COUNTY OF AMADOR, STATE OF CALIFORNIA
ADOPTED BUDGET
FOR THE FISCAL YEAR
JULY 1, 2012 TO JUNE 30, 2013

Compiled by:
County Auditor’s Office

Charles J. Bay
County Administration Officer

Eugene J. Lane
County Auditor - Controller
FISCAL INTEGRITY AND AMADOR COUNTY

BACKGROUND
The 2012-2013 Grand Jury (Grand Jury) received a citizen complaint about Amador County (County) having large reserves, while still laying off employees. The complaint further stated that the County has "millions in the bank." While looking into the complaint, it was determined that one of the main responsibilities of the County Board of Supervisors (BOS) was budget development and analyses. The Grand Jury decided County finances needed a more in-depth inquiry to understand the facts.

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

METHOD OF STUDY

• Interviews with several County employees, administrators, and department heads

• Reviews of the County's 2012-2013 Adopted Budget

• Review of BOS budget strategies for 2012-2013 and 2013-2014

• Review of other cities and counties budget documents

• Review of California State Government Guide to Governments – League of Women Voters

• Review of 2011-2012 Audit Report by an independent auditing firm

GLOSSARY OF TERMS

• Budget Workshop – a presentation of the proposed budget to the BOS for discussion. Presentation included the budget strategies that were developed by the BOS. It also revises any revenue estimates in property and sales taxes.

• Cash Reserves – accounts for the payment of authorized expenditures for any fiscal year in anticipation of and before the collection of taxes and other revenues. (example: payroll, rent, utilities, etc. for the first 4 months of the fiscal year)
- **Commissions** - appointed by the BOS to meet on a regular schedule to consider issues of local importance and to make recommendations to the BOS as needed. Commissioners are County residents who volunteer their time to serve their community's interests. (example: Planning Commission, Transportation Commission, Juvenile Justice Commission, etc.)

- **Fund Contingency (Emergency Money)** - monies allocated for emergency and one-time expenditures. (example: roof or road repairs not planned for)

- **General Fund** – accounts for all revenues and expenditures necessary to carry out basic governmental activities. (example: police, fire, roads, buildings, etc.)

- **Special Districts** – units of local government established by the residents of an area to provide some service not provided by the county. Special purpose agencies and districts advise the BOS and city councils on planning policy and implementation. Each agency/district has its own board and executive director. These roles often overlap with elected and appointed County and city positions. (example: Amador County Recreation Agency, Amador Water Agency, Amador Regional Transit System, Amador County Unified School District, etc.)

- **TRANS Loan** – Tax Revenue Anticipation Notes – loans obtained from outside lending sources to provide cash to pay authorized expenditures in a fiscal year that must be paid prior to the receipt of tax payments and other revenues. NOTE: The County strives not to use TRANS loans.

- **Trust Funds** – used to account for assets held by the County, in a trust capacity, or as an agent that cannot be used by the County to support its own programs. (example: Pension Trust Accounts, external Investment Trust Accounts, investment pools, and conservatorships, etc.)

**DISCUSSION**

The BOS must provide for the fiscal integrity of county resources. Money spent should not exceed revenues received. The BOS is required to balance the budget every fiscal year. The fiscal year begins on July 1 and ends June 30 of the following year. A committee determined that the incoming BOS members felt they were unfamiliar with the intricacies of government accounting and the County's budget process in particular. As time-in-term passed, the BOS members have learned various processes but there is still a gap in their knowledge. The BOS identifies budget policies to guide in the preparation of the departmental budgets. These strategies set the amount needed for the Cash Reserve and Fund Contingency.
FACTS

Finances

1. The County Treasury consists of:
   - Amador County funds: General, County Trust, Special Revenue, Capital Projects, Debt, Enterprise, Internal Service funds
   - Amador County Unified School District funds
   - Special Trust & Agency funds
   - Special Districts’ funds: Transportation, Abandoned Vehicle Abatement, Central Sierra Plan Council, Mokelumne River Authority, Sutter Creek and Lockford Fire Protection, Ione Memorial, etc.

2. The County revenue is received from the following sources which make up County funds:\(^1\)
   - Property taxes
   - Sales and Use taxes
   - Other taxes (Personal Property Tax)
   - Unrestricted interest and investment earnings
   - Other revenue (Fines and Fees)

3. As of June 30, 2012:
   - Total cash in the Treasury \$64,000,865
   - Total unrestricted cash in Treasury \$6,590,926
   - Total cash belonging to outside agencies and not available for county use \$28,078,114
Budget

4. For fiscal year 2011-2012 the County budgeted, for all funds:\footnote{1}
   - Revenues $58,706,329
   - Expenses $61,329,872
   - Shortfall $2,623,543

5. The County maintains a cash reserve that covers about 4 months of total County expenditures.

6. The County is required to monitor the Buena Vista Landfill on a regular basis as required by State standards. The State has indicated that approximately $6 million is the assigned liability.

7. Fund Contingency is used for unforeseen expenditures. (roofs, road repairs, etc.)

8. For fiscal year 2013-2014, the Fund Contingency is reduced to $0.5 million, which is approximately 1.5\% of the General Fund. This was a direct result of revenue not received to cover County expenses. In previous years, the contingency has been set at $1 million, or 3\% of the General Fund.

9. Of the County’s General Fund expenses, 60\% is related to salaries and benefits.

10. The County used furlough days to try to minimize the effects of the economy on County budgets.

11. Departments are given a base budget to plan their yearly expenses. Additions and subtractions are made as events occur throughout the fiscal year.

\footnote{1}{\textit{Note:} This is a fictional example for demonstration purposes.}

\textbf{Diagram:}

- **Adopted Budget (current year)**
- **Adjustments for one-time additions or subtractions**
- **Base Budget for new year**
- **Target % assigned for reductions by IGS**
- **Modified Base Budget for new year**
- **Board of Supervisor review + public comment**
- **Adopted Budget**

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(12)
12. During the economic downturn, General Fund departments are given a percentage to cut that applies to all departments. Department heads are supposed to submit a budget that meets this target. For fiscal year 2013-2014, departments were asked to cut 2% of the costs to the County. Reductions are accomplished with
   • an increase in revenues
   • cuts in expenses
   • a combination of both

13. Proposed budgets are discussed at an annual budget workshop that is open to the public. The budget workshop for fiscal year 2012-2013 was held on May 1 and 2, 2012 (1 ½ days). The budget workshop for fiscal year 2013-2014 was held on April 16, 2013 (1/2 day).

**Board of Supervisors**

14. Current members of the BOS come from private business.

15. The role of the BOS is to approve and monitor budgets and expenditures of:
   • all County departments
   • commissions
   • special districts

16. The BOS receives budget documents from various agencies and commissions in different formats.

17. BOS departmental budget does not include training funds:
   • FY2010-2011   -0-
   • FY2011-2012   -0-
   • FY2012-2013   -0-
   • Proposed FY2013-2014   -0-

18. Newly elected BOS members are required to attend a specific orientation in their first year as a board member.

19. California State Association of Counties (CSAC) offers an annual meeting with several seminars included. These seminars are available to BOS members to receive additional training.
20. Regional Council of Rural Counties (RCRC) has an annual meeting with several seminars included. Attendance to the annual meeting is optional.

FINDINGS

F1. TRANS loans are not necessary because the County maintains a cash reserve. (Fact 5)

F2. Sound budget policies have been used in the County for more than 25 years. (Facts 5, 8, 12)

F3. The State requires the County address the potential landfill liability. Because of the Cash Reserves policy, the County does not need to pay into the State’s trust accounts for the liability potential. (Fact 6)

F4. The fiscal integrity of the County has always been more important than an individual job. (Facts 9, 10, 12)

F5. The Fund Contingency in the County is less than the BOS budget strategies outlined. (Facts 5, 7, 8)

F6. Proposed budgets are submitted to the BOS from various agencies and commissions in different formats. The proposed budgets are reviewed by the BOS. The different formats cause confusion and can lead to misunderstanding the actual requests. (Fact 15)

F7. There are fundamental differences between private business accounting and governmental accounting. (Facts 5, 11, 12, 13)

F8. BOS departmental budget does not include training for themselves. (Fact 17)

F9. Review and approval of budgets are a key element to the BOS members’ job, including committees, departments, and county agencies. (Facts 4, 8, 9, 11, 12, 13, 15, 16)

RECOMMENDATIONS

The Grand Jury recommends that:

R1. the County continue to use budget strategies to maintain a healthy reserve. The BOS should strive to maintain a contingency fund that is 3% of county expenditures as economic times improve. (Finding 2)
R2. the County annual budget documents need to contain:
   • a glossary of terms,
   • a narrative on the county's financial health, and
   • a fully graphed and charted summary of the county's financial situation. (Appendix B - sample) (Finding 6)

R3. all budget proposal documents given to the BOS from any department, commission, or agency overseen by the BOS be presented in a standardized format. The BOS should develop a standardized format for budgets submitted to them. (Finding 6)

R4. the CAO's office should start the budget workshops with a short refresher course to the BOS on governmental accounting. (Findings 7, 8, 9)

R5. all Supervisors have opportunities to take classes on the processes of government, which highlight the differences between private business and government business. This should be required for all incoming Supervisors and could be completed online. (Findings 7, 8)

R6. concentrated training be developed for all members of the BOS on general governmental accounting and budget development specific to the County. Training should be developed by the Office of the County Administrative Officer (CAO). This training should occur at the beginning of every term of each supervisor. (Findings 7, 8, 9)

REQUEST FOR RESPONSE

Pursuant to Penal Code §933(c), a response to this report is required. No later than 90 days after the grand jury submits a final report in the operations of any public agency subject to its reviewing authority, the governing body of the public agency shall comment to the presiding judge of the Superior Court on the findings and recommendations.

1 Information obtained from 2011-2012 Audit Report by independent auditing firm
APPENDIX

Appendix A – County Revenue and Expenditures at a glance

Budget Comparisons - Revenues to Expenses
(Adopted Budget Documents Schedule 1)

<table>
<thead>
<tr>
<th>Year</th>
<th>Source of Funds</th>
<th>Use of Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010-2011</td>
<td>Blue</td>
<td>Red</td>
</tr>
<tr>
<td>2011-2012</td>
<td>Blue</td>
<td>Red</td>
</tr>
<tr>
<td>2012-2013</td>
<td>Blue</td>
<td>Red</td>
</tr>
</tbody>
</table>

(x 1000)

Total County Expenses as of 6-30-2012
Totaling $61,329,872

- General Government
- Public Protection
- Public Ways & Facilities
- Health & Sanitation
- Public Assistance
- Education
- Culture & Recreation
- Interest & fiscal charges
- Waste Management
- Airport
- County Service Areas

4,997,302
8,477,803
8,767,315
1,554,527
227,934
327,524
5,936,449
524,693
482,240
33,165
30,000,920
APPENDIX B – Budget at a Glance sample (Attached)
The mission of the City of San José is to provide quality public services, facilities, and opportunities that create, sustain, and enhance a safe, livable, and vibrant community for its diverse residents, businesses, and visitors.

The 2012-2013 Adopted Operating and Capital Budgets for the City of San José total $2.8 billion and represent the City's financial plan for the upcoming year. With this funding, the City will continue to deliver a wide range of services to the City's residents and businesses. These include police and fire services, parks, libraries, community centers, the San José Norman Y. Mineta International Airport, the Water Pollution Control Plant, recycling and garbage services, housing and neighborhood services, and the maintenance of the City's roadway infrastructure.

