2011-2012

FINAL REPORT OF THE CIVIL GRAND JURY

TUOLUMNE COUNTY, CA

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Diana Eppler

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2011-2012 Tuolumne County Civil Grand Jury

Jury Foreman
Thomas Miller Jr., Sonora

Jury Foreman Pro Tempore
Carmen Cady, Sonora

Jury Secretary
Kathleen Brush, Sonora

Jury Members
D. Carl Anderson, Groveland†
Jean Behee, Sonora*
Tamara Bettanini, Tuolumne*
Robert Canavan, Sonora*
Elizabeth Cutting, Jamestown†
John Dickinson, Sonora*
Diana Eppler, Jamestown†
Maurice "Don" Fisher, Sonora
Jeffrey Hilson, Jamestown
James "Lonnie" Johnstone, Mi-Wuk Village
Karen Kilgore, Columbia
Molly LaRue, Sonora
Lance Lester, Jamestown†
Thomas McHenry, Sonora†
Carrie Miller, Twain Harte†
Carol Pranes-Fray, Sonora
John Reimers, Sonora*
Donna Salazar, Sonora
Jennifer Sorensen, Tuolumne*
Thomas Sullivan, Sonora*
Lori Welsh, Jamestown*

**denotes committee Chairperson*
†denotes Juror who resigned prior to end of term

June 20, 2012

The Honorable Eleanor Provost
Superior Court of Tuolumne County
60 North Washington Street
Sonora, CA 95370

Dear Judge Provost,

The 2011-2012 Tuolumne County Grand Jury is pleased to present its final report to you, the Tuolumne County Board of Supervisors, and the citizens of Tuolumne County.

I would sincerely like to thank all the members of the Tuolumne County Grand Jury for their endless hours of work that lead to this final report. We came from different backgrounds, none of us had performed Grand Jury work before, and yet we were able to meld into a unique patchwork that created a strong bond utilizing the strengths of each individual.

The entire Grand Jury would like to thank you for your support and guidance throughout the year. We would like also to thank District Attorney Donald Segerstrom and Assistant District Attorney Mike Knowles for their assistance and advice on legal matters.

We would like to thank the Tuolumne County employees that we had the opportunity to speak with. We found each of them to be cheerful and honest in their approach to answering our many questions. They provided us with what seemed to be reams of information and were always willing to research and deliver more. Sometimes this research was done on their own time. THANK YOU!

Grand Jury service has been an honor. We have all been enlightened as to how our county government operates and the challenges it faces. It is our hope that each citizen will read our report and become more familiar with the activities of the county. We look for those in county government to be even more diligent in scrutinizing each proposal that comes before them and give careful consideration to each decision. Thank you again for the privilege of being on the Grand Jury.

Respectfully Submitted,

Thomas Miller

Thomas Miller
Foreperson, Tuolumne County Grand Jury 2011-2012

INTRODUCTION TO THE TUOLUMNE COUNTY CIVIL GRAND JURY

The Tuolumne County Civil Grand Jury (henceforth referred to as "the Jury") is charged with representing the citizens of Tuolumne County as a "watchdog" group which oversees the activities of local government, including its county government, city government, school districts, special districts, joint powers, and the local prison.

METHODOLOGY

Grand Jury Defined

The Jury is comprised of 19 volunteer sworn jurors who are selected at random from the county using voter and/or driver's license registration information. During the selection process, the supervising judge performs due diligence to ensure the Jury "represents a diversity of men and women from all socioeconomic, ethnic, age, educational background and geographic areas of the county"[1]. The County Superior Court also maintains a list of alternate jurors, any of which can be sworn in should a standing juror become unable to serve. Jury tenure lasts one year, and begins in July at the start of the County fiscal year.

Throughout its term, the Jury may:

- Establish committees to work on specific areas of interest and/or investigation. The 2011/2012 Jury established committees based on specific investigations, as opposed to general interest areas.
- Conduct investigations of county entities by performing interviews, attending meetings and facility tours, reviewing and researching public records, and discussing legal options with the District Attorney.
- Analyze facts from an investigation into cohesive findings and recommendations, all of which will be used to write a final comprehensive investigation report. This final investigative report is fact checked against records, where appropriate reviewed with agency heads for accuracy, and approved by the Jury as a whole prior to issuance to the county.

While Jury tenure lasts one year, the amount of time available for actual department or agency review amounts to much less. Early in the tenure, significant time is spent on training, Jury organization, and committee formation. Throughout the investigative phase large amounts of time are spent determining and monitoring investigations. Near the end of the tenure, final report compilation, writing and review also take significant time. The amount of time required for each of these phases is highly dependent on the jurors' backgrounds, interests, and collective ability to form working partnerships. Delays in any step of this process, usually incurred due to false starts on investigations and Juror turnover, may affect the quality and/or extent of the overall final report.

Several times throughout a Jury's tenure issues arise that are not clearly defined and/or do not obviously fit within the laws governing Jury implementation and operation. When these issues

[1] Tuolumne County Grand Jury Guide, pg 7.

arise, the presiding Superior Court Judge and District Attorney are available to counsel individual committees and/or the entire Jury. When and if any committee suspects or identifies illegal actions being performed by an entity in review, the Jury recues itself from the investigation and hands all materials and information off to the District Attorney's office.

Grand Jury Training Resources

The PC§914(a), which became law in 1959, states:

"To assist a Grand Jury in performance of its statutory duties regarding civil matters, the court, in consultation with the District Attorney, the County Counsel, and at least one former Grand Juror, shall ensure that a Grand Jury that considers or takes action on civil matters receives training that addresses, at a minimum, report writing, interviews and the scope of the Grand Jury's responsibility and statutory authority."

On August 1-2, 2011, several Jurors attended the California Grand Jurors' Association On-Site Training Program (for Amador, Calaveras, and Tuolumne Counties). This introductory seminar provided by tri-counties was designed to assist with the early Jury organization and committee formation issues, as well as provide new members structure for approaching Jury functions, governing laws, and internal organization. In particular, the training instilled in Jurors the need to approach investigations and interviews with an open mind, as well as assisted Jurors in understanding the process of Jury investigation and applicable penal codes. The Jurors were also instructed in report writing strategies.

In addition to this formal classroom training, all Grand Jury Members received the "Tuolumne County Grand Jury Procedure Manual", which serves as a reference book for procedures related to Jury formation, investigations, report writing, and codes.

Jury Venue & Operating Budget

It is necessary for a Grand Jury to have a confidential, comfortable location to conduct Jury business. During the 2011/2012 Jury tenure, this designated space was the Tuolumne County Jury Assembly Room on S. Washington St. in Sonora, CA. This area is principally used by the Superior Court of Tuolumne County as a holding area for citizens summoned for Jury duty. While the room is not normally designed nor furnished with equipment necessary for conducting Grand Jury Business, the 2011-2012 Jury was provided tables and a flip chart for use.

The Grand Jury, as with all County functions, has an operating budget which is approved by the Tuolumne County Board of Supervisors. This budget, as well as those from previous years, is available for review in Table 1.

Table 1. Expended monies for Civil Grand Jury Operations from fiscal years 2009-2011 and budgeted monies for fiscal year 2012.

Account Title	FY 2009 Actual	FY 2010 Actual	FY 2011 Actual	FY 2012 Budgeted
Jury & Witness Expense	$18,864	$25,774	$23,711	$17,665
Office Expense	2,254	2,894	3,246	1,000
Expense- Photocopy	113	650	0	1,500
Expense- Postage	0	0	0	20
Publication & Legal Notices	462	853	0	1,200
Travel- Seminars	2,638	1,074	1,793	2,000
TOTAL	$24,331	$31,245	$28,750	$23,385

2011-2012 Investigation Selections & Approach

In 2011-2012 there were a total of seventeen major departments, twelve school districts, and seventeen special districts open to review by the 2011-2012 Grand Jury. California law designates that the two county detention facilities, the Sierra Conservation Center and the County Jail, are required for annual review by the Grand Jury. Otherwise, each Jury is free to investigate any departments or districts it deems appropriate.

Since 1993, each Tuolumne County Civil Grand Jury has maintained the Grand Jury Investigations Matrix which records all entities reviewed each year. While this matrix served as a guide for 2011-2012 investigative selection, it was not an exclusive source of selection criteria. Other influences on 2011/2012 investigation selections included: Citizen Complaints received by the Jury throughout the year, Jury interests, and discussions surrounding which investigations might best help the community during these tough economic times.

2010-2011 Report Response Monitoring

Response Requirements

According to the penal code (PC) §933(c) "no later than 90 days after the Grand Jury submits a final report on the operation of any public agency subject to its reviewing authority, the governing agency of the public agency shall comment to the presiding judge of the superior court on the findings and recommendations pertaining to matters under the control of the governing body, and every elected county officer or agency head for which the Grand Jury has jurisdiction pursuant to Section 914.1 shall comment within 60 days to the presiding Superior Court"[2].

Section 933.05(a) states that "…as to each Grand Jury finding, the responding person or entity shall indicate one of the following:

(1) The respondent agrees to the finding.

[2] California Penal Code §933

(2) The respondent disagrees wholly or partially with the finding, in which case the respondent shall specify the portion or finding that is disputed and shall include an explanation of the reason therefore."

Section 933.05(b) states that "…as to each Grand Jury recommendation the person or entity shall report one of the following actions:

(1) The recommendation has been implemented, with a summary regarding the implemented action.

(2) The recommendation has not yet been implemented, but will be implemented in the future, with a timeframe for implementation.

(3) The recommendation requires further analysis, with an explanation and the scope and parameters of an analysis or study, and a timeframe for the matters to be prepared for discussion by the officer or head of the agency or department being investigated or reviewed, including the governing body of the public agency when applicable. This timeframe shall not exceed six months from the date of publication of the grand Jury report.

(4) This recommendation will not be implemented because it is not warranted or is not reasonable, with an explanation thereafter."

The above sections of PC §933 were used as the criteria in reviewing the responses to each finding and recommendation from each entity addressed in the 2010-2011 Civil Grand Jury Report.

Response Monitoring

The 2011/2012 Jury chose to monitor the receipt and quality of the previous year's requested responses. If the Jury found responses had not been received, the response was incomplete, and/or it required follow-up, those responses and agencies were further explored, as deemed necessary by the Jury as a whole.

In order to assure that the 2010/2011 investigated agencies were held accountable to respond to the Grand Jury report, the Jury decided to present response information in a chart which states whether the response was received by the county, was on-time, whether it was found to be complete, and whether it required follow-up (see Appendix 1). Reports were judged complete if each finding and recommendation had received a response. In total there were 7 reports (one report contained three parts), and 29 responses. Two requested responses were not received; these were from the City of Sonora Fire Department and the Tuolumne Me-Wuk Tribal Fire Department. However, as these entities do not receive county funding, their responses were optional. The Jury determined that five reports warranted follow-up. These included responses from the Tuolumne County Parks and Recreation Department, the Tuolumne County Probation Department, the Secured Property Assessment Value & Tax Collection report, the County Administrators Office regarding the Future of Fire Safety Report, Tuolumne County Special Districts as it pertains to the creation of a Tuolumne City Community Services District, and the Tuolumne City Sanitary District. Updates on these responses are as follows:

Update: Tuolumne Recreation Department

A major remodel of the bathroom has taken place. This includes new lighting and plumbing. Lights have been added to the parking lot area. A new playground shade structure and safety netting have been installed near the parking lot.

Update: Secured Property Assessment Value and Tax Collection

R1: Recommendation 1, regarding work instructions and procedures, has essentially been completed. Efforts began to address the issue in August, 2011. The document was broken up into sub-categories by positions, and an electronic copy is now available.

R2: Recommendation 2, regarding a property tax system evaluation, is currently in progress. Ten staff members have attended software demos presented by vendors.

R3: Recommendation 3, regarding economic development and strategic goals, has not yet been seen by the Board of Directors. Concerns have been voiced that implementation will be expensive. Staff are currently working with other counties to see if it is possible to utilize one consistent system throughout the region.

Update: Tuolumne County Probation:

R3: Recommendation 3, regarding development of a tracking system to evaluate existing program effectiveness, is in the process of being developed. While the original grant application intended to cover this was not funded, other money has since been earmarked for this project. Probation personnel hope to have it in place by September 2012.

Update: Tuolumne Community Services District:

The Tuolumne County Chief Administrative Officer met with the Jury to discuss the potential creation of a Tuolumne Community Services District. While it is agreed that this new organization structure would have benefits, how to implement it remains unclear.

The 3rd District Supervisor, CAO, and other County staff did hold a meeting with representatives of each of the potentially effected districts to talk about the potential positives and negatives of forming a CSD and the general steps that would be involved in doing so. At the conclusion of the meeting, district representatives were asked to address their individual Boards, and ask for consensus in creating a committee to explore the idea. Participating organizations included: the Lighting District, Park and Recreation Department, Sanitary District, Fire District, and Cemetery District. Responses from each were as follows:

- The Park and Recreation Department, while somewhat reluctant, is open to further discussions and agreed to take the discussion back to their Board of Directors.
- The Sanitary District is eager to work collaboratively toward formation of the committee and of the Community Services District.
- Though the Fire Department is willing to discuss the matter further, their attention is currently focused on weathering recent financial problems. Due to

absence of a full time Chief and high Board turnover, their focus has been and continues to be on stabilizing their program.

- The Cemetery District indicated their overall desire to remain independent, however would likely be willing to discuss the proposal. The District has been experiencing Board turnover and staffing problems, and as such, recognizes that there is some merit to this structure.

Update: Tuolumne City Sanitary District:

The President of the District stated that there would be no merger between Tuolumne City Sanitary District and the Tuolumne Utilities District (TUD). One reason cited for this is that TUD's monthly rates would be too high. Rather, the Sanitary District Board is still hopeful for the establishment of a Tuolumne City Community Services District. Board members of the Tuolumne Utilities District also stated that a merger was not feasible at this time.

Update: Future of Fire Safety in Tuolumne County:

The 2010/2011 Grand Jury reported on the "Future of Fire Safety in Tuolumne County". The report is listed under "The Community Development/Regulatory Committee" section of the 2011 Grand Jury Report. The 2011/2012 Jury did not intend to fully examine the same subject, but did feel the need to follow up on the previous year's report. Specifically, the Jury wanted to see if any of the prior Jury's recommendations had been adopted.

The current Jury did not attempt to communicate with every fire department in the county. Instead, the Jury read all of the 2010/2011 responses and conducted interviews with management of several departments. Another important document reviewed on this subject was the "Tuolumne County Fire & First Responder Study – 2011", created by the Tuolumne County Administrative Office.

The original 2010/2011 report pointed out what is commonly known: budget constraints are making adequate fire and first responder coverage extremely challenging; volunteer numbers have decreased substantially over the years; and the fire dispatch system has issues that need to be addressed (for example, a local 911 emergency fire call goes to a dispatcher in San Andreas; a local 911 call made from a cell phone regarding any emergency goes to a California Highway Patrol dispatcher in Merced, Modesto, or Stockton.)

The 2010/2011 Jury made several recommendations aimed at addressing these problems. The current Jury found little progress related to those recommendations. The first recommendation was to consolidate the existing departments – the 2010/2011 report lists nine full-time staffed departments and approximately 10 volunteer stations. Many think that duplication taking place at these various departments results in costs that could be reduced through consolidation or collaboration.

Fire Department consolidation, much like school district consolidation, has its opponents, and also those who are only somewhat resistant. This Jury will not address

the pros and cons of consolidation. For that the Jury refers the reader to the 2010/2011 report, the County Fire & First Responder Study, or inquiring at a local fire station. It should be noted that there is little leverage at the County Government level to force any consolidation. These are independent districts and consolidation or cooperation would have to be voluntary.

The current investigation did find areas where progress is being made. In one instance, two adjoining fire districts are actively coordinating activities. They schedule together, train together and share assets which include management. In the future one chief may command both departments. The departments involved believe this collaboration results not only in financial savings but a more effective and efficient response to major incidents when both departments are summoned.

Regarding the dispatch issue, some improvements are on the way. However, the ultimate solution – adding local dispatchers with computerized medical emergency guidance – remains out of reach financially.

Another issue that often comes up is the county contracting with CAL FIRE (California Department of Forestry and Fire Protection). Rather than operate a county fire department, Tuolumne County contracts with CAL FIRE to provide fire protection. Often raised are the following questions:

- Could the County establish and operate its own fire department for the same amount of money (or less) than it pays CAL FIRE?
- Would there be advantages to having complete local control of a fire department in lieu of contracting with CAL FIRE?
- Would a County fire department be able to attract and retain volunteers better than CAL FIRE does?

As one might expect, Tuolumne County Administration has explored these questions in the past. Their conclusions, based largely on annual costs, have supported the continuation of CAL FIRE contracts.

An important meeting with the heads of the fire agencies and the Board of Supervisors took place in 2011 to discuss consolidation and other recommendations. Reportedly, the individual fire districts were not supportive of changes recommended by the Jury or County Administration. Since that time however, many key fire district personnel have been replaced. This Jury feels that strides have been made to create an atmosphere that may make a County fire agency using our existing fire agencies more attainable. CAL FIRE has provided Tuolumne County protection in the past, but is this the best decision for the future? Are Tuolumne County citizens getting the best protection and response that the county can provide? It is a complicated issue with somewhat intangible advantages to both sides.

Volunteer firefighters have played a very supportive roll in fire protection throughout California's history. Most areas in Tuolumne County are rural and a distance from paid

full time fire stations. Without volunteers to cover these areas, fire protection would be severely lacking. Volunteers are often first on the scene and require the proper training and ability to take command of the situation.

In Jury interviews with various county fire personnel, one message was often repeated: the volunteer firefighter system is inhibited by CAL FIRE more than it is enhanced by CAL FIRE. The opportunity to equip, train and qualify these volunteers is not being fully taken advantage of. Some have pointed out that CAL FIRE has no incentive to embrace the volunteer model.

Disclaimer: These are opinions voiced to the Jury. The Jury can offer no proof of their validity. They were repeated often enough, though, and from completely differing sources, that the Jury felt compelled to present them. No CAL FIRE officials were interviewed. If these allegations are true, and the Jury generally believes they are, they represent one more reason to carefully scrutinize the use of CAL FIRE in the future.

The Jury recommends a full independent audit of the County's use of CAL FIRE. A professional consulting firm could be used for this, but perhaps a local volunteer commission could be created at a much lower cost. Such a commission would include retired or active members with expertise in fire protection, accounting, finance, management, and reorganization. Ideally, members would be independent from CAL FIRE and Tuolumne County Administration. One or more members of the Tuolumne County Board of Supervisors should participate or oversee this endeavor. The Jury also recommends that future Grand Juries monitor continue monitoring this issue.

As a reminder, past Grand Jury reports, along with requested responses are available for public consumption on the Tuolumne County website at http://www.tuolumnecounty.ca.gov/.

COMMENTARY ON THE GRAND JURY EXPERIENCE

Each year, effort is made on behalf of Tuolumne County to support the logistical and training needs of the Civil Grand Jury, and the 2011/2012 Jury would like to extend appreciation for all of this support and assistance received over the past year. In order to even better serve future Juries, the 2011/2012 Jury felt that access to particular logistical items would significantly improve the ease and efficiency of meeting their responsibilities. These items include:

- a meeting space which can be used any day and at any time
- a computer with printer
- a copier
- secure access to wireless internet
- a whiteboard, or similar item
- a shared, secure network drive accessible to all Jurors

For many of the 2011/2012 Jurors, serving on the Tuolumne County Civil Grand Jury has been a memorable and fulfilling experience. This being said, as the current tenure comes to a close, the Jury felt that the early explanations provided by the County regarding the service experience and required commitments could be improved. To assist with this, the Jury recommends that

more time be spent in interviewing and informing prospective Jurors in the future, and that the following points be stressed:

- Jurors should be team players and able to work as a part of a highly diverse group.
- Jurors should be able to dedicate long hours to the Jury experience. Weekly meetings will be accompanied by outside meetings, interviews, site visits, and report writing.
- Jurors should have, or be willing to dedicate additional time early in their tenure to learn basic computer skills.
- Jurors should have some professional writing skills and/or have the desire to learn them.
- Jurors should have a genuine desire to give back to the community. Jury tenure is not an appropriate venue for expressing personal concerns or liabilities, but rather should function to address issues which best benefit the community as a whole.

Additionally, the Jury suggests that the previous year's Foreman and possibly a few Jurors accompany the Judge to the Civil Grand Jury interview process. This will help provide potential Jurors with a realistic picture of the Grand Jury experience, and provide an opportunity to ask questions. It is the hope of the 2011/2012 Jury that stressing these points prior to service, and providing the perspective of past Jurors during the interview process will help to minimize Juror turnover and create a more effective and efficient team.

REVIEW OF TUOLUMNE COUNTY ENTITIES

Throughout the tenure of the 2011-2012 Grand Jury 10 entities were reviewed. They are organized in this section in order of when they were reviewed.

SIERRA CONSERVATION CENTER AND BASELINE FIRE CAMP

"MAINTAINING THE STATUS QUO"

SUMMARY

Although no funding comes from Tuolumne County, the Sierra Conservation Center (SCC) and Baseline Fire Camp (BFC), located in Jamestown, are inspected by the Tuolumne County Grand Jury each year. Unlike other institutions in our country, inmates continue to receive full basic medical and dental care at this facility. Their nutritional requirements follow guidelines set forth by the state. The constitutional rights of inmates in the California Department of Corrections are extremely generous compared to other states, such as Texas or Nevada.

With the passage of Assembly Bill 109, the Grand Jury was concerned with how budget cuts, layoff of correctional staff, and reduction of inmate numbers were affecting the facility.

The SCC administration is working hard to maintain safety of officers and inmates, and minimize loss of manpower during this first phase of cutbacks. Ensuring that all positions are covered sufficiently during a lock down or other emergency situation remains a priority. With further cuts looming in the next few years, this will become an even greater challenge.

INTRODUCTION

In accordance with the California Penal Code §919, the 2011/2012 Tuolumne County Civil Grand Jury inquired into the condition, operation, and maintenance of the Sierra Conservation Center (SCC) and Baseline Fire Camp (BFC). This inspection is mandatory and is completed annually.

The Grand Jury decided to focus on the effects of Proposition AB 109, which was signed into law by Governor Jerry Brown on April 5th, 2011. It went into effect in October, 2011.

APPROACH

Members of the Grand Jury went to the SCC for general question and answer sessions on 2 separate occasions. In attendance were the Warden, Assistant Warden, and the Public Information Officer. At the 2nd session the Jury was joined by the newly appointed Public Information Officer and the Supervising Counselor of inmates. The staff was very knowledgeable and accommodating during both visits. They answered all of the Jury's questions, which were based on data available at the time.

The Public Information Officer provided the Grand Jury with a very informative tour of the facilities at SCC, which included the administration and medical/dental facilities. Unfortunately, an unruly inmate caused the facility to go into lockdown, which limited the tour. The Jury continued with additional support staff into Level I- Minimum Security, and Level II- Low/Medium Security exercise yards. The Jury also toured one housing unit in level III, medium/ high security, and a level III gym, medium/high security. At the time of this visit, the gym housed approximately 150 inmates in 2 and 3 tier bunk beds. The Jury also toured vocational training centers, the kitchen, and mess hall.

Lunch and a tour of BFC followed with a question and answer session conducted by the current Camp Director and the Public Information Officer.

A second visit provided the Jury the opportunity to see sections of the facility not previously toured due to the lockdown. This tour included dormitory style housing units on Level I & Level II. The Administrative Segregation Housing unit in Level III and a Level III housing unit that included room for overflow of the Administrative Segregation unit, when needed. The Jury also revisited the Level III gym, which was now vacant.

FACTS

The inmate population at the SCC as of September 30, 2011 was 3412. By January 31, 2012, this number had decreased to 3037 due to parole and/or relocation of inmates. These changes are part of ongoing efforts to decrease overcrowding, pursuant to AB109 Realignment Act, set forth By Governor Jerry Brown.

The staff numbers subsequently dropped from 974 (which included medical and dental staff) in September 30, 2011 to 899 total staff by January 31, 2012. Effective February 28, 2012, an additional 21 employees may be laid off due to elimination of positions.

Due to budget cuts and the enactment of AB 109 Realignment Act, staff and inmate populations continue to drop. Full effects of AB 109 cannot be fully evaluated until the final phase of implementation, projected for 2015. As of the date of this report, statistical analyses of the effects of AB 109 were not yet available.

The 2011/2012 Grand Jury would like to commend the staff at SCC and BFC for their ongoing efforts in maintaining security and safety standards during this difficult time of realignment and continuing budget cuts.

FINDINGS

F1 The initial visit found that the Level III overflow housing unit (gym) held approximately 150 inmates in 2 and 3 tier bunk beds. Upon entering the unit, it immediately seemed crowded and fairly noisy, but well kept. The second visit to the unit found the building empty of all inmates. They had been relocated to other areas or paroled. The beds had been dismantled and removed. A small portion of this unit was now being utilized by Level III medical personnel.

F2 Staff response to the lockdown alarm in the medical facility was immediate. All visible inmates knelt down on the ground and didn't move until told to do so by staff. All inmates were sent to their dorms and locked down until further notice.

F3 A copy of a menu was provided to us and the meals met the nutritional guidelines set forth by the California Department of Corrections and Rehabilitation (CDCR).

F4 During our tour of BFC, the Fire Crews were battling a major wild fire in Kern County, CA. Temporary inmate housing was established to accommodate fire crews from other counties who were brought in to cover our area.

F5 Upon inspection, the Grand Jury was impressed by the immaculate condition of the BFC and surrounding grounds. The dorms were smaller and better appointed than those at SCC. Strict rules were adhered to, but inmates were on an honor system and were free to move about the facility. They also had access to all exercise equipment as part of their readiness training.

F6 Due to cuts in budgetary spending, the CDCR evaluated and made additional cuts to inmate vocational training. However, all qualified inmates still have access to educational programs.

F7 An inmate generated program called Freedom and Choice was created in 2005 to "Provide an alternative prison environment free of prison politics (gangs) racism and violence." They are governed by their own elected board of officers, and have established their own set of rules. All new members who want to join have to be voted in and sign a contract which agrees to an established set of by-laws. Originally housed in a group of five dormitories, they are now down to one due to decreasing numbers of members being paroled and/or outside peer pressure resulting in lower participation.

RECOMMENDATIONS

R1 The Grand Jury recommends that as statistical analysis of this program become available, the 2012/13 Grand Jury follows up on the positive and negative effects of AB 109.

R2-7 No recommendation

REQUEST FOR RESPONSES

Pursuant to Penal code section 933.05, the Grand Jury requests responses as follows:

From the following individuals:

R1-7 Sierra Conservation Center

From the following governing bodies:

R1-7 None

The governing bodies indicated above should be aware that the comment or response of the governing body must be conducted subject to the notice, agenda and open meeting requirements of the Brown Act.

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

TUOLUMNE COUNTY JAIL

"INADEQUATE FOR TODAY AND TOMORROW"

SUMMARY

The Tuolumne County Jail continues to deteriorate and is sorely outdated. A larger facility is needed but the current location allows no room for expansion. AB109 is changing the Jail population and the length of sentences. The jail was never designed to house inmates for terms longer than 18 months, but now the standard incarceration could last up to 7 years. This will result in more overcrowding, a lack of services and increase in violence. These conditions will put a strain on the mental health and safety of the Jail staff, non-violent inmates, and the entire community.

The recent grant funding opportunity for 2011 Local Jail Construction Financing Program (AB900 – Phase II) went to counties that were larger or had higher crime rates. Tuolumne County will continue to pursue state funding, but the community as a whole needs to know what they are facing. The Jury would like the County to be aware that the age, size and condition of the current jail make housing and working conditions inadequate for current and future staff and inmates.

This Grand Jury strongly recommends that the county and community recognize the state of the Jail and strive to get the construction of a new Jail completed as soon as possible.

BACKGROUND

The Grand Jury is required by the California State Penal Code §919(a) and §919(b) to annually inspect any jail facility located within the County limits. The intent of the mandatory inspection is to evaluate the management and condition of the jail. While it has been consistently reported that the jail is in a deteriorating state, this Jury chose to focus its investigation on the following areas: current condition of the facility, effects of the condition of the jail on staff morale and safety, inmate health/medical services, nutrition, and inmate education. This decision was made, in part, due to the passage of Assembly Bill 109 (AB109), the Public Safety Realignment Act, on April 4, 2011.

