Association) fact sheet.

2 CSDA (California Special District Association) fact sheet.



CITY OF MONTAGUE PROPERTY CODE ENFORCEMENT



SUMMARY

The 2014-2015 Civil Grand Jury received a complaint regarding property code enforcement. That jury started an investigation but was unable to complete the investigation within their year of service. The complaint was refiled and the 2015-2016 Civil Grand Jury investigated the complaint.

BACKGROUND

A complaint was received from a Montague resident that a fire on a neighboring derelict property resulted in damage to his property. He further stated the City of Montague failed to enforce ordinances that could have prevented the catastrophic loss.

METHODOLOGY

The Civil Grand jury observed the condition of multiple properties within the city limits. Interviews were conducted. The City of Montague property codes were also reviewed.

DISCUSSION

The complainant reported a long history of neglect on the property where the fire originated. It was reported that some cleanup had been done, but there are still issues with this and other abandoned properties. In addition, there are currently occupied properties that have abandoned vehicles, engines, transmissions and other debris that appear to violate Montague property code.

According to one individual, the procedure for enforcing property code violations entails three violation notices being given to the owner. If no action is taken by the property owner, the city council has the authority to step in and mitigate the situation. This includes everything from having the property cleaned up and billing the owner for that expense through placing a lien on the owner's property. This information is corroborated by Montague Municipal Code section 8.080.

A response is made to complaints and efforts to enforce compliance. It is reported that efforts are made to encourage neighbors to help out others who are having difficulty cleaning up their properties. A city council member stated the current city council intends to back up the code enforcement officer's efforts to enforce compliance in the future.

It appears that the city has rarely cleaned up properties on its own initiative or issued liens to cover the cost, nor has it brought legal action against delinquent owners. It may be that the city simply does not have the resources to enforce the property code. A city council member stated that the city has not contacted other county or state agencies to determine what assistance might be available.



CITY OF MONTAGUE PROPERTY CODE ENFORCEMENT



FINDINGS

- F1. The City of Montague has had minimal success enforcing ordinances regarding property cleanup.
- F2. The City of Montague has failed to investigate other resources to assist with code enforcement.

RECOMMENDATIONS

- R1. City of Montague officials need to enforce the existing property abatement codes.
- R2. The City of Montague should contact other agencies to determine if any type of code enforcement assistance is available. For example, area fire agencies could be contacted to see if abandoned properties might be used for firefighter training.

REQUEST FOR RESPONSE

Pursuant to Penal Code section 933.05, the grand jury requests responses as follows:

From the following governing bodies:
Montague City Council – recommendations R1 and R2.

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



<http://ci.montague.ca.us/codeenforcement.html>



DEADWOOD CONSERVATION CAMP



SUMMARY

The 2015/2016 Siskiyou County Civil Grand Jury, in accordance with Penal Code Section 919(b), conducted an annual investigation of the Deadwood Conservation Camp located in Siskiyou County five miles north of Fort Jones. This section of the penal code requires the Civil Grand Jury to conduct an annual inspection of every detention facility within Siskiyou County.

BACKGROUND

Deadwood Conservation Camp opened on June 1, 1962. The camp is jointly operated by the California Department of Corrections and Rehabilitation (CDCR) and the California Department of Forestry and Fire Protection (CAL FIRE). Approximately 68 minimum security male felons provide firefighting services, flood control, conservation projects and other community services. About 20 additional inmates work as cooks, porters, clerks, maintenance men, and skilled shop workers for the operation of the camp.

METHODOLOGY

On March 9, 2016, some members of the 2015/2016 Civil Grand Jury toured the Deadwood Conservation Camp. The tour was led by CAL FIRE and CDCR staff. During the tour, numerous staff were interviewed. Information about current and upcoming projects was supplied by Deadwood staff.

DISCUSSION

Inmates are carefully selected by a classification system and trained at the California Correctional Center near Susanville, then assigned to the Deadwood Conservation Camp. On average, inmates in camps are serving the last two years of their sentence. Inmates selected cannot have any sex related offenses, murder, escapes, or history of violent crimes. Most of the inmates are serving time for alcohol, drug, or property related crimes.

Deadwood is an honor camp. This means inmates are trusted to remain within designated areas. In 2015, an inmate escaped by simply walking away. He then stole a truck from a nearby ranch. The inmate had only been at the camp for 10 days. Staff reported that immediate steps were taken to coordinate a search effort among local and state law enforcement agencies. He was apprehended within a few days. This was the first escape in over 10 years. When an inmate escapes from an honor camp, he is excluded from placement in an honor camp for ten years.

In 2015, Deadwood crews provided local, state, and federal government agencies with approximately 129,370 work hours with a value of \$10 an hour. In addition, inmate fire crews provided 88,570 hours of firefighting with a value of \$18 an hour. It is estimated that in 2015, Deadwood crews saved taxpayers approximately \$2,887,960. At the time of this tour, Deadwood camp crews were reportedly working on 40 projects throughout the county. Those projects included cleaning up the City of Weed after the Boles fire, cleaning up the fairgrounds, cemetery maintenance, and maintaining the grounds of the County Museum. In 2015, the camp purchased more than \$320,000 in goods and services through local vendors.

Inmates demonstrated how they prepare to fight fires. This represented a coordinated team effort crucial for firefighting. The goal of this process is to have all their equipment checked and ready within two minutes of arrival on scene. The fire crew forms a line with the captain in the lead, followed by two sawyers with chainsaws, eight men equipped with hoes and other hand tools, and a swamper at

ordered restitution, monies are deducted from their earnings; otherwise, earnings may be saved for the inmate's family, or spent at the camp canteen.

Inmates have access to a weight room, recreation room and craft areas during their free time. The craft area allows the inmates to do intricate work with both wood and metal.



the end of the line. The captain checks to be sure the area ahead is safe. The sawyers use chainsaws to cut down brush and undergrowth. The next men dig out the brush and clear the path, while the swamper checks to be sure the work is done correctly and monitors the crew. The swamper is the captain's right hand man, and is trained to evacuate the crew should something happen to the captain. He is also the only man other than the captain to have a radio.

Additional programs on site include a sewing shop, tool and chainsaw repair shop, cabinet shop, metal shop, lumber mill (just acquired in the last year), maintenance garage and tire shop. Inmate crews provide maintenance on county, state and federal vehicles. All food preparation, maintenance of buildings, tool repair and grounds keeping is done by inmates. Workers in the cabinet, woodworking and metal shops not only make repairs to all camp furniture but also build furniture for government offices and retirement gifts for government employees. In addition, they make trophies and toys for local charities. Inmates earn between \$1.45 and \$3.90 a day; however, inmates working on fires and other declared emergencies earn \$1.00 an hour. Wages can be docked if the inmate misbehaves. If an inmate owes court

There are two separate dorms. One section is partitioned off for the cooks, since they have to get up early to prepare breakfast.

Inmates are able to attend Narcotics Anonymous (NA) and Alcoholics Anonymous (AA) meetings, outreach and religious programs and craft classes. Inmates can study for their GED (high school equivalency) exams. They may also gain valuable work experience in a variety of trades while at Deadwood.

The grounds were well-maintained and all areas of the camp visited were clean and well kept. Staff indicated that passage of Proposition 47 had resulted in a decrease in the number of inmates eligible for fire camps such as Deadwood. Staff also voiced concerns about their ability to continue to provide the work force and community services they have been able to sustain in the past. It was reported that CAL FIRE and CDCR have an excellent working relationship and good communication. The Deadwood Conservation Camp appears to be working smoothly and providing a valuable service to Siskiyou County.



CITY OF ETNA



SUMMARY

The Civil Grand Jury received a complaint against the City of Etna listing a number of concerns with city government over the past few years. The jury decided to review three of them: potential Brown Act violation, State Water Board fine, and the Dollar General store controversy.

BACKGROUND

The Civil Grand Jury received a complaint alleging a potential violation of the Brown Act in regards to city staff meetings. It was also alleged that the city was negligent regarding required reporting to the State of California, State Water Resources Control Board (State Water Board) resulting in substantial costs to the city. The complainant also reported a lack of transparency by the City Council regarding approval of the Dollar General store project.

METHODOLOGY

The Civil Grand Jury reviewed city council meeting minutes, city budgets, audit reports, State Water Board correspondence, various sewer system management plan documents, information for and against the Dollar General store and other information submitted by the City of Etna and the complainant.

Interviews were conducted with the complainant, other Etna citizens, Etna city staff, and Etna City Council members.

DISCUSSION

The Civil Grand Jury received conflicting information from witnesses. Witness statements also, at times, conflicted with the transcribed city council meeting minutes. Our conclusions below are limited due to these inconsistencies found in minutes, documents and witness statements.

Brown Act: Etna City Council members previously attended city employee staff meetings and discussed city business. The Brown Act requires that any meeting where two or more city council members are present must be publicly announced in advance, and be made open to the public. Minutes must be kept and reported to the public. City officials recognized that having council members at employee staff meetings interfered with city business, so this practice has been discontinued. Staff meeting business is now reported to the city council at regular council meetings.