After 10 consecutive years of General Fund shortfalls, the 2012-2013 Adopted Budget allocates a small $9 million General Fund surplus. Over the next five years, small surpluses or shortfalls are projected annually.

<table>
<thead>
<tr>
<th>2013-2017 General Fund Forecast</th>
<th>Incremental General Fund Surplus/(Shortfall) ($ in millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012-2013</td>
<td>2013-2014</td>
</tr>
<tr>
<td>$9.0</td>
<td>($22.5)</td>
</tr>
<tr>
<td>($1.3)</td>
<td>$19.0</td>
</tr>
<tr>
<td>2016-2017</td>
<td>$10.7</td>
</tr>
</tbody>
</table>

The 2012-2013 Adopted Budget represents a two-year approach to balancing this year's budget and addressing the $22.5 million shortfall projected in 2013-2014 as shown in the table above. To meet this goal, a 2013-2014 Future Deficit Reserve of $22.5 million has been established in this budget by allocating the projected surplus of $9 million in 2012-2013 as well as additional one-time funding of $13.5 million.

Other major actions approved in the 2012-2013 Adopted Budget will:

- Continue services funded on a one-time basis in 2011-2012
- Open four libraries and one community center constructed with General Obligation Bonds
- Address the most immediate and critical of the City's immediate deferred infrastructure needs
- Address essential operational needs to strengthen the organization, meet community expectations, or mitigate potential risk of higher long-term costs
- Fund a limited number of programs/initiatives identified in the Mayor's March and June Budget Messages
- Implement more effective service delivery models to improve efficiency, reduce costs and/or enhance service levels
### San José at a Glance

#### Basic City Facts
- **Founded:** 1777; California’s first civilian settlement
- **Incorporated:** March 27, 1850; California’s first incorporated City, and site of the first State capital

#### General Data
- **Population:** 971,372
- **Registered Voters:** 385,966
- **Median Household Income:** $76,794
- **Miles of Streets:** 2,400
- **Miles of Alleys:** 2
- **Area of City (square miles):** 179.8

#### Major Employers
- Santa Clara County: 14,950
- Cisco Systems: 13,600
- City of San José: 5,495
- San José State University: 4,780
- Ebay/Paypal, Inc.: 4,700
- IBM: 4,100
- San José Unified School District: 2,690
- Hitachi: 2,150

#### Airport
- **Size:** Approx. 1,000 Acres
- **Terminals:** 2
- **Runways:** 3
- **Hours of Operation:** 24
- **Number of Passengers:** 8.26 Million

#### Environment and Utilities
- **Miles of Municipal Sewer Mains:** 2,264
- **Tons of Recyclables:** 114,369
- **Tons of Yard Trimmings:** 132,875
- **Gallons of Used Motor Oil:** 124,871

#### Parking
- **Parking Meters:** 2,584
- **Parking Lots (1,285 total spaces):** 9
- **Parking Garages (6,175 total spaces):** 8

#### Demographics
- Hispanic: 33.5%
- White: 28.0%
- African American: 3.1%
- Asian: 31.9%
- Other: 3.5%

#### Public Safety
- Police Stations: 1
- Emergency Police Calls: 420,862
- Non-Emergency Police Calls: 360,929
- Fire Stations: 33
- Fire Companies: 40
- Emergency Medical Calls: 49,320
- Fire Safety Code Inspections: 14,318
- Fires: 1,765
- Hazardous Materials Incidents: 448

#### Neighborhood Services*
- Park Sites: 192
- Park Amenities:
  - Basketball Courts: 95
  - Skate Parks: 6
  - Softball/Baseball/T-Ball Fields: 52
  - Swimming Pools: 6
  - Tennis Courts: 93
  - Soccer Fields: 46
- Park Acreage*: 3,418
- Community Centers: 12
- Re-Use Sites: 43
- Participation in Recreation Programs at Community Centers: 217,443

#### Libraries
- **Number of Outlets:**
  - Main Library: 1
  - Branches**: 22
- **Items Checked Out (Circulation):** 11,544,886

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* Data represents City services (excludes school data)
** Includes four branch libraries scheduled to open in 2012-2013

City of San José 2012-2013 Adopted Budget in Brief
San José at a Glance

### 2012-2013 Adopted Budget

#### GENERAL FUND

<table>
<thead>
<tr>
<th>Service</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Police</td>
<td>$294,752,941</td>
</tr>
<tr>
<td>Fire</td>
<td>$151,324,065</td>
</tr>
<tr>
<td>City-Wide Expenses</td>
<td>$101,864,148</td>
</tr>
<tr>
<td>Parks, Recreation &amp; Neighborhood</td>
<td>$49,381,157</td>
</tr>
<tr>
<td>Services</td>
<td>$25,906,405</td>
</tr>
<tr>
<td>Planning, Building &amp; Code</td>
<td>$33,926,588</td>
</tr>
<tr>
<td>Enforcement</td>
<td>$24,030,561</td>
</tr>
<tr>
<td>City Management (Manager &amp; City</td>
<td>$21,781,161</td>
</tr>
<tr>
<td>Council)</td>
<td>$18,258,125</td>
</tr>
<tr>
<td>Finance and Human Resources</td>
<td>$13,361,856</td>
</tr>
<tr>
<td>Information Technology</td>
<td>$12,114,436</td>
</tr>
<tr>
<td>City Attorney</td>
<td>$11,081,813</td>
</tr>
<tr>
<td>Public Works</td>
<td>$9,666,680,580</td>
</tr>
<tr>
<td>Transfers to Other Funds</td>
<td>$24,030,561</td>
</tr>
<tr>
<td>Capital Improvements</td>
<td>$24,030,561</td>
</tr>
<tr>
<td>Other</td>
<td>$24,030,561</td>
</tr>
<tr>
<td>Reserves</td>
<td>$24,030,561</td>
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</tbody>
</table>

#### SPECIAL FUNDS

<table>
<thead>
<tr>
<th>Service</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Airport</td>
<td>$498,729,682</td>
</tr>
<tr>
<td>Waste Water Treatment Plant &amp;</td>
<td>$283,559,053</td>
</tr>
<tr>
<td>Sanitary Sewer</td>
<td>$141,102,905</td>
</tr>
<tr>
<td>Waste Mgmt (Garbage Collection/</td>
<td>$90,260,801</td>
</tr>
<tr>
<td>Recycling)</td>
<td>$64,274,304</td>
</tr>
<tr>
<td>Storm Sewer Operations</td>
<td>$51,088,395</td>
</tr>
<tr>
<td>Municipal Water</td>
<td>$35,327,764</td>
</tr>
<tr>
<td>Parking</td>
<td>$22,985,168</td>
</tr>
<tr>
<td>Transient Occupancy Tax</td>
<td>$15,462,898</td>
</tr>
<tr>
<td>Workforce Investment Act</td>
<td>$15,335,012</td>
</tr>
<tr>
<td>Community Development Block Grant</td>
<td>$15,097,000</td>
</tr>
<tr>
<td>Other</td>
<td>$238,986,331</td>
</tr>
</tbody>
</table>

Total Special Funds: $1,472,249,982

#### CAPITAL IMPROVEMENT FUNDS

<table>
<thead>
<tr>
<th>Service</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Airport</td>
<td>$214,362,170</td>
</tr>
<tr>
<td>Parks and Community Facilities</td>
<td>$162,301,843</td>
</tr>
<tr>
<td>Water Pollution Control</td>
<td>$144,338,097</td>
</tr>
<tr>
<td>Sanitary Sewer</td>
<td>$102,029,453</td>
</tr>
<tr>
<td>Traffic</td>
<td>$110,759,716</td>
</tr>
<tr>
<td>Library</td>
<td>$88,641,587</td>
</tr>
</tbody>
</table>

Total Capital Funds: $863,721,927

TOTAL ALL FUNDS: $3,302,662,089

Less Transfers, Loans & Contributions: $(525,740,243)

NET CITY USE OF FUNDS: $2,776,921,846

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**Total City Positions**

- 2012-2013 Adopted Budget in Brief

In the 2012-2013 Adopted Budget, the number of City positions totals 5,495, which is up 95 positions from the 2011-2012 Adopted Budget. Even with the 2% increase in staffing, the City's overall workforce has been reduced over the last decade to a level not seen in over 20 years.
Balancing the Budget

The General Fund is used to provide many of the basic services provided by the City, including police, fire, libraries, parks, and street maintenance.

<table>
<thead>
<tr>
<th>2012-2013 GENERAL FUND ADOPTED BALANCING PLAN</th>
<th>2012-2013</th>
<th>Ongoing</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Fund Surplus</td>
<td>$8,986</td>
<td>$8,986</td>
</tr>
<tr>
<td>Development Fee Program Surplus</td>
<td>1,401</td>
<td>1,401</td>
</tr>
<tr>
<td><strong>Total General Fund Surplus</strong></td>
<td><strong>$10,387</strong></td>
<td><strong>$10,387</strong></td>
</tr>
<tr>
<td><strong>Source of Funds:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2012-2013 Future Deficit Reserve Elimination</td>
<td>$21,947</td>
<td>$0</td>
</tr>
<tr>
<td>Additional 2011-2012 Ending Fund Balance</td>
<td>10,075</td>
<td>0</td>
</tr>
<tr>
<td>Development Fee Program Reserves</td>
<td>2,908</td>
<td>2,644</td>
</tr>
<tr>
<td>Transfer from Other Funds</td>
<td>2,086</td>
<td>379</td>
</tr>
<tr>
<td>Fee Changes/Activity Level Adjustments</td>
<td>1,756</td>
<td>2,398</td>
</tr>
<tr>
<td>New Grants and Reimbursements</td>
<td>1,313</td>
<td>0</td>
</tr>
<tr>
<td>Miscellaneous Revenue Changes</td>
<td>(2,831)</td>
<td>(1,033)</td>
</tr>
<tr>
<td><strong>Total Change to Source of Funds</strong></td>
<td><strong>$37,254</strong></td>
<td><strong>$4,388</strong></td>
</tr>
<tr>
<td><strong>Use of Funds:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2013-2014 Future Deficit Reserve</td>
<td>$22,500</td>
<td>$9,000</td>
</tr>
<tr>
<td>Miscellaneous Additions</td>
<td>10,817</td>
<td>2,113</td>
</tr>
<tr>
<td>Unmet/Deferred Infrastructure and Maintenance</td>
<td>9,625</td>
<td>1,275</td>
</tr>
<tr>
<td>Development Fee Programs</td>
<td>3,936</td>
<td>3,601</td>
</tr>
<tr>
<td>Services Funded on a One-Time Basis in 2011-2012</td>
<td>3,539</td>
<td>2,346</td>
</tr>
<tr>
<td>Fiber Optics Loan Repayment</td>
<td>2,200</td>
<td>(50)</td>
</tr>
<tr>
<td>New Facilities Operating and Maintenance</td>
<td>2,064</td>
<td>3,951</td>
</tr>
<tr>
<td>New Grants and Reimbursements</td>
<td>1,313</td>
<td>0</td>
</tr>
<tr>
<td>Other Expenditure Changes</td>
<td>190</td>
<td>(670)</td>
</tr>
<tr>
<td>Use of Reserves</td>
<td>(6,576)</td>
<td>(4,624)</td>
</tr>
<tr>
<td>Position Changes/Other Personal Services Savings</td>
<td>(1,967)</td>
<td>(2,168)</td>
</tr>
<tr>
<td><strong>Total Change to Use of Funds</strong></td>
<td><strong>$47,641</strong></td>
<td><strong>$14,774</strong></td>
</tr>
<tr>
<td><strong>Total change in the General Fund</strong></td>
<td>($10,387)</td>
<td>($10,386)</td>
</tr>
<tr>
<td>Remaining Surplus</td>
<td>$0</td>
<td>$1</td>
</tr>
</tbody>
</table>

How was the General Fund Budget Surplus Calculated?