The Tuolumne County Jail was built in 1959. Although there have been additions over the years, there is no space available to expand the current footprint. The jail has a maximum capacity of 140. During these interviews and inspections, the average daily census was approximately 135. Up until the passage of AB109, the function of the County Jail was to detain both non-sentenced and convicted adult criminal offenders for a period of no longer than 18 months (unless serving concurrent sentences). Due to the passage of AB109, that is no longer the case.

APPROACH

The Grand Jury made two inspections of the jail. The first was a prearranged inspection and the second was unannounced. During these visits the Jury was introduced to the Undersheriff, Jail Sergeant, Deputies, the Nurse, the Head of Nutrition, and the Booking Clerks. Subsequent interviews were conducted to gather information. The Jury invited the Tuolumne County Sheriff and the Chief Probation Officer to a meeting to familiarize the Jury with the Tuolumne County Public Safety Realignment Program (see Appendix TCJ-1). Copies of the most recent Corrections Standards Authority (CSA) inspection, updated Jail Needs Report, County Fire Department Inspection, quarterly and bi-annual Public Health Inspection Reports, among others were reviewed. The Jury also attended the County Board of Supervisor's meeting on the County's 5 Year Plan and the Sheriff's Town Hall Meeting.

DISCUSSION

General

The Jury focused its investigation on the staff and daily circumstances of the Jail Staff's work environment. Part of the daily responsibilities of the deputies assigned to the jail is to classify incoming inmates, as well as being constantly alert for signs of potential violence, trouble or disruption. Deputies must also monitor inmate complaints in a timely manner in order to keep the staff, county, and inmates protected. The general consensus of law enforcement is that the new conditions will result in more inmate violence. To further complicate the situation, budget cuts and overtime are already having an effect on morale and safety.

Jail inmates will be more violent due, in part, to longer sentences (up to seven years). The recidivism rate is estimated to be as much as 75%. There will also be a higher rate of felons to misdemeanor offenders in the inmate population. The inmates who are on parole from State prison who re-offend or break parole will now come to the jail if the offense is non-violent, non-serious, or non-sexual. However, the background of these inmates may include offenses of a much more serious nature. Many of these inmates have been to prison before and have experienced a prison environment that provides many benefits which our County Jail cannot provide. It is believed that repeat offenders, who have come to depend on and expect certain standards, will become increasingly upset with their circumstances. In fact, there have already been incidents of damage (totaling at least $5,000) to jail facilities since November, 2011. The officers believe these have been done in an effort to get back to State prison. The Jury interviewed Human Resources/Risk Management regarding officer injuries directly related to trying to restrain or subdue inmates. The report stated there have been 17 incidents reported from July, 2009 to February, 2012.

The Jury was told that the County budget for inmate medical care will run out very quickly as they will now be receiving inmates with more serious health problems. There will be a need for the County to budget for an aging population of inmates who may develop serious health issues and need for additional wound care. Many of these additional inmates will suffer from poor health due to alcohol and drug abuse. What will happen when inmates who have previously received medical care based on state standards expect and require the same kind of care from the county jail?

The total capacity of 140 inmates necessitates an Early Release Program. The inmate count must be reviewed daily and early releases must be approved. The placement of new long term offenders causes other inmates to be released early. Unfortunately, this occurs on an almost daily basis. While some inmates may go onto probation, others end up back on the streets. This shuffling creates a potentially dangerous musical chairs situation for the staff when they have to remove and place inmates on a case by case basis.

Maintenance and Safety

It was noted in the Corrections Standards Authority letter to the Sheriff that the Jail's monthly inspection reports indicate constant requests for maintenance services to deal with leaky roofs, missing hardware, faulty plumbing and peeling wall coverings. Water damage was observed in several areas.

Figure TCJ-1. Evidence of pipes and plumbing in severe disrepair. These conditions are commonplace at the current Tuolumne County Jail facility.

An interview was held on Feb 27, 2012 with the Facilities Manager of Tuolumne County to discuss Jail maintenance. The Facilities Management Department is in the process of training county staff on a new maintenance work order system which will allow Jail staff to track work orders as to their status. All work orders that are a safety concern are given top priority. All others are done as maintenance staff time permits. There are times when maintenance staff have tried to gain access to areas needing repair and are turned away due to lack of Jail staff to escort them, or there being no space to move the prisoners to clear the necessary work area. This prolongs the response time needed to clear all work order requests. Additionally, the Facilities Management Department is understaffed, making return maintenance calls difficult.

Figure TCJ-2. Evidence of water damage to walls. These conditions are commonplace at the current Tuolumne County Jail facility.

Booking Area

The Jury viewed the booking area on both visits and interviewed booking staff. Some of the staff offices are 6' x 8' foot areas that were previously closets. The Jury wonders how the staff can keep up morale in such a setting.

The Digital Recording Devices (DVR) are aging and will soon be out of warranty. Making repairs would be both costly and time consuming. There is no backup system in place to cover any downtime if a DVR went offline. The locations where the DVR systems are kept are too warm and dusty, putting additional strain on electronics that typically need to be kept clean and cool for proper operation. The video storage capacity of these units needs to be increased in order to meet current requirements.

The cameras are outdated and the quality of the picture is grainy, making detailed viewing and video playback difficult. Additionally, the clerks, who work 10 hour shifts, have no area where they can stand part of the time and still access the controls.

On a second visit to this area, the Jury was told some of these issues have been addressed and quotes submitted for budgetary consideration.

Education & Recreation

Limited meeting space continues to be the number one factor curtailing inmate participation in education programs. This problem has only become worse with the implementation of AB109. A majority of inmates have addiction issues. Alcoholics Anonymous (AA) and Narcotics Anonymous (NA) courses are held four times a month (twice for men and twice for women). These courses only accommodate six participants at a time. Chaplains are available to meet with inmates individually and inmates have access to weekly Bible Study classes, however, these are also limited to six participants. The Inmate Program Specialist and the Health Care Specialist regret that they are also unable to offer any group meetings. These meetings would help inmates to access the mental health benefits of participating in socialization activities.

Inmates are not permitted to see local news or newspapers. They have access to one newspaper (USA Today), and may watch TV in groups from noon on. There are also no computers that can be used, even without internet.

For approximately the past 9 months, recreational reading was limited to Bibles or other requested inspirational/self-help reading because the circulating library cart had to be removed. The reading cart had provided books for inmates to check out, however, it was being used by some to pass messages. During this time there was an increased interest in Bibles, which are typically donated by churches and chaplains. As of February, 2012, recreational reading will return as new bookshelves have been placed in various areas in the jail. A once per week volunteer is inspecting books in-house and getting them placed on the shelves. There is no shelving in the library itself, which consists only of a round table.

The Inmate Program Specialist continues to implement a self-directed General Education Diploma (GED) program that makes it possible for interested and motivated inmates (currently about 11) to request GED self-testing manuals. These can be kept in the inmate's cell, to study from and prepare for the exam. Again, the success rate of this program may be hampered by the lack of group tutoring and equipment such as calculators. There is a GED liaison from Columbia College and a referral system in place at the college so that inmates can continue their GED preparation studies upon release from jail. GED materials are paid for through the Inmate Welfare Fund (profits from commissary items that inmates purchase) and there is no cost to taxpayers for GED programming.

In the new alignment (AB109) inmates will be staying for longer periods of time and may therefore be more interested and more able to participate and benefit from available programs.

Recently, the Inmate Specialist purchased educational DVD programs that address parenting, jobs, substance abuse, anger management, release planning, and proposed a plan for closed circuit broadcasting on the TVs. This would allow larger groups of inmates to benefit from these resources. While approved in theory, and to be funded by the Inmate Welfare Fund, the plan to modify the TV system has not yet been implemented, partly due to staffing changes and reductions.

Currently, the inmates have a mandatory recreational period of three hours per week. The open air space has high walls with a wire mesh at top with a few metal benches, and an exercise apparatus against the wall. The basketball hoop was removed due to injuries and abuse.

Kitchen/Nutrition/Laundry

The Jury inspected the kitchen area on both jail visits. There is no cafeteria or general eating area. The kitchen was clean but has very little space for food preparation and storage. Food service is outsourced to Aramark and the Kitchen Manager's office was a good size but appeared to be a bit disorganized. The Jury was told the water heater had been updated in 2010. A recycling program initiated by the Kitchen Manager is a positive program for the county and the environment. The Jury looked at the storage area for dry and can goods. Everything seemed to be clean and well organized, and there appeared to be no leaks or evidence of mice or other vermin. The Jury also reviewed the latest jail kitchen equipment list, which was said to be at least 2 years old. Regular meals for each inmate amount to 2800 calories a day. Diabetics' meals come to 2200 calories a day. The meals are compiled by a nutritionist. Overall, given the age of the Jail and the lack of funding needed to upgrade this facility, staff is doing the best they can with what they have to work with.

The laundry room appears to be too small for the amount of laundry required for this facility and number of inmates. To keep male and female populations separated and safe female inmates have to do their laundry at night.

Medical

The medical ward can hold ten inmates. The nurses cover 2 eight hour shifts per day. Licensed Volunteer Nurses (LVN) cover the facility in the evening when a Registered Nurse is not on duty. During 2011, there were 21 hospital Emergency Room visits made when there was no nurse on duty. There is a medical doctor on call at all times, as well as a psychiatrist who holds sessions via video. A medical appraisal is done on the seventh day of an inmate's incarceration, or sooner if necessary. Diabetic prisoners are seen twice per day.

The current fiscal year contract for medical services is with California Forensic Medical Group (CFMG) for $798,800. Cost per inmate is estimated at $6,656 and is based on an inmate census of 120. This amount is built into the County Health Department 2011-2012 Budget and paid for primarily with vehicle license fee realignment funds. If the inmate census exceeds 120 the cost per diem for additional inmates is $3.12.

FINDINGS

F1 Due to the age of the Jail, numerous additions, years of deferred and/or lack of maintenance, and inmate vandalism, the Jail will always generate an inordinate number of maintenance work orders. The leaking roof problem is scheduled to be corrected by replacing the last defective section in the spring of 2012. The remainder of the Jail roof is less than 5 years old and should not be in need of repair. Water damaged walls and deteriorated sewer plumbing remain a health concern.

F2 Inquiries were made into the surveillance system. For security reasons the Jury decided

not to give details regarding numbers of cameras, or other pieces of equipment necessary to its operation. The Jury was informed that the system is currently at maximum camera capacity. No additional cameras can be added to the system, leaving key areas with no camera coverage.

F3 Limitations on space continue to restrict inmate access to educational programming.

F4 Reading, which is one of the primary ways inmates cope with 'doing time', has been impaired by the removal of the reading cart and lack of shelving. This is being addressed by new shelving and book placement.

F5 The availability of the self-help approach, and materials for a GED, as well as Columbia College's provision for continuing study, make opportunities possible that the inmates might not otherwise have. However, these resources are limited to the self-motivated and directed inmates.

F6 A good plan to install a closed circuit system to broadcast educational and recovery programming has yet to be implemented.

F7 The recreational space is small and not adequate for any variety of sports. Exercise is an important part of maintaining good physical and mental health.

F8 Tuolumne County needs a new jail.

F9 The meals appeared to be adequate for each inmate's requirements. Dietary requirements (e.g., vegetarian, vegan, Kosher) were taken into account.

F10 The small size of the pantry (dry storage) dictates how often supplies are taken into the jail. A larger pantry area would allow for fewer food deliveries and less disruption to Jail routines. The size of the cold storage (refrigerator and freezer) also affects how often deliveries are made.

Recommendations

R1 In order to ensure staff and inmate safety, and to improve morale and reduce stress related health issues, work orders from the Jail need to be given a higher priority than general county work order requests. This takes into consideration that a new jail may be several years away, the changing inmate population and the increasing average length of stay, all of which will contribute to the already poor current condition of the facility. For health and safety reasons, water damaged walls and deteriorated sewer plumbing need to be addressed as soon as possible.

R2 The Jury believes the lack of a backup DVR is a security and safety issue and should be addressed. New DVR's should be purchased and put online. The old units should be refurbished to be used as backup. The existing units should be relocated to a cooler, cleaner area to preserve their longevity. In order to meet the needs of the staff and facility, every effort should be made to find funding for the replacement of the current

system, including cameras, to make High Definition video recording, viewing, storage, and expandability possible.

R3 In lieu of a new jail facility, effort should be made to find inventive ways to make good use of the existing space.

R4 No recommendation.

R5 The Inmate Specialist should continue encouraging the interested and motivated. Staff should explore the possibility of recruiting volunteers to help with essay writing and math skills. Investments should be made into calculators for qualified inmates.

R6 Adapt plans for longer term inmate stays so these inmates can make strides for their futures.

R7 No recommendation.

R8 When state funds become available, every effort should be made by the citizens of Tuolumne County to support efforts to pursue the construction of a new jail. This support should come despite the possibility of requiring additional county funding.

R9 A detailed and informative video showing the inadequate, dilapidated and unsafe condition of this facility would help to make the citizens of this county aware of these problems and create the much needed support for a new jail.

R10 There seem to be no viable options. A new jail with a larger pantry area and a larger cold storage area would solve such problems.

R11 The Jury recommends that the Jail contract with local health providers, such as Sonora Regional Medical Center, to provide a detailed health care needs assessment to account for the new and future Jail population's health/medical care.

REQUEST FOR RESPONSES

Pursuant to Penal code section 933.05, the grand Jury requests responses as follows:

From the following individuals:

R1	Tuolumne County Facilities Manager
R2	Tuolumne County Under Sheriff
R1, 2, 8-11	County Chief Administrative Officer
R1-9, 11	County Sheriff

From the following governing bodies:

R1, 2, 8, 9, 11	Tuolumne County Board of Supervisors

The governing bodies indicated above should be aware that the comment or response of the governing body must be conducted subject to the notice, agenda and open meeting requirements of the Brown Act.

ACKNOWLEDGEMENTS

The Jury wishes to thank the Tuolumne County Sheriff, the Undersheriff, Jail Sergeant, and Jail Staff. The Jury was extended the utmost courtesy, frankness and prompt assistance in gathering reports and information. The Jury also wishes to thank the County Administrative Officer, Human Resources/Risk Management Manager, Facilities Manager and Chief Probation Officer for their time and assistance in clarifying information.

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

TCJ-APPENDIX 1

Tuolumne County Public Safety Realignment Program
October 3, 2011

Background:

In an effort to address overcrowding in California's prisons and assist in alleviating the state's financial crisis, the Public Safety Realignment Act (Assembly Bill 109) was signed into law on April 4, 2011. AB109 transfers responsibility for supervising specified lower level inmates and parolees from the California Department of Corrections and Rehabilitation (CDCR) to counties. Implementation of the Public Safety Realignment Act is scheduled for October 1, 2011.

Additionally, Section 1230 of the California Penal Code is amended to read "Each county local Community Corrections Partnership (CCP) established pursuant to subdivision (b) of Section 1230 shall recommend a local plan to the County Board of Supervisors for the implementation of the 2011 public safety realignment.

Tuolumne County seeks to construct a model that will not be an incarceration model, but one that seeks to divert and rehabilitate our residents, returning them to be productive members of our community. There is associated funding for this new program coming to Tuolumne County in the amount of $598,767 for the period of October 1, 2011 thru June 30, 2012. The funding increases in the second year to $777,567. The Tuolumne County CCP is working to develop a full plan that will detail services and procedures that will be utilized for this expanded population of offenders. CDCR provided projections for Tuolumne County that include 51 offenders being released from prison to the community for supervision and treatment within the next 4 years. Additionally, based on the county's history of commitment it is estimated that 46 offenders (at full implementation – year 4) who would have been committed to prison will be required to serve local confinement sentences based on the sentencing requirements.

Tuolumne County Community Corrections Partnership (CCP):

The CCP is defined in Section 1230 of the Penal Code to be a policy planning body for the public safety realignment. The statute indicates the CCP, with specified members, must develop a plan that will enable the county to meet the goals of the public safety realignment. The CCP in Tuolumne County consists of seven members: The Chief PO (Chair) Presiding Judge of the Superior Court, the District Attorney, the Sheriff, the Public Defender, the Behavioral Health Director, and the Sonora Police Chief.

The CCP had its first meeting on June 14, 2011 and has met on numerous occasions to work toward developing a plan. Some of the broad concepts/CORE programs being given serious consideration to ensure a full range of community supervision strategies include the following:

Proposed Intensive Treatment Programs:

- **Day Reporting Center:**
  50 participant slots. Three phase highly structured and supervised cognitive restructuring programming designed to change an offender's adverse thinking patterns while holding offenders accountable during the day. This will be a contract service. The contractor will provide individualized programming for each participant as defined in the offenders risk and needs assessment. Individualized behavior change plans, frequent reporting, drug and alcohol testing, 2 to 3 hours of cognitive behavioral curriculum per week, individual coaching, and referral to other appropriate agencies as needed. Discharge planning and aftercare are also provided.
  Program is approx. 180 days to completion.

- **Electronic Monitoring Program:**
  BI will provide a case manager to implement the program. BI will conduct an intake orientation, attach the equipment to the client and provide 24/7 monitoring. The CCP will choose the equipment based on offender needs and supervision requirements from Radio Frequency (curfew monitoring, GPS- Global Positioning System, TAD units- transdermal alcohol monitoring. Monitoring personnel enter client data in a database accessible by both BI and probation staff. Data entered includes schedules, GPS zones, curfews, notification procedures, and other parameters as directed by the supervising agency. AB 109 authorizes counties to use a range of community based punishment and intermediate sanctions other than jail incarceration to manage and control an offender's mobility.

- **Day Treatment Program:**
  Treatment and intervention groups run for misdemeanants in lieu of jail. Very structured: 8:30 a.m. to 4:30 p.m. The Probation Department will provide or contract with other service providers to deliver educational and vocational training, job preparation, GED services, substance abuse education and other offender treatment. Offenders cannot exit once checked in to the program.

- **Work Release:**
  Probation facilitated program. Allows offenders to complete work in lieu of serving time in custody. Work sites include county facilities, non profit agencies, governmental sites. Offenders are supervised and must comply with program rules or are removed from the program and referred back to court for alternative sentencing. Expanded to include approx. 75 workers

TCJ-APPENDIX 1 CONT'D

daily. 4-5 different daily crews. Return to running the program daily. 7:00-3:30 p.m.

Site needed to co-locate these core alternatives to detention programs.

PRCS:
2011:9
2012: 32
2012: 10 (to 9/13)

Total inmates: N/N/N: 47 (year 4)

OFFICE OF REVENUE RECOVERY

SUMMARY

The Grand Jury investigation of the Office of Revenue Recovery (ORR) found the staff to be a hard working and dedicated group of employees. The ORR is charged with the task of collecting delinquent obligations due to County agencies as well as monies due to the Tuolumne County Superior Court. On average, the ORR collects approximately $3 million annually, of which around $2 million is for the Superior Court.

As with most entities these days, funding shortfalls have impacted their performance. A few areas could use improvement in order to increase department efficiency and potentially increase collections. At the time of our investigation the ORR was handling approximately 28,500 accounts comprised of about 15,500 debtors.

Staffing has been reduced over the last few years, and with the closing of Tuolumne General Hospital (TGH), this is to be expected. However, the use of Collection Officers to perform data entry functions may not be the best use of their time. The Grand Jury recommends that the data entry functions be performed by clerical personnel rather than Collection Officers. A software interface between the Superior Court and ORR software systems in order to provide for the automatic transfer of data would reduce the need for manual data entry, thereby improving efficiency.

Document storage is currently in paper form, resulting in time wasted by searching for information in office files or at the archive facility. Converting to an electronic or digital archive system could save time and allow for more time to be spent collecting monies due the County.

Furlough days amounting to 3 weeks per year seem to be counterproductive in this department. Time is of the essence in collecting, as usually other entities are competing for the debtor's dollars. The Jury recommends that the furlough days be eliminated, or at least spread out over the year, to lessen their impact.

Finally, although safety of department staff does not appear to have been a significant issue, the Jury thinks this office and staff could see potential problems in the future.

INTRODUCTION

The Office of Revenue Recovery (ORR) was chosen by the Jury to be investigated early in the Jury's year. There was no specific event (letter of complaint, news story, etc.), related to this selection. Factors influencing the selection of the ORR for investigation include:

- It has been approximately seven years since the office has been investigated,
- The importance of any revenue source in view of the current county financial condition, and
- The relative obscurity of the ORR, at least in the eyes of the general public.

BACKGROUND

The last Grand Jury Report on the ORR was in 2004-2005. At that time, the focus was on coordination and communication problems between the Tuolumne General Hospital (TGH) business office and the ORR. Allegations and conflicts over procedures strained relations between the TGH business office manager and the previous ORR department head. At that time the ORR was staffed by five class II Collection Officers, one Office Assistant, one Account Clerk and the Assistant Treasurer-Tax Collector. The Jury wanted to find out how the department had changed in relation to staff size, current duties, and sources of revenue.

APPROACH

Jurors made repeated on-site visits to the ORR and most of the information obtained was from interviews during these visits. Most of the interview time was spent with the Assistant Treasurer-Tax Collector of Tuolumne County, who oversees the ORR. Additional interviews were conducted with other department employees without management being present.

The Jury also spent time examining the ORR yearly budget, procedure manuals, and various other reports provided to us. The Tuolumne County Human Resources Department and Auditor-Controller's Department were also consulted to clarify certain budgetary and personnel issues.

The ORR website was examined, as were past Grand Jury reports on the ORR.

DISCUSSION

The Jury found the Assistant Treasurer – Tax Collector and her staff at the ORR to be highly cooperative. Meetings were easily scheduled and discussions were open and frank. All of our questions were answered and any documents requested were provided. The Jury was educated in an area of County government which was new to most of us.

The employees seem to have received thorough training for their jobs and were cross-trained to handle all areas of the Department. During employee interviews the shortage of staff was voiced as the main concern, especially when there were any absences or furlough days. The manager has an open door policy and any concerns are handled promptly. All of those interviewed seemed dedicated, said they were comfortable working in this office, and expressed respect and confidence in the manager.

It was brought to our attention that, although incidents with irate debtors were rare, there was some concern that the employees felt exposed when dealing with some of them.

The ORR is primarily a collection agency for the County and several related entities, such as the Court (Superior Court of California, County of Tuolumne). A list of agencies is included in this report. The majority of these collections are for past-due accounts, although the department does make certain on-time collections. The department is part of the Treasurer/Tax Collector Office. The ORR is under the supervision of the Assistant Treasurer – Tax Collector. Reporting to the Assistant Treasurer – Tax Collector are four Collection Officers, one part-time Accounting Clerk, and one Office Assistant.

The ORR collects payments for many departments and agencies. Table ORR-1. below shows a list of collections made in the fiscal year 2010-2011, organized by amount collected.

Table ORR-1. Fees collected by the Tuolumne County Office of Revenue Recovery for fiscal year 2010-2011.

Collected on behalf of	Amount
Superior Court of California	$1,941,389
Central Sierra Small Business Loans	410,521
Tuolumne General Hospital	179,904
Ambulance	131,271
Central Sierra Planning Council Home Loans	103,443
Probation-Work Release	76,850
ORR-Admin Fee	73,337
Probation Fees	68,450
ORR-Interest	37,912
County Booking	27,534
Parking/Booking City	20,345
Parking-County	17,350
Probation-Juvenile Hall	11,446
Behavioral Health	9,562
Public Defender	8,171
ORR-Service Cost	5,977
Tuolumne General Medical Facility	3,851
Building Department	3,331
ORR-Dismissal Fee	2,892
Tuolumne County Sheriff	2,571
Community Resource Agency - Code Compliance	2,359
Motherlode Medical Center	1,918
Animal Control	1,544
Environmental Health	1,300
Public Works	998
Recreation	249
Visiting Nurses Association	45
Total	**$3,144,520**

Many of the collections listed above go into the county general fund, but some do not. The ORR makes collections for Tuolumne County departments which are credited to the General Fund and outside agencies such as the Superior Court of California, the City of Sonora, etc., which are then remitted to those agencies.

Tuolumne General Hospital (TGH)

It should be noted that TGH closed its acute care unit in July, 2007, the psychiatric unit in December, 2008, and the long term care unit in November, 2011. In July, 2009 the ORR had 6400 TGH accounts totaling $10,827,304. In February, 2012 the ORR had 953 accounts totaling $3,521,488. Of these 953 accounts, only 281 have made a payment in the last six months.

Superior Court

The largest part of the ORR caseload is the collection of fines and fees for the state court system. The ORR is reimbursed by the state at an hourly rate for time spent by staff in the

collection of fines and penalties. Staff time is automatically tracked by a software system as well as through manual form entry. The ORR collects approximately $2,000,000 per year for the court.

Debt Collection

The ORR has many options in collecting a debt, ranging from letters and phone calls, to legal action, liens on property, and garnishing of wages. The ORR often uses Small Claims Court and can pursue larger accounts by using the County Counsel to file suit. Those individuals with unpaid parking tickets can be prevented from renewals at the Department of Motor Vehicles.

Interviews with The ORR by the Jury brought up the following points:

- Individuals from whom the ORR is trying to collect money often are being pursued by other agencies. In other words, the ORR is competing with others for payment.
- Delay can hinder the collection process. It benefits the ORR to get to the payee sooner rather than later so that a payment plan can be set up and implemented.
- Times are tough. Unemployment is high and foreclosures are quite common. The ORR strives to find payment plans and accommodations that work for all parties.
- The absence of social security numbers often hinders collection efforts.

In some cases, accounts are assigned to outside collection agencies. The ORR takes this action only when absolutely necessary (due to the cost of outsourcing the collection).

Predictably, some debts are uncollectible. Each year the ORR compiles a list of accounts to be written off. This list is submitted to the Tuolumne County Board of Supervisors for their approval. A list of accounts totaling $1,629,767 was submitted in January 2012. The following are reasons for which this action might be taken:

- Bankruptcy
- Prison
- Legally uncollectible
- Deceased
- No ability to pay or unable to locate assets

Although these accounts are "written off", they are not forgiven. They are usually turned over to a collection agency.

ORR Budget Discussion

The budgeted amount to operate the ORR in the current (2011-2012) fiscal year is $603,198. Employee salaries and benefits comprise $434,710, or 72% of the annual budget. Major operating expenses for the ORR are listed in Table ORR-2.

Table ORR-2. Major operating expenses for the Tuolumne County Office of Revenue Recovery for fiscal year 2011-2012.

Expense Item	Amount
Regular Salaries*	$239,687
Employee Benefits **	195,023
Postage	41,500
Professional Services	40,000
CUBS (Software) Maintenance Contract	20,000
Purchasing (Mail Room)	24,235
Special Departmental Expense ***	16,000
All Other Supplies and Services	26,753
Total Expenses	**$603,198**

* Includes paid leave for holidays, vacation, sick leave etc.
** Includes PERS, FICA, **e**mployee group insurances, post retirement medical, deferred compensation, workers compensation insurance, unemployment insurance, leave cash outs and early retirement incentives.

*** Includes skip tracing services, access to credit bureaus, and legal filings.

FINDINGS

F1 It appears to the Jury that the ORR is a well-run, efficient county department. The ORR is operating with a bare minimum staff. The group uses what they have to maximize revenue.

F2 The employees spend the majority of their time trying to collect debts from people with limited or no assets. This job requires judgment, tact, and compassion. As the ORR tries to collect debts or arrange payment schedules, they are often in competition with other collection agencies with the same goal. The Jury was surprised to find that the Collection Officers were frequently hampered by the lack of a social security number for debtors and the fact that they cannot run a credit report without written permission, which would be a valuable skip trace tool.

F3 The ORR Collection Officers and department head are supported by an Office Assistant and an Accounting Clerk. Due to budgetary constraints, the Accounting Clerk's hours in this department have been reduced from full-time to part-time. The reduced availability of the Accounting Clerk has resulted in Collection Officers having to spend time on data entry and other tasks originally handled by the clerk.

F4 The budgeted amount for employee salaries (including paid time off) is $239,687. In addition to the $239,687 salary amount, $195,023 is budgeted for employee benefits. Stated differently, benefits (not including paid time off) cost the County an additional 81% of the salary amount. A separate Grand Jury report will explore the question of county government salary to benefits ratio, including a comparison to the private sector.