State Water Board: The State Water Board problem arose when the City of Etna Public Works Supervisor position was vacated. This person had been responsible for the regular reporting that the State Water Board requires concerning water treatment plants. Following the vacancy, no one took responsibility for this task. The State Water Board repeatedly sent messages to the City of Etna advising and warning that this reporting was required by the State,

and that serious consequences would occur if the reports were not received. The first notice of failure to report from the State Water Board was received on April 10, 2012. This notice required corrective action by July 9, 2012. There is no record that any action was taken by the City to comply with this request.

On September 29, 2014, the State Water Board issued a subsequent notice of violation requiring completion of the requirements by October 24, 2014. The City again failed to take action, and was informed that they could be fined up to \$396,000. City Council minutes, up to this date, did not reflect any correspondence between the State Water Board and the City concerning non-compliance and the possibility of fines. The first record of State Water Board violations is recorded in the city council minutes of August 8, 2015.

In May 2015, the City Attorney and the Mayor went to Sacramento to negotiate with the State Water Board. No mention of this meeting appeared in any Council meeting minutes. A consulting engineer was hired to comply with the State Water Board request. Authorization for this hire was not found in any of the reviewed council minutes.

Had there been no complaint to the 2015-2016 Civil Grand Jury, there would have been no investigation into the activities leading up to the payment of the fine. Subsequently the fine was negotiated down to \$19,182. The aggregate cost to the City of Etna for this incident including attorney fees, travel, and consultants was over \$40,000. This money was taken from the City of Etna reserve account.

There is evidence that city government has failed to hire a competent certified replacement for the Public Works Supervisor to comply with State Water Board requirements. It is the understanding of the Grand Jury that the city currently contracts out this responsibility.

Due to conflicting information provided throughout the Grand Jury investigation, it appears that no one has taken responsibility for non-compliance and the resulting fines regarding the State Water Board issue.

Dollar General: Our investigation revealed that although normal permitting processes were followed, a more transparent city council could have brought this project to the public's attention at a council meeting prior to approving the project. A very active and vocal group of citizens, including the complainant, were strongly against the Dollar General store. Subsequent interviewees elicited opinions to the contrary.

FINDINGS

F1. A lack of sufficient training for city employees and city council members regarding policies and procedures for

managing city government has resulted in substantial cost to the citizens of Etna.

F2. There appears to be a lack of communication among city council members, city staff and the public.

F3. Supervision of City employees is inadequate.

F4. There does not appear to be any clear evidence of wrongdoing in the Dollar General store case.

RECOMMENDATIONS

R1. Provide city staff and city council members better training in policies and procedures including the Brown Act.

R2. City council should create adequate avenues of communication to ensure city government transparency.

R3. The city council should pursue recruitment of a city manager to take on the responsibility for city operations and supervision of employees.

R4. No action required.

REQUEST FOR RESPONSES

Pursuant to Penal Code section 933.05, the grand jury requests responses as follows:

From the following individuals:

Mayor of Etna (R1, R2, R3)

From the following governing bodies:

Etna City Council (R1, R2, R3)

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

APPENDIX

The State Water Board Enforcement News website posted on September 28, 2015 at 5:00PM reports:

“SACRAMENTO – The State Water Resources Control Board (State Water Board) and the City of Etna Collection System have entered into a settlement agreement requiring the city to pay \$19,182 for violating a California Water Code Order relating to General Waste Discharge Requirements for Sanitary Sewer Systems.

The State Water Board urged Etna to come into compliance on several occasions, yet compliance was not achieved until the Office of Enforcement notified the city of a forthcoming administrative civil liability.

In lieu of issuing an administrative civil liability complaint with a hearing before the State Water Board, Etna and the Office of Enforcement entered into a settlement agreement. On Oct. 12, 2015, the executive director of the State Water Board issued an Order approving the settlement agreement. Under the agreement and the executive director's Order, the city must pay the entire penalty of \$19,182 and waives its right to a hearing and reconsideration of the Order.”



SISKIYOU COUNTY JAIL



SUMMARY

According to Penal Code Section 919(b), the Siskiyou County Civil Grand Jury is required to inspect the conditions and evaluate the management of all correctional facilities in Siskiyou County on an annual basis. An inspection of the Siskiyou County Jail was conducted and information was presented by representatives of the Sheriff's Department on January 8, 2016.

BACKGROUND

Concerns have been raised about overcrowding in the Siskiyou County Jail. Staff report that if a new jail is not built soon, there is a possibility that the safety of jail staff and inmates may be compromised. Jail staff, law enforcement and the Board of Supervisors (BOS) are addressing this concern by pursuing various funding sources.

METHODOLOGY

Members of the 2015-2016 Civil Grand Jury inspected the County Jail, interviewed jail staff, and reviewed articles in the Siskiyou Daily News pertaining to both the existing jail and the proposed jail. Unless otherwise specified, the information below was obtained in interviews with jail staff.

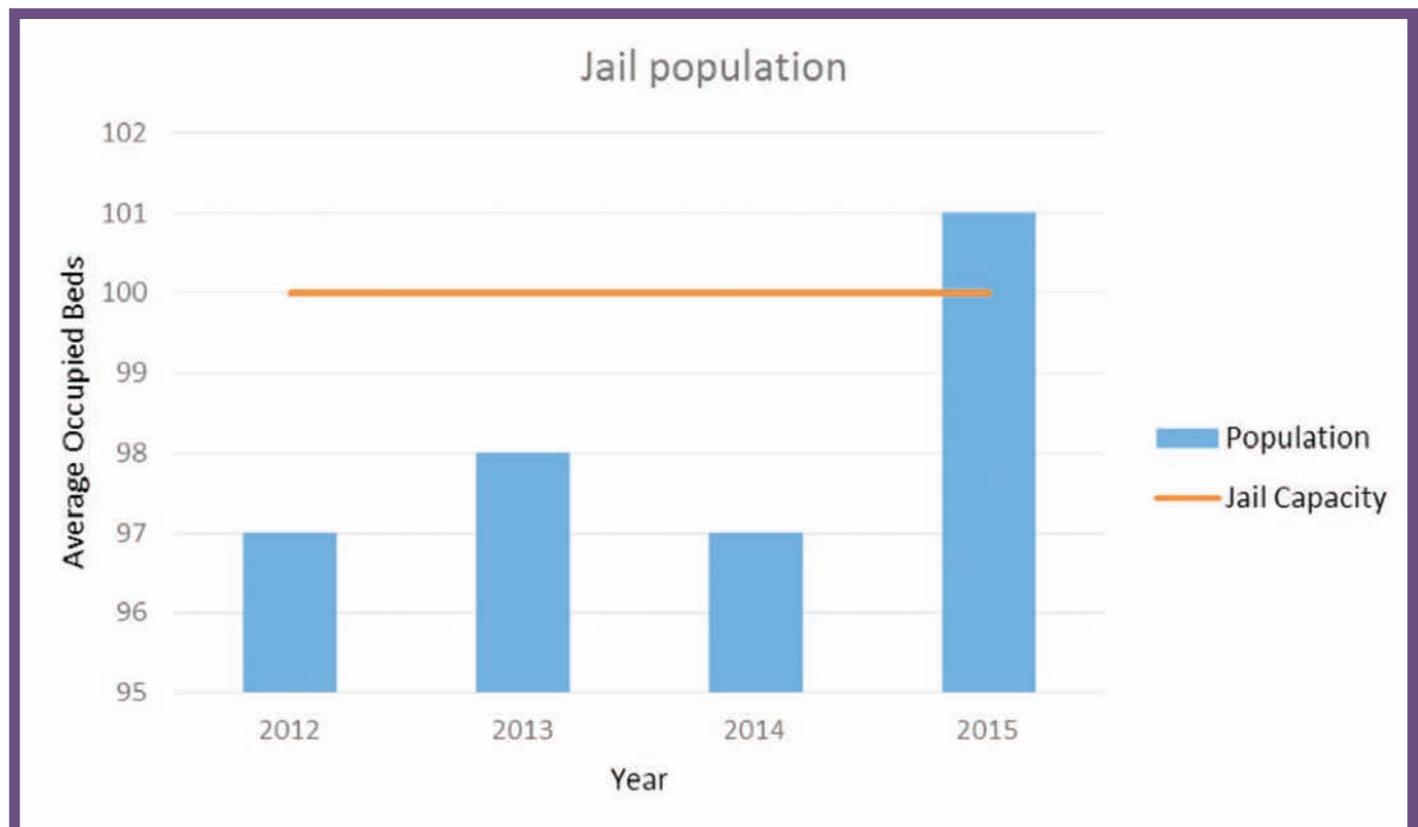
DISCUSSION

The current jail was built in 1987, with a capacity of 104 beds. On some days, the jail is over capacity. There is no possibility for expansion of the current jail; it cannot be built upwards, and there is no space to build more infrastructure such as laundry and kitchen facilities in order to serve the increased population. It is not possible to extend the building out into the parking lot area, either. Acquiring property next to the existing jail and expanding there was explored, but the law requires that if such an expansion is undertaken, the existing facility must be brought up to current code. This would require a major renovation of the current jail, driving up the cost of the project.

The cost of sending inmates out of county to other jails due to overcrowding is approximately \$80 per day per inmate. If 50 inmates are sent out per year, the cost is estimated at \$1,440,000 per year, not including transportation costs.



The current jail was designed to house people awaiting trial and those serving sentences of less than one year. Due to AB 109 Post-Release Community Supervision (PRCS) policies, which came into effect October 1, 2011, most felons must now be housed in the county jail rather than being sent to state prisons. At the present time, only felons are serving their sentences in the jail; there is no room for lesser offenders.