Each year, a Five-Year General Fund Forecast is prepared that compares the estimated revenues and expenditures over the next five years to determine if there is a projected surplus or deficit. The expenditure figures, which reflect the cost of existing programs, are updated to reflect estimated salary and benefit costs and any changes in contractual obligations. In addition, expenditures to which the City is committed, such as costs related to operating new facilities, are included. In 2012-2013, revenues are projected to exceed expenditures by $9 million (excluding the Development Fee Program). In the February 2012 Forecast, small budget surpluses and deficits were projected in each of the five years of the Forecast as shown on the first page of this document.

Two-Year Budget Strategy

The 2012-2013 Adopted Budget focuses on meeting basic needs. The small General Fund surplus projected in 2012-2013, along with other budget actions, provide capacity to address the most critical of the City's service delivery and infrastructure needs as well as set aside funds to address the projected General Fund shortfall in 2013-2014. This is welcomed news after a decade of shortfalls and painful decisions that have significantly reduced community services and the City's workforce.

Although the 2012-2013 Adopted Budget has been balanced without the deep cuts faced in recent years, there is still a long way to go to achieve the fiscal stability that will allow the City to restore service levels and meet major community and organizational needs. In June 2011, with the adoption of the 2011-2012 budget, the City Council approved a Fiscal Reform Plan that presented a strategy to achieve long-term financial stability, restore key services to January 1, 2011 levels, and open facilities that have been recently completed or are under construction. This Plan relies on a combination of cost reduction strategies (primarily retirement-related) and revenue strategies (primarily Sales Tax and Business Tax measures) to provide additional resources to meet these goals. As part of this Plan, a June 2012 ballot measure was brought forward and approved by the voters to amend the City Charter in order to modify the City's pension plans. It is anticipated that revenue measures will be brought forward for voter consideration in the future.

City of San José 2012-2013 Adopted Budget in Brief
Capital Budget Highlights

The 2012-2013 Adopted Capital Budget and 2013-2017 Adopted Capital Improvement Program is composed of 14 capital programs. The following is a breakdown of the major programs.

2012-2013 Adopted Capital Budget Use of Funds ($864 million)

- Airport: 24%
- Library: 4%
- Parks: 19%
- Municipal Improvements: 3%
- Traffic: 13%
- Water Pollution Control Plant: 17%
- Sanitary Sewer: 12%
- Public Safety: 3%
- Other: 5%
- Other: 6%

In this budget, capital program investments fund infrastructure improvements throughout the City including: airport, community centers, libraries, municipal water systems, public safety facilities, parks, sanitary and storm sewer systems, transportation systems, and the Water Pollution Control Plant. Limited resources are focused on the sustainability of City facilities by addressing the most immediate infrastructure needs and prioritizing funding for upgrades, expansions, and renovations with positive operation and maintenance impacts. Where possible, grants and funding from other agencies will be leveraged to stretch City funds. Alternative funding sources will also be pursued to address the increasingly critical backlog of unmet/deferred infrastructure needs, particularly in the local street infrastructure.

The largest component of this year’s budget is the Airport Capital Program ($214 million) that reflects a shift in focus from the many projects comprising the Airport Terminal Area Improvement Program to the maintenance and preservation of existing Airport infrastructure. The Parks and Community Facilities Development Capital Program is the next largest capital program ($162 million) and its focus is on the development of sports fields (ideally through joint-use agreements), the further development of the City’s trail system, and the conversion of existing sports fields to artificial turf.

Major Projects to be Completed Over the Next Five Years

**2012-2013 Projects**
- Convention Center Expansion and Renovation Project
- Diridon Area Parking and Multi-Modal Improvements
- Police Communications Emergency Uninterrupted Power Supply
- Solar Park Sports Field Conversion

**2013-2014 Projects**
- 30” Old Bayshore Sewer Pipe Rehabilitation
- Allen at Steinbeck School Soccer Field
- Del Monte, Roberto Antonio Balermino and West Evergreen Parks
- Commodore Children’s Park
- Fire Station 21 – Relocation (White Road)
- Transportation Incident Management Center
- Pavement Maintenance – State Route Relinquishment
- Stevens Creek Boulevard Sanitary Sewer Improvement

**2014-2015 Projects**
- 60” Brick Interceptor Replacement of the Sanitary Sewer System, Phase VIA and VIB
- Autumn Street Extension
- Bollinger Road – Blaney Avenue Sanitary Sewer Improvement
- Fourth Major Interceptor Rehabilitation of the Sanitary Sewer System, Phase III/IIIIB
- Headwaters No. 1 Repair & Rehabilitation at the Water Pollution Control Plant
- Rincon Avenue – Virginia Avenue Sanitary Sewer Improvement
- Southeast Branch Library
- Penitencia Creek Trail Reach 1B (Noble Avenue to Donal Drive)
- Willow Glen-Guadalupe Storm Sewer System, Phase III

**2015-2016 Projects**
- New Pipeline Connection for the Biological Nutrients Removal (BNR) 1 & BNR 2
- Digester Rehabilitation at the Water Pollution Control Plant
- SBWR System Reliability and Infrastructure Replacement
- Taxiway W Improvements

**2016-2017 Projects**
- Airport Rescue and Fire Fighting Facility BART Design, Policy, Planning and Construction Support
- Fourth Major Interceptor Rehabilitation of the Sanitary Sewer System, Phase VIIA

City of San José

2012-2013 Adopted Budget in Brief
Criminal Justice Committee
BACKGROUND

Amador County Jail – Mission Statement

The mission for the Amador Sheriff’s Office Corrections Bureau (Jail) is to house sentenced and un-sentenced inmates in a manner that provides safety to the public, the correctional staff, allied law enforcement agencies, and the inmates.

The Jail is to provide:
- for the basic life needs of the inmates including adequate and appropriate food and health care
- the opportunity for those inmates who choose to serve the community in meaningful ways and make personal improvements

All of these goals must be accomplished while maintaining the standards set for jail operations in Title 15 of the California Penal Code. Last, but most important, treat all people with dignity and respect. The Amador County (County) correctional facility has a State rated capacity for 76 inmates - 65 Males and 11 Females.

LOCATION: 700 Court Street, Jackson, California

AUTHORITY
California Penal Code §919(b) requires the grand jury shall inquire into the condition and management of the public prisons within the county. The Grand Jury visited the Jail on April 16, 2013.

METHOD OF STUDY

- PowerPoint presentation of an overview, history and new requirements of the Jail
- Inspection of Jail: holding cells, sobriety cells, padded cell, laundry room, library, day areas, and exercise area
- Review of prior County Grand Jury reports concerning the Jail
- Review of County Budget and expenditure documents
- Review of 2001 Adult Title 24 Regulations – Minimum Standards for Local Detention Facilities
- Review of 2010 Adult Title 15 Regulations – Minimum Standards for Local Detention Facilities
DISCUSSION

The Sheriff’s staff at the Jail is doing what they can with the facilities to ensure the mission statement is realized. We agree that the basic needs of the sentences and unsentenced inmates are being provided; however, the Grand Jury does not see the Jail as fulfilling its Mission Statement. There are no satisfactory opportunities for the inmates to serve the community or to make personal improvements. This is becoming more important with extended incarcerations due to state realignment. The facilities are inadequate and in need of maintenance in all areas. Staff members are working with malfunctioning and/or antiquated equipment in a building that is beyond its projected lifespan. The situation at the Jail has worsened over the past 2 years due to lack of maintenance and increased inmate population. The County will be required to house even more offenders in the future per State law. The potential for "conditions of confinement" lawsuits will increase.

FACTS

Facilities

1. The Jail is a Type II facility: a local detention facility used for the detention of persons pending arraignment, during trial, and upon sentencing.

2. The Jail was built in 1984 with capacity for 76 total inmates (65 males, 11 females).

3. The panel in the control room operates the cell locks, block locks and all security for the facility.

4. The Jail is made up of 3 blocks for inmate housing. Each block contains a dayroom and cells.

5. The dayroom contains 2 triple bunks, a table and seats, TV, mailbox, showers, and a pencil sharpener.

6. The dayroom is surrounded by 3 cells on the lower level and 3 cells on the upper level.

7. There are 2 bunks per cell as well as a toilet, desk, and stool.

8. There are 2 sobering cells. Title 15, Article 5 §1056 restricts usage of sobriety cells to 6 hours, pending an evaluation by medical staff to determine medical problems. In the Jail, sobering cells are also used for housing.

9. There are 2 holding cells, with 1 bench in each cell.

10. There is no exercise equipment for use.
11. The outdoor exercise yard has an open air roof with a security screen top. The yard cannot be used when it rains.

12. The Library has 2 tables and 12 seats. It has about 50 novels available for reading. The law books have been removed. No book donations are accepted.

13. Food is provided by an Alameda County facility. The kitchen is used to store food, prepare meals, and heat the food. Two hot meals and a box lunch are provided. Food is served through food ports in cell doors.

14. The Board of State and Community Corrections (BSCC) is responsible for inspections and verifying compliance with Title 15/24 Regulations. Title 15/24 sets minimum standards for a jail facility whose purpose is "to detain adults, charged with criminal law violations while awaiting trial or sentenced adult criminal offenders".

**Security**

15. The entire Jail is locked at all times, except when inmates need to be moved. There is an over-ride that will open all doors. Doors can also be manually over-ridden using a specialized key.

16. Not all functions on control panel work. It is hard to locate parts to repair the control panel due to advanced age.

17. There are no video surveillance cameras in the dayrooms or library. Video surveillance is not legally mandated.

18. The video surveillance system has no recording capability.

19. The intercom system does not work in all areas of the facility.

20. Cleaning chemicals are securely locked in an area that is not available to inmates.

**Inmates**

21. The Jail houses inmates 18 years of age or older.

22. There are currently 78 males and 16 females in the Jail.

23. At time of inspection, there were
   - 41 inmates who have not been sentenced and are going through the court process
   - 53 inmates who have been sentenced

24. Inmates must be arraigned within 48 hours. Video arraignment capability is available but is not used.
25. Any inmate may apply for Sheriff’s parole. Requirements are
   • completion of at least half of their total sentence
   • ability to verify extreme extenuating circumstances

26. There were 11 inmates on the Sheriff’s parole program in 2012. There are 5 on the
    program so far this year.

27. The Jail may release inmates up to 30 days early with a Court Order pursuant to Penal
    Code 4024.
    • Early release in 2011 = 96 persons
    • Early release in 2012 = 309 persons

28. There are 2 inmate volunteers working full time operating the laundry facilities. Only
    sentenced inmates can participate.

29. In the past, when all cells were occupied, inmates were housed in various secured areas
    (library and hallways).

30. There have been lawsuits claiming constitutional violations for housing inmates on the
    floor instead of in a cell with bunks.

31. Triple bunks have been added to the dayrooms to house inmates.

32. Inmates may request legal information through Legal Research Association by
    completing a request form. Information returns in 24 hours.