RECOMMENDATIONS

R1 No analysis of a County department can ignore the present fiscal condition of the County. Each department has learned to do more with less. However, the effect of any effort to balance the County budget must be carefully measured. Budget cuts to most departments do what they are intended to do – save money. A budget cut to the ORR tends to decrease collections, which is clearly not in the best interest of the overall fiscal health of the County. For this reason, the Jury recommends, at a minimum, the Accounting Clerk be returned to full-time status.

R2 Regarding document storage, the Jury found that paper documents were stored both in the ORR office and the County Archives facility. Accessing documents from the Archives is difficult since it is located several miles away. Due to this distance, the ORR has not been sending documents to the Archives in recent years. The Jury recommends that when the fiscal health of the County improves, and time and staff are available, documents be scanned and saved in digital format.

R3 Considerable time is spent entering court accounts into ORR computers. In the past, the ORR and the County Information Technology Departments have looked into creating an interface between the Court's computer software and the ORR's computer software. Although technical and cost issues have never allowed this project to be accomplished, the Jury recommends that the issue be watched going forward. When either entity (the Court or the ORR) commissions a new software system, this interface should be thoroughly explored.

R4 The annual furlough of three weeks has had a negative impact on the ORR operations. As previously mentioned, time is of the essence in executing these collections. Consideration should be given to eliminating or spreading furlough days out over the year or, at least, reducing large blocks near the Christmas holidays to lessen their impact on collections.

R5 It should be recognized that the ORR staff deals with a variety of individuals, some in stressful situations. The Jury recommends that ORR management continue to solicit staff input on ways to maintain a safe and comfortable atmosphere in which to interview clients.

REQUEST FOR RESPONSES

Pursuant to Penal code section 933.05, the grand Jury requests responses as follows:

From the following individuals:

R1, 2	Treasurer/Tax Collector and Assistant County Treasurer/Tax Collector
R3	Deputy County Administrator (Information Technology)
R4, 5	Chief Administrative Officer and Human Resources/Risk Manager

From the following governing bodies:

R1-5 None

The governing bodies indicated above should be aware that the comment or response of the governing body must be conducted subject to the notice, agenda and open meeting requirements of the Brown Act.

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

CENTRAL SIERRA PLANNING COUNCIL

SUMMARY

The Central Sierra Planning Council (CSPC) is a Joint Powers Authority (JPA) formed in 1973 by Alpine, Amador, Calaveras and Tuolumne Counties, as well as the incorporated cities within. Mariposa County joined the CSPC in 2011. While the CSPC apparently did a good job of performing on programs for over 30 years, it failed to maintain financial integrity of its operations when the economy declined. Due in part to a lack of financial planning, responsibility and oversight, the CSPC was forced to terminate all employees and is now facing financial obligations, including PERS obligations, estimated at over $1.6 million. It is not known how the financial obligations of the CSPC will be resolved and which members will have to finally pay.

The former CSPC Executive Director, Mr. Larry Busby, appears to have lacked the financial acumen to properly prepare financial documents such as budgets and financial status reports.

The board members of the CSPC did not maintain an audit committee nor did it require annual independent audit reports on the financial condition of the CSPC. Past board members approved the CSPC employees joining of California Public Employees Retirement System (PERS) without a full understanding of the future financial obligations. The JPA adopted for the establishment of the CSPC did not contain a clause that would have relieved the member agencies of the outstanding obligations.

Board members of all government entities, including those of Joint Powers Authorities, should be required to have training in financial responsibility and controls. Further, they should insure that the management of their particular entity has the necessary skills to properly control and report financial issues and that the management issue monthly reports on the financial status of the organization.

Currently, the CSPC is still a public entity with an active board although there are no day-to-day CSPC operations. The CSPC board is looking to deal with the outstanding liabilities and finish the remaining CSPC activities.

BACKGROUND

The Central Sierra Planning Council (CSPC) was established in January 1973 as a Joint Powers Authority (JPA) under section 6500 of the California Government Code and included the counties of Alpine, Amador, Calaveras and Tuolumne and the cities of Jackson, Ione, Sutter Creek, Amador City, Plymouth, Angels Camp and Sonora. The purposes of the CSPC as stated in the JPA are as follows:

- To develop and/or confirm area planning goals, principles, policies and standards.

- To review and take action as may be appropriate on such matters as:
    - Member agency or area General Plan proposal.
    - Applications for planning item certification by Federal agencies.
    - Applications for assistance under various planning and facilities grant programs.
    - Other matters properly submitted by member or other agencies or matters requiring action by provisions of law.

- To establish and maintain contact for coordination and information purposes with Federal, State and local agencies concerned with planning in the following and similar fields of activity:
    - Open space, parks and recreation.
    - Public health and safety services and facilities.
    - Water and sewer systems, drainage, and solid waste disposal.
    - Water development projects and flood control.
    - Air and water pollution programs and control measures.
    - Soil conservation and watershed protection.
    - Fish and game protection and habitat enhancement.
    - Housing programs, economic development, transportation.
    - Natural resources and public works programs.
    - Public services and facilities, educational, cultural projects.

Prior to the end of its active operations, the main function of the CSPC was to administer the section 8 housing program for the counties of Tuolumne, Amador, Calaveras and Mariposa. The Executive Director also administered some of the community development block grants (CDBG) programs for Calaveras County. In the 1990's, CSPC also administrated CDBG housing programs

for Tuolumne county. It may have served as the administrator for the other counties during this period, but the Jury has no knowledge one way or the other.

In January 2011 Randy Hanvelt, Tuolumne County Supervisor, was assigned to be the rotating member of the CSPC Board of Directors for Tuolumne County. Upon review of budgetary documents presented by the Executive Director, Mr. Hanvelt asked the Tuolumne County Auditor/Controller, Debbie Russell, to investigate the discrepancies he discovered. After Ms. Russell's review and presentation, the CSPC Board laid off some of the CSPC employees in April 2011. In June 2011 the CSPC Board decided to lay off all remaining employees. At that time the operating responsibilities of the CSPC were transferred to the State of California and subsequently forwarded to Stanislaus County. These actions were deemed necessary due to insufficient funds and no foreseeable future funding.

APPROACH

The Jury heard testimony from the District Attorney, Deputy District Attorney, County Counsel, County Auditor/Controller and Supervisor Randy Hanvelt. The Jury also interviewed a former employee of the CSPC. In addition to these testimonies, the Jury reviewed documents provided by the above individuals as well as reviewed the last ten years of CSPC files, which are now in the custody of the Tuolumne County Auditor/Controller. Finally the Jury attempted to interview the former Executive Director of the CSPC, but this individual was non-responsive, perhaps due to the fact that the individual is involved in litigation with the members of the CSPC regarding severance pay.

DISCUSSION

Deborah Russell, County Clerk/Auditor/Controller and Carlyn Drivdahl, Deputy County Counsel met with the Grand Jury to answer questions and provide documents regarding the CSPC as well as explain what was going on with the organization.

During the meeting Deborah Russell stated that the CSPC fund balance as of December 1, 2011 was $8,171.87 with outstanding liabilities of:

- Unemployment claims of over $14,000
- Termination pay for the Executive Director of $21,000
- Copy contract of $12,212.76, (County has returned the copier and believes liability will be avoided)
- Postage machine (liability unknown but lease renewed in April 2011 for 5 years)
- Unfunded future California Public Employees Retirement System (PERS) retirement obligations estimated at $1,600,000.00
- Other unknown liabilities.

Carlyn Drivdahl told the Jury that if the member entities to the CSPC JPA had included appropriate language under California State Code Section 6508.1 in their JPA creation document, the member entities would be entitled to relief from these liabilities. Unfortunately no such language was incorporated into the Joint Powers creation document.

Based on documents provided by Deborah Russell and Carlyn Drivdahl, the Jury learned that in 1999 the Executive Director of the CSPC requested that the board approve a contract to join PERS in lieu of continuing participation in Social Security and Medicare. Participation of public entities in Social Security and Medicare was mandated by the federal government as of January 1, 1999 unless an acceptable alternative such as PERS was established. Prior to 1999, participation was voluntary. The board approved the request and CSPC employees began participation in mid 1999. While the document presented to the Board implied that PERS was in lieu of Social Security and Medicare, some employees maintained participation in both Social Security and Medicare until they were laid off.

The Jury also interviewed a former employee, a Planner, who worked for and was associated with the Central Sierra Planning Council from 1978-1988. His impression of Mr. Busby was that when he was there, Busby "ran a tight ship." He also commented CSPC used to be an important service agency in the county for many years and he was sad to see what it had come to.

The Jury conducted a lengthy examination of CSPC records now in the possession of Tuolumne County. The Jury was provided open access to the documents. The documents examined by the Jury covered the years 1999-2011. The Jury examined board agendas, minutes, budgets, correspondence, and audits.

In a letter dated February 7, 2000, Mr. Busby was informed by the state Controller that annual audits of Special Districts are required by California Government Code Section 26909. Section 26909 requires that the auditor of the county in which the treasury is located shall comply with the provisions of Section 26909. Since payroll and vendor disbursements as well as deposits were handled by the Amador County Auditor, it appears that Amador County was responsible for complying with Section 26909. The Amador County Auditor is aware of the code provision, but claimed that the JPA was not subject to Section 26909. Despite this, requests for audits had been made of the CSPC Executive Director, but to no avail. The provisions of Section 26909 require the county auditor to either perform an audit or hire independent auditors to perform an audit. The last independent audit found by this Jury was done for the year ending December 31, 1999.

The Jury asked County Counsel for an opinion as to whether or not the CSPC JPA is subject to California Government Code section 26909. The opinion of County Counsel is that the Joint Exercise of Powers Act, California Government Code Section 6505, requires audits and that section 26909 applies only to the establishment of audit standards. Further the opinion states, "The bottom line is that all JPA's are required to perform an annual audit."

Other observations made during the review of the files include:

- The 1973 agency creation document did not require the CSPC board members to create and maintain an audit committee.
- Independent annual audits of the CSPC financial records seem to have been performed up to 1999 but none were done from 2000-2011.
- The CSPC Board apparently relied on Mr. Busby to inform them if and when there were any financial issues.

- The budget documents presented to the board by Mr. Busby did not accurately reflect the current or future financial condition of the CSPC.

The Grand Jury conducted joint interviews with Donald Segerstrom, Tuolumne County District Attorney, and Michael Knowles, Tuolumne County Assistant District Attorney, in order to ascertain as to whether any criminal or civil wrongdoings occurred within the CSPC JPA. The Grand Jury was assured that, based on information reviewed to date, no laws were violated.

FINDINGS

F1 The CSPC suffered from a lack of financial oversight and controls and board members apparently lacked the training or skills to understand the importance of maintaining financial controls.

F2 Independent audits of financial records were performed on an annual basis up to 1999 but none thereafter.

F3 The Joint Powers Agreement creating the CSPC lacked language under California Code Section 6508.1 that would have provided relief from financial obligations of the CSPC to member entities.

F4 The CSPC resolved to join PERS without an adequate understanding of how future obligations would be funded; i.e. the member entities may end up with significant unfunded obligations or the employees may suffer unfairly.

RECOMMENDATIONS

R1 All public entity board members should be required to take a training class on financial record-keeping and financial controls of government entities. Both Carlyn Drivdahl and Deborah Russell have stated that it is their intention to institute such a training program for the County in the near future.

R2 All public entities, including Joint Powers Authorities, should be required to have an audit committee whose purpose is to review financial records to insure financial integrity.

R3 All public entities, including Joint Powers Authorities, are required to perform annual audits of financial records by law. Tuolumne County should adopt procedures to ensure that audits are performed at least annually of each public entity, including JPA's, in the County or for which services are provided. A formal presentation to the Board of such entity or JPA should be made and a copy of the audit report should be filed with the County Clerk & Auditor-Controller for review and comment to the Board of Supervisors.

R4 All Joint Powers Agreements should be reviewed by county counsel to ensure that appropriate clauses are included, including but not limited to, California Code Sections 6505 and 6508.1. Carlyn Drivdahl has stated that this is being done.

R5 All Joint Powers agreements should prohibit PERS participation unless member entities understand the future obligations and can fund future obligations should the Joint Powers entity fail or is dissolved.

R6 Consideration should be given to alternatives to PERS, including Individual Retirements Account (IRA), 401k type programs or other programs approved by the federal government, that do not create future obligations in the event of dissolution of the Joint Powers entity. Other programs such as IRA's and 401k's could be in addition to Social Security and Medicare. The County Department of Human Resources should be a resource for investigating the viability of PERS or alternate employee retirement programs

REQUEST FOR RESPONSES

Pursuant to Penal code section 933.05, the grand Jury requests responses as follows:

From the following individuals:

R1-3, 5, 6 Tuolumne County Auditor/Controller.

R4 Tuolumne County Counsel.

R6 Tuolumne County Human Resources/Risk Manager.

From the following governing bodies:

R1-6 Tuolumne County Board of Supervisors and the City of Sonora

The governing bodies indicated above should be aware that the comment or response of the governing body must be conducted subject to the notice, agenda and open meeting requirements of the Brown Act.

ACKNOWLEDGEMENTS

The Grand Jury appreciates the time and cooperation and expert opinions and facts granted them by Randy Hanvelt, CSPC Board of Directors Representative, Deborah Russell, Tuolumne County Clerk & Auditor/Controller, Carlyn Drivdahl, Assistant County Counsel, Gregory Oliver, County Counsel, Donald Segerstrom, District Attorney and Mike Knowles, Deputy District Attorney. It should be recognized that Carlyn Drivdahl and Deborah Russell have agreed to assume legal and financial oversight respectively for the CSPS Board with no compensation.

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

ROAD & FLEET SERVICES DEPARTMENT

"NAVIGATING THE BUDGET POTHOLES"

SUMMARY

The Tuolumne County Roads Department and Fleet Services are a small, hard working group of individuals who take a team approach to tackle a very demanding and overtaxed infrastructure. Given the current economic situation, including cutbacks in Federal, State, and local funding, these men and women are tasked with trying to find creative and safe ways to maintain approximately 606 miles of major roadways, minor collector roadways and residential roads using aging equipment and shrinking resources.

County roads are in rough shape due to funding shortfalls. Currently, the County estimate for deferred maintenance is in excess of $86.7 million for County maintained roads. The main funding source for road maintenance is Highway User Tax, which for fiscal year 2011-12 amounted to only $3.4 million. Other funding sources include one-time grants and Proposition 1B funds. These latter sources of funds cannot be relied upon to cover all of the County deferred road maintenance needs. Hence, the County faces a significant shortfall in its ability to fund road maintenance. County Service Areas (CSA) include roads that, at one time or another,

property owners agreed to maintain. Unfortunately, most of the CSA agreements have been abandoned by the property owners resulting in a deferred maintenance estimate of over $6.3 million. Where and when will the County be able to fund these needed maintenance and repair items for our roads?

The Grand Jury inspected the Road Division practices to maintain health and safety on three occasions. A walk-through of the facilities in Columbia, Jamestown, Tuolumne City, and Big Oak Flat were conducted with select employees. Random oral interviews were conducted with personnel from all facilities of the Road Division. The Grand Jury encourages the county to develop an effective program to address all hazards.

Due to budgetary constraints, the training expenditures for classes have been reduced for the past several years. The Tuolumne County Safety Committee is composed of members from various departments which provide yearly inspections. This group inspects work stations and facilities and issues a written report to the facility Manager and the Chief Administrative Officer (CAO).

The Grand Jury would like to thank all personnel involved with its investigation for taking the time to speak candidly, and providing an honest assessment of the needs and concerns of these departments.

INTRODUCTION

The 2011/12 Grand Jury decided to investigate the Roads Department for several reasons, which include:

- The last investigation was done in 1994-95.
- To review the consolidation of departments, under the newly formed Community Resources Agency, and the addition of Fleet Services as a new department.
- Current budgetary concerns, including the use of Proposition 1B funding for some major projects.
- To review the County Road and Fleet Services Departments.
- Find what is or can be done to repair/repave our many overused, aging, weathered roads.

BACKGROUND

The focus of the Jury investigation included the overall condition of the facilities, employee safety, age and maintenance of the equipment and balancing the ever increasing cost of ensuring our roads are safe with limited resources and staff.

During winter months the Roads Department crews run the graders, plows and loaders, as well as other heavy equipment necessary for snow removal and ice control. They are also in charge of dealing with hazards, such as vehicle accidents, downed trees, rock and mudslides, keeping culverts clear for drainage, and providing access to rural areas for residents, law enforcement, medical, and fire personnel.

During non snow removal days, they are busy filling potholes, resurfacing, and culvert clearing for proper drainage, brush, tree, and debris removal. Maintaining proper road clearance, safe travel for vehicles, and many other projects that pertain to our roads is a never ending task.

The Fleet Services Department handles services and maintenance necessary for much of the County's heavy equipment and vehicle fleet. Many of these vehicles and heavy equipments have logged over 100,000 miles. Due to the age and use of these vehicles, repairs and maintenance is sometimes more costly and time consuming than that required for newer vehicles and equipment.

APPROACH

The investigation was initiated in November 2011 by conducting a general question and answer session with the Director of the Community Resources Agency, as well as the Deputy Director of Roads, and the Supervising Engineer. These employees outlined their duties and provided an overview of the departments, as well as provided requested documents and information.

The Grand Jury continued its investigation by touring the roads department maintenance yard in Columbia, now redefined as Fleet Services. The Jury met with Barry Bynum, Road Maintenance Supervisor, and Mike Young, Fleet Services Supervisor. They both have an extensive background in their perspective fields, and provide a wealth of knowledge, based on their years of experience.

Over the next several months the Jury toured the Road Maintenance Division yards in Tuolumne City, Jamestown, and Big Oak Flat. The Jury spoke with employees from each division, asking questions ranging from job performance to safety issues, both in the shop and out on the job site.

Finally the Jury reviewed the Worker's Compensation claims for the last ten fiscal years to ascertain whether or not safety issues were causing an increase in claims.

DISCUSSION

Roads Department

The Roads Department is tasked with maintaining over 600 miles of the county road system, including bridges. The total number of road maintenance personnel is 41, which includes 11 staff personnel. The 3 divisions include: West Division, based in Jamestown; East Division, based in Tuolumne City and South Division, based in Big Oak Flat. Each division is responsible for approximately 200 miles of roads (see Appendix RFS-1).

Road maintenance priority is divided into 3 categories:

1. Major roads – Highway 108 and J59 to La Grange
2. Minor roads – collector and surface streets
3. Subdivisions – roads within residential areas

Maintenance duties include, but are not limited to, road surfaces, drainage culverts, tree and shrub clearing for safety and debris removal. Signage and surface painting of crosswalks, stop bars and other roadway stencils are completed by the Support Services Division.

Each division is charged with inspecting the roads in their areas to determine the condition and prioritize the repairs needed. Input from the community, Sheriff's office, Highway patrol and other agencies help to define areas that are hazardous, and are extremely important in determining issues that require immediate attention.

The total miles of each of the road categories, major, minor and subdivision, along with the current condition is summarized in Table RFS-1. While the County does receive Proposition 1B funding, the amount of funding is only sufficient to properly maintain the major and minor roads and some bridges. The County also receives "gas tax" funding which amounts to approximately $3.4 million annually. Together Proposition 1B and gas tax funding amounts are insufficient to meet the County deferred maintenance cost estimate of over $86.7 million (Table RFS-1).

Some subdivisions within the County have historically been maintained under a County Service Area (CSA). CSA's have been used to maintain roads wherein a group of neighbors agree to pay a special assessment to keep their roads maintained. Unfortunately several of the CSA's have been abandoned or lapsed. Appendix RFS-B is a CSA status and inventory list. Other subdivisions are totally reliant upon County tax revenues such as sales, property and gas/vehicle taxes. Unfortunately funds are very limited due to the state of our current economy. It costs approximately $100-300 thousand to repave 1 mile of roadway. Funds are simply not available to accomplish much of the subdivision resurfacing needs.

The following information was provided by the County Deputy CRA Director of Roads, Richard S. York:

> ***"County Maintained Roads***
> *The attached tabular breakdown of the County Maintained Roads shows the four categories of roads and their total miles, the number of miles in good condition and their respective widths. Please note that Mono Way, an arterial road, varies from a maximum of 80 feet from flowline to flowline of the curb, down to a minimum of 26 feet. The table further shows the number of miles needing surface treatments and the type of treatment that is recommended. The approximate costs of these repairs are based on 2012 dollars, assuming the work was contracted out at prevailing wage.*
> *A total cost of $86,754,000 is estimated to bring the entire road system up to a good state of repair. At this time, we do have lists of high priority road improvement projects based upon certain criteria, such as the classification of the road, but not all roads have been prioritized or listed. As we discussed in our meeting with you and your committee, we are currently working on a new pavement management system that will assist us in prioritizing which roads should be repaired first when funding is made available. The higher liability associated with arterial roads and collector roads make them our*

highest priority. They have higher amounts of daily traffic and the vehicle speeds tend to be higher. The lower priority road category is the local road portion of our road system. That is why the Board of Supervisors adopted a Resolution in 1989 that prohibited taking additional subdivision roads into the County Maintained System and specified that they shall instead be maintained by County Service Areas (CSA).

County Service Area (CSA) Roads

The CSA roads have been totaled and broken down by funding status and the cost for necessary surface treatments also been summarized as you requested. The road system in a fully funded CSA receives an average of $27,820/mile/year to properly maintain and preserve the roads that serve that subdivision.

As a comparison, the County Maintained Road System receives approximately $5,170/mile/year in gas tax dollars to maintain our roads. The disparity between those two amounts leads to our current situation where many of the roads in our system are in desperate need of repair. The one time funds that we occasionally receive from State and Federal sources help to preserve the higher classifications in our road system, but seldom are allowed to be spent on local roads.

Other Roads

"Other" roads that exist in Tuolumne County are not included in the County maintained road system and are not in a CSA. Some of them are privately maintained through Homeowner's Associations (e.g. Pine Mountain Lake Subdivision, Black Jack Bluffs, and Apple Valley). The vast majority of them, however, are located in areas where no formal maintenance entities exist and they may or may not be located in formal easements. They vary in width from a minimum of 10 feet to a maximum of 24 feet. The surface of these roads varies from asphaltic concrete paving to dirt. Since the County is not involved in the maintenance of these roads, we do not have information relative to the condition of these roads, needed repairs, or costs for such repairs.

The United Stated Forest Service (USFS) roads which have been excluded from this category, also provide access to many subdivision and private lands located in Tuolumne County and could add as many as 1,500 miles to the attached list of roads. No attempt to estimate the cost of those roads has been made because the Federal Government controls those roads."

Table RFS-1. The tabular breakdown of County Maintained Roads referred to above.

Road Category	Total Miles	# of Miles in Good Shap	% of Miles in Good Shap	Width of Road	Recommended Surface Treatments (in miles)				Approximate Cost	Notes
					Mill/Rehab	2' AC Overlay	Chip Seal	Add A.B.		
Arterial Roads	15.76	13.1	83%	* varies 40' avg			2.66		$234,080	*40' avg applies to Mono Way
Major Collectors	84.96	41.03	48.30%	23' avg	0.08	17.82	26.03		$4,019,940	
Minor Collectors	103.9	16.86	16.2%	21' avg	16.67	55.4	14.97		$14,324,120	
Local Roads	*403.96	30.24	7.40%	20' avg	140	161	37	18	$68,176,000	*Includes 35.72 miles of dirt/gravel roads
Totals	*608.58^^	101	16.60%		156.75	234.22	80.66	18	$86,754,140	*$5,170/mile/yr (current gas tax funding)

CSA ROADS

Funding Status	Total Miles	# of Miles in Good Condit	% of Miles in Good Condition	Width of Ro	Recommended Surface Treatment (in miles)				Approximate Cost	Notes
					Mill/Rehab	2' AC Overlay	Chip Seal	Add A.B.		
Perpetually Fully Funded	19.78	16.35	82.65%	varies		2	1.43	0	$382,920	$27,280/mile/yr Average funding
Partially Funded	15.05	2	13.28%	varies	8.55	1		3.5	$2,713,400	$2,970/mile/yr
Unfunded Road Miles	21.56	9.53*	44.20%	varies	10	2.03			$3,204,800	*Roads built after 1988
Total	56.93	27.88	48.98%		18.55	5.03	1.43	3.5	$6,301,120	

OTHER ROADS NOT IN THE COUNTY MAINTAINED SYSTEM OR CSA/PRD = 1,395 miles

Homeowners Associations (i.e. Black Jack Bluffs, Pine Mountain Lake Association and Mt. Elizabeth Road)

Other Agencies Roads (i.e. Tribal Roads, National Park System, Bureau of Reclamation, Pacific Gas & Electric, City and County of San Francisco, Bureau of Land Management, Columbia College, and City of Sonora).

Other Roads (i.e. Mobile Home Parks, Tentative Parcel Map Roads, and R.V. Parks/Campgrounds).

^^ Includes 17.72 miles of dirt roads that do not require surface treatment.

A.B. = Aggregate Baserock (gravel)

In FY 2011/2012, the Board of Supervisors has approved the use of one time budget surplus funds to cover the road improvements shown in Table RFS-B below.

Table RFS-2. Road Improvement Projects Approved for Funding with FY 2011-2012 Surplus

Road	Segment	Classification	Miles	Treatment	Total Cost
Stent Cut Off Road	Jacksonville Road to Algerine Road	Major	0.50	2" Overlay	$83,485
Hunts Road	Longeway Road to Twain Harte Drive	Minor	1.15	2" Overlay	176,610
Crestview Drive	Bear River Drive to Creekside Drive	Minor	0.39	2" Overlay	60,086
Creekside Drive	Crestview Drive to Phoenix Lake Road	Minor	0.72	2" Overlay	110,930
Jacksonville Road	Stent Cut Off to Egan Road	Minor	0.50	2" Overlay	83,485
				Subtotal	514,596
Limekiln Road	Highway 108 to Campo Seco Road	Major	0.08	2" Overlay	25,017
				Total	**$539,613**

Fleet Services Department

Fleet Services is located on North Airport Road, at the Columbia Airport, which is a county owned property. The Roads Department also has 4 satellite facilities located within the county to the east, south and west, to accommodate storage of heavy equipment in those areas and is the base of operations for each area of responsibility. Fleet Services repairs and maintains the counties heavy equipment which includes loaders, graders, all snow removal equipment, light to heavy duty vehicles and other equipment related to the Roads Department. Deputy Sheriff's vehicles are maintained by the individual deputies. Deputies are responsible for having their vehicle maintained as required and they are also permitted to take their vehicle home during off hours.

Safety

Safety inspections were conducted on February 7th, 14th, and 28th, 2012. Sites included Tuolumne County Fleet Services yard in Columbia, and the Roads Department facilities in Jamestown, Tuolumne City, and Big Oak Flat. Jurors inspected the work place and evaluated employee tasks to identify hazards, conditions, operations, and possible situations that could lead to Occupational Safety and Health Administration (OSHA) violations. Supervisors informed the members that OSHA has not inspected any of these shops in 10 to 12 years.

The inspections included a review the following items:

- Housekeeping including control of inventory
- Ingress and egress including signage
- Walking and working surfaces
- Hazardous materials including access to Material Safety Data Sheets (MSDS)
- Personal Protective Equipment (PPE) availability and usage
- Access to medical/ first aid kits and eyewash stations if required
- Fire protection equipment

- Access to electrical breaker panels
- Machinery and machine safety

Worker's Compensation claims for the last ten fiscal years are summarized in Charts RFS-1 and RFS-2 below. Both the number of incidents and the incurred cost are down significantly, however the current year, 2011-2012, is not yet over. So despite the safety issues the Jury observed it appears that Worker's Compensation claims are headed in the right direction.

Chart RFS-1. Number of Incidents envoking workman's compensation benefits annually from 2001-present.