SISKIYOU COUNTY JAIL



Inmates are housed according to a classification system. For example, females must be kept separate from males. Some inmates must be housed separately due to the nature of their crimes, their violent behavior, mental health issues or medical needs. Due to overcrowding, administration has not always been able to appropriately segregate inmates when necessary. Staff expressed concern that improper housing could result in litigation and violence among inmates. Another result is that sentenced inmates are released from jail before completing their sentence in order to make room for incoming inmates. Jail staff reported that they contact the District Attorney's office frequently to confer on jail bed availability.

The Civil Grand Jury observed an altercation between two inmates during its inspection. The inmates were immediately removed to

protective custody. One of them had to be housed in a holding cell normally reserved for booking since all the appropriate beds were full.

The proposed solution to address overcrowding is to build a new jail. There is \$27 million currently available through AB 900 to build a new jail, but rising construction costs now put the estimated cost at \$37 million – leaving a \$10 million gap. There will be a measure on the June 2016 ballot to add an additional 0.5% to the current sales tax rate.

FINDINGS

F1. The County Board of Supervisors and the Siskiyou County Sheriff are to be commended for continuing to explore funding options for a new jail, and for continuing to inform the public about progress in that direction.

F2. Jail staff are to be commended for making efficient use of limited resources.

F3. The existing jail does not appear to meet the current needs of the county.

RECOMMENDATIONS

R1. The Board of Supervisors and the Sheriff should continue to keep the residents of Siskiyou County informed about progress being made in this endeavor in a timely manner as events unfold.

R2. No recommendation.

R3. If the tax increase does not pass, the Grand Jury expects to hear what plans the Board of Supervisors and the Sheriff have to deal with current and potential future overcrowding in the jail.

REQUEST FOR RESPONSES

Pursuant to Penal Code section 933.05, the grand jury requests responses as follows:

From the following individual:

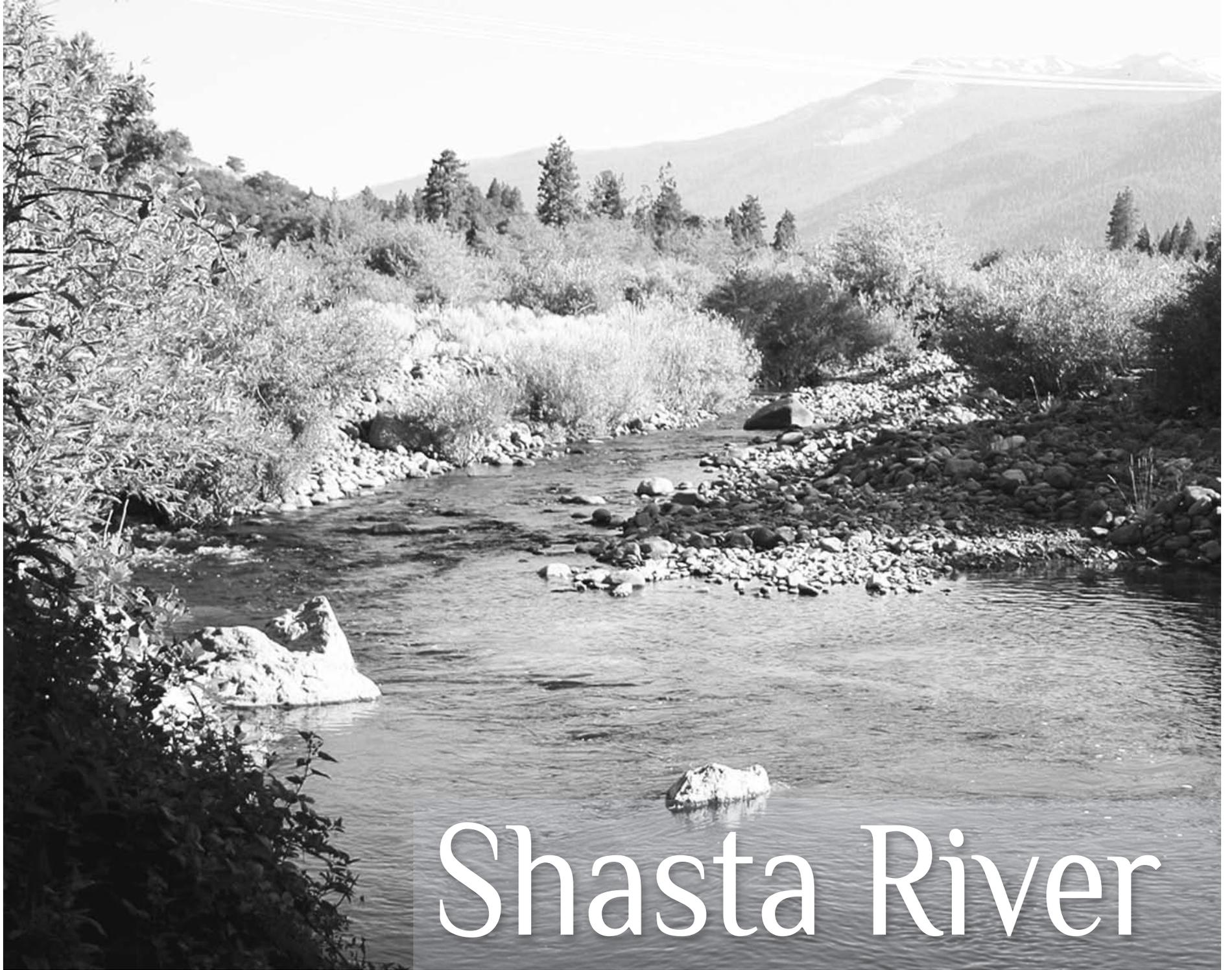
Siskiyou County Sheriff is requested to respond to R1 and R3.

From the following governing body:

Board of Supervisors is requested to respond to R1 and R3.

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





Shasta River

Request for Grand Jury Information & Application

- I am interested in knowing more but I am not sure if I qualify.
- I would like to know more. Please send me information.
- Yes I think I would like to serve. Please send me information and an application.

Name _____ Email _____

Address _____ Phone _____

Return this form to, or call, or email:

Siskiyou County Administration Becky Sloan

Civil Grand Jury Coordinator, 1312 Fairlane Rd., P.O. Box 750, Yreka, CA 96097

530/842-8005

Fax: 530/842-8013

Email: bsloan@co.siskiyou.ca.us



CHARLIE BYRD YOUTH CORRECTIONAL CENTER



SUMMARY

According to Penal Code Section 919(b), the Siskiyou County Civil Grand Jury is required to inspect the conditions and evaluate the management of all correctional facilities in Siskiyou County on an annual basis.

BACKGROUND

The Charlie Byrd Youth Correctional Center (CBYCC) serves youthful offenders. It is located at 269 Sharps Road in Yreka, California. In January of 2006, the facility opened its doors. There are currently nine full time and four-part time staff on various shifts. Administrative staff is composed of a Chief Probation Officer, a Deputy Chief Probation Officer (Adult Division), a Deputy Chief Probation Officer (Juvenile Division) and a Superintendent of the Juvenile Hall.

METHODOLOGY

On November 19, 2015, members of the 2015 - 2016 Siskiyou County Civil Grand Jury conducted an inspection of the Charlie Byrd Youth Correctional Facility. The tour was led by the Superintendent, Chief Probation Officer, Deputy Chief Adult Probation Officer and Deputy Chief Probation Officer.

DISCUSSION

There are two housing units with 20 beds each. At the time of the Grand Jury's visit, there were 12 youth at the facility, so only one unit was in use. All juvenile offenders are medically evaluated upon arrival at the facility. There is a Registered Nurse on call 24 hours a day. All juvenile offenders are seen by the nurse within 72 hours of admittance. Every Thursday morning a medical doctor reviews medications prescribed to youth at the facility. They are processed to assess risk issues and are evaluated to determine what individual programs will benefit them. Their personal clothing and possessions are stored and each youth is assigned to an individual cell. Males and females are housed separately. The youth are provided clean clothing, towels and showers as needed. They receive breakfast from the juvenile hall kitchen. Lunch and dinner are provided by the county jail kitchen.



At CBYCC, many programs are available to juvenile offenders. The staff have been creating programs and writing grants to serve youth locally. Class topics include cooking, writing, information on paternity, child support, and canine training. Outdoor sports activities are available to youth. Mental health services are available, including drug and alcohol counseling. Horses are brought to the facility to provide equine therapy. This equine program is a model for other juvenile facilities.

The Siskiyou County Office of Education provides funding for the program and two full time teachers to CBYCC. Each juvenile offender has an Individual Education Plan (IEP) and attends class



from 8:45 a.m. to 2:45 p.m. five days a week. They participate in physical education classes. Youth earn credits for completing school work. Some youth receive a high school diploma while at the facility; others have attended classes at College of the Siskiyous. CBYCC is reported to have a high GED completion rate. There is a library with more than 2,000 books and other resources.

Once juvenile offenders complete all probation requirements, they may petition to have their records sealed.

Youth are allowed to have jobs outside juvenile hall. This privilege is limited to youth that have completed high school.