33. Classification is used to assign inmates to appropriate housing units, rehabilitation, and
    leisure activities. It is based on requirements outlined in Title 15, Article 5 §1050. In
    Amador County, classification of inmates is almost non-existent due to lack of space for
    separate housing. ³

Education and Training

34. Social services are available to inmates:
   • Alcoholics Anonymous (AA)
   • Amador County Drug and Alcohol
   • Bible Studies
   • Health classes
   • Parenting classes
   • High School Diploma programs

35. College courses are provided by Amador Community College Foundation and
    participation is privilege-based.

36. There are no community service programs available to the inmates.
37. Community work crew program was a part of training in the past. It was suspended with budget restraints. Services included:
   - 99 hours to the community
   - 335 hours to the County's Facilities Department
   - Sober Graduation
   - Amador City Flower Project
   - Amador-Tuolumne Community Action Agency
   - Car washing for allied agencies

38. Since 2011, allied agencies and County departments can request workers through the Off-site Inmate Worker Program started in 2011 for special projects: Animal Control, Corporation Yard, etc.

**Medical**

39. Persons arrested and brought to the Jail are reviewed by staff using an inmate medical screening form. Injured persons will be prevented from entering the facility until a medical clearance is received from Sutter Amador Hospital.

40. A nurse visits the Jail 5 days a week. A doctor comes into the Jail 1 day a week as well as being on-call 24 hours 7 days per week.

41. Inmates can request to see the nurse or doctor. These requests are handled in order of need. Staff can request medical attention for the inmates. Inmates can refuse medical treatment.

**Future Facilities**

42. A County Facility Fee (CFF) was adopted on April 12, 2005 by the BOS for the construction of new County facilities. The fee is charged as part of the permit process for any new development. The CFF components were:
   - County Administration Building (15%)
   - Sheriff Detention Facility (83%)
   - Administrative Fee (2%) 4

43. The State of California authorized a comprehensive overhaul of California corrections system:
   - Assembly Bill (AB) 109 – reduce California State Prison population sending non-serious, non-violent, and non-sexual crimes to serve sentences in county jails
   - AB900 – the Public Safety and Offender Rehabilitation Services Act of 2007 - provided for the construction of beds to existing and new jails
44. California Department of Corrections and Rehabilitation awarded a conditional grant of $22,712,000 in November 2008 for the purpose of constructing new facilities to handle the inmate growth at the County level. The County must supply cash match of the grant before these funds will be released for use.
   - In 2009-2010 the cash match was originally set at $2,565,346.
   - In July 2012, the Corrections Standards Authority reduced the cash match for small and medium counties to 5% ($1,135,600)

45. Amador County purchased 200+ acres on Wicklow Way using the CFF fund in October 2009 for $1,810,000.

46. Actual cost of new construction is estimated at $35 million.

47. For the past 5 years, the Amador County Grand Jury has found that the Sheriff’s Office should aggressively pursue the matching funds for AB900. Since fiscal year 2003-2004, the Grand Jury has also recommended to the Sheriff and the County Board of Supervisors (BOS) that they explore using land already owned by the County or use the land purchased for this purpose in 2009. (Appendix B) In all recommendations the BOS agreed with the Sheriff that these findings and recommendations have been implemented or will proceed.

FINDINGS

F1. The Jail has been operating over capacity for the last several years. The separation required by inmate classification cannot occur due to overcrowding and the lack of sufficient and flexible housing. These conditions impact the safety for officers, inmates and visitors. (Facts 1, 21)

F2. Using sobriety cells for housing is not compliant with Board of State and Community Corrections (BSCC) - Title 15/24. (Fact 8)

F3. Security is compromised due to aging infrastructure and not updating the surveillance technology. (Facts 3, 15, 16, 17, 18)

F4. Video capability is an integral tool to ensure safety of staff and inmates. It is valuable when addressing litigation issues. (Facts 16, 17)

F5. Rehabilitation opportunities are limited. (Facts 35, 36, 37)

F6. The library lacks a variety of reading and educational materials. (Fact 12)
F7. A needs assessment and design for a new facility was completed in 2006-2007. (Fact 41)

RECOMMENDATIONS

The Grand Jury recommends that:

R1. the BOS prioritize the identification of the funds required for the 5% cash match in order to receive the state AB900 funds. These should be set up in a restricted fund for this dedicated use. (Finding F7) (Appendix A)

R2. the sobering cells not be used for housing to maintain housing compliance. (Finding F2)

R3. the existing Jail be made as compliant with Title 15/24 requirements where possible. (Finding F2)

R4. the Sheriff’s Office research grant opportunities to repair, replace, and upgrade the existing intercom and video surveillance system. (Findings F3, F4)

R5. the Sheriff’s Office explore means to involve trusted community organizations in supplying classic reading material for the library and service opportunities in the County. (Finding F5)

REQUEST FOR RESPONSE

Under Penal Code §933(c), a response is required no later than 90 days after the grand jury submits a final report on the operations of any public agency subject to its reviewing authority, on the findings and recommendations. The Grand Jury requests that the Board of supervisors respond to R1 specifically.

1 http://www.co.amador.ca.us/index.aspx?page=105
2 County of Amador Capital Facilities Fee Nexus Study, February 15, 2005
3 Definition: “…classification plan designed to properly assign inmates to housing units and activities according to the categories of sex, age, criminal sophistication, seriousness of crime charged, physical or mental health needs, assaultive/non-assaultive behavior and other criteria which will provide for the safety of inmates and staff.” Title 15, Article 5, §1050
4 County of Amador Capital Facilities Fee Nexus Study, February 15, 2005
APPENDICES

APPENDIX A

New Jail Facility - Facts from County Auditor

As of April 30, 2013:

Cash Match per AB900 grant terms $1,135,600

Fund 18100 – account 101184
Cash in County Facility Fee Fund: $609,547
2% allocated for Administrative Fees (12,191)
Funds available for new jail: 597,356 (597,356)

Additional funds required for
New jail cash match $538,244

Possible sources funds for remaining cash match:

Fund 18100 – account 303900
Available Fund Balance: $654,701
Funds unrestricted and are available to the Board of Supervisors to appropriate – takes 4 out of 5 votes

Fund 18100 – Account 303005
General Reserves: $1,129,336
Monies restricted by Board of Supervisors that may be used for projects or saved for “a rainy day”
## APPENDIX B

**Amador County Jail**

**GRAND JURY REPORTS AND RESPONSES – HISTORICAL REVIEW**

<table>
<thead>
<tr>
<th>YEARS</th>
<th>GRAND JURY REPORT</th>
<th>SHERIFF – BOARD OF SUPERVISORS (BOS) RESPONSE</th>
</tr>
</thead>
</table>
| 2003-2004   | R1. In anticipation of Amador County's expanding inmate population, additional jail cells should be constructed. Converting the recreation yard into bed space and making the roof a recreation yard is worthy of consideration. | **SHERIFF:** This will not be implemented. It is unreasonable to expect the Sheriff to do this, since the Sheriff lacks the budgetary authority to commit County funding to such a capital outlay project.  
**BOS:** It is an interesting concept and staff has been directed to begin planning a detention facility expansion in the future. |
| 2004-2005   | no finding or recommendations                                                      | no response required                                                                                       |
| 2005-2006   | R2. Amador County should investigate building an additional detention facility. The County owns 100 acres near Carbondale Road that could be considered. | **SHERIFF:** Recommendation has been implemented. The County and the Sheriff have engaged in ongoing investigation relative to the construction of additional jail space, including Fire Training Camp at Preston School of Industry and expanding current jail facility. There is currently no funding authorized to actually build any of these possibilities.  
**BOS:** The BOS has adopted a county facility mitigation fee. Revenue from this fee will support a future detention facility. It is estimated that adequate funding to complete a new facility will not be available for at least 10 years absent the Legislature approving a funding program that includes a State contribution. Meanwhile, once the Courthouse project is complete, staff will establish a detention facility project team to begin the initial planning for a new facility. |
| 2006-2007   | 3. The Amador County Sheriff's Department has submitted a Facility Needs Assessment Request to the Amador County Board of Supervisors for a new detention center. This is the initial step in securing a new detention center for Amador County. |                                                                                                               |
|             | R1. The Amador County Board of Supervisors should approve the Sheriff's Department's request to do a facility needs assessment with respect to building a new detention center. In addition, the Board should join the Sheriff's Department in aggressively pursuing the construction of a new detention center in the near future. | **No response was included in the 2007-2008 Grand Jury report.**                                               |
### 2007-2008

| 7. | The Sheriff and County have entered into a partnership with Calaveras and San Joaquin Counties to meet the requirements for California Assembly Bill AB900, which provides funds for prison reform or expansion. This bill would enable the County to build a new prison with a 75% State match for funds. |
| R1. | It is imperative that the Sheriff and County Supervisors aggressively pursue the funding provided by AB900 and find a way to build a new and modern jail that will provide Amador County a safe and secure working environment for its Correctional Officers and to provide a place for incarceration and rehabilitation of individuals who commit crimes within the county. |
| SHERIFF: | This recommendation has been implemented. |
| BOS: | This recommendation has been implemented. |

### 2008-2009

| F4. | Although met with continuing disappointments and obstacles, the new Sheriff's administration is relentlessly pursuing funding for a new jail facility through AB900. This was a recommendation of the 2007-2008 Grand Jury. |
| R1. | Continue pursuing funding for a new facility through matching funds legislation AB900. |
| SHERIFF: | Agrees. On November 13, 2008, the Corrections Standards Authority conditionally awarded Amador County up to $22,712,000 in jail construction funding pursuant to AB900. Due to several delays and state budget crisis, there have been no awards presented to date. Sheriff's Administration has received excellent support from the Board of Supervisors, the CAO and General Services in identifying and moving forward on the purchase of a specific property to be used for the new jail site if and when state funding becomes available. |
| BOS: | Agrees with response of Sheriff. |

<p>| SHERIFF: | Sheriff's Administration fully intends to continue its pursuit of the AB900 jail funding solution to our current overcrowding situation, in cooperation with the Board of Supervisors and the CAO. |
| BOS: | Recommendation has been implemented. BOS with the Sheriff continues to analyze the possibility of obtaining and using AB900 funds for the construction of a new jail, given the extremely unfavorable general economic climate and the burdens on existing services. |</p>
<table>
<thead>
<tr>
<th>Year</th>
<th>Action</th>
<th>Description</th>
<th>Response</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009-2010</td>
<td>F7</td>
<td>As per last year’s recommendation, ACSO has continued to pursue funding for a new facility through matching funds legislation. The County received a conditional award of up to $22,712,000. The conditions of this award require that the county raise matching funds of approximately $7-8 million. Property has been purchased for the new facility.</td>
<td>SHERIFF: On November 13, 2008, Amador County received a conditional award of $22.7 million from the State towards the construction of a new 165 bed jail facility. Award requires that the County provide $2,565,346 in cash match (8.47%) plus ongoing staffing costs. County used Capital Facilities Fee funds to purchase a 200+ acre parcel. Sheriff’s Office continues to work with BOS in an attempt to obtain the matching funds to pursue the construction of a new jail facility on the parcel which was purchased in October, 2009. BOS: agrees with Sheriff response.</td>
</tr>
<tr>
<td></td>
<td>R2</td>
<td>Pursue the matching funds for AB900.</td>
<td>SHERIFF: Sheriff’s Office is continuing to work with BOS in an attempt to obtain the matching funds to pursue the construction of a new jail facility on the parcel which was purchased in October, 2009. BOS: agrees with Sheriff response</td>
</tr>
<tr>
<td>2010-2011</td>
<td>F7</td>
<td>As per 2008 recommendations ACSO has continued to pursue funding for a new facility through matching funds legislation. The County received a conditional award of up to $22,712,000. The conditions of this award require that the county raise matching funds of approximately $7-8 million. Property has been purchased for the new facility.</td>
<td>SHERIFF: On November 13, 2008, Amador County received a conditional award of $22.7 million from the State towards the construction of a new 165 bed jail facility. Award requires that the County provide $2,565,346 in cash match (8.47%) plus ongoing staffing costs. In 2009, the County used Capital Facilities Fee funds to purchase a 200+ acre parcel. In July 2010, CSA noticed all AB900 counties of a cash match reduction to 5%. Sheriff’s Office continues to work with BOS in an attempt to obtain the matching funds to pursue the construction of a new jail facility on the parcel which was purchased in October, 2009. BOS: agrees with Sheriff response.</td>
</tr>
<tr>
<td></td>
<td>R1</td>
<td>Pursue the matching funds for AB900.</td>
<td>SHERIFF: Sheriff’s Office continues to work with BOS in an attempt to obtain the “reduced” matching funds to pursue the construction of a new jail facility on the parcel which was purchased in October, 2009. BOS: agrees with Sheriff response</td>
</tr>
<tr>
<td>2011-2012</td>
<td>R1</td>
<td>The ACSO pursue matching funds for AB900.</td>
<td>SHERIFF: Sheriff’s Administration fully intends to continue its pursuit of the AB900 jail funding solution to our current overcrowding situation in cooperation with, and support from, the BOS. Sheriff and General Services Administration Director have met during this reporting period with a company exploring a Public/Private Partnership for development of the established jail property which may assist in obtaining the county matching funds required by AB900. BOS: no response</td>
</tr>
</tbody>
</table>
R2. The ACSO continue its plans for new technology and a modern facility to enhance its current high level of treating inmates with dignity while maintaining a safe and secure environment.