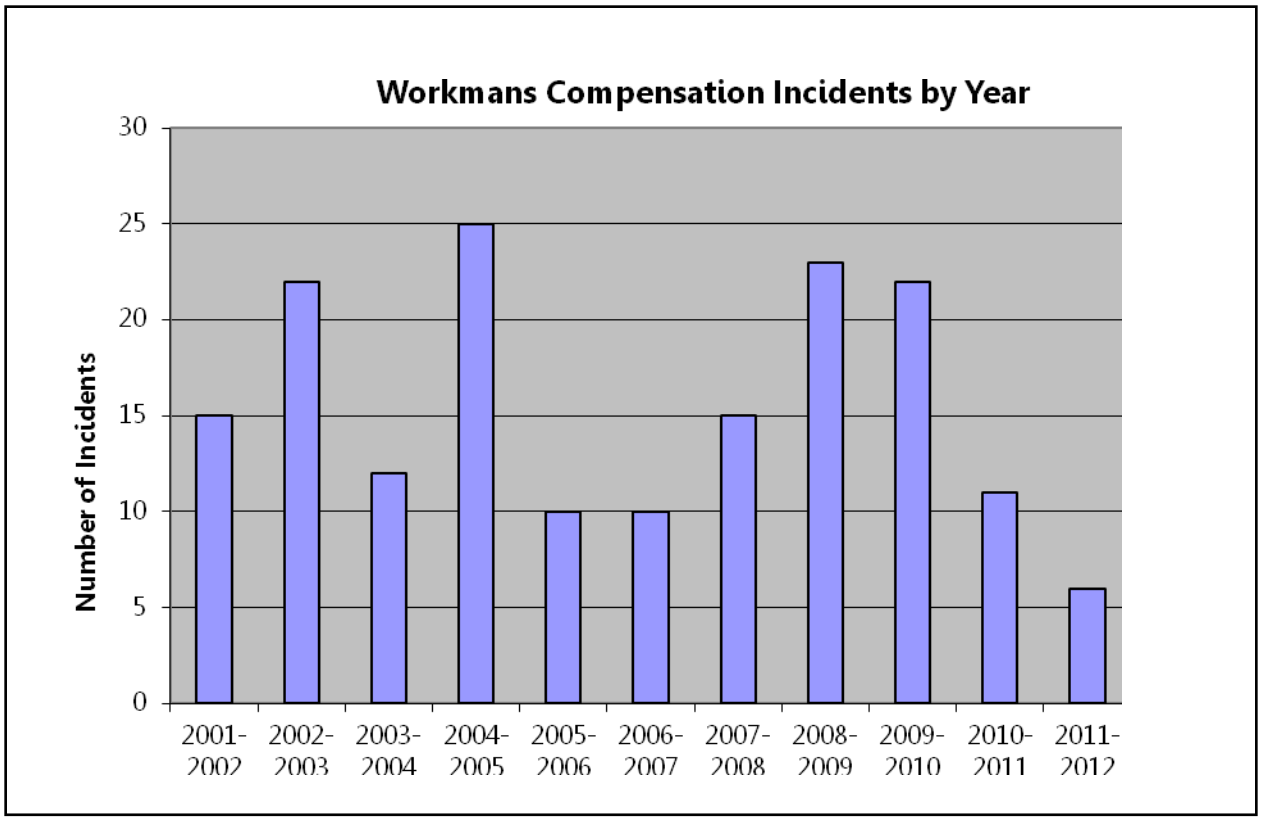
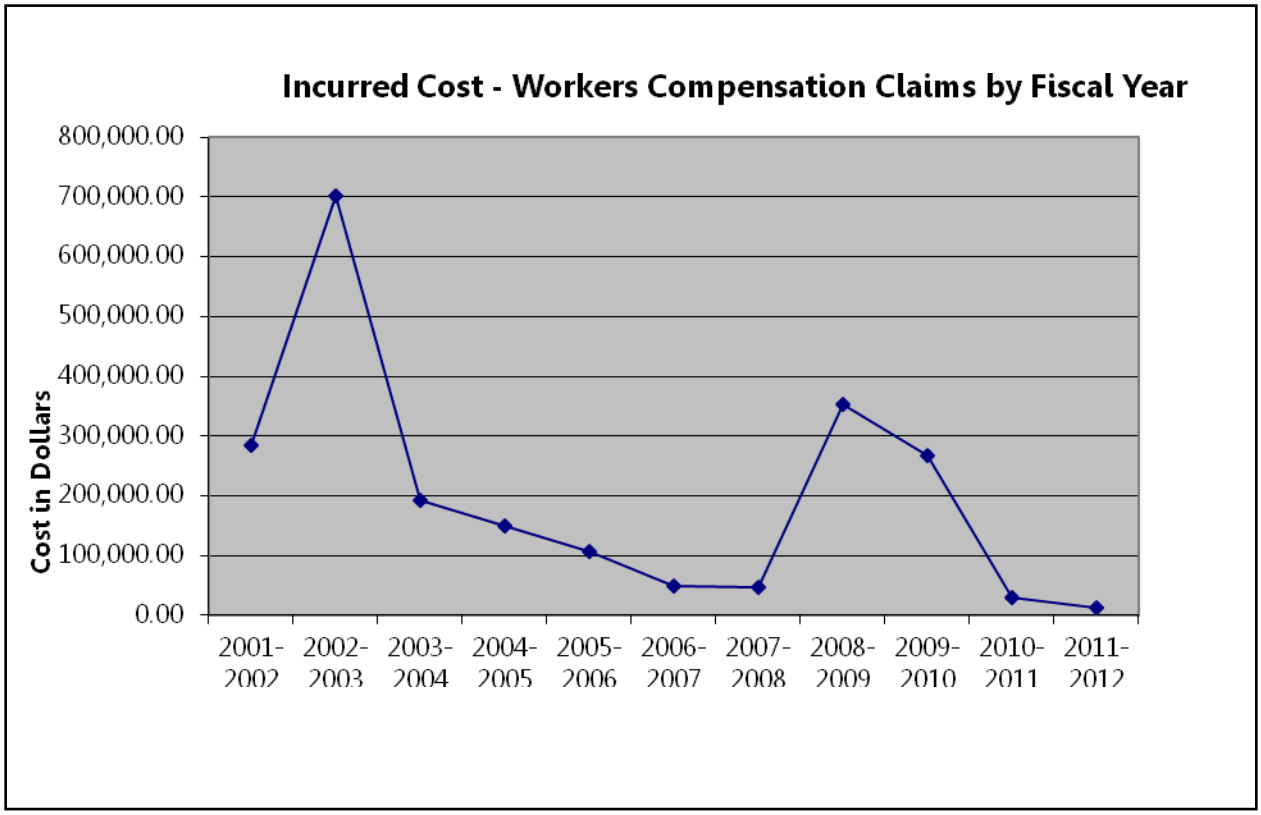


Chart RFS-2. Total cost of workman's compensation claims by fiscal year from 2001-present.



FINDINGS

F1 The grounds and shops at Columbia, Jamestown, and Tuolumne City are very clean and well kept. The Big Oak Flat facility is old, but is organized. All facilities are surrounded by fencing and secured with locked gates.

F2 Fleet services has the ability to handle more of the county's vehicles from other departments. A flyer has been distributed to county department heads to make them aware of the services offered, in an effort to generate more business and optimize utilization and efficiency of the Fleet Services Department.

F3 All maintenance services and repairs are logged for each vehicle, and all equipment, for warranty coverage of parts and hourly usage of all vehicles within the fleet.

F4 Equipment deemed non essential or too costly to repair or maintain are put up for auction, with all proceeds going back to the department budget.

F5 Staff safety meetings are held each week. No serious injury or incidents have been recorded for the current fiscal year to date.

F6 Heavy equipment operators are class A drivers. They are drug tested as outlined by the Department of Transportation guidelines. Snow equipment operators run heavy equipment during non snow removal days.

F7 All Fleet Services and Road Department employees are drug tested at hiring. Further testing may be done in case of incident, or upon request of Department Supervisor.

F8 First aid kits were present and mounted on the walls at all worksites and in all vehicles.

F9 A written hazard communication plan is available for all employees review.

F10 All employees are familiar with lockout/tag out procedures, as required by OSHA.

F11 All employees are provided Personal Protective Equipment (PPE) including Safety glasses, gloves, chainsaw chaps, etc.

F12 Employees in the Road Department and the Fleet Services Department have not had first aid or CPR training in the past 3 years.

F13 In the Columbia and the Big Oak Flat facilities, equipment was blocking access to the electric panels.

F14 Fire extinguishers in all facilities had not been inspected monthly.

F15 Fire extinguishers were found on the floor at both the Big Oak Flat and Jamestown facilities.

F16 There were no "EXIT" signs posted over doorways leading out of ~~the~~ buildings at any facilities.

F17 Doors which did not lead to exits were not properly posted as such at any facility.

F18 The Columbia, Tuolumne City and Jamestown facilities hold weekly safety meetings on topics related to their job. At the Big Oak Flat facility safety meetings are not held on a weekly or bi-weekly basis.

F19 Employees in the Big Oak Flat facility were not aware of the location of the MSDS's. In all other facilities the employees had access and understood the importance of MSDS's.

F20 Columbia has a functioning eyewash station. The Jamestown eyewash is not functional.

F21 Fuel tanks (gasoline and diesel) are identified with a green rectangular label on the ends of each tank. Some tanks have additional labels indicating Combustible or Flammable liquid.

F22 Only one Fleet Service employee is a certified welder.

F23 The County Human Resources Manager is currently serving as the Risk Manager.

F24 OSHA standards are not being followed regularly in daily operations.

RECOMMENDATIONS

R1 The Roads Department and Fleet Services is experiencing a severe lack of funds. The county should consider a reprioritization of spending plans to allocate additional funding for road maintenance and repairs, and equipment and vehicle replacement due to age and wear.

R2 Vehicles from all county agencies should be considered for inclusion into Fleet Services Department's workload to achieve economies of scale.

R3-7 No Recommendation

R8 All first aid kits should be inspected monthly to ensure they are properly stocked with necessary supplies and replenished as needed.

R9-10 No Recommendation

R11 Both Road and Fleet Services should be inspected semi-annually to ensure that safety regulations are followed and all safety apparel is used as intended.

R12 All Road and Fleet Services employees, including supervisors, should be required to take annual CPR and first aid classes as a condition of continued employment.

R13 It is highly recommended that any equipment be removed from the front of electrical panels. A black/yellow stripe tape should be placed 36 inches around panel boxes to distinguish areas to be kept clear.

R14 Supervisors should designate an employee to inspect fire extinguishers monthly and initial tags.

R15 All fire extinguishers should be mounted in marked, readily accessible locations, according to safety standards.

R16 "EXIT" signs should be placed over all doors leading out of any building.

R17 "NOT AN EXIT" signs should be posted over doors with no access to the outside of any buildings.

R18 It is highly recommended that the Supervisor of the Big Oak Flat facility establish weekly safety meetings.

R19 The Supervisor of the Big Oak Flat facility should discuss MSDS's with employees and inform them of the location of the MSDS binder, per OSHA requirements.

R20 Eyewash stations should be installed, maintained, and inspected monthly in all facilities.

R21 Recommend using an alternate placard from the Emergency Response Guide Book, ERG guide number 127 for Gasoline and number 128 for Fuel Oil. Ref. USDOT HazMat Placard, Class 3 Flammable Liquids. This should be placed on the side of the tank adjacent to their respective liquids. This will provide a visual aid to emergency response individuals and the Fire Department.

R22 The Jury recommends at least two employees be certified in welding at fleet services.

R23 The Jury recommends that a Risk Manager be rehired at the county level, such that one person can fully dedicate their attention to issues of workplace safety.

R24 The Jury recommends that the Risk Manager review OSHA standards and address compliance issues within the Road & Fleet Services Departments.

REQUEST FOR RESPONSES

Pursuant to Penal code section 933.05, the grand Jury requests responses as follows:

From the following individuals:

R1-24	Mike Young, Fleet Services Supervisor
R1-24	Barry Bynum, Roads Department Supervisor
R8, 11-15, 20, 23-24	Tuolumne County Human Resource/Risk Manager
R1-2, 8, 11-15, 20, 23-24	Chief Administrative Officer
R1-2	Director of Community Resources Agency

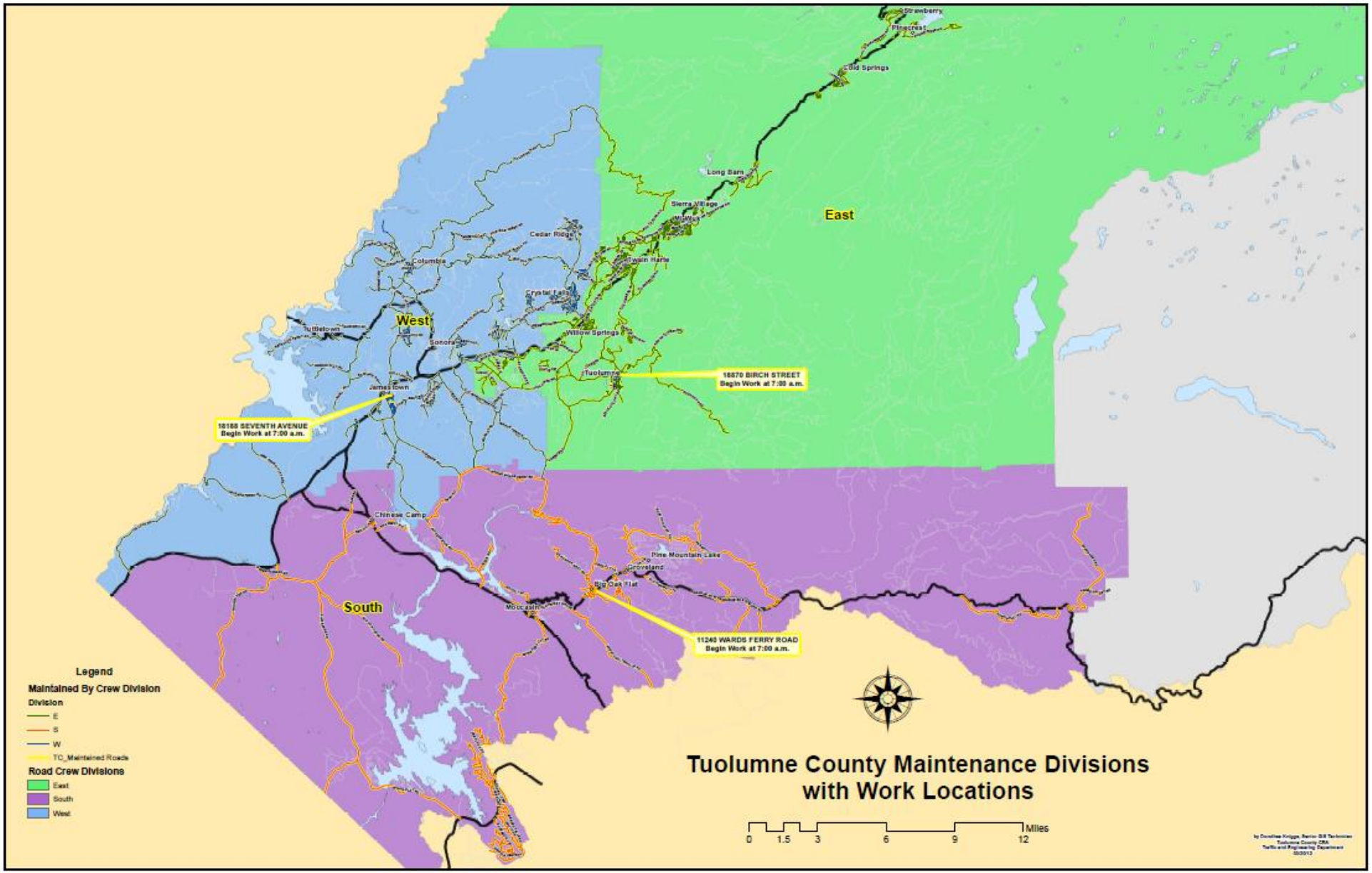
From the following governing bodies:

R1	Tuolumne County Board of Supervisors

The governing bodies indicated above should be aware that the comment or response of the governing body must be conducted subject to the notice, agenda and open meeting requirements of the Brown Act.

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

APPENDIX RFS-1



APPENDIX RFS-2

CSA Status And Inventory

CSA #	Name	Funding & Maintenance Status	Miles	Road Name	Length	Width	Created	Document	# of Parcels
#1	Mi Wuk Village	In county maintained system							
#2	Lake Don Pedro Unit 2 & 3	In county maintained system	25.87	N/A			8/20/1968	17-68/69	
#3	Lake Don Pedro Unit 1	Partially funded per ad valorem	8.40	Avenida Lugo N.	6400	22	8/20/1968	18-68	163
		Intermittent maintenance activity		Avenida Lugo S.	7720	22			
				El Chimisal	950	22			
				El Encanto	1060	22			
		INACTIVE per		El Encino	2386	22			
		Board of Supervisors		Fuente de Flores	700	22			
		Resolution 284-90		Las Aromitas	1540	22			
				Las Cruces	7400	22			
				Los Nogales	3860	22			
				Milpitas	4200	22			
				Valle Verde	1920	22			
				Zorro	5480	22			
#4	Jupiter	Partially funded per ad valorem	2.50	Jupiter Drive	6864	12	1/21/1969	118-68/69	25
		Intermittent maintenance activity		Philadelphia Road	6336	10			
		INACTIVE per BOS res 285-90							
#5	Emerald Ranch	Partially funded per ad valorem	2.75	Aarondale	6155	12-30	1/21/1969	121-68/69	29
		Intermittent maintenance activity		Dolores Lane	2840	12-22			
		INACTIVE per BOS res 286-90		Unnamed roads	5550	12-16			
#8	Lake Don Pedro U.4 & 5	Partially funded per ad valorem	0.00	No Roads			5/5/1970	200-69	
#9	Columbia Water	DISSOLVED BY LAFCO 11/09	none	for water & sewer			6/23/1970		
#10	Monte Grande	Fully funded per ad valorem &	1.52	Armario Road	300	12-16	10/27/1970	90-70/71	62
		benefit assessments.		Monte Grande Drive	5640	16			
		Regular maintenance program		Mount Hope Lane	750	12			
		Perpetual assessment 5-2009		Mountainside Drive	1360	12			
#11	PLCC Estates	DISSOLVED BY LAFCO 11/09	none	for water & sewer			7/27/1971		
#13	2nd Garrotte Hills	Partially funded per ad valorem	1.40	Greg Court	620	20	12/11/1973	99-73/74	
		Intermittent maintenance activity		Morgan Drive	1626	20			
		INACTIVE per BOS resolution		Mountain Springs	2100	20			
		#389-90 (12/11/90)		Whites Gulch Road	3050	20			
#14	Jacksonville	Unfunded	0.66	Harney Drive	3480	26	6/25/1974	267-73	10
		No Maintenance							
#15	Peppermint Creek	Unfunded	2.36	Candy Falls Court	650	12-22	7/9/1974	7-74	57
		No Maintenance		O'Neil Court	890	22-24			
				Peppermint Circle	1700	24			
				Peppermint Creek Ro	1200	22-24			
				Peppermint Falls Driv	8000				
#16	Lake Valley Sub	Unfunded	0.45	Lake Valley Lane	2400			87-74	12
		No Maintenance							

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APPENDIX RFS-2 CONT'D

CSA Status And Inventory

CSA #	Name	Funding & Maintenance Status	Miles	Road Name	Length	Width	Created	Document	# of Parcels
#17	Cuesta Serena	DISSOLVED BY LAFCO 11/09		N/A					
#19	Golden Oaks	Dissolved		N/A			8/15/1978	41-78	
#20	Cedar Ridge	Fully funded per ad valorem &	2.96	Brookside Drive West	3140	10-14	2/27/1979	178-78/79	168
		benefit assessments.		Canyon View Drive	786	10-12			
		Regular maintenance program		Estralita Drive	2440	10-12			
		Perpetual assessment 5-2009		Estralita East	1740	10-12			
				Hillside Drive	2354	10-12			
				Keltz Mine Road	448	10			
				Keltz Way	976	10			
				Lodge Way	787	10			
				Madrone Circle	2770	10-12			
				Madrone Court	187	10			
#21	Ambulance	not a road maintenance CSA						60-88	
#22	Mt. Elizabeth	Unfunded	0.96	Mt. Elizabeth	5055	12	1/4/1983	8-83	
		No Maintenance							
#23	Laru Lane	Unfunded	0.23	Laru Lane	1217	12	8/23/1983	234-83	56
		No Maintenance							
#24	Quail Mine	Dissolved	2.70	N/A			11/25/1983	340-83	76
#25	Sommette Drive	DISSOLVED BY LAFCO 11/09	0.75	Sommette Drive	3970				
		No Maintenance							
#26	Manzanita Drive	Voted to dissolve 5-2009	0.23	Manzanita Drive	825	10-12	12/3/1985	388-85	22
		Resolution 57-09 6/2/09		Manzanita Unnamed	365	10-12			
		Voted to reactivate 5-2010		Poplar Drive	103	10			
#27	2nd Garrotte Ridge	Unfunded; no maintenance		2nd Garrotte Ridge R	10800	10-15	3/25/1986	87-86	
			3.92	Vernal Drive	4800	10-15			
				Yosemite Springs	5100	10-15			
#28	Rough & Ready	Perpetual assessment 5-2009	1.47	Panorama Place Nort	550	10	7/8/1986	207-86	55
		Regular maintenance program		Panorama Place Sout	1000	10			
				Rough & Ready Trail	6200	20			
#29	Comstock Ranch	Perpetual assessment 5-2009	1.99	Comstock Ranch Roa	4555	24	10/13/1987	281-87	55
		Regular maintenance program		Forest Lake Drive	1500	20			
				Hardscrabble Court	300	20			
				Highgrade Lane	1920	20-24			
				Mine Shaft Court	630	20			
				Pelton Wheel Circle	1615	12			
#30	Bullpine Acres	Inactive		Luke Court	340	20	2/2/1988	23-88	6
#31	Curtis Creek	Inactive	0.30	Barron Ranch Road	961	20	6/27/1989	167-89	9
				Tomahawk Court	610	20			

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APPENDIX RFS-2 CONT'D

CSA Status And Inventory

CSA #	Name	Funding & Maintenance Status	Miles	Road Name	Length	Width	Created	Document	# of Parcels
#32	Ridgewood	Perpetual assessment 5-2009	3.78	Crestridge Avenue	7606	20	10/3/1989	266-89	146
		Regular maintenance program		Crestwood Court	874	20			
				Fleetwood Road	330	20			
				Parkridge Avenue Eas	5518	20			
				Parkridge Avenue We	3770	20			
				Ridgefield Court	780	20			
				Woodridge Way	1065	20			
#33	Springfield	Unfunded	0.92	Gravel Mine Road	1090	20	7/3/1990	201-90	
		No Maintenance		Slate Rim Road	2145	20			
			0.10	Vine Spring Road	1640	20			
#34	Phoenix L. Fairway	Inactive		Buena Vista Avenida	550	20	4/24/1990	134-90	8
#35	Preston Lane	Inactive		Preston Lane	813	20	8/28/1990	277-90	3
#36	Columbia Vista	Inactive	0.57	Columbia Vista Drive	1975	20	12/4/1990	391-90	
		not balloted since 2005		Cork Oak Lane	530	20			
				Northrup Court	520	20			
				Rocher Court	400	20			
#37	Miwuk Pines	Perpetual assessment 5-2009	0.17	Conte Court	600	20	12/18/1990	391-90	28
		Regular maintenance program		Kerensa Court	300	20			
#38	Quail Ridge Ranch Unit 2/Argonaut Estates	No money ever collected/ being redesigned (Red Tail Ridge)							
#39	Fratelli Forte	Inactive		LAND IS VACANT/NO ROADS TO MAINTAIN			8/16/1991	183-91	
#40	Sunnyhill	Inactive	0.07	Sunnyhill Court	364	25	8/13/1991	179-91	11
#41	Oak Hill	Inactive	0.11	Oak Hill Road	395	26	2/25/1992	39-92	2
#42	Meadow Oak	Inactive		Robinwood Lane	585	28	2/25/1992	40-92	12
#43	Black Oak Estates	Perpetual assessment 5-2009	0.64	Gurney Station Road	1800	24	10/6/1992	238-92	57
		Regular maintenance program		Korey Court	945	20			
				Lizzie Lane	623	24			
#44	Yosemite Vista Est	Unfunded	1.18	Deerpath Court	216	20	1/15/1993	3-93	93
		No Maintenance		Hidden Hollow Court	1256	16			
				Parkwood Drive	520	26			
				Prospect Heights	2483	16-32			
				Rolling Woods Drive	780	26			
				Whispering Pines Driv	980	20			
#45	Buena Oaks	Inactive	0.07	Buena Oaks Court	370	24	2/16/1993	18-93	9
#46	Mountain Ridge Estates	First ballot passed 6/04, ballot failed 6/06 & 07	0.25	Mountain Ridge Rd	1296	28	4/13/1993	75-93	13

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APPENDIX RFS-2 CONT'D

CSA Status And Inventory

CSA #	Name	Funding & Maintenance Status	Miles	Road Name	Length	Width	Created	Document	# of Parcels
#47	Cherry Valley	Perpetual assessment 5-2009	0.75	Westside Drive	563	28	9/28/1993	215-93	69
				Cherry Loop	1282	28			
				Laurel Avenue	481	28			
				Maple Avenue	1340	28			
				Railroad Court	205	28			
#48	Sonora Vista	Perpetual assessment 5-2009	1.15	Clouds Rest	1633	28	10/12/1993	228-93	128
		Regular maintenance program		Rafferty Court	319	24			
				Starr King	1914	24			
				Upper Starr King	835	24			
#49	Poppy Hills	Perpetual assessment 5-2009	0.35	Poppy Hills Drive	1012	20	4/5/1994	49-94	15
		Regular maintenance program		Britta Court	825	20			
#50	Yosemite Estates	not balloted since 2005	3.53	Mountain Pass	4302	20	8/28/1995	LAFCO 185	
				Fairway Court	2676	28			
		being redesigned		Mesa Vista	6144	20			
				Hill Valley Court	3957	28			
				Eastwood Ravine	1553	28			
#51	Twain Harte Hts	Perpetual assessment 5-2009	0.38	Timberwood Trail	780	16	6/24/1996	LAFCO 187	15
		Regular maintenance program		Mountain Drive	1210	16			
#52	Gina Avenue	assessment ballots have not passed		Gina Avenue	351	22	6/24/1996	LAFCO 188	24
		on a regular basis, underfunded	0.45	Cari Avenue	495	22			
		ballot did not pass 07-08 or 05-06		Virginia Avenue	2107	22			
		became inactive with failure 08-09		Sandberg Court	300	20			
				Kimball Court	512	24			
#53	Whispering Woods	Perpetual assessment 5-2009	1.97	Lambert Lake Road	4807	20	9/1/1998	189-98	38
		Regular maintenance program		Olav Road	3461	18			
				Fire Access Road	*2143*	*20*			
#54	Sierra Industrial Pk.	Conditions Expired 3/22/11		Nugget Boulevard	780	54	9/28/1998	LAFCO 190	15
				Microtronics Way					
				Camage Avenue					
		No Maintenance		Striker Court					
#55	Vilas Lane	Inactive		Vilas Lane			6/3/1999	105-99	
		No Maintenance							
#56	Mill Villa Manor	Perpetual assessment 5-2009	1.02	Vista Drive	2820	24	11/7/2000	140-00	103
		Inactive 2007/Reactivated 2008		Manor Drive	888	24			
				Well House Drive	693	24			
				Steiner Drive	381	24			
				Emergency Access	610	12			
#57	Countryside Estates	Voted to dissolve 5-2009	0.10	Countryside Court	527	14	4/28/2003	LAFCO 199	14
		Resolution 43-09 5-19-09							

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APPENDIX RFS-2 CONT'D

CSA Status And Inventory

CSA #	Name	Funding & Maintenance Status	Miles	Road Name	Length	Width	Created	Document	# of Parcels
#58	Chapparal Heights Units 2 & 3	Voted to dissolve 5-2009 Resolution 52-09 5-26-09	0.34	Spanish Grant Drive Red Heather Dulce Lane Oak Tree Lane	543 1565 1734 325	31 27 31 20	8/25/2003	LAFCO 201	29
#59	Mountain Vista	Voted to dissolve 5-2009 Res. 53-09 Reactivated 11/1/11 Res 86-11	0.05	Mountain Vista Court	286	28	12/17/2003	LAFCO 204	11
#60	Gibbs Ranch Unit 7	Resolution 44-09 5-19-09 Voted to dissolve 5-2009	0.15 0.04	Martin Terrace Court Lora Lane	790 200	28 28	12/17/2003	LAFCO 206	25
#61	Granite Ridge	ballot did not pass in 2006/07 or 07/08 Inactive	0.08	Riley Road	422	20	1/31/2005	LAFCO 208	6
#62	Sierra Meadows	Pepetual assessment 5-2009	0.37	Sierra Meadows Dr. Stanislaus Drive Stanislaus Court Clavey Court	1069 347 231 230	22 20 20 20	4/24/2006	LAFCO 210	48
#63	Twin Creeks	in development							
#64	Eagle Ridge	Pepetual assessment 5-2009	0.49	West Eagle Ridge Dri	2402	25	11/27/2006	LAFCO 212	11
#65	Deer Park	Voted to dissolve 5-2009 Resolution 46-09 5-19-09	0.31	Ferrari Road Deer Park Ct.	1444 215	20 20	10/1/2006	214-04	6
#66	Sloan	voided by LAFCO 11/9/2010						LAFCO 245	69
#67	Wagner Ranch	voided by LAFCO 12/15/2009	0.95	Prospect Road Kendall Ct. Garland Ct.	1892 1703 1408	20 20 20		LAFCO 246	
PRD 3	Apple Valley Estates unit 3	our first PRD/Special Tax	0.04	Kyrsta Ct.	134	24	8/26/2008	106-08	4

	FULLY FUNDED	Green TYPE	Ad-Valorem funding AND special assessments
	Ad valorem funding ONLY		Insufficient funds for major maintenance, no perpetual funding source
	Dissolution Proceedings in progress		Not yet fully formed or being re-designed
	Dissolved or Voided by LAFCO		Voted to become INACTIVE
	Roads are now County Maintained		Other unusual situation (see notes)

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TUOLUMNE COUNTY COMPENSATION & BENEFITS

"WHO IS MINDING THE STORE?"