Staff utilize a point system to encourage positive behavior. Juveniles may complete extra duties to earn additional points. These points can be spent on movie nights or in the commissary. Negative behavior results in a loss of points. A conflict resolution program and a grievance program are also available. There are few grievances filed by the youth, and records are kept of each grievance. Grievances are handled by the senior Deputy Chief Probation Officer. There is no corporal punishment at the facility, per Title 15.

Juvenile offenders are allowed to communicate with family. They may write letters and stamps are provided. The staff screen the mail. Parents may pay for youth collect phone calls. If juveniles acquire sufficient points based on good behavior, they are not charged for the phone call. Visitation is scheduled three days a week, and is limited to parents, guardians and other approved relatives. The grand jury observed that the visitation room was large and institutional. Staff commented that they would like the visitation room to be modeled after a family living room.

All juvenile offenders are assigned an attorney. They may complete a request form at any time to speak with their attorney.

CBYCC also houses juvenile offenders from other counties. They receive \$100 a day for each youth. Last year the County received approximately \$87,000 from other counties.

CBYCC is clearly functioning well and providing worthwhile services.





THE NEXT STEP PROGRAM



SUMMARY

One of the duties of the Siskiyou County Civil Grand Jury is to look into the function and operations of various county departments. In carrying out this responsibility, the 2015-2016 Grand Jury has elected to examine the Next Step program offered by Behavioral Health Services under Alcohol and Other Drug Services.

GLOSSARY

12-Step Program - A 12-step program is a set of guiding principles outlining a course of action for recovery from addiction, compulsion, or other behavioral problems.

AOD - Alcohol and Other Drugs

GED - General Educational Development test for those who are seeking a high school equivalency certificate.

MHSA - Mental Health Services Act

SAPT - Substance and Prevention Treatment

BACKGROUND

The Grand Jury chose to investigate a program within Behavioral Health Services. This is the first time Next Step has been the subject of a Grand Jury Report.

METHODOLOGY

The Grand Jury interviewed several staff members of Behavioral Health and Next Step. In addition, the following documents were reviewed on the Internet:

- 2014 - 2017 - MHSA Three-Year Plan -- Exhibits (Certifications)
- 2014 - 2017 - MHSA Three-Year Plan - Expenditure Plan Worksheets
- Behavioral Health Services Mental Health Services Act Annual Update for Fiscal Year 2015/2016
- FY 2015/16 Mental Health Services Act Annual Update Funding Summary
- Siskiyou County 2015 MHSA Survey Results Community Supports and Services
- Perinatal (Next Step) budget
- Length of Stay Report, Siskiyou County Mental Health 2-1-14 to 2-1-16
- Next Step Brochure
- Program Mission/Philosophy Statement
- Annual Report on Needs & Performance of the County's Mental Health System

The documents listed below provided information regarding how the Next Step program works, who can utilize the services and how long services typically last. The Grand Jury collected these documents from the Next Step staff; the documents are used by and for clients. These documents provide information to clients and provide tracking of treatment services.

- Next Step Orientation
- Addiction Severity Index
- Client Questionnaire (Psych/Social)
- Next Step Client Guidelines
- Siskiyou County Behavioral Health Services Treatment Plan

Next Step Confidentiality of Alcohol and Drug Abuse Client Records, Rev. 4/21/2010

Turn Around Confidentiality of Alcohol and Drug Abuse Client Records, Rev. 4/21/2010

Attendance Summary; Drug and Alcohol Test Record

Not Allowed & Allowed Medications in Sobriety Lectures and Activities to be Covered During the Course of Treatment, Rev 11/9/09.

DISCUSSION

In 2013, the Siskiyou County Board of Supervisors created the new department of Health & Human Services. The Behavioral Health Services division includes Adult System of Care, Alcohol & Other Drug Services (AOD), Children's System of Care, Crisis Services and Medical Support Services. The authority for this new department is found in the Siskiyou County Code, Title 2 Administration, Chapter 37, Department of Health and Human Services and became part of the code as Ord. No. 13-09, § I, 8-6-2013.

AOD offers a continuum of care including prevention through intensive outpatient treatment programs for youth and adults. There are five specific programs: Lifeworks, Substance Use Disorder (SUD), Next Step, Prevention, Transformations and Turn Around.

The Next Step program was established in 1991, but there is very little information available about its inception. By 2000, there were more referrals than the program could serve at one time. Initially a series of waiting lists was created to accommodate client referrals, screening and assessments. An orientation list was created as a means to contact referrals. Lifeworks was utilized to provide interim treatment during the waiting period. After a series of adjustments, the referral time has been greatly reduced. Today when a client is referred, a call to Next Step results in an appointment within a week. Screening, assessment and orientation all take place during that appointment, and treatment begins the next day. Next Step is an intensive outpatient treatment program primarily provided to adult substance-using women who are pregnant and/or parenting children under 18. Participants join a 20-week program, with an additional six weeks of aftercare in the Lifeworks program. Next Step is also open to all women, regardless of past or present parenting status, but preference is given to those who are eligible for perinatal services. Treatment includes assessments, referrals, access to treatment and recovery services, case management, parenting and other services specific to women.

Next Step offers assessment, education about the disease of addiction and its effect on individuals and families, individual treatment plans and goal setting, the support and treatment necessary to reach goals, group counseling, individual counseling with case management, 12-step program grounding, and includes the following list of lectures and activities: making responsible choices, building self-esteem, responsibility of parenting, responsibility for own life, celebrating without drugs/alcohol, taking appropriate risks, repairing family relationships, who has influenced your life, community resources, trust, domestic

violence prevention, self-care, communications skills, nutrition plan, developing healthy relationships, relaxation, guided imagery, meditation, stress, education plan, grief and loss, and process of change.

Once a client has her first Next Step appointment, she attends three sessions per week of three hours each. She also attends several 12-step meetings per week. These sessions are group counseling sessions, with classes in anger management, addiction and its treatment, parenting and a long list of additional skills.

Generally, the Next Step program can accommodate 14 women per 20-week program. Currently, approximately 28 women are served annually. Participants may alternate between Next Step and Lifeworks to meet their individual needs. Once the participant has completed Next Step, she will typically spend six weeks in aftercare in Lifeworks.

Lifeworks is the six-week aftercare program for Next Step and also serves participants of other programs. Lifeworks is an outpatient treatment program that includes four one and one half hour group meetings weekly, and up to six additional individual treatment hours per week. The recovery skills taught include AOD relapse prevention and other coping mechanisms. Life skills taught in this program include: communication, creating structure and time management, financial management, clearing debts, goal setting, employment skills, resume building, job interview skills, professionalism, educational skills, how to obtain GED certification and/or higher education, computer training, exercise and nutrition, stress management, parenting, community skills, the voting process, spiritual resources, social networking, anger management and domestic violence prevention.

Should Next Step participants experience a crisis, Behavioral Health Services offers assistance through Crisis Services, a call-in program which is available 24 hours a day, 7 days a week. This service is also available to the general public. To access these services, anyone may call 1-800-842-8979. The Next Step participant who is at risk of being a danger to herself or others, or is gravely disabled as a result of a mental health disorder may be transported to a local hospital for evaluation, and potentially to an inpatient psychiatric hospital for treatment. There is currently no inpatient psychiatric hospital in Siskiyou County. If the caller is determined not to be at risk, her needs will be assessed and she will be referred to appropriate services.

Many clients require transitional housing. Next Step staff reported that there is currently no transitional housing available in Siskiyou County for their clients. It is very difficult for women to be successfully treated while placed in transitional housing out of county, away from family. However, there are partnerships in place with facilities in other counties for Siskiyou County women who require such placement. The difficult choice for some women is to either be referred to another county, or to remain in undesirable living conditions within the county.



THE NEXT STEP PROGRAM



AOD and Next Step have joined in partnership with Child Protective Services, Probation and the Superior Court to accept referrals. Additional referrals come from local hospitals, primary care physicians, schools, other agencies and through self-referral. Public Health, also in partnership with Next Step, provides education regarding sexually transmitted diseases, hepatitis C, HIV testing, and contraception counseling. Next Step staff reported that Public Health is doing a great job with this program.

The AOD division is bound by law to maintain client confidentiality, which limits the ability for the agency to track long term program success after client departure. It was reported that the only statistics available represent total program participants and days of service provided. The Grand Jury was given reports for 2014 and 2015. Statistics on substance use disorder in Siskiyou County are also difficult to obtain.

Currently, Next Step funding of \$242,264 (FY 2015-2016) is received through state and federal sources.

These funds are referred to as Substance Abuse Prevention and Treatment (SAPT) funds. Everyone receives treatment whether or not she is able to pay. Next Step currently uses a sliding scale fee to determine payment. Many of those in the Next Step program are not able to pay, or even pay a minimal charge.

There was a major revision of CCR Title 22 Division 3, Subdivision 1, Chapter 3, Article 4, Section 51341.1 on June 25, 2014. This revision allowed AOD to apply for the new Drug Medi-Cal certification. If the AOD program is certified, the state will reimburse Next Step for treatment services provided to individuals who are eligible based on current California Medi-Cal parameters. After certification, the Next Step program would be able to run two groups of 14 concurrently and double access to the program.