SHERIFF: Plans for the proposed new jail include the utilization of the latest design technologies for the physical structure of the jail and infrastructure to provide for energy efficiency, staffing efficiency, adequate program space, and inmate and staff safety. All of these features will enhance our level of treatment for the inmates entrusted to our care.

BOS: no response
MULE CREEK STATE PRISON INSPECTION

BACKGROUND

Mule Creek State Prison (MCSP) is located in the City of Ione and covers 866 acres. It opened in June 1987. It is considered a minimum, medium and maximum security prison. Prison security levels are necessary to ensure that inmates are housed according to the type of crime committed and length of their sentence. MCSP currently houses 2,880 inmates. Staffing levels include 689 custody personnel (those who deal with inmates) and 560 non-custody or administration and medical personnel.

The Grand Jury received a citizen complaint regarding the maintenance of the lethal fence and the restrictive use of personal alarms. As part of the inspection, the Grand Jury looked into these lethal fence and personal alarms issues.

Location: 4001 Highway 104, Ione, CA 95640

AUTHORITY

California Penal Code §919(b) requires the grand jury shall inquire into the condition and management of the public prisons within the county. The 2012-2013 Amador County Grand Jury inspected MCSP on February 5, 2013.

METHOD OF STUDY

- Pre-inspection briefing was provided by the Warden, the Administration, and the Public Information Officer.
- Members of the 2012-2013 Amador County Grand Jury toured only certain areas of MCSP:
  - Facility A: classrooms, sewing room, coffee roasting plant, law library with computers, gymnasium, medical and dental screening rooms and cafeteria
  - Facility C: meat packing area and yard
  - Cells: 2 bunks, toilet, sink and cabinet in each

FACTS

Facilities

1. MCSP consists of 3 buildings arranged in a “spoke” design and a minimum facility near the main facilities. (Photo 1) Outbuildings include a fire house, recycle plant, maintenance yard, welding shop, shipping and receiving warehouse, and landscape yard.

Photo 1: Overhead arrangement of facilities. It looks more like gears of cogs, but they call it a “spoke” design.
2. An electrically charged “lethal” fence surrounds the main facility between 2 additional fences with razor-wire tops. The lethal fence was installed in 1993.
   • Fencing is maintained by a union-licensed electrician on staff.
   • During maintenance of any portion of the lethal fence, the remaining portions can still be active. Guard towers are manned during section maintenance.
   • There have been no attempts to breach the lethal fence.

3. Aging infrastructure was noted throughout the facility:
   • Numerous cracked windows
   • Outdoor pipes with water leaks

4. Facility A houses Level IV prisoners (maximum security).

5. Facility A has 3 classrooms with 10 to 20 students observed in each. Academic programs offer grade levels K thru 12 and a GED with successful completion of high school requirements.

6. Computers have no internet access.

7. Gymnasiums are no longer used as dorm quarters.

8. Facility C has the main kitchen; the other 2 buildings have auxiliary kitchens.

Inmates

9. Inmates are at least 18 years of age.

10. Average education level of incoming inmates is grade 4.

11. Special dietary requirements are available for medical and religious needs:
    • Heart healthy diet to all inmates and is appropriate for diabetics.
    • Kosher, hepatic (liver-related), renal (kidney-related), and gluten-free diets are also available.
    • There is no specialized diet for vegetarians, but vegetarian options are available.

12. Special diets must be medically or religiously proven.

Security

13. A Sergeant patrols the perimeter of the fence 24 hours per day, 7 days per week.

14. Staff are issued personal alarms from the central hub (Main Control).

15. Personal alarms are area specific and must be exchanged for each section of the prison.

16. Cafeteria seating is in order of entrance. No group or gang seating is allowed.
Training

17. Prison Industries Authority (PIA) programs provide occupational skills and include coffee roasting, sewing and meat packaging.

18. PIA programs are privilege-based.

19. In the PIA programs, inmates work 5 hours per day Monday through Friday, and earn 30¢ to 95¢ per hour.

20. The sewing program provides institutional clothing to Cal-Trans, CAL FIRE, and other institutions.

21. The coffee program sorts, roasts, packages and sells coffee beans to various institutions. Work experience certification can be earned by the inmates. The coffee roasting program plans to be ISO certified by 2014.¹

22. The meat packaging plant processes beef and chicken and provides occupational skills. There are frequent U.S. Department of Agriculture (USDA) inspections as required by law.

FINDINGS

F1. Jury members observed maintenance needs at the facility. The hot water system needs to be replaced and the roofs where the pipes leaked must be repaired. (Fact 3)

F2. Personal Alarms were worn by some staff interviewed. They felt the personal alarms were effective. They felt safe and protected. (Facts 14, 15)

F3. During an observed emergency alarm, staff was efficient, professional and effective.

F4. The PIA program of digital mapping was closed due to budget shortfalls. There is now vacant classroom space. (Fact 17)

F5. There are plans to construct an additional facility on property. Plans should be finalized by Fall 2013. (See Appendix A)

F6. The new facility is a “double” dormitory facility arranged in a “spoke” design, with 1,584 new beds. (Photo 1)

F7. Construction to start in 2014 and be completed in 2016.
RECOMMENDATIONS

R1. Problems with the water system should be addressed as soon as possible in Building C to reduce leaking and to avoid potential safety issues. (Finding 1)

R2. PIA should explore using a currently vacant room for expansion of current programs or to plan for new occupational skills programs. (Finding 4)

REQUEST FOR RESPONSE

Pursuant to California Penal Code §933(c), a response to their report is required. No later than 90 days after the grand jury submits a final report on the operations of any public agency subject to its reviewing authority, the governing body of the public agency shall comment to the presiding judge of the Superior Court on the findings and recommendations.

1 International Organization of Standardization (ISO) is an international standard-setting body to promote worldwide proprietary, industrial, and commercial standards. It was founded in 1947 and is headquartered in Geneva, Switzerland.
Appendix A:
Arial view of Mule Creek State Prison.
Top of Photo: Existing facilities
Bottom of Photo: Planned location of Level II Dorm Double Facility
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PINE GROVE YOUTH CONSERVATION CAMP

SUMMARY

The Pine Grove Youth Correctional Camp (PGYCC) is located two miles east of Pine Grove, in Amador County. A site inspection was attended by members of the Criminal Justice Committee of the 2012-2013 Amador County Grand Jury. The facility is in good shape and maintained by the youth housed there. Education programs include high school diplomas, as well as college courses. Medical services are provided on site, as well as in Stockton. The PGYCC provides fire protection throughout California, performs local community services and prepares the young men for successful re-entry into society.

LOCATION: 13630 Aqueduct Rd, PO Box 1040, Pine Grove, California.

BACKGROUND

The Pine Grove Youth Conservation Camp was built, as a Civilian Conservation Camp in the depression of the 1930s. Pine Grove was the first of 6 Youth Conservation Camps dedicated to the rehabilitation of young men and the conservation of California’s natural resources. The California Youth Authority assumed stewardship in 1946, in conjunction with the California Department of Forestry. It is the oldest fire camp in continuous operation in the country. The camp is operated jointly by the California Department of Forestry and Fire Protection (CALFIRE) and the California Department of Corrections and Rehabilitation, Division of Juvenile Justice (CDCR-DJJ). It presently houses 80 wards, ranging in age from 17 to 24 years old.

AUTHORITY

California Penal Code §919(b) requires the grand jury shall inquire into the condition and management of the public prisons within the county. The Grand Jury visited the PGYCC on November 14, 2012.

METHOD OF STUDY

- Tour given by the camp superintendent
- Presentation of an overview and history of the camp
- References from the California Department of Corrections and Rehabilitation, Division of Juvenile Justice website
- Other internet sources
- Interviews with PGYCC employees
DISCUSSION

The PGYCC is a privilege-based program. Youths, or Wards, go through a screening process to determine their eligibility. They are all low to medium degree violent offenders. The Criminal Justice Committee of the 2012-2013 Grand Jury reviewed five aspects of the PGYCC during the site visit:

- facility and security
- staff and wards, including lifestyle
- education and training
- activities
- medical

FACTS

Facility and Security

1. PGYCC is a minimum security facility for "low risk" youth.

2. PGYCC is equipped and budgeted for 88 Wards, although there have been as many as 100. The number was 88 on November 14, 2012.

3. CAL-FIRE shares residence with PGYCC.

4. CAL-FIRE operates the waste water facilities at PGYCC with an operator certified by the California Division of Occupational Health and Safety Administration (Cal-OSHA). No Wards are working at the waste water facilities at this time.

5. The chemicals are securely stored in a building away from the canteen and bunk areas. They are labeled and accounted for, in a building shared with CAL-FIRE.

6. The wards have a visitor's room, connected to a barbeque and picnic area for visiting families. Families may bring picnic coolers into camp.

7. There is a multi-sport field in camp that has been graded and revamped.

8. The kitchen and eating areas are self-serve, with a salad bar and several hot foods.

9. There have been no escapes within the last year. In the past 8 years, there were 3 walk-aways, 1 in camp and 2 "on grade"(on an outside work crew). There is a headcount every 30 minutes during the first shift, and every hour on the 2nd and 3rd shifts. When playing competitive sports on neighboring fields, there is constant supervision.

10. Cell phones are not allowed at PGYCC. From 2010 to 2012, the number of cell phones confiscated increased from 2 to 14.
Staff and Wards

11. There are 30 staff members, as well as 4 teachers and 1 special education teacher.

12. All incoming Wards are 17 years of age and have been tried by a juvenile or adult court.

13. The Wards’ average stay is 1 year.

14. Each Ward has a case manager, who follows them through their attendance. The case manager has the responsibility of taking them to outside appointments and to obtain driver's licenses or for job interviews. Contact by the case manager is made for 1 year after release.

15. Each Ward attends an orientation within the first 24 hours of arrival at the Camp, consisting of meeting camp staff and learning camp rules.

16. Wards are assigned to a crew or team that they follow throughout their stay.

17. Wards under age 18 remain in fire suppression training, but they cannot respond to fires. They also perform all of the chores and maintenance around the facility.