SUMMARY

Employees of Tuolumne County are a dedicated and hard working group of people. It must be noted that County employees have made some significant sacrifices over the last few years. County Management has also made significant progress in recognizing the issues addressed herein and has managed their budgets to stay out of the red. However, County management participates in the same benefits that the rank and file employees do. So, the Jury wonders: *WHO IS MINDING THE STORE?* It must also be noted that this county, along with the entire country and the world, has experienced a depression/recession the likes of which have not been seen since the Great Depression of the last century. Unemployment in Tuolumne County is still very high, 13.5% as of March 2012, and bank foreclosures of personal residences remain high.

It is also important to note that the public sector has employment positions which are unique to the services they provide. Examples of these employment positions include deputy sheriffs, parole officers, social workers, and planners. Due to these unique employment positions, the County competes with other public entities when hiring qualified staff. In order to make real

reductions in County benefits, fundamental changes at the national and state levels must be made which maintain a level playing field. The Jury encourages all citizens to petition their representatives in government to tackle the complex and difficult issues necessary to put our financial house in order. Making significant reductions in public sector benefits will promote a more competitive environment for the United States in today's global economy. Governor Jerry Brown has prepared a *Twelve Point Pension Reform Plan* to tackle this issue at the state level. Governor Brown's plan is included in Appendix CCB-5.

In reviewing Tuolumne County Department budgets for fiscal year 2011-2012, it became apparent that the benefits paid by Tuolumne County are very generous. In fact, in aggregate, for every dollar of salary or wage that the County pays it also pays over a dollar in benefits. While salaries and wages paid by the County appear to be equitable when compared to salary survey data from the Employment Development Department of California, County benefits are at least 100% higher than private sector employers. A 10% reduction in County benefits would equal approximately $2.6 million annually in savings.

For employees hired before March 13, 2011 (Tier 1) the County pays their entire California Public Employees Retirement System (PERS) contribution. For Tier 1 miscellaneous employees, the County contributes approximately 20% of wages and for safety employees the county contributes over 40%. Employees hired after March 13, 2011 (Tier 2) pay the employee contribution of 7% for miscellaneous and 9% for safety employees and the County contributes approximately 10% for miscellaneous and 20% for safety employees. The County also contributes 7.65% of wages to Social Security and Medicare for both Tier 1 and Tier 2 employees. As of February 2012, only 5% (or 28 out of 563) of county employees have been hired after March 13, 2011. New hires are also subject to waiting five more years before they can retire and their benefit is based on the highest three years of employment rather than the highest one year. The Jury recognizes the contributions made by the County bargaining units, but believes that having a two tier retirement system can lead to tension between employees. The retirement contributions made by the County are substantial and are projected to continue growing. Perhaps all employees should be required to pay their own PERS share. If all employees were required to pay their own employee share the County might save approximately $1.6 million annually.

Paid leave and furlough days at the County, at a minimum, equal approximately 105 full time equivalent positions. The minimum leave days range from 40 to 56 days per year, including 15 furlough days. Leave days are not consistent across all bargaining units of the County. This situation allows for significant money to be spent on paid leave, large amounts of down-time for departments, and lack of a consistent work force. Together this creates a highly inefficient system. By reducing the minimum number of paid leave days to 24 as well as eliminating furlough days, the County might operate with approximately 53 fewer employees, or at least improve its efficiency. The Jury realizes that these simplified math calculations may not be practical or even advisable given the layoffs the County has already made. However, at a minimum, it is a potential solution for improving efficiency of the County workforce and would lower the cost of paid leave. If the County were able to reduce staff by 53 positions at an

average compensation cost, including benefits, of $94,530 per year the net savings to the County could be $3.5 million annually (reduced labor cost less the cost of eliminating furlough days). By reducing the minimum number of paid leave days by 11 the County might lower its annual cost by $1.3 million.

Employee group insurance is provided to County employees on a cafeteria basis. In other words, the County contributes a fixed amount ranging from $850 to $1,457 per month to the coverages the employee participates in. The employee pays the premium amounts in excess of the Cafeteria amount through payroll deductions. If the employee chooses to "opt out" of the County insurance, the employee is entitled to a monthly payment of $500 to $1,200. Thirty-five percent of the County employees have "opted out" of the County insurance program. Using the minimum "opt-out" payment of $500 per month, eliminating "opt out" payments might save the County over $1.1 million annually.

Post Retirement Medical under PERS is an expensive option. The County is required to make a contribution for each retiree receiving this benefit. Currently the monthly contribution is $112 per month per retiree and there is no cap on this amount in the future. For 137 participating retirees, the annual cost is estimated at $184 thousand. Executive/Confidential employees hired prior to June 30, 2009 are eligible for 100% County paid health insurance premiums after retirement with 20 or more years of service. Currently 84 Executive/Confidential employees are eligible for this benefit. Current annual cost for these benefits is $502 thousand. Potential future liabilities for Post Retirement Medical are estimated by the County to be $27.5 million.

It is not known if any of the recommendations in this report can be adopted by the County given that most employees are represented by bargaining units. However, the potential annual savings appear to be well worth a try. One could also argue that should this suggestion be implemented, it might drive key employees to terminate their employment or seek work elsewhere. The Jury certainly hopes this is not the case, however, given that on average the County receives 19 applications for every new job opening and the average age of all County employees is 47, one might surmise that refilling these positions would not be difficult.

Finally, it must be noted that the trend across the country, which includes federal, state and local governments, is a downward spiral into an increasing debt load for future generations. The Jury hopes that County employees will recognize this trend and, while painful, make additional sacrifices necessary to reduce debt within our local community.

BACKGROUND

This Grand Jury decided to investigate County compensation and benefits to determine if the County was paying a fair wage and providing benefits comparable to the private sector. The investigation was also deemed necessary due to the increasing number of news articles regarding the lavish benefits paid by the public sector at local, state and federal levels. Is it time for the public to take umbrage with the way our elected officials have increased the cost of government without regard for the taxpayer, our children and grandchildren?

APPROACH

The Grand Jury reviewed County budget documents to determine the salaries and wages paid by the County and the amount of benefits contributed to County employees. Personnel policies of the County contained in separate Memorandums of Understanding (MOU's) (one for each employee bargaining unit) are located on the County web site and were also reviewed. Interviews were conducted with the Human Resources and the Auditor/Controller Departments. Data was collected from these departments and reviewed by the Grand Jury. The data provided was then compared to survey data obtained from the California Employment Development Department as well as the experience of Grand Jury members that have worked in the private sector. News articles and internet searches of other County approaches were also reviewed to determine alternative methods of providing benefits. Finally, the Jury met with the Chief Administrative Office of the County to get his thoughts on County compensation and benefits.

DISCUSSION

Salaries and Wages

The Grand Jury obtained the salary and wages of all County employees and compared twenty positions to survey data contained in the Occupational Employment Survey (OES). The OES data had been updated to the first quarter of 2011 and covered Amador, Calaveras, Mariposa and Tuolumne counties. This comparison is provided in Appendix CCB-1. Based on this comparison the Grand Jury believes that County employees are receiving a fair salary/wage. Of the twenty comparisons made, nine positions were in the 25th to 50th percentile, six positions were in the 50th to 75th percentile, two positions were below the 25th percentile and three positions were above the 75th percentile.

Salary/Wage Increases

The County utilizes an employee evaluation procedure that requires the immediate supervisor, at least annually, to review each of their subordinates in writing by filling out a "Job Performance Evaluation" form. The document becomes the basis for the employees "merit raise". Merit raises or "step increases" are given to all employees that meet job performance expectations. Step increases are given for each year for the first five years of employment assuming that the employee started at step 1. Each step equals a 5% increase in salary/wage so that after five years an employee will have received increases amounting to 27.6%. After five years increases are based on negotiations with the bargaining units. The last time increases were agreed to with each bargaining unit is displayed in Table CCB-1 below.

Table CCB-1. Most recent wage increases by bargaining unit.

Bargaining Unit	Increase	Date
Health Care, Operating Engineers 3 (OE3) and Management Units	3%	Jun-08
Attorney Unit	3%	May-07
Executive/Confidential Unit	3%	Mar-08
Deputy Sheriff Association Unit	3%	Jul-10

County Employee Concessions

County employees have made several concessions over the last few years which have reduced employment costs to the County by bargaining unit (MOU). The most significant concession is agreement to 15 furlough days per year for all employees except sheriff deputies. The Deputy Sheriff Association (DSA) agreed to 5 furlough days per year. The concessions range from 7% to 14.5% per fiscal year and are set forth in Appendix CCB-3.

Employee Benefits

Total Tuolumne County "regular salaries" and employee benefits as budgeted for fiscal year 2011-2012 are set forth in Table CCB-2 below.

Table CCB-2. Tuolumne County regular salaries and benefits as budgeted for FY 2011-2012.

Benefit	Budget in Thousands	Budget Expressed as % of Wages Paid for Hours Worked*
Leave Cash Out	$ 993	3.90%
Retirement	7,294	28.5
Earlier Retirement Incentive	138	0.5
Post Retirement Medical	891	3.5
Deferred Compensation	197	0.8
Disability – Employer Paid	23	0.1
Employee Group Insurance	7,636	29.9
Life Insurance	60	0.2
Workers Compensation	2,492	9.8
FICA (Social Security & Medicare)	2,708	11
Unemployment Insurance	561	2.2
Estimated Paid Leave Cost**	3,458	13.5
Total Benefits	$ 26,453	103.50%
Regular Salaries (includes paid leave)	$ 29,006	

*Wages paid for hours worked was estimated by reducing "Regular Salaries" by the ratio of the minimum number of paid leave days in hours (11 holidays, 10 vacation days and 10 sick days) to 2,080 working hours per year, or 248 divided by 2,080 = 11.9%. The actual ratio is likely somewhat higher as this ratio is based on the minimum paid leave hours.

**Estimated Paid Leave Cost was calculated by multiplying 11.9% times "Regular Salaries"

Based on the above analysis the average cost of employee benefits paid by the County is in excess of $1 for every $1 paid in wages for hours worked. In addition, on average five items account for approximately 91 percentage points of the total. Stated another way, on average for every dollar paid for time worked an employee receives an additional 91 cents for these benefits. The five benefit items include retirement, employee group insurance, workers compensation, FICA and estimated leave cost.

A summary of the major employee benefits by MOU is provided in Appendix CCB-2. For more information on County employee benefits the reader is encouraged to visit the County web site

to review individual MOU's. Table CCB-3 presents a list of the MOU's and the number of County employees covered by each.

Table CCB-3. Existing Tuolumne County MOU's and number of employees covered by each.

Memorandum of Understanding	Number of Employees
Attorneys Association Unit	8
Executive/Confidential Unit	39
Deputy Sheriff's Association Unit	129
Tuolumne County Employees/OE3 Unit	288
Management Association Unit	63
Health Care Employees Association Unit*	35
Physicians Unit	1
Total	563

*Excludes 40 layoffs on 12/31/12

Workers Compensation

The County has elected to self-fund their worker's compensation program. This results in a savings to the County of many dollars given the cost of outside insurance premiums. One insurance company was contacted and although they could not give a direct quote, their representative assured us that the premium would be much greater than the County's cost of self funding.

The County had 93 claims for worker's compensation over the period of 12/22/10- 1/14/12. Total paid out during this period was $463,387.40. Twenty-three of these incidents required no money spent and the employee returned to work. Twenty-five incidents required money spent and the employee returned to work. Forty-five incidents required money spent and time lost on the job of at least one day. Whenever possible, the county does try to get employees back to work, even if it is on limited duty. This helps the employee lessen the amount of time lost.

Pension Benefits

PERS (See Appendix CCB-2)

The County participates in the California Public Employees Retirement System (PERS) and all County employees are included in the PERS plan in addition to Social Security and Medicare. The County has instituted a two Tier system for PERS benefits. Tier 1 employees include all employees hired prior to March 11, 2011, while Tier 2 covers all new hires on or after March 11, 2011. The County has paid both the employer contribution and the employee contribution to PERS for Tier 1 employees. Tier 2 employees pay their own employee contribution. Table CCB-4 below lists the employee, employer (County) and total PERS contributions for Tier 1 and Tier 2 employees.

Table CCB-4. PERS Contribution Rates (% of Regular Salaries) for 2011 – 2012.

	Tier 1		Tier 2	
Contribution From	**Misc.***	**Safety****	**Misc.***	**Safety****
Employee	0.000%	0.000%	7.000%	9.000%
Employer (County)	20.224%	40.785%	10.127%	19.169%
Total Contribution	20.224%	40.785%	17.127%	28.169%

*Miscellaneous employees are all employees other that safety employees
**Safety employees include Deputy Sheriffs, Fire Firefighters, etc.

Of the 563 County employees, 28 employees, or approximately 5% of the workforce, have been hired as Tier 2 and are subject to contributing their own employee share for PERS. In addition, the Tier 2 miscellaneous employee retirement age was raised from 55 to 60; the benefit remains 2% for every year of employment but is-based on the highest three years of employment rather than the highest one year. The Tier 2 safety employee retirement age was raised from 50 to 55. The pension was cut from 3% to 2% for every year of employment and is based on the highest 2 years of employment rather than the highest one year. Over time these changes will reduce the retirement cost to the County. How long this will take is unknown. The average age of all County employees is 47; however, there is no mandatory retirement age. Table CCB-5 below is a sample calculation of the PERS pension benefit for Tier 1 and Tier 2 miscellaneous and safety employees. Social Security benefits would be in addition to PERS benefits but are not computed for this report.

Table CCB-5. Sample Calculations of Annual Pension Benefits.

	Tier 1		Tier 2	
Calculation Component	**Misc.**	**Safety**	**Misc.**	**Safety**
(a) Contract Retirement Age	55	50	60	55
(b) Entitlement per Year of Service	2%	3%	2%	2%
(c) Years of Service (assumes age 25 at hire date)	30	25	35	30
(d) Retirement Percentage = b x c	60%	75%	70%	60%
(e) Final Salary Upon Last Year or Years of Service *	$49,753	$49,753	$49,753	$49,753
(f) Tentative Pension Benefit Amount = d x e	$29,852	$37,315	$34,827	$29,852
(g) Social Security Offset = $133.33 x 12 months x d	$960	$1,200	$1,120	$960
(h) Net Employee Pension = f - g	$28,892	$36,115	$33,707	$28,892

*Assumes the average salary of all employees for this example.

Notes:

1. PERS vesting requires 5 years of employment.

2. Any employee can retire once they reach the age of 50, however the benefit rate would be less than the contract amount of 2% for Tier 2 safety and both Tier 1 and 2 miscellaneous.

3. For both Tier 1 and 2 miscellaneous employees the benefit rate increases for each quarter after age 55 until age 63.

4. The maximum rate for miscellaneous is 2.418% at age 63 (Both Tiers)

5. The maximum rate for Safety is the 3% for Tier 1and 2%.for Tier 2

6. Also safety cannot receive more than 90% of their salary.

As of June 30, 2010 the County unfunded PERS liability for miscellaneous employees was $19.8 million and for safety employees was $27.5 million. Chart CCB-1 below shows the percentage of

estimated future PERS retirement liability that is currently funded on a market value basis. Chart CCB-2 below shows the ratio of active employees to retired employees. As shown in Charts CCB-1 and CCB-2 the percent of future PERS liability that is funded has dropped below 80% and is trending downward while the ratio of the number of active to retired employees has dropped below 75%. This means that the contributions per employee will have to increase significantly in the future in order to meet retirement payouts.

Chart CCB-1. The percentage of estimated future PERS retirement liability for Tuolumne County.

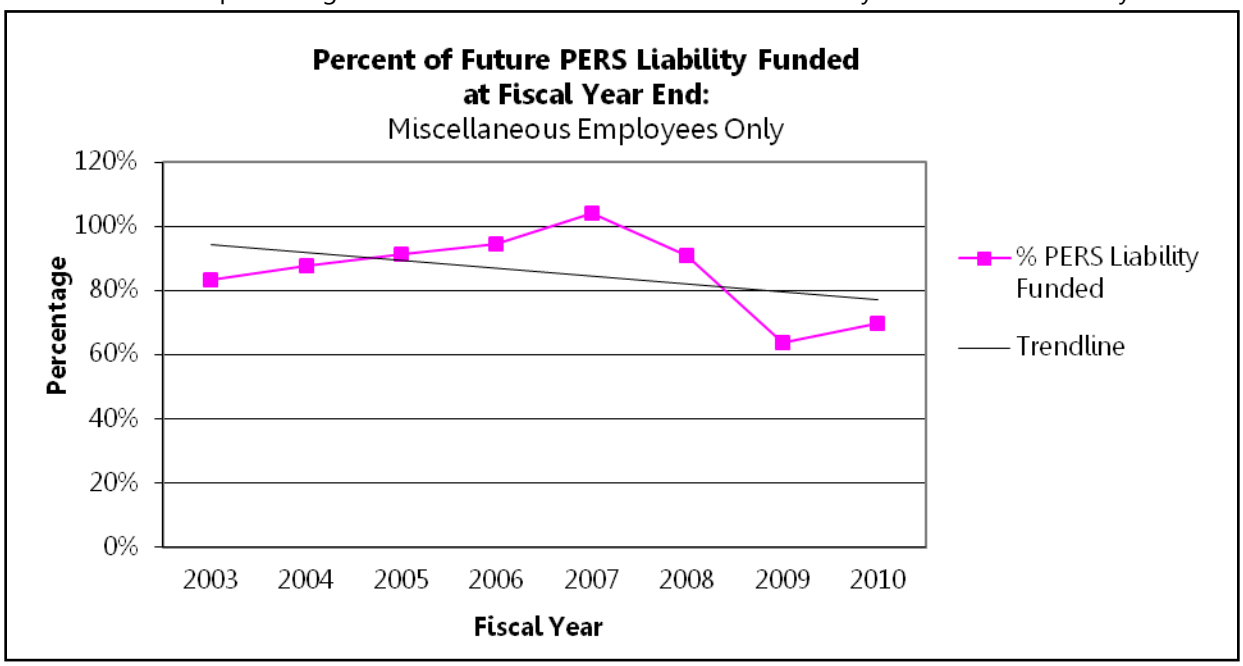


Chart CCB-2. The ratio of Tuolumne County active employees to retired employees.

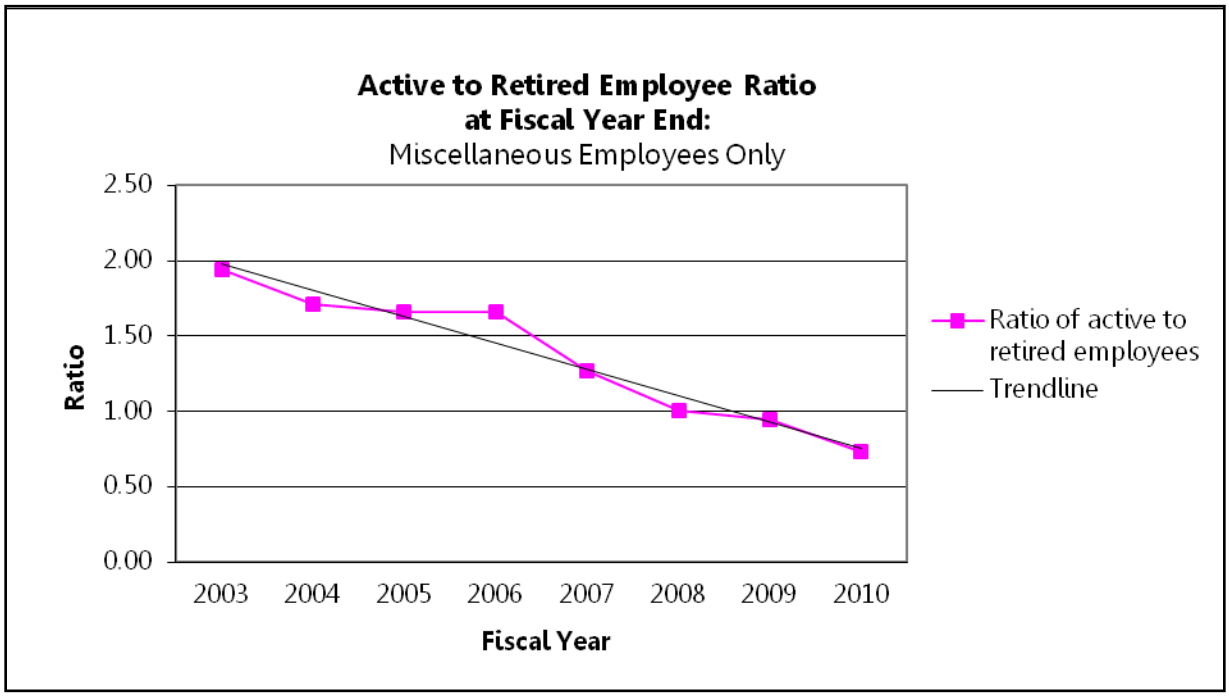


Table CCB-6 below lists the current and projected PERS County contribution rates for both Tier 1 and Tier 2 as well as miscellaneous and safety employees.

Table CCB-6. Tuolumne County current and projected PERS contributions for Tier 1, Tier 2, miscellaneous and safety employees.

Miscellaneous	Tier 1	Tier 2
2012-2013 Actual	20.34%	10.27%
2013-2014 Projection	22.19%	11.97%
2014-2015 Projection	23.09%	12.57%
2015-2016 Projection	22.69%	12.77%
2016-2017 Projection	22.99%	12.97%
Safety	**Tier 1**	**Tier 2**
2012-2013 Actual	42.25%	19.20%
2013-2014 Projection	45.71%	22.00%
2014-2015 Projection	47.60%	23.30%
2015-2016 Projection	48.06%	23.60%
2016-2017 Projection	48.46%	23.90%

Social Security and Medicare

The County also participates in Social Security and Medicare. The County might be able to opt out of Social Security and Medicare if it met certain requirements. 2012 contribution rates for Social Security and Medicare are 7.65% for the employer and 5.65% for the employee subject to maximums. The County does not pay the employee share of Social Security/Medicare

contributions. The County has elected to utilize a provision in PERS which reduces the retiree's benefit amount due to participation in Social Security. This election reduces the County's monthly retirement contribution by excluding the first $67 of the employee's pay. The employee's retirement benefit is also reduced by their retirement benefit percentage multiplied times $133.33 per month for life.

For Tier 1 PERS, Social Security, and Medicare benefits, the County contributes approximately 28% and 48% of wages for miscellaneous and safety employees, respectively. For Tier 2 PERS, Social Security, and Medicare benefits the County contributes approximately 18% and 29% of wages for miscellaneous and safety employees, respectively.

Post Retirement Medical

Post Retirement Medical is offered through PERS to all employees (except Executive/Confidential employees hired before June 30, 2009) upon retirement provided the retiree pays the required premiums. The County is required by PERS to also contribute $112 per month per retiree (subject to change annually) for this coverage. Currently 137 retirees participate in the PERS health insurance pursuant to the *Public Employees' Medical and Hospital Care Act (PEMHCA).* The County estimates the future liability for this benefit to be $9.1 million, and is currently paying $184 thousand annually. If the County were to leave PERS health the annual cost and future liability would end.

Executive/Confidential employees hired prior to June 30, 2009 are entitled to 100% paid health insurance premiums after retirement with 20 or more years of service. Currently 84 employees are included in this category. The County is currently paying $502 thousand annually and estimates the County future liability at $18.4 million.

Paid Leave Benefits (See Appendix CCB-2)

Paid leave benefits include holidays, vacation days, sick leave days and personal leave days. All MOU's provide from 11 to 13 holidays while some provide vacation and sick leave days and others provide personal leave days (none provide both). The thirteen holidays for the Tuolumne County Employees/OE3 MOU Unit are as follows:

- 11 Fixed Holidays
    - New Year's Day
    - Martin Luther King, Jr. Day
    - Presidents' Day
    - Memorial Day
    - Independence Day
    - Labor Day
    - Veterans' Day
    - Thanksgiving Day
    - Day after Thanksgiving Day
    - Day before Christmas
    - Christmas Day
- 2 Floating Holidays

Depending on length of service, vacation days range from 8 to 15 per year and sick leave days allowed are 12 per year. For MOU's that provide personal leave days, the range is 21.25 to 40 days per year, again based upon length of service. All of the MOU's have a maximum accrual limit with the highest being 7 times the annual allowance. All employees have the option to "cash out" accrued leave on an annual basis within certain limits. This means that if they do not use their accrued vacation or personal leave days over a minimum amount they can be paid in lieu of taking the days off. Due to current budget limitations employees are prohibited from requesting "cash out" until July 1, 2012. The County also provides for Jury duty, funeral, Family Medical Leave Act (FMLA) and other leaves of absence on an as required basis. Not all of these other leaves are paid and for purposes of this discussion and investigation are deemed to be insignificant in cost.

Currently the County has approximately $6.7 million in unfunded paid leave liability. Unfunded leave liability represents the dollar amount of leave hours earned by all employees but not yet taken and for which the County has not set aside funds to pay. One could argue that since it is not likely that all leave hours will be paid for immediately, ample time exits to fund this liability. What will happen if all the "baby boomers' were to retire at once (average age of all county employees is 47)? Chart CCB-3 below shows the number of County employees for the last ten years. Chart CCB-4 below shows the unfunded leave liability per employee for the same ten year period. As the trend lines indicate, the number of employees has dropped significantly over the last ten years while the unfunded leave liability per employee is trending upward.

Chart CCB-3. Total number of Tuolumne County employees by year.