The Behavioral Health Services Mental Health Services Act Annual Update for Fiscal Years 2015/2016 identifies the following challenges when providing services for the county:



- Recruiting and retaining trained, qualified clinicians and psychiatrists. The AOD program has five providers who share time with Next Step. Funds for one and a half providers are shown in the Next Step budget. Next Step is sharing resources with Behavioral Health, including the services of one psychiatrist.
- Adverse weather conditions and summer fires may result in clients and staff being unable to attend sessions.
- High unemployment; 12.4% unemployment rate in Siskiyou County versus 7.4% for the entire state.
- Living in a small area and the stigma attached to substance abuse problems. Both behavioral health staff and citizens are concerned with this problem, as seen in the 2015 Focus Group Results, posted on the Next Step web page.

These same challenges were discussed with Next Step staff

who concurred with the finding in the annual report. The Behavioral Health Services Mental Health Services Act Annual Update for Fiscal Years 2015/2016 report is posted on the Next Step web page.

The long-established Next Step program clearly has potential for good, not only for women and their children, but also for Siskiyou County as a whole. The Grand Jury found that Next Step staff are strongly committed to the program.

FINDINGS

F1. Next Step is designed to impact a specific segment of the population, and the benefits are overwhelmingly positive.

F2. Next Step is applying for Drug Medi-Cal certification, which will provide funding for medical review of treatment plans, case management, family counseling and additional staffing.

F3. There is no transitional housing or detox housing available for women in Siskiyou County.

RECOMMENDATIONS

R1. None.

R2. The Civil Grand Jury is recommending the Board of Supervisors assist Next Step as needed during the application process for Drug Medi-Cal certification.

R3. The Civil Grand Jury is recommending the Board of Supervisors assist Next Step and Behavioral Health Services to explore the possibility of providing transitional and/or detox housing for women in Siskiyou County upon request.

REQUEST FOR RESPONSES

Pursuant to Penal Code section 933.05, the grand jury requests responses as follows:
No responses required.

From the following governing bodies:

The Civil Grand Jury is inviting the Board of Supervisors to respond to R2 and R3.

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



SISKIYOU CO. CIVIL GRAND JURY RESPONSES TO THE 2014-2015 FINAL REPORT



TABLE OF CONTENTS

Siskiyou County Community Development
Department Complaint Process

Siskiyou County Treasurer/Tax Collector and
Auditor/Controller

The Weed School District Evacuation:
Lessons Learned

2013-2014 City of Weed Administration of Community
Development Block Grants (CDBG)

INTRODUCTION

The 2015/2016 Civil Grand Jury has chosen to publish the responses received after the printing of both the 2013/2014 and 2014/2015 final reports.

Pursuant to Penal Code 933.05, when requested government entities may be required or invited to respond to the recommendations and findings of a Civil Grand Jury. In this way, agencies that fail to respond are brought to the attention of the public.

Additional detailed information can be found in both the 2013/2014 and 2014/2015 Civil Grand Jury Reports.

SISKIYOU COUNTY COMMUNITY DEVELOPMENT DEPARTMENT COMPLAINT PROCESS

The Siskiyou County Planning Division is one of three divisions within the Siskiyou County Community Development Department (Planning, Building and Environmental).

The prime responsibility of the Planning Division is to manage the County General Plan, zoning ordinances and the California Environmental Quality Act. This department processes applications for land divisions, use permits, zone changes and variances. They manage their own complaints within their jurisdiction.

The Civil Grand Jury elected to review the Planning Division in regard to how complaints are managed.

Finding 1. “We reviewed the computer logs for the years 2013 and 2014. In 2013, 271 complaints were entered, with 28% showing unresolved; in 2014, 57% showed unresolved. Since the complaint binder, which includes unresolved complaints, is put into storage at the end of the year, the percentage of unresolved complaints may actually be lower. Inaccurate and untimely reporting of complaint resolutions may affect these statistics. It was learned that log print-outs are not reviewed regularly, or used as a management tool. There appears to be no designated individual assigned to track complaint handling. Staff shortages may make this tracking difficult.”

Recommendation 1. “The computer logging system for tracking complaint status could be a good source of information. It should be updated regularly. A log print-out

should be used as a management tool to see what progress, or lack of progress, has occurred. It would be more efficient if the print-out could be done on a division basis. This would provide valuable input for management.”

Response 1. “Community Development Department (agrees) “The Department acknowledges that the complaint binders are filed at the end of each year. It should be noted that while the hard copy of the complaints are filed, their status as unresolved are still maintained in the electronic log. Since the Grand Jury’s investigation, the Board of Supervisors authorized the hiring of a code enforcement officer. With the reinstatement of this position, all of the procedures involving the code enforcement process are being reviewed and updated as necessary. This effort will include how complaints are filed, maintained, tracked, reviewed, prioritized and managed. The Department thanks the Grand Jury for the recommendation on the use and maintenance of the electronic log and printout. It is anticipated that this effort will be implemented prior to the end of this year.”

Finding 2. “At the end of each year the original written complaints in the binder, both resolved and unresolved, are sent to storage. New binders are then started for the new year. The complaint computer print-out with a summarized listing of all complaints remains more readily available to staff. It is a quicker and more reader-friendly source of complaint subject matter. Staff advises that this complaint log is not used regularly, and some appeared not to be aware of its existence. Staff also commented that at any given time it is difficult to know the exact status of any unresolved complaint.”

Recommendation 2. “We believe that the binder can be a useful resource. It is suggested that only the resolved complaints be sent to storage. The binder could then become a quick, complete reference of unresolved complaints regardless of when they were received. When a complaint is resolved and noted in the binder, the computer log print-out should also be changed to reflect the resolution date. Both of these complaint reference tools should reflect the same information. Management should strive to educate staff on the best use of the complaint computer print-out log. Keeping this log up to date would allow quick and easy reference to determine the current status of the filed complaints.”

Response 2. Community Development Department (agrees) “As noted earlier, the Department is in the process of reviewing and updating, as necessary, all of the procedures involving code enforcement activities. The Department thanks the Grand Jury for this recommendation and it is anticipated that the Department’s updated processes will include maintaining “open” complaints in both a hard copy and an electronic form, ensuring the consistency of information in both written and electronic forms, and staff training on the new procedures and availability of information. As noted earlier, it is anticipated that this effort will be implemented prior to the end of this year.”

Finding 3. “The issuance of fines and the permit revocation process is time-consuming and unfortunately, not used often. While we understand the staff’s desire to minimize these actions, those affected by the violations are seeking help from their paid-for county services. The absence of an enforcement officer makes this situation even more difficult.”

Recommendation 3.

“We are advised that the Planning Division is working on a new ordinance that may streamline the fining process. We commend the department for this effort and encourage the completion and approval by the BOS. Use permit revocation should be used more often, and fines increased as stronger motivation to resolve complaints.”

Response 3. Community Development Department, partially disagrees. “Subsequent to the Grand Jury investigation last spring, County staff completed the processing of a comprehensive amendment to County’s code enforcement provisions. This amendment added new enforcement processes which allows County staff at the onset of a code enforcement investigation to determine the most appropriate process, or processes, to use in an effort to gain compliance and resolve the code violation. In addition, the new code enforcement ordinance also established new fines and the ability to recover administrative costs incurred in an enforcement action. County staff anticipates that the new processes will reduce the staff resources necessary to process code complaints and, in those cases where compliance is not voluntarily achieved, the ability to recover the enforcement costs.”

“The partial disagreement with this finding(s) stems from the recommendation that the use permit revocation process be used more often. One issue is that the use permit revocation process is only available in those cases where a use permit has been granted and there is a violation of the use permit. This condition represents a very small percentage of code enforcement cases. In addition, in order to process a use permit revocation, public hearings before the Planning Commission and the Board of Supervisors are required. This process can be quite lengthy and conducting an enforcement action with the new administrative processes may be able to resolve the compliance issue more efficiently. While use permit revocation is a tool that can be used to resolve a compliance issue, County staff believes that in any given enforcement case, the compliance issues should be considered and then the selection of the most appropriate enforcement process should be made. In other cases, however, it may be the one of the new enforcement processes that has been included in the amended code enforcement ordinance provisions.”

Response 3. Board of Supervisors partially disagrees. “The Board recognizes that it has been nearly 6 years since the County has had a Code Enforcement Officer and implementing the new ordinance provisions and establishing the new code enforcement processes will take a little time. The Community Development Department staff has committed to reporting on the effectiveness of the new code enforcement ordinance in November, 2015. At this time, the Board will also review any Department recommended changes to improve the efficiency and effectiveness of the County’s code enforcement ordinance provisions.”

“The partial disagreement notation stems from the recommendation that the use permit revocation process be used more often. The use permit revocation process can be a lengthy, time-consuming process as it requires a Planning Commission hearing and a Board of Supervisors hearing. The new code enforcement provisions include different processes that are geared at obtaining compliance as



SISKIYOU CO. CIVIL GRAND JURY RESPONSES TO THE 2014 -2015 FINAL REPORT



efficiently as possible. In certain cases, these processes can be used to obtain compliance more efficiently than the use permit revocation process. However, ultimately the use permit revocation process is available if compliance cannot be obtained with less resource-intensive methods.”

SISKIYOU COUNTY TREASURER/TAX COLLECTOR AND AUDITOR/CONTROLLER

“County Treasurers throughout California are generally charged with investing cash which is not required for current day to day use. Both large and small counties perform this function. Treasurers are elected officials and usually serve a four-year term. Siskiyou County is no exception, and has an elected Treasurer who, in Siskiyou County, is also the Tax Collector.