18. At age 18, Wards who were tried by an adult court are transferred to an adult facility.

19. Wards are required to work each weekday from 8-4 on crews or on site. They have scholastic classroom from 6 p.m. to 10 p.m. each weeknight.

20. There is a dedicated box for grievances to be read only by the Camp Superintendent.

21. Sentences may be reduced for positive behavior and teamwork.

22. There is a point system. Good behavior and teamwork build points; 4 positive points delete 1 negative point. All complaints, fights, and gang tattooing are against the rules and are referred to the Superintendent.

Education and Training

23. Wards are offered the chance of a High School Diploma, General Education Degree (GED), and a college degree through the Department of Corrections College Program. The average class size is 17 students.

24. Wards are trained extensively in fire suppression in conjunction with CAL-FIRE.

25. Several types of group therapy are offered, as well as classes in parenting and anger management.
Activities

26. There is a rapid response "Strike Team" made up of Wards and is available to Cal Fire. Wards may be gone for months on location fighting fires.

27. When not fighting fires, the Wards are out on conservation crews providing many hours of fire protection service: such as removing brush, cleaning ditches and storm drains.

28. Last year, Wards performed 35,002 hours of active firefighting and 107,072 hours of conservation and fire prevention work.

29. There is an exercise gym that is used as a reward or privilege for good behavior. Proceeds from the camp canteen pays for the exercise equipment and also goes into a Ward Benefit Fund, which enables Wards to go on ski trips or other events; no State funds are used.

30. Every year Wards create wreaths made from Upcountry trees. The wreaths are sent out to the area as part of community service.

Medical

31. The infirmary "triage" room is staffed by a Registered Nurse on duty 40 hours a week. A medical doctor visits twice a week. Emergencies are sent out to Sutter Amador Hospital. Non-emergency and dental cases are taken to the N.A. Chaderjian Youth Correctional Facility in Stockton. All Wards who need medication are responsible for using it correctly under the supervision of the resident nurse.

32. Psychotropic drugs¹ are not prescribed for the Wards.

33. There have been no suicides or attempted suicides at PGYCC.

FINDINGS

F1. The Superintendent related several examples of Wards ending up in successful employment situations after leaving PGYCC due to the training they had received and the rehabilitation process. The current success rate is 57%. (Facts 18, 22, 23)

F2. Facility was clean and relatively well-maintained with some minimum painting issues outstanding. (Facts 5, 6, 7, 8, 17)

F3. There may be vacancies in staff positions as many are ready to retire. Due to funding shortfalls, vacancies may not be filled. (Fact 11)

F4. Superintendent emphasized that unauthorized cell phones are the biggest contraband issue. (Fact 10)
RECOMMENDATIONS

R1. Since a waste water plant exists on site, training programs in waste water facilities should be made available to those Wards showing interest. (Fact 4, Finding 1)

R2. Research into the implementation of a cell phone signal scrambler at PGYCC to alleviate the use of unauthorized cell phones. (Finding 4)

REQUEST FOR RESPONSE

Under Penal Code §933(c), a response is required no later than 90 days after the grand jury submits a final report on the operations of any public agency subject to its reviewing authority, on the findings and recommendations.

1 “A psychotropic [drug] is a chemical substance that crosses the blood–brain barrier and acts primarily upon the central nervous system where it affects brain function, resulting in alterations in perception, mood, consciousness, cognition, and behavior.” CHAPTHER 1 Alcohol and Other Drugs”. ISBN 0-7245-3361-3.”
Education Committee
SAFETY IN AMADOR COUNTY PUBLIC SCHOOLS

BACKGROUND

The 2007-2008 Grand Jury did an investigation into Amador County Unified School District (ACUSD), and the County Office of Education (COE), pertaining to their School Safety Plans. The report detailed 7 facts, 11 findings, and 11 recommendations concerning the school safety program. The 2012-13 Grand Jury received a citizen complaint stating that no follow up was done to the 2007-2008 investigation into school safety plans. A follow up is necessary on school safety plans, especially given current national events.

AUTHORITY

Per California Penal Code §933.5, a grand jury may at any time examine the books and records of any special-purpose assessing or taxing district located wholly or partly in the county or the local agency formation commission in the county, and, in addition to any other investigatory powers granted by this chapter, may investigate and report upon the method or system of performing the duties of such district or commission.

METHOD OF STUDY

- School site inspections to see all 12 public schools in the county
- Meetings and interviews with Superintendent, principals, teachers, and school staff
- Internet searches on School Board Policy and California Education Code
- Correspondence with law enforcement, Office of Emergency Services, and Fire Prevention personnel
- Committee meetings
- Correspondence with ACUSD Superintendent

DISCUSSION

The Amador County Superior Court (ACSC) moved across from Argonaut High School. There was a concern for safety issues. The ACSC is not under the Grand Jury’s jurisdiction. The Grand Jury decided to look into school safety for the schools near the courthouse. A committee was formed and discovered that there is a school safety plan requirement for all schools in the state. The Grand Jury researched the California requirements for school safety plans, the school district policies, and the individual schools. The committee interviewed personnel at all the public schools in Amador County. This directed the committee to the Board policies about safety and disaster planning.
FACTS

1. California Education Code §32280 requires that all public schools develop a comprehensive school safety plan.

2. California Education Code §32286 mandates the safety plans be updated by March 1st.

3. California Education Code Section 32282 B (II) requires an earthquake emergency procedure system: a drop and roll drill to be held at least once a school quarter in elementary schools and once a semester in secondary schools.

4. California Education Code Section 32001 requires a fire drill at least once every calendar month at the elementary level. A fire drill is required 4 times a year at the intermediate level and twice every year at the secondary level.

5. ACUSD Board Policy 3516 requires that each site administrator and school secretary has a valid certificate in First Aid and cardiopulmonary resuscitation (CPR).

6. ACUSD does not have a policy for all staff to wear identification badges.

7. For communication, classrooms are connected to the office by telephone, internet, and paging systems.

8. Argonaut High School has no lighting in the main parking lot. Walkways around sidewalks near the parking lot have lighting pointing down on sidewalks. Parking lots are used at night.
FINDINGS

F1. ACUSD updates the comprehensive school plans each year in August of each year and has them adopted by October 15th as required by Board policy 0450. (Facts 1, 2)

F2. Schools have emergency supplies, such as neon vests, megaphones, and radios. Important command duties with titles are pre-assigned to specific teachers.

F3. Every classroom has available a “red bucket” for use in case of an extended lockdown. Some items in the bucket, such as food items, have a seven year expiration date. The contents of the bucket are listed on the outside label. See Figure 1.

F4. ACUSD board policy does not address lockdown procedures.

F5. In the 3 sample safety plans provided, lockdown and civil unrest procedures are included.

F6. All ACUSD schools are older, unsecured, and have many ways to enter and exit campus grounds.

F7. If there is a power failure, schools have limited communication. (Fact 7)

F8. Argonaut High School has inadequate lighting in the main parking lot. (Fact 8)

F9. ACUSD has copies of school annual emergency drills on file. (Facts 3, 4)

F10. ACUSD has complied with Board Policy 1356 concerning first aid and CPR certification. (Fact 5)

F11. School safety plans are available to the public in the District office and each school office (Admin. Regulation 3156). (Facts 1, 2, 3, 4)

F12. Security could be improved with photo IDs for staff: permanent teachers, substitutes, and school support staff. Photo IDs will identify who should be on campus. (Fact 6)
RECOMMENDATIONS
R1. ACUSD should include lockdown and civil unrest procedures in the Board policy. (Findings 4, 5)
R2. Argonaut High School and ACUSD should develop a plan for lighting in the main parking lot to include a funding and implementation schedule. (Finding 8)
R3. ACUSD should explore ways to provide photo identification for all staff and update school policy. (Finding 12)

REQUEST FOR RESPONSE
Pursuant to California Penal Code §933 (c), a response to this report is required. No later than 90 days after the Grand Jury submits a final report on the operations of any public agency subject to its reviewing authority, the governing body of the public agency shall comment on the findings and recommendations.
Follow-up Committee
BACKGROUND

The Amador Water Agency (Agency) is a public, not-for-profit special district created in 1959 by the California State Legislature. The purpose of the Agency is to provide water, waste water, and storm drainage services to Amador County. The 2011-2012 Amador County Grand Jury conducted an investigation of the Agency based on citizen complaints received regarding the Agency’s financial Health and long-term debt. The 2011-2012 Grand Jury recommended the investigation into the Agency continue. The Follow-up Committee of the 2012-2013 Grand Jury (Grand Jury) reviewed the details of the response. Based on the Agency's response, improvements were made in several areas. A few issues remained outstanding. The Grand Jury determined that a formal follow-up investigation was in order.

AUTHORITY

Per California Penal Code §933.5,  A grand jury may at any time examine the books and records of any special-purpose assessing or taxing district located wholly or partly in the county or the local Agency formation commission in the county, and, in addition to any other investigatory powers granted by this chapter, may investigate and report upon the method or system of performing the duties of such district or commission.

METHOD OF STUDY

- Interviews with past and present Agency’s Board of Directors
- Interviews with ratepayers
- Interviews with Agency personnel
- Review of Agency’s website, Board of Directors’ meeting minutes, and budgets
- Review of Government Code 66013 (GC66013) – Water Fees and Charges Regulations
- Attendance at Board of Directors’ meetings and subcommittee meetings

GLOSSARY OF TERMS

- Replacement Cash Reserves (RCR): monies held for projects funded by water and wastewater rate proceeds
- Participation Fee Cash Reserves (PFCR): monies held for each water and wastewater system and comes from new water connections
DISCUSSION

The Grand Jury evaluated the Agency's response and realized there were gaps in knowledge about the Agency's financial accountability. The perception by the public that the Agency's finances were hidden and inaccurate sparked our curiosity. There were no adequate checks and balances in place within the Agency. Once inquiries began, the current Board and Agency management proceeded to apply due diligence.

FACTS

1. The Agency combined the RCR and PFCR into a single account in July 2004.

2. No existing Board member, General Manager, or Controller were on staff in 2004.

3. The Agency engineers and General Manager reviewed Agency projects from 2004 to present. This determined which costs should be for replacement and which costs should be for improvements/expansion.

4. The Agency Controller reconciled cash accounts from 2004 to present to determine actual project costs. These costs, based on the project analysis, have been divided between replacement and improvements/expansion.

5. As of 2012, PFCR and RCR funds have been separated into two accounts. Journal entries have been completed, including interest earned on all the funds.

6. Per GC66013, fees collected must be used solely for the purpose for which they were collected.

7. Per GC66013, collected fees must be kept in separate accounts from all other funds. The Agency is correcting the GC66013 violation by separating PFCR and RCR. The State imposes no penalties for not filing annual reports.

8. Internal loans between water systems were made to eliminate the negative cash balances in various water supply systems.

9. Internal loans are legal and may be necessary to keep systems solvent within the Agency.

10. Fiscal Year 2010-2011 audit was accepted in April 2013. The delay was caused by negative fund balances in several of the Agency's systems. Fiscal Year 2011-2012 financial reports are contingent on Board acceptance of the prior year’s audit.

11. Generally Accepted Accounting Principles (GAAP) require all funds must have a positive balance at the end of each fiscal year.
12. In recent years, the Agency has experienced an increase in:
   - Attorney costs
   - Length of Board meetings (since 2008)
   - Increase in Public Records Act requests

13. The Budget and Finance Committee reviews and discusses monthly budget status reports. The reports are then given to the Board for review. These meetings are open to the public.