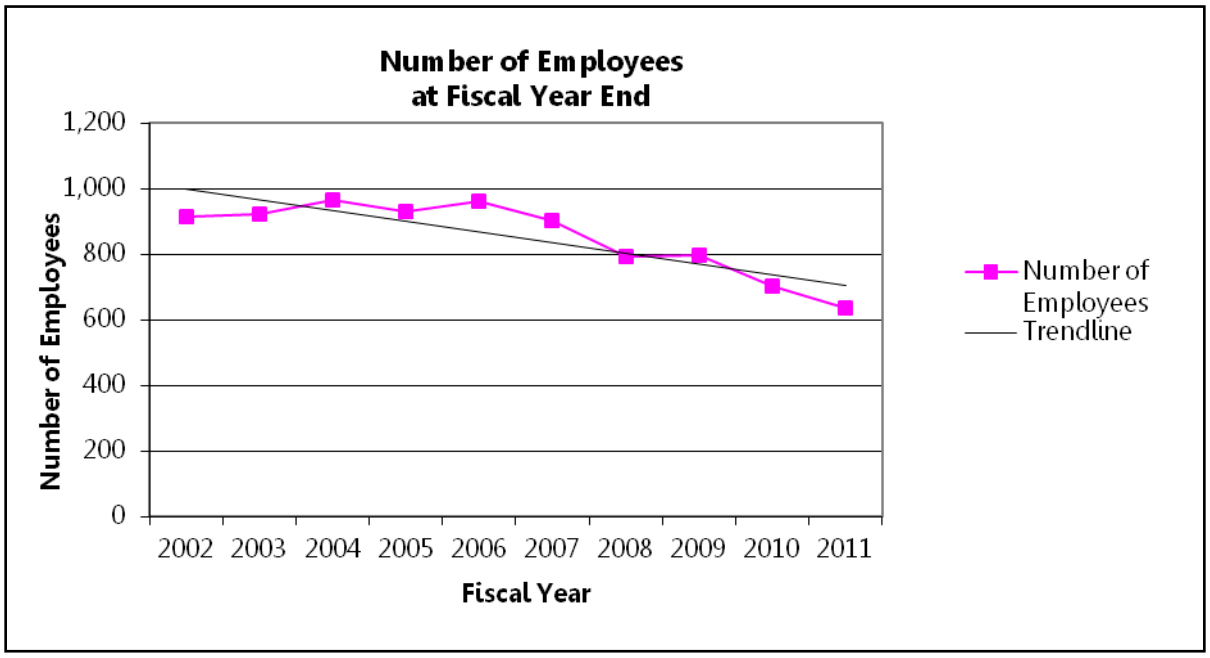
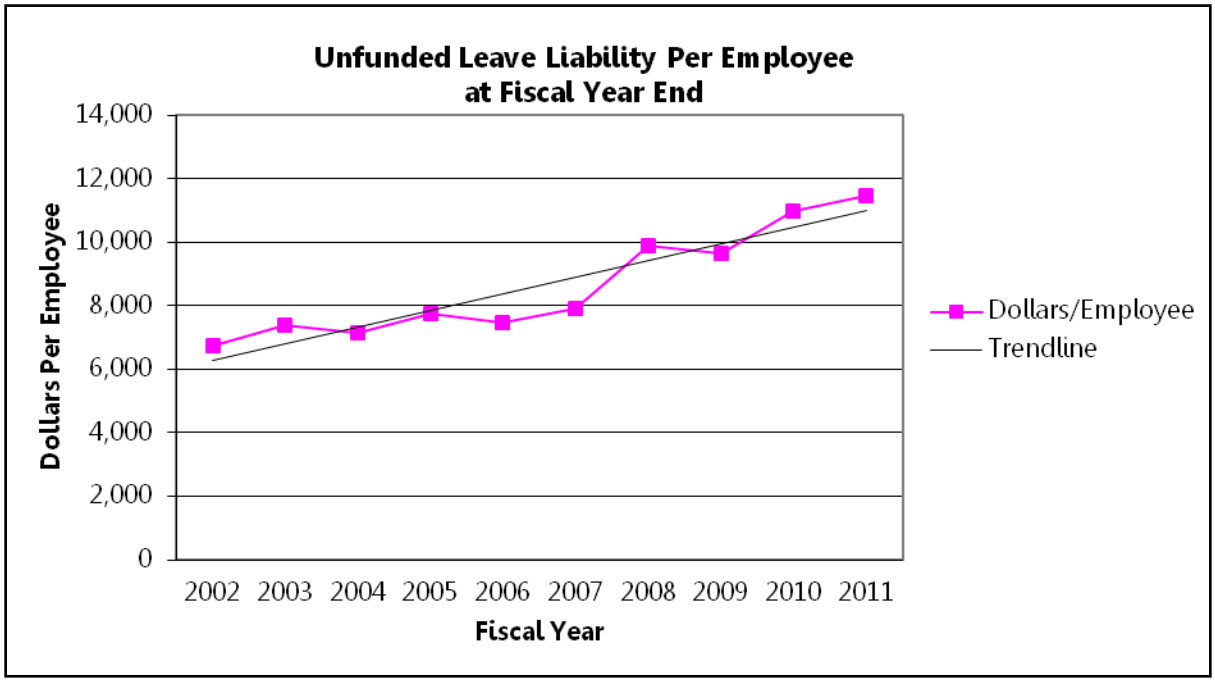


Chart CCB-4. Tuolumne County unfunded leave liability per employee by year.



Employee Group Insurance (See Appendix CCB-2)

The County provides medical, dental, vision, life and disability insurance to its employees. Medical, dental and vision insurances are provided on a cafeteria basis through either PERS or Police Officers Association of America (PORAC). All employees are eligible for coverage and decide on which coverage's they wish to purchase. Employees may "opt out" if they can provide evidence of coverage under another plan, such as coverage under a spouse's plan. The County contributes a fixed cafeteria amount for single, two and family coverage. The amount the County contributes varies by MOU and the number of family members covered and ranges from $850 per month for single to $1,467 per month for a family. If an employee "opts out" they receive additional compensation in lieu of insurance ranging from $500 to $1,200 per month. The total number of employees that have "opted out" is 35% of the workforce or approximately 197 employees. The total 'opt out" payments, at the minimum of $500 per month equal almost $1.2 million per year. Should the County do away with this practice, the actual savings would likely be much higher since most employees are still being paid a higher amount for "opting out". Typically private industry does not pay an employee to "opt out".

Other Benefits

While the other benefits shown in the above Table CCB-2 are significant when taken as a whole, individually they are small. Leave cash out is the most significant followed by post retirement medical and unemployment insurance.

Private Sector Benefits

The Grand Jury attempted to obtain benefits data from several of Tuolumne County's larger employers, but did not receive a significant response. Personal experience of some Grand Jury

members indicates that the County is paying significantly more that the private sector. Private sector benefits in the Defense Industry are closely managed to maintain a benefit to wages paid for hours worked ratio of 30% to 40%. In order to accomplish the lower benefit ratio the private sector has reduced the number of holidays, vacation and sick leave days and is eliminating defined benefit pension plans such as PERS. Other private sector employers have reduced benefits in order to compete in our global economy. In addition, the private sector has asked their employees to contribute more for medical, dental and vision plan premiums while at the same time reducing the benefits provided by these plans. Not all private employers provide medical, dental and vision plans for their employees, especially where the business is small. In lieu of defined benefit pension plans the private sector is migrating to 401K plans where they may or may not make a contribution on the employee's behalf and usually not anywhere near the level the County is contributing.

Not all government entities in California participate in PERS or other defined benefit plans. Three Contra Costa County entities, the town of Danville and the cities of Lafayette and Orinda, offer a 401K type retirement plan in which both the employee and employer contribute, but retirements are dependent on investment returns rather than a guaranteed amount that PERS provides.

Total Unfunded Liabilities

The sum of the unfunded amounts for the above benefits plus the current estimated claims and outstanding long term debts of the County totals approximately $97 million. Deferred road maintenance, a new County Jail and refurbishment of the Tuolumne General Hospital (TGH) represent over $135 million in potential added obligations of the County. The total of unfunded liabilities, deferred road maintenance and capital equals over $232 million. Table CCB-7 below lists the current amount of unfunded County liabilities, deferred road maintenance and capital.

Table CCB-7. Tuolumne County Unfunded Liabilities.

		(Amounts in Thousands)		
Liability Type	**Details**	**Governmental**	**Enterprise**	**Total**
Long Term Liabilities				
Accrued Claims	Workers Comp	$ 8,496	$ 398	$ 8,895
Accrued Claims	Liability	195	-	195
OPEB - Annual Contribution Required	Post retirement/Health Ins	6,042	-	6,042
Compensation Balances	Leave pay	6,713	-	6,713
Bonds	Jamestown Mine property	5,785	-	5,785
Notes Payable	Carters Land/Landfill	93	5,706	5,799
Landfill- Post closure cost*	See footnotes	-	1,530	1,530
	Sub-total Long Term Liability	27,324	7,634	34,959
Unfunded Liabilities				
PERS- Misc	as of 6/30/2010 per PERS	19,754	-	19,754
PERS- Safety Side Fund	as of 6/30/2010 per PERS	8,215	-	8,215
PERS- Safety Pool	as of 6/30/2010 per PERS	7,925	-	7,925
Internal Debt	Armory, L & J, Traffic Mit	4,711	-	4,711
OPEB- total Liability	30 year amortization	21,458	-	21,458
	Sub-total Unfunded Liability	62,063	-	62,063
Deferred Maintenance and Capital				
Deferred Maintenance on Road**	See footnotes	86,754	-	86,754
Jail**	See footnotes	48,000	-	48,000
TGH Remodel**	See footnotes	?	-	?
	Sub-total Deferred Maintenance and Capital	134,754	-	134,754
Total Liabilities		**$ 224,141**	**$ 7,634**	**$ 231,776**

*Landfill amount reflects payment of $3,517,290 in January 2012

**Deferred Maintenance and Capital could be leveraged by Federal and State Grants

For fiscal year 2011-2012 total County revenue/budgets equals approximately $132 million and is $55 million less that for fiscal year 2006-2007. Of the $132 million, salaries and benefits equal $52 million or 39%. The budget balance of $80 million is dedicated to various programs, debt service, supplies, utilities, rent, etc. and very little, if any, is discretionary.

While the above data portrays a bleak picture for the County's ability to finance these obligations, it must be pointed out that a better economy could greatly improve this situation. State and Federal grants might supplement County revenues for some of these obligations such as road maintenance and a new jail. Fundamental changes in the Cal-PERS system at the State level and improved financial markets might also offset some of the future obligations for PERS. However it is still imperative that the County make every effort to control and reduce employee benefits.

FINDINGS

F1 County benefits are perhaps 100% to 150% higher than the private sector. Are these benefits too high in light of private industry and the current state of the economy (see Appendix CCB-6 and Bibliography items 7 to 10)? For each 10% reduction in benefits the County would save over $2.6 million. The savings could be used for road repair/repaving, reducing liabilities, jail improvements, safety programs/training, etc. While it is true that the County employees have made some concessions (most are temporary), the rest of the Tuolumne County is still experiencing high unemployment, 13.5% as of March 2012 per the Employment Development Department. Local residents are losing their homes due to foreclosures as a result of a lack of employment.

F2 Appendix CCB-4 shows a calculation of the number of full time equivalent positions that the current minimum of paid and unpaid leave days for all employees is equal to. The calculation results in a total of approximately 105 positions (paid leave plus furlough full time equivalents positions). While it is not feasible to eliminate all leave days, some reduction would result in a more efficient and consistent work force. Appendix CCB-4 also shows the result of reducing the number of leave days as recommended below.

F3 Worker's compensation has always been an area that draws scrutiny. Is it a true work related incident or was the employee not paying attention? Reading over the reports many are truly work related and were not avoidable. Others could have been avoided with good safety procedures and a little more common sense. The County no longer has a dedicated risk management person to oversee safety training and conduct inspections on a regular basis.

F4 The County pension plan through PERS is in serious jeopardy due to underfunding. The cost to the County for PERS is exorbitant. While not illegal, the paying of the employee share is certainly very generous and not in line with the private sector. It is not known what the impact of underfunding of PERS will ultimately be, but it seems obvious that it cannot be good for the County financial situation.

RECOMMENDATIONS

R1 The County should negotiate with representatives of bargaining units to come up with a plan to reduce benefits by a significant percentage. Bargaining unit members should be aware that unsustainable benefits are just that – unsustainable. Some possible outcomes are the collapse of PERS or bankruptcy of County government, as have occurred in Vallejo and Stockton. At the very least, more "outsourcing" of County jobs can be expected.

R2 The County should reevaluate their decision to eliminate a full time risk manager. A full time risk manager might be able to focus on safety education programs in each department and require employees to follow the procedures. County employees, along with management, should exercise good judgment in all that they do regarding official

business. They should be held accountable for any lack of responsibility for theirs or other's safety.

R3 The County should investigate the feasibility of converting to a plan similar to a 401K for local governments and reduce its contributions. Other local governments have done so and are not facing the PERS problems. At a minimum the County should require all employees to contribute the employee share of PERS.

R4 The County should adopt a proactive plan to support Governor Brown's *Twelve Point Pension Reform Plan*, (see Appendix CCB-5) in order to maintain a level playing field with other public entities.

R5 Paid leave days should be the same for all employees regardless of bargaining unit and should be reduced when in excess of 8-10 holidays, 6-8 sick leave days and 10 days vacation per year. Personal leave time should be consistent with the sum of sick leave and vacation days. Additional vacation or personal leave days may be given to employees for each additional 5 years of service up to a maximum of 25 days per year. This will provide for a more consistent work force. Furlough days should be abolished in exchange for bargaining unit concessions in paid leave days. Employees should not be allowed to cash out paid leave accruals except upon termination. Paid leave days should be for rest, relaxation, sickness, recuperation, etc. not additional compensation.

R6 The County should investigate the feasibility of a self insured medical, dental and vision plan with stop loss insurance to better control costs. The County cafeteria contribution should be the same across all bargaining units. Employees who "opt out" should not be entitled to receive payment for opting out. Presumably the County has a "coordination of benefits clause" in their insurance policies to prevent double payments. If this is not the case, a coordination of benefits clause should be included in any future contracts.

REQUEST FOR RESPONSES

Pursuant to Penal code section 933.05, the grand Jury requests responses as follows:

From the following individuals:

R1 – R6 Tuolumne County Chief Administrative Officer

R1 – R6 Tuolumne County Human Resource/Risk Manager

From the following governing bodies:

R1 – R6 Tuolumne County Board of Supervisors

The governing bodies indicated above should be aware that the comment or response of the governing body must be conducted subject to the notice, agenda and open meeting requirements of the Brown Act.

ACKNOWLEDGEMENTS

The Grand Jury expresses its appreciation for the assistance of William Morse, County Human Resources/Risk Manager, Deborah Russell, County Clerk and Auditor/Controller Craig Pedro, County Chief Administrative Officer and their staffs in supplying information and responding to our numerous questions regarding this investigation.

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

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APPENDIX CCB-1

Tuolumne County Salary/Wage Comparison						
Tuolumne County			**Occupational Employment Statistics***			
				Percentile Range		
Position	**Annual Salary/Wage**	**Comparison to Percentile**	**Job Classification**	**25%**	**50%**	**75%**
Deputy District Attorney	$115,400	<75%	Attorney	$77,168	$90,604	$116,500
Sheriff Bailiff	55,161	<50%	Sheriff	54,017	67,953	68,180
Detective Sheriff - Coroner	60,819	<50%	Sheriff	54,017	67,953	68,180
Jail Deputy Sheriff	48,942	<25%	Correctional Jailer	64,771	74,736	74,984
Auditor	36,129	<50%	Auditing Clerk	31,512	36,524	42,203
Animal Shelter	34,340	<50%	Animal Control Worker	33 ,425	37,044	41,932
Engineering Tech	47,944	<25%	Civil Engineering Technician	50,356	57,740	69,784
Eligibility Worker III	39,083	<75%	Eligibility Interview	33,571	37,814	44,470
Library Assistant	34,008	<50%	Library Technician	31,553	35,193	38,979
Build Maintenance Supervisor	55,036	<50%	1st Line Supervisor	54,974	63,648	72,113
Public Health Nurse	63,419	>75%	Nurse	45,822	52,187	52,790
Registered Nurse	88,023	<50%	Registered Nurse	77,188	89,211	100,000
Social Worker	50,107	<50%	Public Health Social	48,526	61,880	80,724
Deputy Air Pollution Control Officer	81,732	<75%	Manage Operations	55,640	78,894	106,412
Road Crew Supervisor	57,241	>75%	Supervisor Hwy Maintenance	32,552	38,563	48,880
Human Resources - Risk Manager	95,659	<50%	Human Resources Manager	83,470	104,208	116,334
County Administrator	156,403	<75%	Chief Executive	103,459	135,116	166,400
IT Project Coordinator	62,794	>75%	Computer Sys. Analyst	43,201	53,705	62,275
County Counsel	144,961	<75%	Chief Executive	103,459	135,116	166,400
Chief Executive	145,978	<75%	Chief Executive	103,459	135,116	166,400
Average	**$73,659**	**<75%**	***Average***	**$57,436**	**$72,660**	**$85,197**

*Source: Employment Development Department survey dated 05/10/2010.

APPENDIX CCB-2

Tuolumne County Benefits Comparison by Memorandum of Understanding (MOU)							
Employees/Benefits	**Attorney MOU**	**Executive Confidential MOU**	**Deputy Sheriffs MOU**	**OE3 TC Employees MOU**	**Health Care MOU**	**Management MOU**	**Physician MOU**
Number of Employees	8	39	129	288	63	36	1
Leave Accruals (days/year)							
Holidays	11	11	13	13	11	11	12
Vacations	See PL	See PL	10-15	10-20	See PL	See PL	See PL
Sick Leave	See PL	See PL	12	12	See PL	See PL	See PL
Other Leaves	See MOU	See MOU	See MOU	See MOU	See MOU	See MOU	See MOU
Personal Leave							
Accrual (days/year)	30 to 40	30 to 40	NA	NA	25 to 35	30 to 40	21.25 to 36.25
Maximum	5X to7X	5X to7X	NA	NA	4 Times	5X to7X	4 Times
Option to Cash Out /FY [2]	80 to 120 Hrs	80 to 200 Hrs	NA	NA	NA	100 Hrs	80 to 200 Hrs
Group Insurances [1]							
Type							
Medical	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Dental	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Vision	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Life	$200,000	$200,000	$50,000	$10,000	$25,000	$100,000	$200,000
County Contribution for M/D/V [6]							
Single	$955	$960	$1,200	$1,000	$1,000	$850	$850
2 Party	$955	$960	1200 - 1353	$1,075	$1,073	$941	$941
Family PERS	$1,302	$1,302	$1,457	$1,430	$1,427	$1,302	$1,302
Family PORAC	N/A	N/A	$1,353	N/A	N/A	N/A	N/A
Opt Out Pay Pre Date/MOU [2]	$850	$960	$1,200	$924	$924	$850	N/A
Opt Out Pay Post Date/MOU [2]	$500	$500	$500	$462	$500	$500	$500
Short Term Disability [3]	Employee	Employer	Employee	Employee	Employee	Employer	Employee
Long Term Disability	Employee	Employee	Employee	Employee	Employee	Employee	Employer

APPENDIX CCB-2 CONT'D

Retirement							
PERS prior to 03/13/11 (Tier 1)							
Benefit Misc. Employees	2% at 55	2% at 55	2% at 55	2% at 55	2% at 55	2% at 55	2% at 55
Benefit for Safety Employees	NA	3% at 50	3% at 50	NA	NA	3% at 50	NA
Employee Pays Employee Share [4]	Yes 7%	Yes 7-9%	Yes 7-9%	Yes 7%	Yes 7%	Yes 7-9%	Yes 7%
Employer share	10.1266%	10.1266%	19.169%	10.1266%	10.1266%	10.1266%	10.1266%
Retirement Based on	High Year	High Year	High Year	High Year	High Year	High Year	High Year
PERS after 03/13/11 (Tier 2)							
Benefit Misc. Employees	2% at 60	2% at 60	2% at 60	2% at 60	2% at 60	2% at 60	2% at 60
Benefit for Safety Employees	NA	2% at 50	2% at 50	NA	NA	2% at 50	NA
Employee Pays Employee Share	No 7%	No 7-9%	No 7-9%	No 7%	No 7%	No 7-9%	No 7%
Employer share	13.224%	13.224%	31.785%	13.224%	13.224%	13.224%	13.224%
Retirement Based on	High 3 Yrs	High 3 Yrs	High 3 Yrs	High 3 Yrs	High 3 Yrs	High 3 Yrs	High 3 Yrs
Retiree Medical [5]	No	No	No	No	No	No	No
FICA/Medicare	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Worker's Compensation	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Miscellaneous							
Computer Purchase Loan	$3,000	$3,000	$3,000	$3,000	$3,000	$3,000	$3,000
Education Allowance	50%	100% NTE 2K	50% NTE 5K	50% NTE 5K	50%	50 to 100% NTE 5K	$1,250
Vehicle Allowance	No	No	No	No	No	No	No
Other	No	No	No	No	No	No	No

Source: County WEB site Memorandums of Understanding (MOU).

[1] 35% of employees have currently opted out of the County plan. Employees that Opt Out are entitled to Opt Out Pay.

[2] Leave cash out ability currently suspended.

[3] Refers to employee or employer paid benefit.

[4] 7% for Miscellaneous and 9% for Safety

[5] Retiree medical available for all retirees at retiree's expense.

[6] M/D/V: medical/dental/vision. Effective July 1, 2009, All bargaining units except OE3 and Health Care have taken a $150 per month cafeteria reduction. OE3 employees chose a 3 to 3.5% pay reduction instead of cafeteria reduction. Health Care employees chose a 2 to 2.5% pay reduction instead of cafeteria reduction. Cafeteria rates were subsequently frozen. Effective July 1, 2011 DSA cafeteria rates were increased by $150.

APPENDIX CCB-3

Tuolumne County FY 2010 - 2013 MOU Summary							
July-10	**General**	**Health**	**Attorney**	**Management**	**Physician**	**Exec./Conf. ***	**DSA ** **
Furlough	15 days/FY	15 days/FY	15 days/FY	15 days/FY	15 days/FY	15 days/FY	12 days over term of MOU
Cafeteria	Frozen at FY 2008-09 rate	Frozen at FY 2008-09 rate	$150/month reduction	$150/month reduction	$150/month reduction	$150/month reduction	Freeze at FY 2008-09 plus $50 increase for Family PORAC, Family PERS & Two-party PERS
Waived Cafeteria Cash out	Reduced from $1,000/month to $500/month for new employees ***(Permanent effective 07/01/07)***	Reduced from $1,000/month to $500/month for new employees ***(Permanent effective 07/01/09)***	Reduced from $1,000/month to $500/month for new employees ***(Effective 07/01/09)***	Reduced from $1,000/month to $500/month for new employees ***(Permanent effective 07/01/09)***	Reduced from $1,000/month to $500/month for new employees ***(Permanent effective 07/01/09)***	Reduced from $1,000/month to $500/month for new employees ***(Permanent effective 7/01/09)***	Reduced from $1,200 to $500/month for new employees ***(Permanent effective 01/01/11)***
Salary Reduction	3.00%	2% reduction, 3% increase June 2012	6% reduction, 3% increase June 2012	6% reduction	6% reduction	6% reduction	none
Cash out Suspension	N/A	N/A	Personal Leave (120 hours)	Personal Leave (200 hours) Year 3, may cash out leave	Personal Leave (200 hours) Year 3, may cash out leave	Personal Leave (200 hours)	none
Two years service credit for former Kingsview employees	Yes	Yes	N/A	N/A	N/A	N/A	N/A
Effective January 1, 2011 all new employees pay own employee contribution, 36 month period for determining benefits and 2% at 60 or 2% at 50 formula (Mgmt MOU)	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Reopeners year 3	Yes	Yes	Yes	Yes	Yes	No	Yes
Total Package	7%/FY	7.77%/FY	10%/FY	14.3%/FY	12.85%/FY	14.5%/FY	FY 10/11 - 1.816% FY 11/12 - 1.816% FY 12/13 - 0.727%
Length of Contract	3 Year (June 2013)	3 Year (June 2013)	3 Year (June 2013)	3 Year (June 2013)	3 Year (June 2013)	1 Year (June 2012)	2.5 Year (June 2013)

* Exec/Conf.: Executive/Confidential

* * DSA: Deputy Sheriffs Association

APPENDIX CCB-4

Tuolumne County Employee Leave Analysis by MOU								
	Attorney MOU	**Executive Confidential MOU**	**Deputy Sheriffs MOU**	**OE3 TC Employees MOU**	**Health Care MOU**	**Management MOU**	**Physician MOU**	***Totals***
Current Minimum Leave Days:								
Holidays	11	11	13	13	11	11	12	
Vacation			10	10				
Sick Leave			12	12				
Personal Leave	30	30			25	30	21.25	
Totals	41	41	35	35	36	41	33.25	
Employees	8	39	129	288	63	35	1	563
Current Minimum Leave Days Full Time Equivalents (FTE's)*:								
Holidays	0.3	1.7	6.5	14.4	2.7	1.5	0.0	27.0
Vacation	0.0	0.0	5.0	11.1	0.0	0.0	0.0	16.0
Sick Leave	0.0	0.0	6.0	13.3	0.0	0.0	0.0	19.2
Personal Leave	0.9	4.5	0.0	0.0	6.1	4.0	0.1	15.6
Totals	1.3	6.2	17.4	38.8	8.7	5.5	0.1	77.9
Recommended Minimum Leave Days:								
Holidays	8	8	8	8	8	8	8	
Vacation			10	10				
Sick Leave			6	6				
Personal Leave	16	16			16	16	16	
Totals	24	24	24	24	24	24	24	
Employees	8	39	129	288	63	35	1	563
Recommended Minimum Leave Days Full Time Equivalents*:								
Holidays	0.2	1.2	4.0	8.9	1.9	1.1	0.0	17.3
Vacation	0.0	0.0	5.0	11.1	0.0	0.0	0.0	16.0
Sick Leave	0.0	0.0	3.0	6.6	0.0	0.0	0.0	9.6
Personal Leave	0.5	2.4	0.0	0.0	3.9	2.2	0.1	9.0
Totals	0.7	3.6	11.9	26.6	5.8	3.2	0.1	52.0
Increase In FTE	0.5	2.6	5.5	12.2	2.9	2.3	0.0	25.9
Calculation of FTE's Represented by Furlough Days:								
Number of Days	15	15	5	15	15	15	15	
Full Time Equivalents	0.5	2.3	2.5	16.6	3.6	2.0	0.1	27.5

* Full time equivalents (FTE) are equal to the number of leave days times the number of employees divided by the number of working days per year, or fifty-two weeks per year times 5 working days per week.

APPENDIX CCB-5. Governor Brown's Plan regarding pension reform.

Twelve Point Pension Reform Plan
October 27, 2011

The pension reform plan I am proposing will apply to all California state, local, school and other public employers, new public employees, and current employees as legally permissible. It also will begin to reduce the taxpayer burden for state retiree health care costs and will put California on a more sustainable path to providing fair public retirement benefits.

1. Equal Sharing of Pension Costs: All Employees and Employers

While many public employees make some contribution to their retirement – state employees contribute at least 8 percent of their salaries – some make none. Their employers pay the full amount of the annual cost of their pension benefits. The funding of annual normal pension costs should be shared equally by employees and employers.

My plan will require that all new and current employees transition to a contribution level of at least 50 percent of the annual cost of their pension benefits. Given the different levels of employee contributions, the move to a contribution level of at least 50 percent will be phased in at a pace that takes into account current contribution levels, current contracts and the collective bargaining process.
Regardless of pacing, this change delivers real near-term savings to public employers, who will see their share of annual employee pension costs decline.

2. "Hybrid" Risk-Sharing Pension Plan: New Employees

Most public employers provide employees with a defined benefit pension plan. The employer (and ultimately the taxpayer) guarantees annual pension benefits and bears all of the risk of investment losses under those plans. Most private sector employers, and some public employers, offer only 401(k)-type defined contribution plans that place the entire risk of loss on investments on employees and deliver no guaranteed benefit.

I believe that all public employees should have a pension plan that strikes a fair balance between a guaranteed benefit and a benefit subject to investment risk. The "hybrid" plan I am proposing will include a reduced defined benefit component and a defined contribution component that will be managed professionally to reduce the risk of employee investment loss. The hybrid plan will combine those two components with Social Security and envisions payment of an annual

retirement benefit that replaces 75 percent of an employee's salary. That 75 percent target will be based on a full career of 30 years for safety employees, and 35 years for non-safety employees. The defined benefit component, the defined contribution component, and Social Security should make up roughly equal portions of the targeted retirement income level. For employees who don't participate in Social Security, the goal will be that the defined benefit component will make up two-thirds, and the defined contribution component will make up the remaining one-third, of the targeted retirement benefit.

The State Department of Finance will study and design hybrid plans for safety and non-safety employees, and will fashion a cap on the defined benefit portion of the plans to ensure that employers do not bear an unreasonable liability for high-income earners.