On most given days the Treasurer/Tax Collector office manages approximately one hundred million dollars (\$100,000,000) of invested funds. The county Treasurer/Tax Collector investment activities include cash from most county school districts, special districts and county funds in a pooled fund. These services are provided at no charge. These districts normally account for less than half of the total funds.

In Siskiyou County as well as in other counties in California, the Auditor/Controller’s office participates in the management of cash investments. Their prime responsibility is to provide auditing services of cash being handled by the Treasury Department.”

Finding 1. “The elected Treasurer/Tax Collector is in sole control of Siskiyou County cash investment decisions. This may not be unique to, or improper, in small counties like Siskiyou County. It raises the question of having qualified backup for this critical function. Should the Treasurer/Tax Collector not be able to perform duties of cash investment management, continuity issues could arise. Cross training is occurring in various areas, but due to staff reductions this may be limited.”

Recommendation 1. “The Civil Grand Jury feels it is important that the Treasurer/Tax Collector share information with key staff members at least monthly. This should include strategy, liquidity goals, contacts, reports, software and location of key information.”

Response 1. County Treasurer /Tax Collector. Response requested and not received.

Finding 2. “The Auditor/Controller’s office performs audits of the Treasurer/Tax Collector’s office on a monthly basis. They try to alternate their auditors so that the same staff members are not dealing with each other month after month. Staff reductions make this more difficult. The monthly audits performed would be more beneficial if the auditors were aware of the relevant government code and the Treasurer’s office cash investment policy.”

Recommendation 2. “It is not the job of the auditors to determine if investments follow state government investment

codes or county guidelines, but to make certain all cash is accounted for. It would be helpful if the auditors are aware of government investment codes and Siskiyou County Treasurer investment policy. This would allow them to highlight items needing attention should the audits reveal something of interest. Currently these items may only be noted by the independent, annual outside auditor’s process.

Rotation of auditor personnel needs to be a high priority. Separation of duties of these departments must be maintained as much as possible to keep an independent view.”

Response 2. Auditor/Controller “The Auditor/Controller has an internal policy that requires staff to rotate auditing functions on a monthly basis. We currently audit monthly, not quarterly, and except for when staffing requirements do not allow it, we alternate the staff that performs the audit functions at the county treasury.”
“Annually we contract with a certified public accountant to perform an audit of the assets in the county treasury and to express an opinion.”

“Please note, GC53607 provides for the legislative body to take fiduciary responsibility over the investments, reinvestments, selling, exchanging, or purchasing of the local agency’s funds. This is not an Auditor-Controller function, but rather the oversight of the investments of local agency funds lie with the Board of Supervisor’s.”

Finding 3. “The Treasury Oversight Committee is not meeting regularly. The committee does receive monthly County Treasury Investment Reports. The reports detail the current invested cash. Their responsibility is to conduct an annual audit, review and monitor investment policy. County policy may be inconsistent with state government code.”

Recommendation 3. “If the oversight committee is to be an important factor in the auditing process, they should meet after the independent outside auditor’s report is published. This would allow committee review of audit results, and a discussion of any findings. County investment policy should be reviewed by the oversight committee, specifically regarding the oversight committee function (Gov. Code Sections: 27130, 27132.4, 27133, and 27134)”

Treasure/Tax collector did not respond and Auditor/Controller was asked only to respond to the recommendation and not the finding, and no response was received.

Finding 4. “The county has been experiencing some decrease in revenue which has caused them to reduce operating budgets. This has been happening across California.

The Board of Supervisors, Auditor/Controller’s Office, and Treasurer/Tax Collector need to work closely to fund or reduce workloads.

The numbers of parcels taxed does not decline, so work requirements remain the same. Tax revenue dollars might decline, but departments still have the same expenses. Budgets still need monitoring, and audits still need to be performed. It was noted that audits of other county

departments have declined due to staff reductions. Some examples of potential problems associated with increased staff workloads could include collecting tax delinquencies and property seizures.”

Recommendation 4. “Staff interviews revealed that the Siskiyou County Board of Supervisors (B.O.S.) is aware of potential problems caused by increased individual workloads.

All departments should research how to become more efficient, and modify work procedures to improve work output.

If the Auditor/Controller and Treasurer/Tax Collector have suggestions for improvement, they need to be considered.”

Response 4. The Board of Supervisors partially agrees. “The Board of Supervisors is well aware of the impacts to the entire county organization due to budget cuts, going back to 2008. The Board has encouraged all Department Heads over the past years, to review organizational structures, workflows, service levels provided, etc. Many Department Heads have developed cost neutral or cost saving reorganizations that have been beneficial to the County and the public.”

“Regarding the Tax Collector’s office, there have been 8 FTE assigned to this department since FY04/05. In FY10/11 there was a mandatory layoff and the FTE was reduced by 1.0 to 7.0 FTEs.”

“Based on comparisons with similar rural northern CA Treasurer/ Tax Collector’s offices (see below) we do not consider this department significantly understaffed, and welcome input from the Tax Collector regarding suggested workflow improvements.”

	Population	FTE's
Lake County	63,965	10
Tehama County	63,264	3.75
Siskiyou	44,223	7
Lassen County	33,657	2.45
Del Norte County	28,248	5
Plumas County	19,338	6
Trinity County	13,506	5

“For the Auditor-Controller, the Board of Supervisors authorized a new 1.0 FTE during the FY15/16 Recommended Budget, for the newly created job classification of Senior Accounting Analyst. Total FTE’s assigned to the Auditor-Controller are now at 14. Based on a comparison with similar rural northern CA counties, we believe this is an appropriate staffing level for this department.”

	Population	FTE's
Lake County	63,965	11
Tehama County	63,264	12
Siskiyou	44,223	14
Lassen County	33,657	8.5
Del Norte County	28,248	8
Plumas County	19,338	7



SISKIYOU CO. CIVIL GRAND JURY RESPONSES TO THE 2014-2015 FINAL REPORT



Response 4. the Auditor-Controller “The Auditor-Controller’s office underwent a re-org in fiscal year 2009/2010. Additional changes were made again in fiscal year 2011-2012. This was in direct response to the change in the reduction of revenue streams that the county was receiving. The re-org resulted in the Auditor-Controller keeping staff that was in place at that time, however, some positions were under filled or reduced in salary grade. The Auditor-Controller chose to go without an Assistant Auditor-Controller in an attempt to save the county money. This position was then filled in January 2011. These changes resulted in saving jobs in Siskiyou County and saving money for the county overall.”

“The difficult task for the Auditor-Controller has been to educate the Board in understanding what functions are performed by this office. Since fiscal year 2012/2013, the Auditor-Controller has asked the board for an additional position to help support the functions of this office. The frustration has been the disconnect between how the County Administrator and the Board compare other counties with Siskiyou. You cannot use population as this has no bearing on the workload that effects the office. Nor can you simply contact counties that are of similar likeness. Each Auditor-Controller’s office performs different functions, has different processes in place, and may be combined with other offices, such as Lake County. E.g. In Lake County the position is Auditor-Controller-Clerk. It is like comparing apples and oranges.”

“The county continues to have additional projects that arise, such as the new Stage Transit Facility that is currently being built, the new proposed Jail Detention Facility, a new county service area. There are additional statutory and accounting guidelines that must be adhered to, as well as new statutory requirements for personnel/payroll. All of these things increase workload for the Auditor-Controller’s office.”

Finding 5. “The Auditor/Controller’s office performs financial functions for over two dozen special districts and other entities within the county. These services are provided at no charge.”

Recommendation 5. “The BOS, may consider reviewing this policy and determine if it would be appropriate to charge for financial services being performed for these entities. It seems logical that users of these services should pay for the work that is performed. The burden now falls to the general taxpayers of the county. This policy of billing for services is done in other counties in California. The income received by the Auditor/Controller’s office could pay for additional staff or projects.”

Response 5. The Board of Supervisors Disagrees. “The Board of Supervisors is very aware of the impacts of their decision not to charge Special Districts with the annual Costs Allocation charges to recover costs associated with the CAO, Auditor/Controller, County Counsel & Tax Collector/Treasurer offices. The Board is aware of the limited financial resources of most (if not all) of the Special Districts. The Board understands that most Special Districts are strictly volunteer based. Also, the Board has voiced their concern over the large fluctuations in the Cost Allocation charges and feel that the Special Districts fragile financial positions could not absorb such fluctuating costs. Many times these charges have fluctuated by over 100% within one year.”

“The below is a recap of the overall costs allocation charges to the Special districts:

FY12/13	\$81,378	
FY13/14	\$64,372	Decrease of approx. 26%
FY14/15	\$105,167	Increase of approx. 63%
FY15/16	\$170,945	Increase of approx. 62%

Response 5 Auditor-Controller “The Auditor-Controller recognizes that the special districts serve a specific purpose; however, resources and staff are used to serve the districts. The fund balances for the special districts range from \$1,872 up to \$368,072 as of July 1, 2015. Approximately half of the districts had over \$75,000 in fund balance as of July 1, 2015.”

“The federal Office of Management and Budget Rules and Regulations 2-CFR-225 (formerly known as OMB A-87 are the guidelines that the Auditor-Controller must use in order to prepare and apply the countywide cost allocation plan. This is not optional, nor does the Auditor-Controller dictate the methodology used. The costs are going up, as the needs of the districts increase and as they utilize more county resources.”