14. Monthly budget status reports detail:
   - Agency budget, income to date, percentage of budget completed
   - System specific budget, income to date, percentage of budget completed
   - Agency budget, expenses to date, percentage of budget completed
   - System specific budget, expenses to date, percentage of budget completed
   - Any known income or expense that will occur before the end of the fiscal year affecting available water systems balances

**FINDINGS**

F1. The Agency has implemented financial reporting that follows the standard accounting practices in line with the State's General Accounting Standards Board (GASB) and GAAP. (Facts 13, 14)

F2. The Project Analysis determined percentages of all projects based on replacement or improvements/expansion. (Fact 3)

F3. The State does not penalize for not filing GC66013 reports. (Fact 7)

F4. Members of the public are interested in budget status reports for their particular water supply system, as well as the Agency overall. (Facts 13, 14)
F5. Some members of the public are instrumental in voicing concerns and challenging financial information on behalf of some ratepayers. (Fact 12)

F6. When controversial items are added to a Board agenda, the discussion at the meetings can be lengthy. This extends the duration of Board meetings. Lengthy meetings may change the public's availability to hear the discussion about their particular item and to address the Board. (Fact 12)

F7. Between 2008 and 2012, the length of time spent at Agency Board meetings has increased 123%. (Fact 12)

F8. Policies that identify and address the accounting activities used within the Agency were generally unwritten. (Facts 1, 9, 11)

RECOMMENDATIONS

R1. The Grand Jury recommends the Agency should provide a link on their web homepage showing the budget information in simple, easy to read formats. Use of charts and graphs should be included. (Finding 1, 4) (Appendix A)

R2. The Grand Jury recommends that the Agency limit the public comment time to 3 minutes, similar to the Amador County Board of Supervisors. (Finding 6)

R3. The Grand Jury recommends the Agency develop and adopt policies to ensure standard accounting practices be consistent. This will ensure discrepancies and inconsistencies in accounts do not reoccur. Policies can be made available on the Agency's webpage to aid in public transparency. (Finding 1, 2, 3) (Appendix A)

REQUEST FOR RESPONSE

Per California Penal Code §933(c) - No later than 90 days after the grand jury submits a final report on the operations of any public Agency subject to its reviewing authority, the governing body of the public Agency shall comment to the presiding judge of the superior court on the findings and recommendations pertaining to matters under the control of the governing body.

DISCLAIMERS

This report of the Amador Water Agency Financial Road to Recovery is issued by the 2012-2013 Grand Jury with the exception of one member of this Grand Jury, who might have a perceived conflict of interest. This juror was excluded from all parts of the investigation, which included interviews, deliberations, and the writing of this report. This report is based on information obtained from outside sources with none of the information being obtained from the excluded Grand Juror.
APPENDIX
Appendix A – Sample of budget charts and graphs

Amador Water Agency
2012-2013 Projected Revenue

(*) Participation Fees, PG&E, Loans and Grants

Amador Water Agency
2012-2013 Projected Expenses

AWA - All Systems Operating Budget (6-28-2012)
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UPCOUNTRY WATER SOLUTION
AMADOR WATER AGENCY

BACKGROUND

In the 1970’s, there were major water outages in the upcountry areas due to a severe drought. Amador County (County) entered into a Joint Powers Agreement with the Amador Water Agency (Agency) in 1977. Construction began in 1978 of the "Emergency Pipeline" (Pipeline) from the Tiger Creek Afterbay to Buckhorn Water Treatment Plant (BWTP). Water service agreements were executed in 1978 with each of 10 districts that would receive water. In 1979 the Agency began operations of the Central Amador Water Project (CAWP) system.

The Gravity Supply Line (GSL) concept was initiated in early 2010 by the Agency's Board of Directors (Board). At that time, there was public concern about the Pipeline's ability to help fight an Upcountry fire. There was also the desire to offer a means of delivering water to customers at a lower cost. No studies were done to ascertain the actual condition of the Pipeline. Numerous objections and citizen complaints were brought to the Board. Some of these complaints related to the cost of a new system. Other concerns were voiced that the present system was adequate for the existing customer base. The GSL project has to be evaluated on its own merits without political bias.

AUTHORITY

Per California Penal Code §933.5, a grand jury may at any time examine the books and records of any special-purpose assessing or taxing district located wholly or partly in the county or the local agency formation commission in the county, and, in addition to any other investigatory powers granted by this chapter, may investigate and report upon the method or system of performing the duties of such district or commission.

METHOD OF STUDY

- Interviews with current employees, management, and directors of the Agency
- Interviews with past directors of the Agency
- Interviews with former County Directors
- Attendance at Agency Committees and Board meetings
- Review of contracts, project status reports, audit reports, and opinion papers
- Tour of existing pipeline locations, pump stations, Tiger Creek Afterbay, and the Tiger Creek Regulator
- Review of websites of the Agency and the Ratepayer Protection Alliance
DISCUSSION

The Agency is the primary provider of drinking water. The North Fork of the Mokelumne River is the primary source of water for the CAWP system. Water from the Tiger Creek Afterbay is pumped to BWTP. This water is used by Pine Grove, Pine Acres, Sunset Heights, Fairway Pines, Jackson Pines, Pioneer, Gayla Manor, Ranch House Estates, Pine Park East, Toma Lane, Sierra Highlands, Silver Lake Pines, Ridgeway Pines, Rabb Park, and Mace Meadows. This is the CAWP system.

FACTS

Existing System Lifespan

1. The Pipeline itself is an air type pipe, not a water type pipe.
2. Life span of an air type pipe is between 35-40 years.
3. In 1977, 4 year old pipe was purchased from Pacific Pipe Company.
4. From the Tiger Creek Afterbay, the Pipeline ascends 1,300 feet straight up. Water is forced uphill by electrical pumping.
5. Maps pinpointing the exact location of the pipe are not known to exist at this time. Of the over 9,000 feet of pipe used, only those sections closest to the intakes and outtakes of the pump stations are known.
6. Repairs of the pipe, even if the location were known, are difficult in wet or adverse conditions due to terrain and lack of access routes.
7. Pipe seams were compromised when the coating within the joints melted under the heat of welding.
8. Catastrophic failure of the existing pipeline occurred in January 1980, destroying 1 house and eroding the hillside. (Photo 1)
9. Potential damage to homes has increased due to more residential construction.
10. Repairs to the existing system have increased as the system ages and the parts become unavailable.

Photo 1: Landslide caused by break in pipeline, January 1980
Photo provided by Amador Water Agency
11. From 2004 to 2008, there have been 163 Pipeline failures:
   • 97 electrical/mechanical
   • 14 communications
   • 52 power outages:
     - 18 were less than 4 hours
     - 28 were between 4 and 24 hours
     - 4 were greater than 24 hours
     - 2 caused by wildfires

12. The Agency’s BWTP was replaced with a state of the art facility in 2004/2006.

13. The whole system is antiquated. Vacuum tubes are still used in electrical panels. Parts are not readily found, except on internet auction sites. There is no Cathode Protection along the pipes.¹

14. High pressure must be maintained to meet water demand.

15. The system at the pump station is dangerous, as Arc-Flashing is possible.² There is no room at some stations for added back up pumps, electrical outlets, or emergency power generators.

16. The system sometimes operates beyond its capacities, putting stress on the components. (For example: water hammering, pipe shifting, etc)

17. The system can be used for a backup system for the GSL, but is not required by either the Agency or PG&E. Maintenance costs will vary while Pipeline is dormant.

18. Assembly Bill (AB) 32 discourages use of fossil fuels.

19. Under the Agency's current water rights, the system runs close to maximum capacity during the summer months.
20. The Tiger Creek Regulator holds 500-acre feet of water at any given time on any one day. This is equal to six months of the Agency's demand.

21. PG&E gives the Agency top priority water rights, second to East Bay Municipal Utilities District (EBMUD).

22. The Tiger Creek Pump Station is situated on land that is eroding.

23. The Silver Lake Pines and Tiger Creek Pump Stations have corroded pipes that go into concrete, making inspection impossible.

24. Brackets holding pipe are broken and/or loose.

**Gravity Supply Line**

25. The GSL will need some initial pumping to start the flow of water.

26. The GSL will use a combination of 3 different pipes. The pipes have different costs per foot and maximum PSI capacities. This will result in a longer lifespan.

27. The GSL will use automated communications and remote alarms to avert service interruptions.

28. As it is designed, the GSL has the capacity to transmit water under adverse conditions (i.e. storms, snow, electrical outages, and fire).

29. The GSL allows water transmission greater than needed for the existing customer base.

30. The GSL will use larger diameter pipe. The growth factor used in the GSL design was based on the Urban Water Regional growth plan, not the County General Plan.
31. The GSL provides a pressurized system that will improve fire suppression activities:
   • A reliable water source not dependent on electricity
   • An available large reserve storage of water
   • Fire hydrants located along the GSL

32. Amador Fire Protection District Agencies and the Amador County Fire Chiefs Association have endorsed the GSL stating the potential positive impacts on fire suppression.

**Fiscal Concerns**

33. CAWP has had no rate increase since 2006.

34. The cost to replace or repair the existing pipeline system will equal the cost of constructing the GSL. The GSL would actually be cheaper to construct with available government grants.

35. The funding plan for the GSL was approved by the Board in April 2013. It has no rate increase for existing CAWP ratepayers.

36. In early 2010, a public workshop was held to present cost comparisons of the Pipeline versus the GSL.

37. The Agency and the ratepayers will no longer pay PG&E for the pumping costs of the Pipeline. Pumping costs have increased over the years:
   • In 1988-1989 = $109,000
   • In 2003-2004 = $310,000
   • In 2011-2012 = $256,000

38. Liability to the Agency increases if employees are injured working on dangerous or antiquated systems.

39. A loan from the County ($900,000) was spent on Engineering and Environmental Reviews. Grant funds from the United States Department of Agriculture (USDA) will repay the County.

40. The cost to construct the GSL is $13.4 million: $5.1 million from USDA grant and $8.3 million from USDA low-interest loan.

41. The USDA grant of $5.1 million is in danger of expiring in September 2013. Grant funds do not require repayment.

42. The interest rate for the USDA loan has lowered from 3.25% to 2.7% and is now 2.5%.
43. Some public dissention has extended the timeline of construction on the proposed GSL.

FINDINGS

F1. Some members of the public are instrumental in voicing concerns and challenging any new project and funding source on behalf of some ratepayers. (Facts 33, 34, 40)

F2. The lifespan of pipe used for air is unknown when used for water. Although the pipe was pressure tested, inspected, sand blasted, and coated per specifications, it was not used as intended (air vs. water). Water pressures and directional changes may have compromised the integrity inside the pipe. (Facts 1, 2, 6, 7, 15, 22, 23)

F3. The existing Pipeline must continue to be fully operational while an alternate water supply is developed, constructed and implemented. (Facts 6, 10, 13)

F4. The existing pump stations pose a danger to employees with the high pressure contained in the pipes and the fast moving parts of the pumps. (Facts 13, 14, 15, 37)

F5. There are maintenance issues with the pumps and pump stations. (Facts 6, 10, 22, 23)

F6. An alternate water supply to the existing pipeline is needed to eliminate the need for electricity and constant monitoring. This will also reduce the dangerous conditions for both employees and residents. (Facts 4, 8, 9, 11, 36, 37)

F7. An alternate water supply would reduce the fiscal concerns of the ratepayers. (Facts 33, 34, 36)

F8. Costs from PG&E are unknown if the existing pipeline has to be activated as the GSL's backup. Pumping costs increased by 3.9% this past year. (Fact 36)
RECOMMENDATIONS

R1. The Grand Jury recommends that some preventive maintenance be performed on the existing pipeline. Preventive maintenance includes wire-brushing of the exposed rust and treating areas with a rust retardant. (Findings 3, 5)

R2. The Grand Jury recommends the GSL should be constructed as an alternative to the Pipeline. (Findings 6, 7)

R3. The Grand Jury recommends that the existing pipeline not be considered or used as a backup to the GSL. (Findings 4, 8)

CONCLUSION

Due to the public interest in the GSL project, the Grand Jury would like to see the Agency provide a link on their web homepage during its construction. The Agency could include on the webpage, the project status, percent of project completion to date, and dollars spent to date. Use of pie charts and photos of various construction stages could also be included.