3. Increase Retirement Ages: New Employees

Over time, enriched retirement formulas have allowed employees to retire at ever-earlier ages. Many non-safety employees may now retire at age 55, and many safety employees may retire at age 50, with full retirement benefits. As a consequence, employers have been required to pay for benefits over longer and longer periods of time.

The retirement age for non-safety workers in 1932, when the state created its retirement system, was 65. The retirement age for a state highway patrol officer in 1935 was 60. The life expectancy of a twenty-year old who began working at that time was mid-to-late 60s, meaning that life expectancy beyond retirement was a relatively short period of time. Now with a growing life expectancy, pensions will pay out not just for a few years, but for several decades, requiring public employers to pay pension benefits over much longer periods of time. Under current conditions, many years can separate retirement age from the age when an employee actually stops working. No one anticipated that retirement benefits would be paid to those working second careers.

We have to align retirement ages with actual working years and life expectancy. Under my plan, all new public employees will work to a later age to qualify for full retirement benefits. For most new employees, retirement ages will be set at the Social Security retirement age, which is now 67. The retirement age for new safety employees will be less than 67, but commensurate with the ability of those employees to perform their jobs in a way that protects public safety.

Raising the retirement age will reduce the amount of time retirement benefits must be paid and will significantly reduce retiree health care premium costs. Employees will have fewer, if any, years between retirement and reaching the age of Medicare eligibility, when a substantial portion of retiree health care costs shift to the federal government under Medicare.

4. Require Three-Year Final Compensation to Stop Spiking: New Employees

Pension benefits for some public employees are still calculated based on a single year of "final compensation." That one-year rule encourages games and gimmicks in the last year of employment that artificially increase the compensation used to determine pension benefits. My

plan will require that final compensation be defined, as it is now for new state employees, as the highest average annual compensation over a three-year period.

5. Calculate Benefits Based on Regular, Recurring Pay to Stop Spiking: New Employees

Where not controlled, pension benefits can be manipulated by supplementing salaries with special bonuses, unused vacation time, excessive overtime and other pay perks. My plan will require that compensation be defined as the normal rate of base pay, excluding special bonuses, unplanned overtime, payouts for unused vacation or sick leave, and other pay perks.

6. Limit Post-Retirement Employment: All Employees

Retirement with a pension should not translate into retiring on a Friday, returning to full-time work the following Monday, and collecting a pension and a salary. Retired employees often have experience that can deliver real value to public employers, though, so striking a reasonable balance in limiting post-retirement employment is appropriate. Most employees who retire from state service, and from other CalPERS member agencies, are currently limited to working 960 hours per year for a public employer, and do not earn any additional retirement benefits for that work. My plan will limit all employees who retire from public service to working 960 hours or 120 days per year for a public employer. It also will prohibit all retired employees who serve on public boards and commissions from earning any retirement benefits for that service.

7. Felons Forfeit Pension Benefits: All Employees

Although infrequent, recent examples of public officials committing crimes in the course of their public duties have exposed the difficulty of cutting off pension benefits those officials earned during the course of that criminal conduct. My plan will require that public officials and employees forfeit pension and related benefits if they are convicted of a felony in carrying out official duties, in seeking an elected office or appointment, or in connection with obtaining salary or pension benefits.

8. Prohibit Retroactive Pension Increases: All Employees

In the past, a number of public employers applied pension benefit enhancements like earlier retirement and increased benefit amounts to work already performed by current employees and retirees. Of course, neither employee nor employer pension contributions for those past years of work accounted for those increased benefits. As a result, billions of dollars in unfunded liabilities continue to plague the system. My plan will ban this irresponsible practice.

9. Prohibit Pension Holidays: All Employees and Employers

During the boom years on Wall Street, when unsustainable investment returns supported "fully-funded" pension plans, many public employers stopped making annual pension contributions and gave employees a similar pass. The failure to make annual contributions left pension plans in a significantly weakened position following the recent market collapse. My plan will prohibit

all employers from suspending employer and/or employee contributions necessary to fund annual pension costs.

10. Prohibit Purchases of Service Credit: All Employees

Many pension systems allow employees to buy "airtime," additional retirement service credit for time not actually worked. When an employee buys airtime, the public employer assumes the full risk of delivering retirement income based on those years of purchased service credit. Pensions are intended to provide retirement stability for time actually worked. Employers, and ultimately taxpayers, should not bear the burden of guaranteeing the additional employee investment risk that comes with airtime purchases. My plan will prohibit them.

11. Increase Pension Board Independence and Expertise

In the past, the lack of independence and financial sophistication on public retirement boards has contributed to unaffordable pension benefit increases. Retirement boards need members with real independence and sophistication to ensure that retirement funds deliver promised retirement benefits over the long haul without exposing taxpayers to large unfunded liabilities.

As a starting point, my plan will add two independent, public members with financial expertise to the CalPERS Board. "Independence" means that neither the board member nor anyone in the board member's family, who is a CalPERS member, is eligible to receive a pension from the CalPERS system, is a member of an organization that represents employees eligible to or who receive a pension from the CalPERS system, or has any material financial interest in an entity that contracts with CalPERS. My plan also will replace the State Personnel Board representative on the CalPERS board with the Director of the California Department of Finance.

True independence and expertise may require more. And while my plan starts with changes to the CalPERS board, government entities that control other public retirement boards should make similar changes to those boards to achieve greater independence and greater sophistication.

12. Reduce Retiree Health Care Costs: State Employees

The state and the nation have seen the costs of health care skyrocket. The state's retiree health care premium costs have increased by more than 60 percent in the last five years and will almost double over ten years. This approach has to change.

My plan will reduce the taxpayer burden for health care premium costs by requiring more state service to become eligible for health care benefits at retirement. New state employees will be required to work for 15 years to become eligible for the state to pay a portion of their retiree health care premiums. They will be required to work for 25 years to become eligible for the maximum state contribution to those premiums. My plan also will change the anomaly of retirees paying less for health care premiums than current employees.

Contrary to current practice, rules requiring all retirees to look to Medicare to the fullest extent possible when they become eligible will be fully enforced.

Local governments should make similar changes.

APPENDIX CCB-6.

Overpaid Public Workers: The Evidence Mounts
Several new government studies make it harder for unions to deny the need for reform.
By ANDREW G. BIGGS AND JASON RICHWINE
One year ago, Wisconsin Gov. Scott Walker signed legislation increasing the pension and health contributions of public-sector employees and restricting their collective-bargaining power. The governor set off a firestorm that continues today, with a recall effort being waged against him and his allies.
In Ohio, Gov. John Kasich signed similar legislation only to see it repealed in a statewide referendum last November. And nationwide, as governors and legislators seek to rein in labor costs, public-employee unions are protesting that their members are actually underpaid. But a growing body of evidence strongly suggests that their protests have no basis in fact.
When the public pay debate began to simmer two years ago, we were among the few analysts to show that many public employees—federal, state and local, including public school teachers—are paid more than what their skills would merit in the private economy. Our core insight was that public-sector pensions are several times more generous than typical private-sector plans, but this generosity is obscured by accounting assumptions that allow governments to contribute far less to pension plans than private employers must.
Public pensions calculate annual contributions based on assumed investment returns of around 8%. However, they must pay full benefits even if those returns don't pan out. In effect, public employees as a group are guaranteed an 8% return on both their own contributions and those made by their employers—at a time when private-sector workers with 401(k) plans receive a yield of only 2%-3% on comparatively riskless investments such as U.S. Treasurys. The difference in retirement benefits is stark.
Most prior analyses of public-sector compensation were severely understated because they looked only at how much governments contributed to pension funds—not how much governments were on the hook to pay out. This meant that state and local government finances were in much worse shape than people long believed.

Close

Getty Images
Wisconsin Gov. Scott Walker speaking to the press about collective bargaining on Feb. 25, 2011, in Madison.

Public-employee unions and left-leaning think tanks dismissed our analyses—"lies" and "scapegoating" were some of their choice descriptors. Their reaction came despite the fact that nearly all financial economists, including Nobel Prize winners and the Federal Reserve Board, shared our critique of public-pension accounting. Now several government agencies have weighed in with analyses that strongly support our original insight.

The Bureau of Economic Analysis has announced that, beginning in 2013, the National Income and Product Accounts of the United States will calculate defined-benefit pension liabilities—and the income flowing to employees

in those plans—on an accrual basis that reflects the value of benefits promised, regardless of the contributions made by employers today.

The bureau's reasoning is a 2009 research paper stating that "if the assets of a defined benefit plan are insufficient to pay promised benefits, the plan sponsor must cover the shortfall. This obligation represents an additional source of pension wealth for participants in an underfunded plan." At current interest rates, this adjustment would roughly double reported compensation paid through public pensions.
The Congressional Budget Office endorsed a similar approach last month in a new report on federal employee compensation. The report—which congressional Democrats reportedly hoped would debunk our 2011 paper on federal pay—found that the federal retirement package of pensions plus retiree health care was 3.5 times more generous than private-sector plans, contributing to a 16% average federal compensation premium.

Even more recently, an analysis by two Bureau of Labor Statistics economists, published in the winter 2012 Journal of Economic Perspectives, concluded that the salary and current benefits of state and local government employees nationwide are 10% and 21% higher, respectively, than private-sector employees doing similar work. This study didn't even factor in the market value of public-pension benefits, nor did it include the value of retiree health coverage.

Basic fairness requires that public employees be paid for their skills at the same market rates as the taxpayers who fund their salaries and benefits. In some states accommodations have been struck, but in others further confrontation remains likely.

Reformers will have more help in those battles ahead. Academic economists, the Federal Reserve, the Bureau of Economic Analysis, and the Congressional Budget Office have all thrown their weight behind proper pension valuation. It will now be that much harder for public-employee unions and their advocates to deny the obvious.

Mr. Biggs is a resident scholar at the American Enterprise Institute. Mr. Richwine is a senior policy analyst at the Heritage Foundation

GROVELAND COMMUNITY SERVICES DISTRICT

"YOUR VOTE IS YOUR VOICE"

SUMMARY

The Groveland Community Services District (GCSD) has two senior management positions. The Grand Jury focused on the qualifications and compensation paid to these two employees, namely the General Manager/District Engineer and the Administration/Finance Manager. Both of these positions are "at will", meaning the GCSD Board of Directors can terminate their employment at any time, with or without cause.

The Grand Jury believes that the General Manager/District Engineer and the Administrative/Finance Manager receive excessive compensation when compared to a similar Community Services District as well as other management positions within Tuolumne County. The General Manager/District Engineer receives two salaries totaling $220,000 including benefits and the Administrative/Finance Manager receives a salary of $130,000 including benefits. When compared to the Templeton Community Services District (near San Luis Obispo), a comparably sized entity, the GCSD General Manager/District Engineer is compensated $55,000 more per year and the GCSD Administrative/Finance Manager is compensated $34,000 more per year.

The premium paid to the General Manager/District Engineer becomes even more pronounced when compared to the salary of other Tuolumne County management positions, such as the County Sheriff, County Counsel or the Chief Administrative Officer.

Given the status of the economy, it would seem prudent for the GCSD Board of Directors to renegotiate a more reasonable salary for their two senior management employees.

This Grand Jury has reviewed several newspaper articles and complaints from the citizens of Groveland. The Jury believes that the citizens of Groveland must take an active role in the management of GCSD by getting involved in attending Board meetings and in the choosing of new Board members. **Your vote is your voice!**

BACKGROUND

Excerpt from the Groveland Community Services District web site:

> *"The Groveland Community Services District (GCSD) is a Special District formed by the State of California. Our mission is to provide environmentally sound, economic, and compliant services that meet our customer's needs for water and wastewater treatment, fire protection, and park facilities in the unincorporated township of Groveland, California.*
>
> *The GCSD service area covers approximately 15 square miles in southern Tuolumne County. The District is bounded on the north by the Tuolumne River, on the south by Mariposa County, on the east by the Stanislaus National Forest, and on the west by Moccasin. GCSD is the owner and operator of the Groveland Water System, which receives water from the City and County of San Francisco's Hetch Hetchy water system.*
>
> *GCSD's Water System distributes the water to the populated areas of Big Oak Flat, Groveland, and Pine Mountain Lake. The GCSD water supply and distribution system includes three water treatment plants, five storage reservoirs, and approximately 70 miles of distribution piping. The District provides a treated water supply to approximately 3,500 customers. The District also owns and operates the regional wastewater collection, treatment, and regional recycled water system, which provides sewer service to approximately 1,500 customers within the District's service area."*

APPROACH

The Jury interviewed GCSD employees and reviewed GCSD employment policy as adopted by the GCSD Board of Directors. In addition, the Jury surveyed other California Community Services Districts to find comparable sized entities. The Jury also researched other Tuolumne County administrative positions to evaluate the fairness of salary and benefits paid by GCSD to their General Manager/District Engineer and Administrative/Finance Manager.

DISCUSSION

According to the GCSD document titled "Groveland Community Services District, District Organizational Structure and Represented & Unrepresented Employee Classification and Compensation Schedule" (Revised: February 14, 2011) Chapter 1, p 1-1 PP2: "The District's chief executive officer is the General Manager. The General Manager is responsible for managing the day-to-day financial, administrative, operational, and engineering activities of the District." The General Manager oversees the activities of four (4) departments:

1. Administration/Finance Department
2. Engineering Department
3. Operations & Maintenance Department
4. Fire Department

Pertinent to our investigation is the last line on page 2-5 of this document under General Manager Entry Requirements GCSD prefers a: "Professional Registered Civil Engineer in State of California".

The current GCSD General Manager/District Engineer receives a base salary of $135,000 per year for his position as General Manager with an additional $35,000 per year as District Engineer. The General Manager's total annual salary and benefit package comes to $220,465.60. The contract with the General Manager/District Engineer includes a 12 month severance clause which equates to a full year of compensation if terminated for other than cause. GCSD only pays the employer portion of PERS for this position, while the employee pays 8%.

The Administration/Finance Manager is compensated at a salary of $90,000 annually with a benefit package that brings the total for compensation and benefits to $130,000 annually. GCSD also pays 100% of all PERS contribution for this position.

A comparison was made between these positions to the salary and benefit packages for comparable positions within the Templeton Community Services District (TCSD). TCSD is very similar to GCSD when comparing the number of sewer and water hookups as well as the general services provided, which include a lighting district, fire department and park and recreation department. Both GCSD and TCSD are considered "independent" services districts under California Government Code. This means that the elected Board of Directors has complete responsibility for and control of the entity's operations.

The General Manager position for Templeton is paid $115,000 annually and the benefit package brings total annual compensation to $165,000. The Administration/Finance Manager position is paid a salary of $70,000 annually with a benefit package that brings total annual compensation to $96,000. Templeton Community Services District also pays 100% of the General Manager's and the Administration Finance Manager's PERS contributions.

A comparison was also made between the GCSD positions in question to local Tuolumne County administrative positions, such as the County Sheriff, County Counsel and Chief Administrative Officers. The GCSD General Manager's annual base salary is $40,051 greater than

the County Sheriff, $25,039 more than the County Counsel and $13,597 more than the Chief Administrative Officer. The salaries and benefits information for County Sheriff, County Counsel and County Administrator were provided by Deborah Russell, County Clerk/Auditor.

GCSD's written employment preference for the individual holding the position of General Manager is that they be a registered Civil Engineer in the State of California. Currently the GCSD General Manager is a registered Civil Engineer; however the GCSD Board agreed to compensate this individual an additional $35,000 a year over and above his base salary of $135,000, to act as District Engineer.

In a small district like GCSD, is it necessary to spend $350,000 on two management positions? The precedent set by the salary and benefit packages paid to these two individuals is worrisome when viewed in context of the current economy and the burden it places on taxpayers. As other county and state employees are being furloughed and losing their jobs, this kind of spending creates cause for concern. Further, the legacy benefits attached to these two positions should be considered when approving salary benefit packages of this magnitude.

Special Districts such as GCSD are governed by their Board of Directors. The voting public needs to become involved by attending Board meetings and paying attention to the agenda before them. Special Service Districts in the State of California spend $38 billion dollars annually. The only control a citizen in one of these districts has is the democratic power they possess as voters. Be aware of what the Board members you voted for are obligating you to in terms of debt. Stay abreast of what capital expenditures are before the Board for approval and investigate for yourself the actions of those Board members. These board members were voted in by you, and are now representing you.

Citizens that are dissatisfied with the actions the Board of Directors of GCSD have remedy in the form of:

1. Initiative
2. Referendum
3. Recall

FINDINGS

F1 Both the General Manager/District Engineer and the Administrative Finance Manager are compensated in excess of what other Community Services Districts and Tuolumne County pays for similar positions and/or other highly responsible positions.

RECOMMENDATIONS

R1 Reduce the compensation to both the General Manager and the Administrative Finance Manager to a level comparable to Templeton Community Services District and more comparable with other Tuolumne County administrative positions.

R2 Eliminate the dual salary of the General Manage/District Engineer.

REQUEST FOR RESPONSES

Pursuant to Penal code section 933.05, the grand Jury requests responses as follows:

From the following individuals:

R1–2 GCSD General Manager/District Engineer

From the following governing bodies:

R1–2 GCSD Board of Directors

The governing bodies indicated above should be aware that the comment or response of the governing body must be conducted subject to the notice, agenda and open meeting requirements of the Brown Act.

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

ENVIRONMENTAL HEALTH

"TO CONNECT OR NOT TO CONNECT"

SUMMARY

The Grand Jury looked into the use and possible misuse of the Twain Harte interceptor pipeline.

The Grand Jury looked into the situation where the Environment Health Department (EHD) asks Tuolumne Utilities District (TUD) for a variance to hook a septic system in the Phoenix Lake Basin (PLB) area into a TUD Twain Harte Interceptor pipeline.

The Twain Harte Interceptor was designed to transport treated effluent (primarily liquids) from the Twain Harte Treatment Plant to the Regional Treatment Plant. Over the years, numerous connections have been made (495 as of 12/14/10) to the Twain Harte Interceptor. The connections have been allowed by TUD in order to address the issues of failed septic system of individual property owners, as well as to handle sewage from new developments. These 495 connections have introduced solids into the Twain Harte Interceptor which it was not designed to handle.

The Twain Harte Interceptor was constructed in 1975 using asbestos-concrete pipe. This type of pipe is very rigid and runs through the PLB, primarily down Phoenix Lake Road. This route parallels Sullivan Creek and Phoenix Lake, which serve as Sonora's drinking water source. A section of the Twain Harte Interceptor contains a large inverted siphon (described below) which is 2.3 miles in length and holds over 63 thousand gallons of effluent and sewage.

What would happen if the Twain Harte Interceptor were to break, especially in the area of the large inverted siphon? Earthquakes, while not common in this area, do occur and could cause a major failure in the line. Perhaps both the County and TUD should implement a plan to eliminate this potential risk.

BACKGROUND

The Grand Jury became aware of potential issues related to the numerous connections into the Tuolumne Utilities District (TUD) Twain Harte Interceptor which runs through the Phoenix Lake Basin (PLB) area. The PLB includes all areas that collect rainwater and other surface waters that flow into Phoenix Lake. Phoenix Lake is the source of drinking water for the City of Sonora. The major issue of concern is the long range impact of allowing property owners with a failed septic system to connect into the interceptor line. Septic system failures result in wastewater entering our waterways and contamination of our environment. In years of high rains, especially in the spring, a higher water table reduces the ability of the soil surrounding leach fields to percolate wastewater. This in turn results in the effluent surfacing and entering our waterways. For an overall view of the TUD sewage collection system refer to Appendix EH-1**.**

APPROACH

The Grand Jury met with Bev Shane (Director, Community Resources Agency) and Robert Kostlivy (Director, Environmental Health Department). Subsequently, the Grand Jury met with Tom Scesa (District Engineer, TUD) and Kelly Klyn (Engineering Staff, TUD). The Grand Jury also researched why septic systems fail and potential solutions to preventing and correcting failed septic systems. The research was conducted on the internet and the various web site addresses are listed in the bibliography section of this report.

DISCUSSION

Twain Harte Interceptor

Most residences in the PLB area utilize septic systems to handle their waste water. When one of these septic systems fails, the Environmental Health Department (EHD) requests that the owner be allowed to connect to the TUD Twain Harte Interceptor pipeline that which runs through the area, primarily down Phoenix Lake Road. Requests for connecting to the interceptor line require a variance from the TUD Board of Directors. To date, all such requests have been granted.

The best explanation of the issues related to connecting to the Twain Harte Interceptor pipeline are covered in the TUD report to their Board during the December 14, 2010 board meeting (see Appendix EH-2). In a nutshell, TUD has allowed at least 495 connections to the Twain Harte Interceptor which was designed to transport treated effluent only, no solids. Furthermore, the

Twain Harte Interceptor was constructed using asbestos-concrete pipe which is very rigid and susceptible to corrosion from the hydrogen-sulfide gas generated by septic conditions. The TUD staff report further states that the Twain Harte Interceptor has several inverted siphons, the largest of which is adjacent to Phoenix Lake, is 2.3 miles in length, holds 63,121 gallons of effluent and sewage when not pumped, and is uphill from Sullivan Creek. Refer to the staff report for a map showing the location of this large inverted siphon (Appendix EH-2).

An inverted siphon occurs when an upstream section of pipe is at a lower elevation than a downstream section of pipe and only when the contents are pumped do the contents move over the hump. Again, for a diagram of this please refer to the TUD staff report (Appendix EH-2).

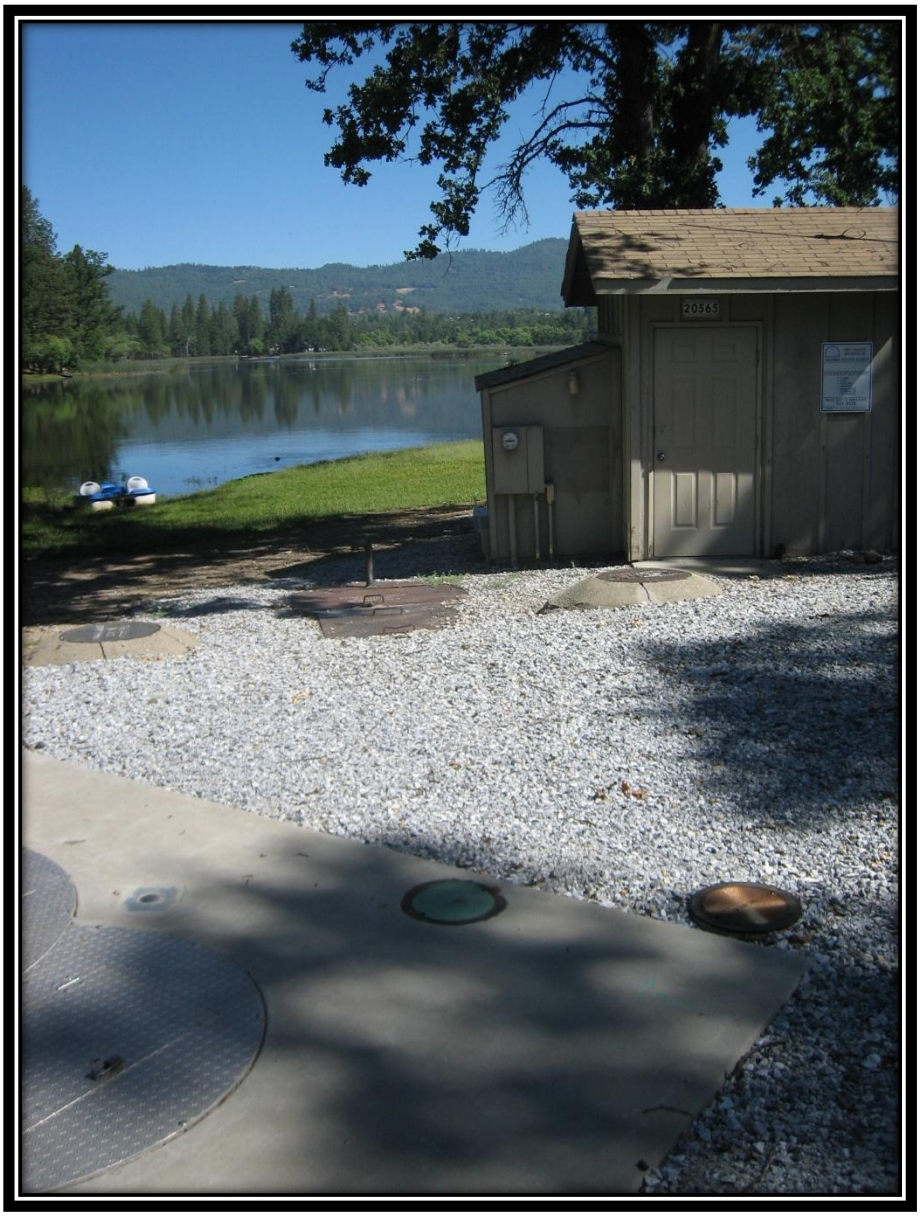


Figure EH-1. Close proximity between sewer lines and Phoenix Lake.

What would happen if a break in the Twain Harte Interceptor were to occur along the large inverted siphon? The TUD staff report outlines some potential solutions to address the concerns relating to the Twain Harte Interceptor pipeline.

Septic Tank and Leach Field Disposal Systems (Septic Systems)

Detailed descriptions of septic systems are covered in the sources listed in the bibliography section of this report and are therefore not repeated here.

Septic systems fail for a number of reasons, some of which include improper design, installation, old age, improper use and improper maintenance. When a septic system fails wastewater can run off into neighbor's property, drainage ditches and eventually into our waterways. The PLB holds Phoenix Lake which is feed by Sullivan Creek and other natural creeks.

Some avoidable septic system failures and solutions include**:**

Cause
Septic tanks seldom fail. The soil or drain field fails when it becomes plugged and the effluent can no longer migrate through the soil. The drain field essentially becomes a dead pool of water. In most cases these failures occur when it becomes plugged with solids that were supposed to remain in the tank. These failures are usually a combination of factors and can be avoided, and in some cases, damage can even be reversed.
Solution
Failure can be avoided by learning how a septic system functions, how to properly use it, and what steps you can take to protect it. The basics of protecting a system are really quite simple once you realize that they work on a bacterial process. A bacterium does not eat plastic like polyester and nylon. Also many harsh cleaning solutions will kill off the good bacteria. A septic system can only handle a certain amount of water per day. If more water is put down the drain than the septic system can handle then the system can get overloaded.

Cause
The homeowner puts more water down the drain than the system can handle, hydraulically overloading the system.
Solution
Install water-saving appliances, devices and practice water saving techniques. Repair plumbing leaks. Leaking toilet valves are a major culprit of hydraulic overload, and put hundreds of gallons of water through the system every day.

Cause
Fine solids from washing machines (lint) and garbage disposals do not have the mass to settle in the tank. Instead they remain in suspension until reaching the drain field where they plug the pores of the soil bed.
Solution
Install a filter for the washing machine to remove the fine solids from the discharge and do not use, or at least minimize, the use of garbage disposals.

Cause
Chemicals are over used, which kill the bacteria in the system stopping the treatment process and the breakdown of solids.
Solution
Conserve chemical usage. Automatic toilet bowl cleaners can be very hard on a system because they kill the bad bacteria in the toilet and the killing process continues through the system.

Cause
Periods of heavy water use do not allow solids to settle in the tank and are flushed out to the drain field.
Solution
Water usage should be spread out. Do one or two loads of laundry per day rather than 10 –15 loads on a Saturday morning. Combine this with shower use and dishwasher use and the amount of gallons entering the septic system is astounding.

Cause
Baffles in the tank are not of the proper size or fall off allowing solids to float out to the drain field.
Solution
Exit baffle should be replaced with effluent filters. These cleanable filters prevent the larger solids from reaching the drain field.

Abandonment Cost Estimate

To abandon a septic tank/leach field system and connect to the Twain Harte Interceptor one can expend a significant amount of money. A typical sewer connection includes the following cost elements:

Cost Element	Cost
Sewer connection fee	$3,800
Sewer lateral (from property line to interceptor)	2,000-4,000
Sewer line (from residence to lateral per 100ft)	3,000
Pump septic tank	500
Fill in septic tank	500
Approximate Total	$9,800- 11,800

If a connection is made to a pressurized section (inverted siphons) of the Interceptor, the property owner will also have to install, maintain and pay the electric bill for a pump.