“The Auditor-Controller appreciates the opportunity to respond to the grand jury findings and recommendations as the needs of this office are ever changing.”

WEED SCHOOL DISTRICT FIRE EVACUATION: Lessons Learned

“The Civil Grand Jury decided to review the evacuation plans of Weed schools due to the Boles fire. No lives were lost and no students were injured; however, things could have been much worse had a number of people not gone beyond the bounds of duty to aid in the evacuation. As a result, significant changes have been made to the evacuation plans. The Civil Grand Jury wishes to commend teachers, staff, students and concerned citizens for being diligent in the performance of their duties.”

“The Civil Grand Jury felt that an investigation would be valuable not only to the Weed School District, but to other school districts as well.”

The district was invited to respond to recommendations, though not required.

FINDINGS

Finding 1. “Training made the evacuation plan successful.”

Finding 2. “All staff should be commended for quick and calm thinking. Staff worked hard to ensure that all children were safe.”

Finding 3. “Panicking parents are a major concern in carrying out any evacuation plan.”

Recommendation 1. “The evacuation drill should include a simulated parent/student pick up. It might be wise to give information to the parents so they know what the procedure is. If parents know what the school is doing, and why they are doing it, they may not panic as much.”

Response to Finding 3 and Recommendation 1: “Evacuation drills will include consideration for parent pick up of students starting in the 2015-2016 school year”.

Finding 4. “A significant factor in the success of the evacuation in this case was individuals improvising to ensure all students were safe when the plan was insufficient.”

Finding 5. “At the time of the fire, there was no means of effective communication among schools, parents, and first responders.”

Recommendation 2. “Provide two-way radios (or other means of communication) so that school staff and emergency personnel can communicate. The schools should have bull horns and whistles for on-site communications.”

Response to F5 and R2: “Two way radios and a bullhorn are now in use at Weed Elementary School”

Finding 6. “The plan did not provide for the possibility that the planned refuge might itself be unsafe, or that the evacuation route might be blocked.”

Recommendation 4. “Determine alternate evacuation routes. Have a refuge far enough away to be safe even in a major disaster.”

Response to Finding 6 and Recommendation 4: “Alternate evacuation routes have been considered for various emergency scenarios.”

Recommendation 5. “Change the fire alarm sound from a noisy siren to something that doesn't interfere with communications. Perhaps a calm voice that simply informs classes that a fire has been discovered, evacuate immediately, would work.”

Response to R5: “A calm announcement with directions will be made to inform, reassure and guide everyone on campus; this will be followed with a loud fire alarm to ensure that everyone on campus is alerted.”

Finding 7. “Planning does not include drills for large-scale events such as volcanic eruptions.”

Recommendation 6. “Include plans for a large-scale event or natural disaster.”

Response to F7 and R6: “The District will plan for large-scale disaster scenarios starting with the 2015-2016 school year.”

Finding 8. “Some staff had not yet had experience in handling a fire evacuation.”

Recommendation 3. “Include all staff such as custodians, and cafeteria workers, etc., in the evacuation plan.”

Response to Finding 8 and Recommendation 3: “Since the Boles Fire all drills have included all staff including cafeteria workers, custodians, and others.”

“Weed Union Elementary School District appreciates the commendation from the grand jury. Students, parents, staff and the community have learned from the Boles Fire Experience, and this new knowledge is valuable for improving responses in any future emergency situations.”



SISKIYOU CO. CIVIL GRAND JURY RESPONSES TO THE 2014-2015 FINAL REPORT



CITY OF WEED ADMINISTRATION OF COMMUNITY DEVELOPMENT BLOCK GRANTS (CDBG)

The 2013-2014 Civil Grand Jury made 13 Findings and Recommendations to the City of Weed regarding 70 outstanding Economic Development and Community Development Block Grant loans. The city failed to respond in a timely manner as mandated by Penal Code Section 933.05. A delayed response, in the form of a letter signed by Mayor Robert Hall, was received in September of 2015.

For additional information see the 2015/2016 Grand Jury CDBG report contained in this document.

Findings and Recommendations

Note: the responses to these findings and recommendations are contained within the Mayor's letter found at the end of this report.

Finding 1. "The Grand Jury review was not scientific but it uncovered a number of weaknesses in the CDBG/EDBG loan program."

Recommendation 1. "The City Council should commission an independent audit to determine if or how extensive these issues are within the CDBG/EDBG loan program. They should include a review of the obligations and performance of administration contractors and others involved in the program."

Finding 2. "In approximately half of the EDBG loans reviewed, the Grand Jury found concerns about the loan restructuring."

Recommendation 2. "The city should review these particular EDBG loans, perhaps engage independent legal expertise and determine if a better course of action should have been taken or can be taken now. The review should include administration contractors and others involved in the EDBG/CDBG loans and process. If the City has the possibility of loan losses, this could reduce the amount of loss to taxpayer funds funded programs."

Finding 3. "There appears to be a lack of concern by the City to pursue EDBG loan collateral. The Grand Jury could not find a policy, procedure or threshold that the City is using in this regard. For loan programs to be legitimate this process has to occur when necessary. The Grand Jury could not find retrieval of loan collateral on EDBG loans reviewed."

Recommendation 3. "The City needs to review its procedures and if one does not exist, it should create one that follows City guidelines. When necessary the City should retrieve collateral on non-performing loans."

Finding 4. "The Grand Jury found little evidence of City monitoring, regarding the requirement of EDBG loans to create local jobs. The public has a right to know how effective a major City loan program like the EDBG is on jobs and business revenue."

Recommendation 4. "The City should create a report showing the effectiveness of job creation and economic

creation under the City EDBG loan program. This report should be available for distribution within the city and to the public at least on an annual basis."

Finding 5. "The Grand Jury could not determine what the final approval or loan modification process was. The Grand Jury concluded that it is important to know who the responsible parties are so inquiries can be made. This should avoid confusion that was evident during our visits."

Recommendation 5. "The City should review its CDBG guidelines as adopted. If the guidelines are not clear the City should modify or create additional policies and determine specific responsibilities."

Finding 6. "When loan modification requests are made by the borrower, the city appears to not review current financial statements/information from the borrower. The lack of this information should make it difficult to reach a proper decision. It seems that a prudent lending procedure is to know the financial condition of the borrower. This should be especially true for non-performing loans. Included in the guidelines is the responsibility of the borrower to furnish annual financial information. The files included little information of that kind."

Recommendation 6. "Requests for CDBG/EDBG loan modifications from the borrower should be accompanied by current financial statements/ information along with revised projections for the business. The City should follow the guidelines requiring annual financial statements/information from borrowers. A performance history on the existing loan should be reviewed along with possible modifications of collateral prior to any action."

Finding 7. "The Grand Jury found that LC lacks training and understanding regarding CDBG/EDBG City guidelines. The LC would benefit if they knew the status of loans and the outcome of loans they approve. The LC would also benefit if they were more included in the loan process. The LC is an advisory board and should be independent."

Recommendation 7. "LC should be given training and gain an understanding of CDBG/EDBG guidelines. Reports showing status of existing loans, borrower performance history, job creation and economic contribution should be reviewed with the LC periodically. They should also be made aware of any request for modification to existing loans if they are not a part of this process. The City should encourage them to ask questions and request information that would help them in their process. The LC needs better inclusion in the process."

Finding 8. "The Grand Jury found varying opinions from LC on what their responsibility is, who they work for, who appointed them and what the City expects of them. They should understand that they represent the City of Weed and that GNC is a contracted consultant to the City."

Recommendation 8. "Information should be given to all LC members. It should include their responsibilities, who appointed them, who they work for, what GNC's role is and who they can go to for questions, requests and information."

Finding 9. "LC members do not have terms and are not required to file conflict of interest forms. Their responsibility as LC committee members is to deal with many individuals and businesses in the City. They should disclose their financial activity."

Recommendation 9. "The City should set terms of 2 or 4 years in order for LC members to be reviewed by the City on a periodic basis. Members should be appointed based on the qualifications outlined in the City CDBG/EDBG guidelines. Members should also be required to file conflict of interest forms on an annual basis."

Finding 10. "LC members do not see or approve LC meeting minutes."

Recommendation 10. "Prior LC minutes should be presented to the LC and approved by the members at each meeting. These minutes should be clear, complete, and reflect the full intentions of the LC. An LC meeting minute book should be kept."

Finding 11. "City Council needs appropriate orientation and a better understanding of City CDBG/EDBG guidelines and program. They have varying opinions on how the program works, and how they are administered."

Recommendation 11. "Annual orientation session for all City Council members should be required to cover CDBG/EDBG Guidelines and programs."

Finding 12. "CDBG/EDBG program appears to lack transparency. Of those interviewed few within the City seem to clearly understand the program."

Recommendation 12. "Appropriate reporting should be developed and made available to City administration and citizens of Weed. City Council should appoint a CDBG commissioner to help carry out this task along with giving oversight on the program activities."

Finding 13. "The City CDBG/EDBG programs need help with their implementation."

Recommendation 13. "City should seek assistance from appropriate State CDBG/EDBG departments. Additional training on program management, loan monitoring, procedures, collateral retrieval, loan modifications and delinquent payments would be beneficial. It may be helpful for the State to know the City's current situation so help could be more targeted."