REQUEST FOR RESPONSE

Pursuant to California Penal Code §933 (c), a response to this report is required. No later than 90 days after the Grand Jury submits a final report on the operations of any public agency subject to its reviewing authority, the governing body of the public agency shall comment on the findings and recommendations.
DISCLAIMERS

This report of the Upcountry Water Solution - Amador Water Agency is issued by the 2012-2013 Grand Jury with the exception of one member of this Grand Jury, who might have a perceived conflict of interest. This juror was excluded from all parts of the investigation, which included interviews, deliberations, and the writing of this report. This report is based on information obtained from outside sources with none of the information being obtained from the excluded Grand Juror.

________________________________________

1 **Cathodic Protection (CP):** is a technique used to control the corrosion of a metal surface by making it the cathode of an electrochemical cell. The simplest method to apply CP is by connecting the metal to be protected with a piece of another more easily corroded "sacrificial" metal to act as the anode of the electrochemical cell.

2 **Arc Flash:** a type of electrical explosion that results from a low-impedance connection to ground or another voltage phase in an electrical system. An arc flash is the light and heat produced from an electric arc supplied with sufficient electrical energy to cause substantial damage or harm, fire or injury.

3 **Types of pipe:** HDPE - 0-135 psi, ductile iron - 135-205 psi, welded steel - 205-350 psi

Photographs provided by Crane, Parmenter, and Bourgeois unless otherwise noted.
HEALTH
AND
HUMAN SERVICES
COMMITTEE
COUNTY USES OF
MENTAL HEALTH SERVICES ACT FUNDS

BACKGROUND
The 2012-2013 Grand Jury (Grand Jury) received a citizen complaint about how Amador County was misusing Mental Health Services Act – Proposition 63 (MHSA) funds. The complaint further stated that Amador County was not applying for and reporting on future years’ funding. The citizen had knowledge of and experience with the requirements of the MHSA. From the information given, the Grand Jury agreed that this area needed investigation to understand the facts.

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

METHOD OF STUDY
• Online research of the State of California website for MHSA and other counties’ websites
• Interviews with current and past Amador County employees
• Committee Meetings
• Document review of MHSA itself, information binders provided by County Mental Health Department (MHD) and PowerPoint presentations
• Review of the 2011-2012 Annual Audit Report provided to the County by the independent auditing firm

DISCUSSION
The Amador County Mental Health Department (MHD) has programs that address the needs of children, transitional-aged youth (11 – 17), adults, and older adults. MHD has several sources of funds to provide services to the consumers and their families, including the MHSA. The Grand Jury restricted our inquiry to only the plans and usage of the MHSA funds because of the complaint received. The Grand Jury did not address any confidential consumer information relating to the programs and services provided.

FACTS
1. MHSA was approved by California voters in November 2004.
2. Funding source is a 1% tax on residents of California whose personal income earns more than $1 million annually.
3. MHSA includes 6 components:
   - Community Services and Support (CSS)
   - Prevention and Early Intervention (PEI)
   - Workforce Education and Training (WET)
   - Capital Facilities (CAPFAC)
   - Technological Needs (IT)
   - Innovative Programs (INN) (Appendix A)

4. Amador County first applied for MHSA funding in 2007. The plan for CSS was approved in December 2008 and funded in February 2009.

5. In Fiscal Year 2008-2009, the County’s CSS Budget totaled $1.65 million, which represents 75% of the state funds allocated to the County.

6. As approved in the 2008-2009 CSS Plan, the County purchased 41 computers and 5 laptops, totaling $50,396.97. Computers were allocated as follows:
   - 33 to MHD staff
   - 5 to the MHA Wellness Center
   - 2 to the MHSA consumers
   - 4 to interns and doctors
   - 2 to support staff (Information Technology and Social Services) that perform mental-health specific work

7. As approved in the 2008-2009 CSS Plan, the County purchased 4 vehicles, totaling $61,364.33. These were assigned and are still in use for the transportation of isolated clients who live in outlying areas of the County and have serious mental illness.

8. The State Department of Mental Health (DMH) has merged with the Department of State Hospitals in 2012. As a result, the duties, reporting criteria, and oversight of MHSA funds were reorganized.

9. Reports filed by several counties were not posted to the DMH website, including Amador County.

10. Funds are requested and expended annually for:
    - CSS
    - PEI
    - INN

One-time funds are available on a 10-year spending cycle for:
    - WET
    - CFTN
    - Permanent Supportive Housing (PSH)
11. Amador County has received MHSA funds for the CSS, PEI, and INN programs for fiscal years:
   • 2008-2009 ($1,775,600)
   • 2009-2010 ($1,971,300)
   • 2010-2011 ($1,435,100)
   • 2011-2012 ($1,357,100)

12. In Fiscal Year 2012-2013, the County detailed the program funding and expenditures in the MHSA Annual Update dated May 17, 2012.

<table>
<thead>
<tr>
<th>Estimated FY 2012-2013 Funding</th>
<th>CSS</th>
<th>PEI</th>
<th>INN</th>
<th>WET</th>
<th>CFTN</th>
</tr>
</thead>
<tbody>
<tr>
<td>Estimated Unspent Funds from Prior Fiscal Years</td>
<td>670,057</td>
<td>297,774</td>
<td>500,650</td>
<td>332,887</td>
<td>788,500</td>
</tr>
<tr>
<td>Estimated new Funding</td>
<td>1,560,665</td>
<td>188,025</td>
<td>87,400</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Estimated Available Funding</td>
<td>2,230,722</td>
<td>485,799</td>
<td>588,050</td>
<td>332,887</td>
<td>788,500</td>
</tr>
<tr>
<td>Estimated Expenditures</td>
<td>1,628,400</td>
<td>363,000</td>
<td>110,200</td>
<td>125,004</td>
<td>231,500</td>
</tr>
<tr>
<td>Estimated Contingency Funding</td>
<td>602,322</td>
<td>122,799</td>
<td>477,850</td>
<td>207,883</td>
<td>557,000</td>
</tr>
</tbody>
</table>

13. County Board of Supervisors is allowed by the State to transfer up to 10% of MHSA funds to other areas for no specific plan and/or justification.

14. Amador County combines all expenditures for MHD regardless of funding sources.

15. Amador County has hired a Program Director for MHD, who has successfully implemented all 6 MHSA programs in an adjacent county.

16. The County has hired a Finance and Administration Supervisor, who has several years of experience in cost accounting.

17. The County’s accounting system (general ledger and chart of accounts) was designed to satisfy older State budgetary and legal requirements. It does not convert easily to newer financial reporting criteria. MHD does not use the County’s accounting system for MHSA related expense tracking.
18. The MHD uses a software program, called MAXIME. The software separates all expenses into related line items and then prepares a claim.

19. MHD reconciles all accounts.

20. There are 4 changes to procedures that have occurred since the beginning of 2012-2013:
   - Detailed budgets for MHSA programs, as well as other mental health programs
   - Quarterly review of budgets to expenditures
   - Written procedures for all activities
   - Invoice tracking log

21. Trust accounts earn interest and the interest is added to the available funds. Trust accounts are dedicated for a specific purpose.

22. Fixed costs for each department (building rent, telephone, etc.) are on a general allocation scheme. A general allocation scheme is based on the percentage of funds allotted to a department as compared to the whole county. That percentage is then used to distribute shared costs (building rent, telephone, general services, etc.) back to the departments for accurate expense accounting.

FINDINGS

F1. Amador County has applied for funding under the CSS, PEI, and INN programs since 2008-2009. They have applied for funding under the remaining MHSA programs in 2012-2013. (Facts 4, 5, 10, 11, 12)

F2. The County accounting system in place is out of date. It does not allow the tracking of expenses at the level the County Behavioral Health Department requires. Mental Health is a division of Behavioral Health. (Facts 17, 18, 19)

F3. The MHD reconciles the MAXIME reports to the County expenditure reports monthly. (Facts 18, 19)

F4. MHSA reports are located in 2 separate locations on the County’s website. The reports that are available on the website are out-of-date drafts and are not the final approved reports. This makes it difficult to compare historical data with more recent reports. (Fact 23)

RECOMMENDATIONS

R1. The Grand Jury recommends that the County implement the recommendation in the “2011-2012 County of Amador Audit Report” for governmental trust accounts: (Findings 2, 3)

“…recommend that the County integrate the activity of these funds into operating funds of the County to better reflect the revenue and expenditure activity throughout the year. In addition, by integrating these funds into operating funds, the County will ensure that all activity is properly budgeted for. If the County wishes to establish separate funds rather than blending the activity into existing funds, it may do so. The benefit of reporting the activity in an operating fund instead of a fiduciary fund is that revenues and expenditures can be associated with a department and a function.”

R2. The MHD needs to increase transparency by providing budget monitoring status in an easy-to-read format and post it on the County’s website. An example would be located at [www.sccgov.org/sites/MHD/](http://www.sccgov.org/sites/MHD/) (Finding 4)

R3. MHD needs to consolidate and update the website to include easier ways to find information about MHSA. They also need to provide a link directly under the “Services” category of the County’s website. This will make it easier to locate the plan, budgets, and expenditures for the average resident. (Finding 4)

REQUEST FOR RESPONSE

Pursuant to Penal Code §933(c), a response to this report is required. No later than 90 days after the grand jury submits a final report in the operations of any public agency subject to its reviewing authority, the governing body of the public agency shall comment to the presiding judge of the Superior Court on the findings and recommendations.
DISCLAIMERS

This report of the County Uses of the Mental Health Services Act Funds is issued by the 2012-2013 Grand Jury with the exception of one member of this Grand Jury who is part of the complaint. This juror was excluded from all parts of the investigation, which included interviews, deliberations, and the making and acceptance of this report. This report is based on information obtained from outside sources with none of the information being obtained from the excluded Grand Juror apart from the original complaint.

1 Capital Facilities (CAPFAC) and Technological Needs (IT) programs are now combined into 1 program (CFTN).
APPENDICES
Appendix A – Components of Mental Health Services Act

Mental Health Services Act

Community Services & Support
- Full Service Partnerships
- Systems Development
- Outreach & Engagement

Community Planning Process-
Needed for every component - Must have public hearing prior to submitting application, plan

Capital Facilities
(Began as Cap. Fac., IT, & Housing)
Used for Buildings

Prevention & Early Intervention
County, Regional & State Programs
Includes Suicide Prevention & Crisis Intervention
Includes Anti-Stigma, Anti-Discrimination Projects

Technological Needs
(Began as IT)
Used for computer systems & data management

Workplace Education & Training
County, Regional & State Programs
Workforce Development

Housing
(Now a separate component)
Range-temporary rent subsidies, group residency, supported & assisted living, independent living

Innovation
(Innovative Programs)
Guidelines in Draft Published for Comment

Outcomes/Measurements