SISKIYOU CO. CIVIL GRAND JURY RESPONSES TO THE 2014-2015 FINAL REPORT



CITY OF WEED RESPONSE TO 2013 - 2014 CIVIL GRAND JURY

“We were unaware that you were expecting a response to the former Grand Jury’s recommendations regarding the CDBG Program of the City. The recommendations of that Civil Grand Jury can be summarized into three categories: (1) The City Council should become actively involved in the oversight of the program. (2) Some documentation was inadequate or not up- to- date when specific files were reviewed. And, (3) additional training should be provided to participants in the program.

None of these recommendations made business sense to us. If one looked at the total number of loans that had been awarded over the years, such as the Civil Grand Jury’s point that the cumulative total was approximately \$1,000 per resident, it would appear that the loan program is substantial and important to the City. At one point this may have been true. But the program changed over the years. The State’s program was audited by the Federal government and criticized. As a result the State instituted a number of changes. As a result of these the program has stagnated and very few loans have been approved within recent years.

Weed only approved 3 business assistance loans and 2 residential rehab loans in the 3 years preceding the Grand Jury’s investigation. The total sum lent in this 3-year period has been \$86,667.

Applicants seeking funding in the program found long delays in obtaining State approval, often as long as a year or more. When first created the loan program funded loans which were less fully collateralized than traditional bank loans and at very favorable rates. By 2014 borrowers had to have essentially the same credit and collateral as would be required by local banks. And the difference in rates from those charged by local banks is often offset by the restrictions imposed on the money.

For example, a loan for remodeling a business would require the payment of “prevailing rates.” That means the contractor would have to pay the same rates to his employee as would be paid in San Francisco for similar work. This restriction on the use of funds would increase the cost of the project, require the borrowing of addition funds, and result in an overall cost significantly higher than what the business owner would pay if he or she received a loan from a local bank.

This loan program has become of such little use that others have decided to simply withdraw from the program and we informed the Grand Jury that it was our intention to follow the lead of Yreka and Redding and withdraw from the program as well.

We were surprised when the Grand Jury suggested that we commit significant staff time and taxpayer money into modifying the program we were in the process of closing down, and did close down. To expend those resources seemed to us to be a waste of taxpayer funds.

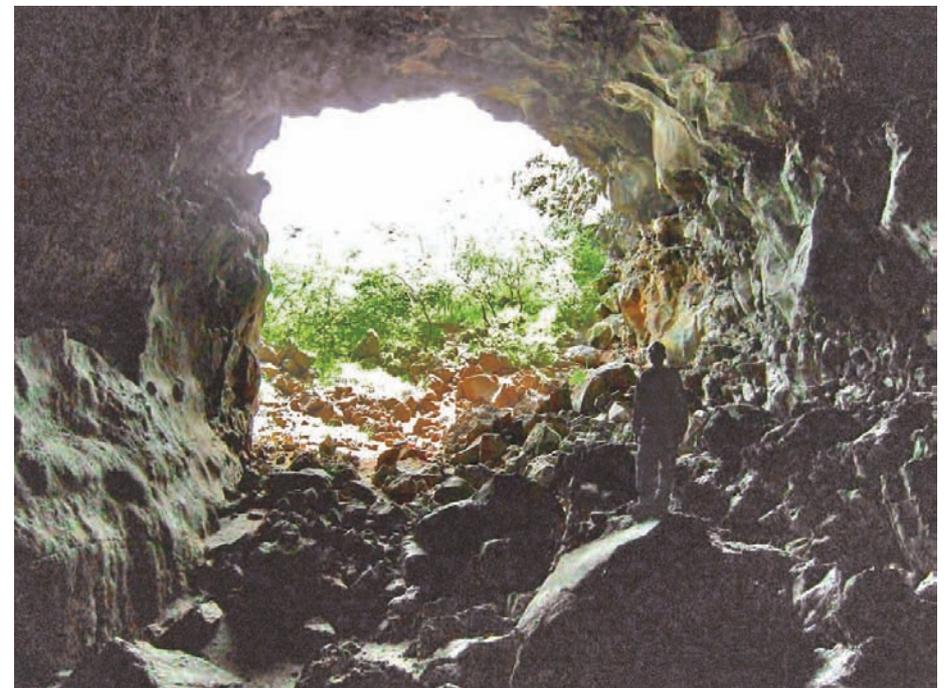
It is because we had already informed the Grand Jury that we were closing down the program that we did not respond to their suggestions to improve the program. Apparently they either did not hear us or did not take us seriously.

I can report to you today that the City does not now have nor does it intend to re-establish a revolving loan fund, payments on outstanding loans are being made and those funds are being used by the City to fund infrastructure improvements.

In addition, I can report to you that the Program was established by the State of California, the funds were provided by the State, not a single loan was issued without review and approval by the State, the State was fully informed of non-performing loans and the State’s approval was sought and obtained for any workout plan approved. In addition, the use of funds and the entire program was fully audited by the State and continues to be audited on an annual basis by the State. No funds were inappropriately used.”



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CITY OF WEED COMMERCIAL DEVELOPMENT BLOCK GRANTS



SUMMARY

In 2013-2014 the Civil Grand Jury final report voiced concerns about the way commercial development block grant loans were handled by the City of Weed. Because the City of Weed failed to respond to the Grand Jury's request within the required time limit (as required by PC933.05), the 2015-2016 Grand Jury chose to do a follow-up investigation on the status of the Commercial Development Block Grant program.

GLOSSARY

Community Development Block Grant program - (CDBG)
Great Northern Corporation - (GNC)
Housing and Urban Development Agency - (HUD)

BACKGROUND

The 2013-2014 Grand Jury issued thirteen findings, and subsequent recommendations to the city of Weed. In addition, the 2013-2014 Grand Jury requested formal responses to the thirteen recommendations as required by Penal Code section 933.05.

The 2015-2016 Civil Grand Jury received a letter dated September 15, 2015, signed by the Mayor of Weed, stating that Weed had terminated their participation in the CDBG program. During the 2015-2016 Civil Grand Jury follow-up investigation, conflicting information was provided.

METHODOLOGY

Weed city budget documents, contracts and some additional block grant loan documents were reviewed. Interviews were conducted with some Weed city officials, a CDBG loan committee member and a staff member from GNC.

DISCUSSION

CDBG money is distributed by the federal Housing and Urban Development agency (HUD) to the state, who in turn awards it to cities for commercial building development in the form of a loan. The loan repayments are put into a revolving fund to be available for other businesses to encourage further economic development. To qualify for the loan, the business loan recipient must include the creation of one full, or two part-time jobs, for every \$35,000 received.

The City of Weed participated in this program from 2006 to 2014. They signed a contract with Great Northern Corporation (GNC) to facilitate loan packaging and servicing, client outreach, job monitoring, attending workshops, loan committee liaison, debt collection, document updating and facilitation of public hearings as needed. When the jury requested a copy of said contract the City of Weed had to obtain one from Great Northern. The Jury reviewed the contract and found it to be very vague. The Grand Jury was unable to ascertain who was specifically responsible for monitoring delinquent loans and collecting the outstanding debt.

In 2014, HUD audited the California state program and changed the rules under which block grants were funded. The city voluntarily terminated their participation in the program in February of 2014.

There remain, however, a number of unpaid loans. There have been no repayments made on some of these loans. The city of Weed has apparently made no attempt to collect on these unrepaid loans, or take possession of collateral property. The aggregate amount of these unpaid loans is in excess of \$500,000.

Neither GNC nor the City of Weed could produce detailed current payment activity. Much of the outstanding debt centers around one borrower whose total loans comprise approximately one third of the outstanding balance owed to the city of Weed. It appears that the business owner in question made several attempts to set up a business without success. No one interviewed had information about the status of collection on this specific debt. Further, documents reviewed by the Grand Jury indicate that no payments have been recorded for this debt since the original loan received in 2006.

In the course of conducting interviews, the Grand Jury received inconsistent information. City officials disagreed about who was responsible for monitoring and loan collection.

Some businesses who received CDBG loans appear to be making regular payments. Although the outstanding funds are no longer available for new business loans, monies collected are now earmarked for infrastructure improvements. However, the City of Weed provided no evidence that they are attempting to collect on delinquent loans. The Grand Jury has grave concerns that the outstanding debt remains uncollected.

FINDINGS

F1. The Jury found no evidence that anyone is keeping track of the status of delinquent CDBG loans.

F2. Records provided show that there has been no concerted effort to collect on CDBG delinquent loans. Further, there is no clear delineation of responsibilities for CDBG loan maintenance and collection.

RECOMMENDATIONS

R1. Assign someone to take responsibility for the collection of outstanding CDBG loans. This person should provide regular updates on the status of said collections to the Weed City Council.

R2. The City of Weed should begin immediate efforts to collect all outstanding delinquent CDBG loan balances. In the event that the City chooses to contract out for this debt collection, there should be a formal written agreement outlining the specific responsibilities for the parties involved.

REQUEST FOR RESPONSES

Pursuant to Penal Code section 933.05, the grand jury requests responses as follows:

From the following governing bodies:
Weed City Council

Invited responses from:

Weed City Administrator
Great Northern Corporation

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



Siskiyou Ice Rink