Sewer collection fees are currently $35.59/month or a total of $427.08 annually. While pumping a septic system every three to five years might cost $400 to $600 per pumping, with no guarantee that your septic system will not fail anyway, it is certainly cheaper than the alternative and will definitely prolong your systems useful life.

Other

One method of eliminating septic system failures and to reduce the number of individual connections to the Interceptor Pipeline is to construct a sewer collection system in high density areas such as Crystal Falls, Sonora Meadows, and Phoenix Lake County Club Estates. However, past surveys conducted by TUD in Crystal Falls have resulted in negative responses due to cost.

With proper design, installation, use and maintenance septic systems should last for many decades if not indefinitely

FINDINGS

F1 The Twain Harte Interceptor pipeline is reaching its limits. Each hook-up in the PLB area weakens the line and increases the potential for a major spill.

F2 If the Twain Harte Interceptor pipeline were to fail along the large inverted siphon, especially around Phoenix Lake, it would result in a major catastrophe to the PLB and potentially to the water supply to Sonora.

F3 TUD has identified potential solutions to eliminating the large inverted siphon in the Twain Harte Interceptor, but has not yet put a plan in place to do so.

RECOMMENDATIONS

R1 It is recommended that TUD and EHD limit septic system hook-ups to the PLB interceptor pipeline to only cases of extreme hardship, where no viable alternatives exist.

R2 The County should consider an ordinance requiring septic system property owners to file a report signed by the septic pumping contractor that the septic tank is pumped at least once every five years. Failure to file the report should result in a fine and other appropriate action by the County at the expense of the property owner.

R3 The Jury is convinced that public enlightenment is key to improving septic system maintenance within Tuolumne County. Therefore, the County should establish and continue a public education program via newspaper, radio, and internet on proper septic system maintenance and other preventive measures.

R4 TUD should prepare a plan and implement the plan to eliminate the potential for disaster with the large inverted siphon in the Twain Harte Interceptor.

REQUEST FOR RESPONSES

Pursuant to Penal code section 933.05, the grand Jury requests responses as follows:

From the following individuals:

R1, 4	Tuolumne Utilities District
R1-3	Tuolumne County Environmental Health Department

From the following governing bodies:

R1-3 Tuolumne County Board of Supervisors

The governing bodies indicated above should be aware that the comment or response of the governing body must be conducted subject to the notice, agenda and open meeting requirements of the Brown Act.

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

BIBLIOGRAPHY

1. TUD Web site address:
http://www.tudwater.com/customer_services/wastewater_services.htm

2. Ohio State University Fact Sheet – " *Why do Septic Systems Malfunction?"* Web site Address:
http://ohioline.osu.edu/aex-fact/0741.html

3. University of North Carolina = *"Why do Septic Systems Fail?"* Web site address:
http://www.soil.ncsu.edu/publications/Soilfacts/AG-439-44/ag439_44.pdf

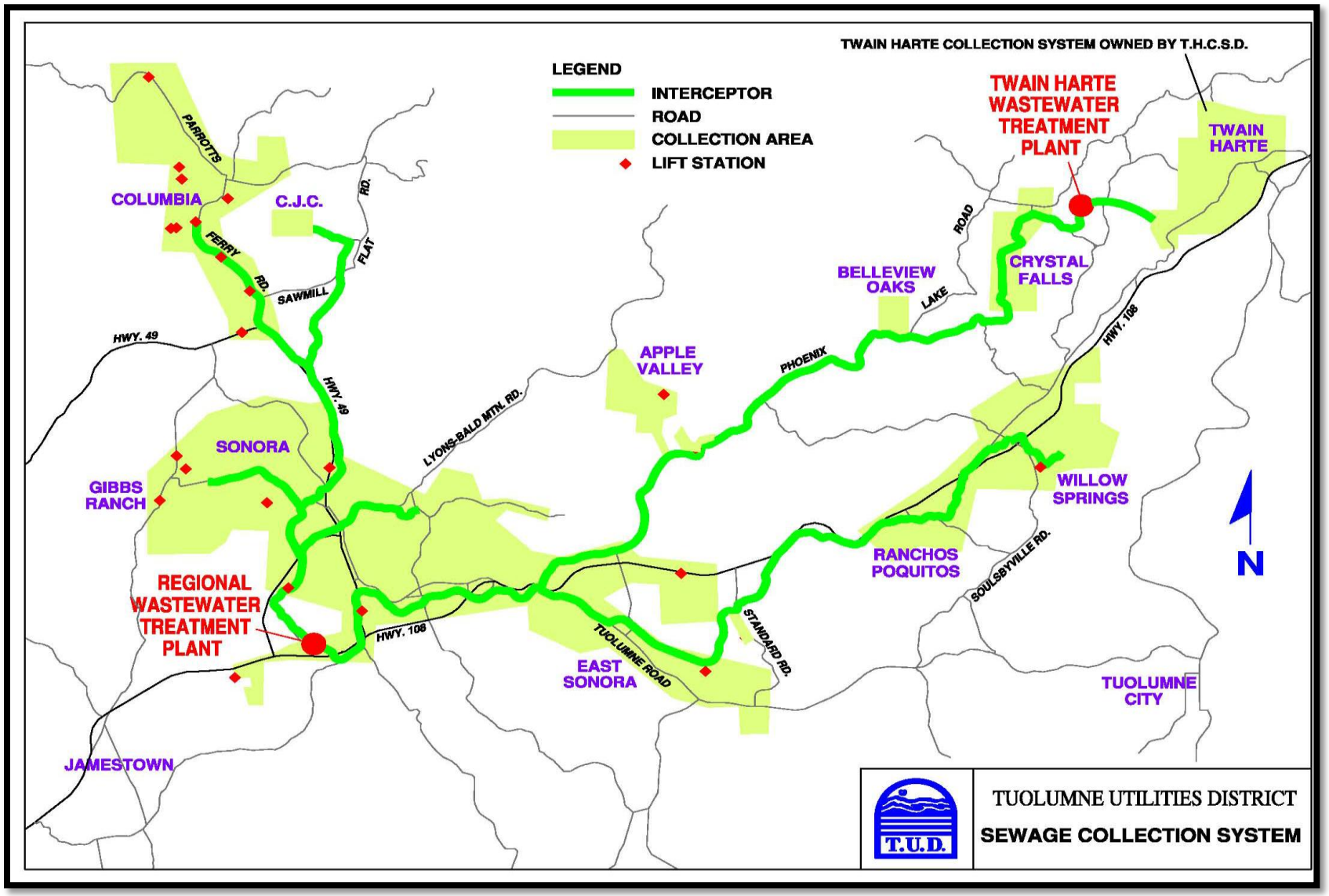
4. Purdue University Extension – *"Septic System Failure"* Web site address:
http://www.extension.purdue.edu/extmedia/henv/henv-1-w.pdf

5. Watch why septic systems fail and how to fix them. Web site address:
http://www.youtube.com/watch?v=mC63ja7OKeQ

6. Septic Tank Maintenance – Web site address:
http://www.septic-tank-maintenance.net/

7. Aerobic Solution – Air system with bacteria to prevent clogging of leach field. Web site address: http://www.septicgenie.com/aboutus.html

APPENDIX EH-1



APPENDIX EH-2

TUOLUMNE UTILITIES DISTRICT

Agenda Item No. III.8

AGENDA REQUEST FORM

Board Meeting of December 14, 2010

Agenda Format Section: Regular Business

Brief Description: Presentation on Operation of the Twain Harte Interceptor and Potential Hazards

Submitted By: Kelly S. Klyn

To Be Presented By: District Staff

Individual/Participants To Be Informed:

Describe In Detail Item Under Consideration: The District periodically receives requests for connections to the Twain Harte Interceptor, which was not designed to be a sewer collection system. This summer, the Board acted on such a request, and at that meeting directed District staff to prepare an informational report on the design, operation and potential hazards of the interceptor.

Recommendation:

Action Requested: _____ ***Resolution*** (attached) _____ ***Motion*** (see below) __X__ Review ***only***

Suggested Motion:

Material To Be Included For Information/Consideration: Report and maps.

Board Action: ____ Resolution No. _____ Motion by _____ Second by _____

____ Motion Motion by _____ Second by _____

Ayes: _____ Absent: _____

Noes: _____ Abstained: _____

Reagendized: _____ Date: _____ No Action Taken: _____

APPENDIX EH-2 CONT'D

Twain Harte Interceptor:

The Twain Harte Interceptor was constructed in 1975 as a part of the Regional Sewer System. It was designed to transport only treated effluent from the Twain Harte Wastewater Treatment Plant to the Regional Plant in Sonora. The treatment plant treats sewage from the service area of the Twain Harte Community Services District which has an estimated 1,572 equivalent single family residences. The interceptor is 6.9 miles long from its beginning in Crystal Falls Unit 4 to the Sullivan Creek Bridge on Mono Way, where it connects to the East Sonora Interceptor.

Over the years, the District and its predecessors have allowed residential connections to the interceptor. In 1982, Belleview Oaks, Unit 2 (72 lots) was developed with its sewer collection system connecting to the interceptor. Currently there are 495 residences connected below the Twain Harte Treatment Plant. Since the interceptor was not designed to carry solids, it has numerous "inverted siphons" where the pipeline is between high points and the sewage is under pressure. Most of the connections are at gravity-flow (unpressurized) sections, but some are connected to inverted siphons, and therefore require privately-owned sewer pumps. Some pump connections are septic tank effluent such as in Bear Cub Acres. The District has a public sewer pump station that serves the Phoenix Lake Park subdivision (55 lots). Another District pump station, serving Apple Valley Estates (133 lots), pumps septage into a gravity-flow section of the interceptor.

In 1990, as a part of the Crystal Falls sewer collection system design, the District had an engineering firm design a bypass to a siphon that is located within Sonora Meadows and Crystal Falls. This project did not happen due to a lack of funding. Fees were adopted to eventually pay for this bypass, but in 2003 these fees were revised to be a fund that would be generally used to expand the capacity of interceptors.

The District's Wastewater Ordinance does not allow individual connections to the inverted siphons for new construction, since each connection is a potential point of accidental leakage. Only if an existing residence is experiencing septic failure is the owner allowed to connect to the siphon, subject to the TUD Board's approval.

Because raw sewage is in the interceptor, there is a potential for solids accumulation at the low points of the siphons. Due to the velocity of the flow when the pumps at the T.H. W.W.T.P. are on, the solids accumulation has not been significant. There are blow-offs at each low point that allow the District to remove settable solids, which is done on an annual maintenance schedule. There are air relief valves at high points of pressurized sections that automatically prevent air-locking. This year the District is replacing these air relief valves.

Concerns:

1. The inverted siphons cannot be televised to inspect their condition. The pipe material is asbestos-concrete, which is susceptible to corrosion from hydrogen-sulfide gas. This gas is generated in septic conditions. The District has experience with this corrosion, which has been at the beginning and end points of siphons. Where the District has "hot-tapped" the interceptor for connections in the pressurized sections, the pipe has been inspected, and to date the condition has been good.
2. A/C pipe is rigid and cannot flex if there is any ground movement. It has been in place for 35 years.

APPENDIX EH-2 CONT'D

Large Inverted Siphon Near Phoenix Lake:
The largest inverted siphon is in Phoenix Lake Road adjacent to Phoenix Lake and is 2.3 miles in length. The volume of effluent and sewage that remain in this section when it is not flowing is 63,121 gallons. It has the greatest amount of pressure - 35 psi - at the intersection of Phoenix Lake Road and Paseo de los Portales. This point is approximately 200 feet uphill from Sullivan Creek.

Worst case scenario:
If there is a significant pipe failure within the large siphon section near Phoenix Lake, the District would need to shut off pumps at the Twain Harte WWTP and drain the siphon. Due to the 63,121 gallon capacity of this section, in addition to the incoming flows from the connections below the treatment plant, there is a severe potential for contamination to the Phoenix Lake watershed.

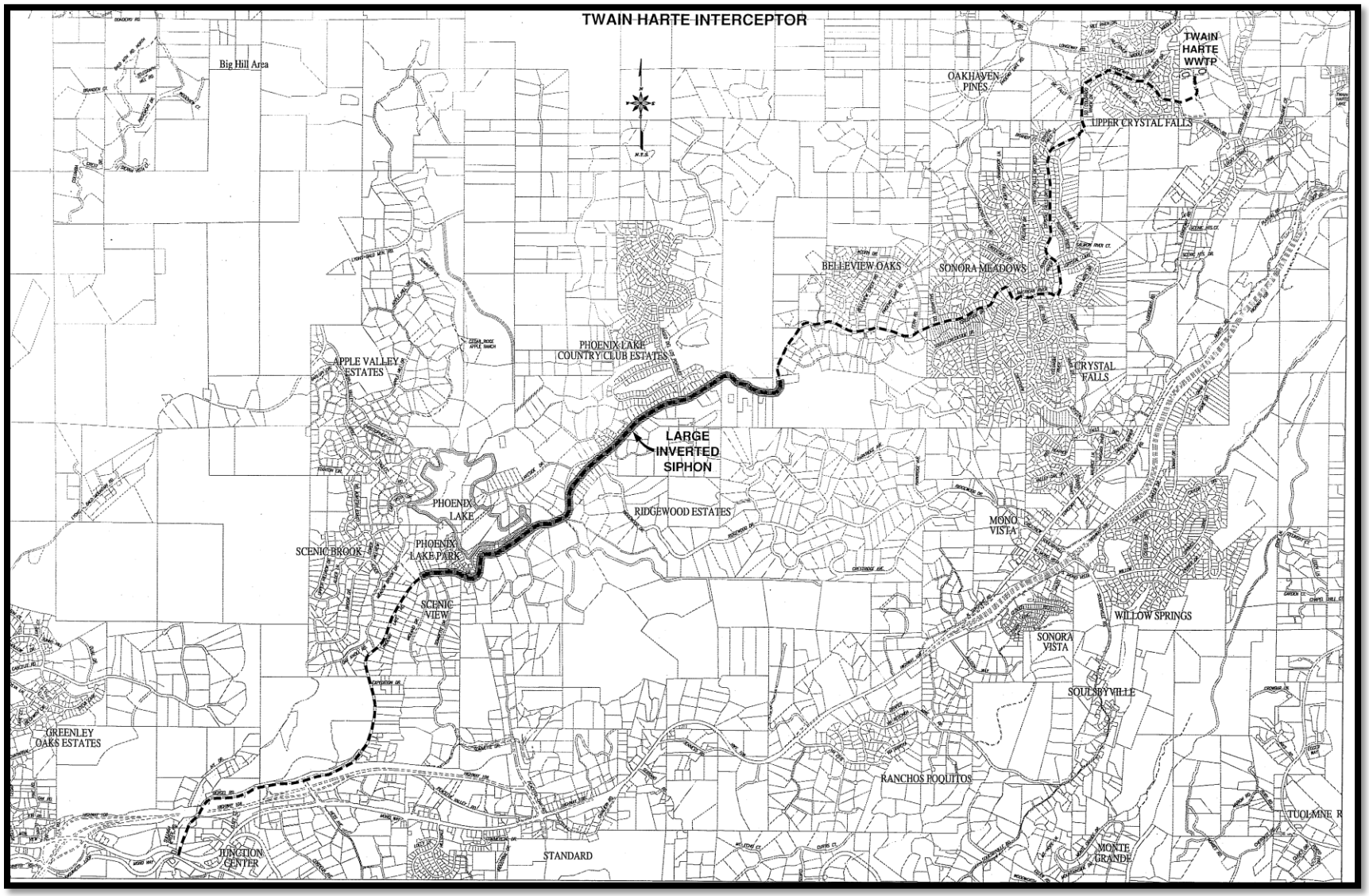
Connect Interceptor to Phoenix Lake Lift Station:
One solution might be to construct 400 feet of sewer main from the lower portion of the siphon to the District's existing sewer lift station at Phoenix Lake Park, which would enable the District to pump out the lower half of the siphon in the event of an emergency. Pumping would reduce the remaining amount of volume in the siphon to 21,238 gallons. There would be no need to acquire easements or do CEQA review for this work since it is within the existing road right-of-way. Separately or in addition, construction of a 1,500 foot long force main from the pump station to the high point on Phoenix Lake Road would allow draining that section of pipeline if it fails.

A second sewer lift station could be planned near the intersection of Phoenix Lake Road and Paseo de los Portales. This could be used to drain the upper portion of the large siphon, and could also allow for connections in that drainage area. There is a 10+ acre no-value parcel zoned as Open Space located on the south side of the road at this location.

Bypasses:
Pipelines could conceivably be constructed around the high points on the interceptor to bypass the large inverted siphon section. This construction would be outside of the Phoenix Lake Road right-of-way, which would require acquisition of easements and CEQA review. To completely bypass the siphon would be extremely difficult and expensive. To bypass a majority of the siphon would require construction of two sections of pipeline totaling 8,380 feet in length. The construction cost for this would exceed $1,000,000.

Another option would be to bypass only the lower portion of the siphon. The District's pump costs at the Phoenix Lake Park sewer lift station would decrease. There is an existing 20' wide public utilities easement along most of the route of this lower bypass. This would not completely drain the siphon but would reduce the volume similar to connecting the interceptor to the Phoenix Lake Park sewer lift station.

APPENDIX EH-2 CONT'D



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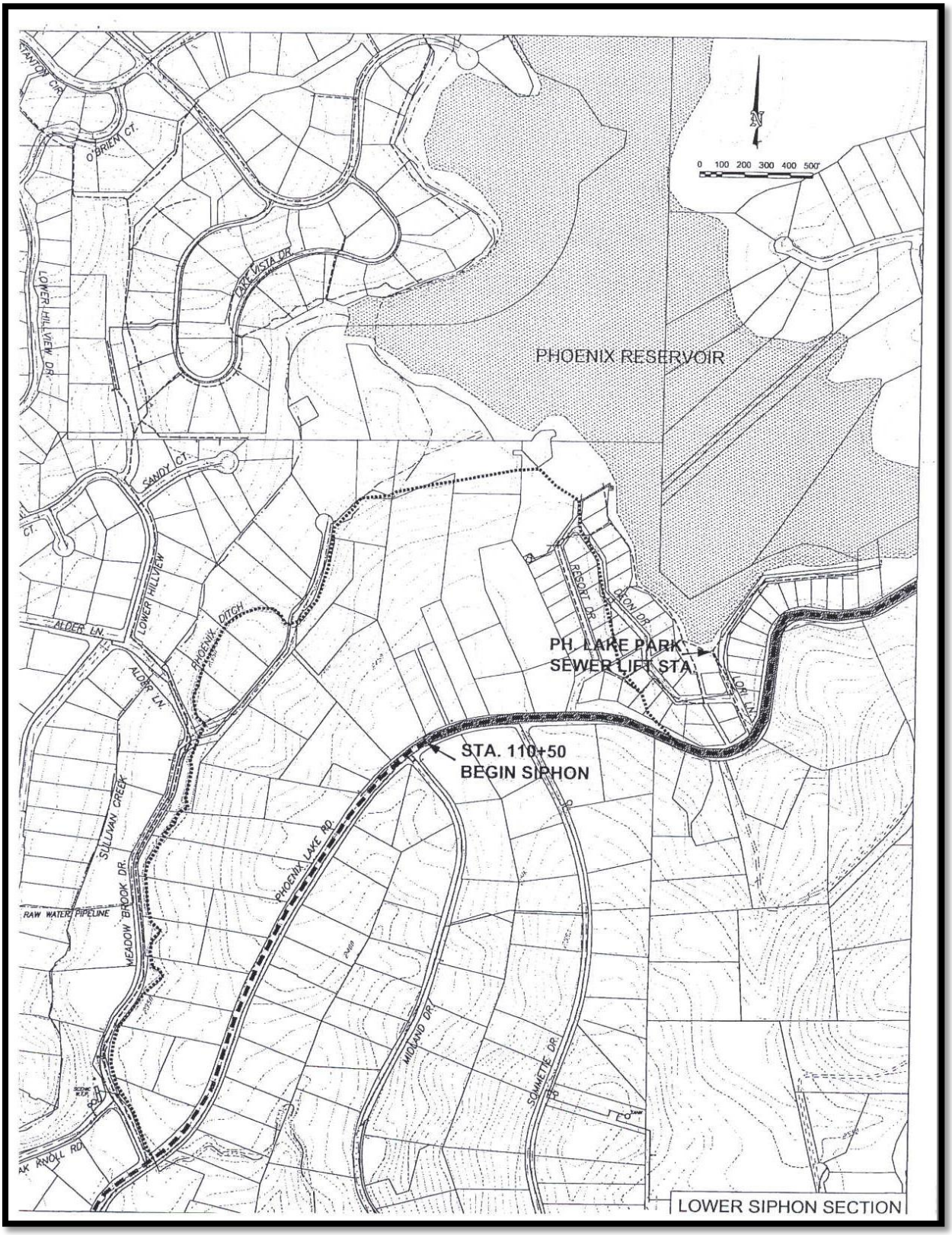

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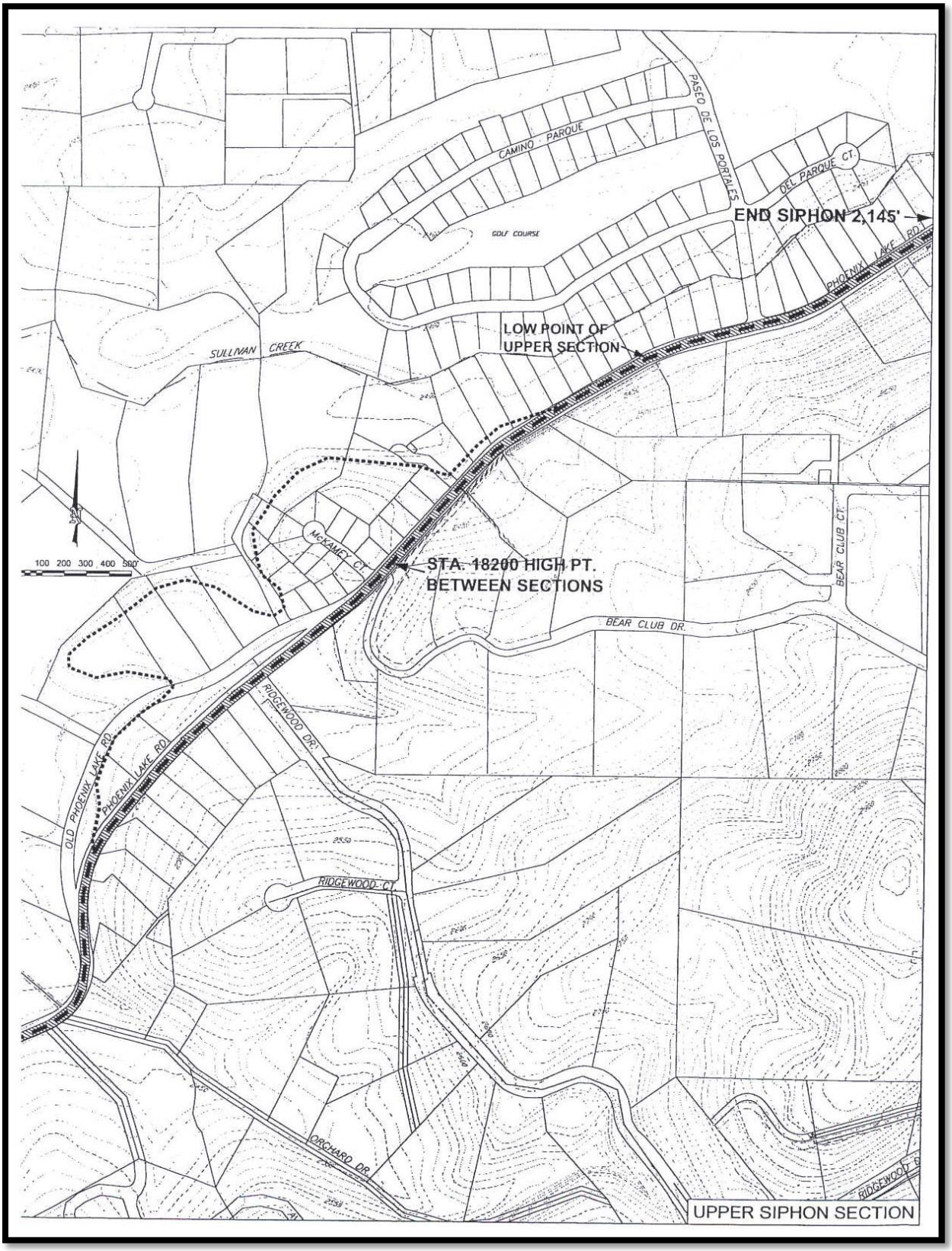

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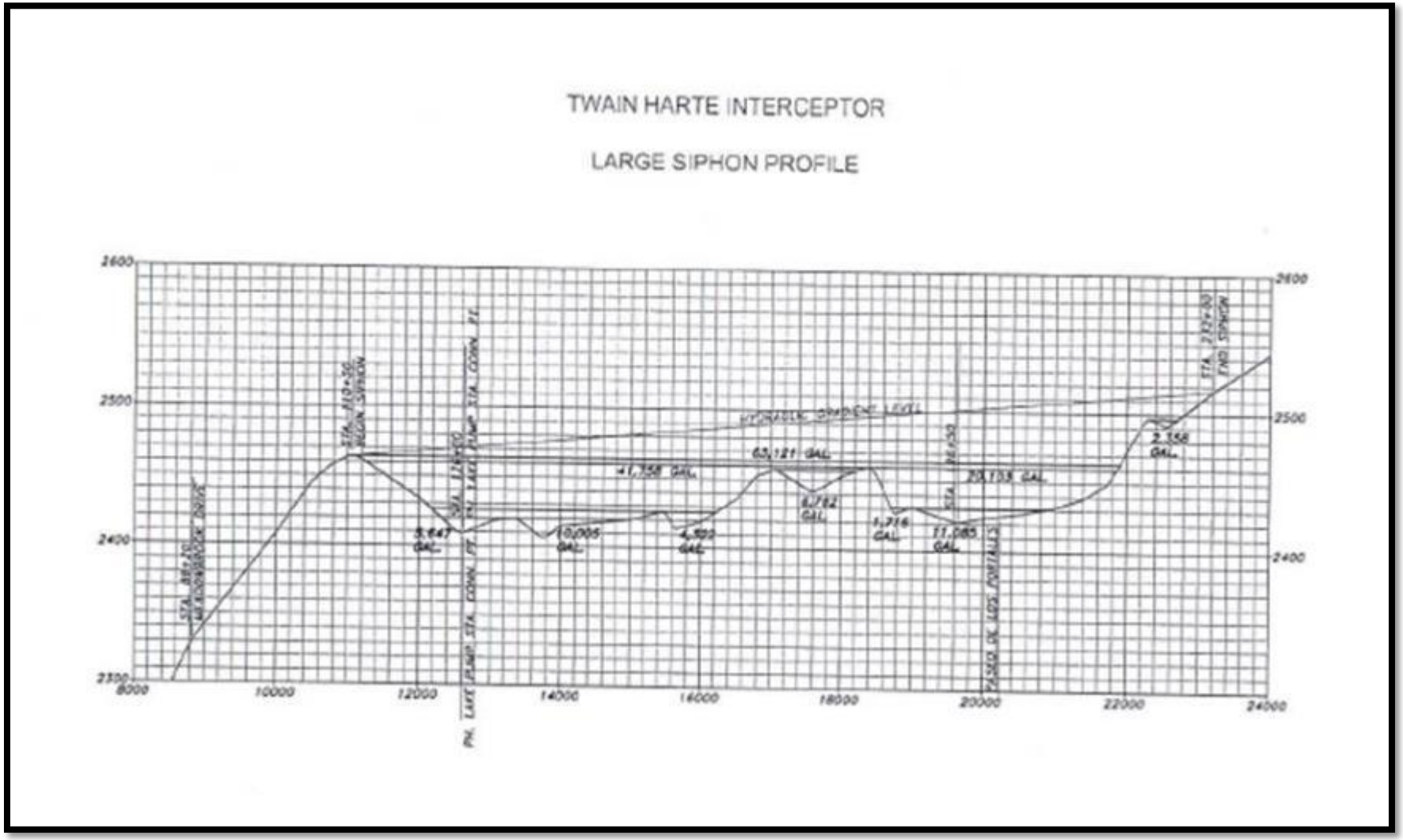

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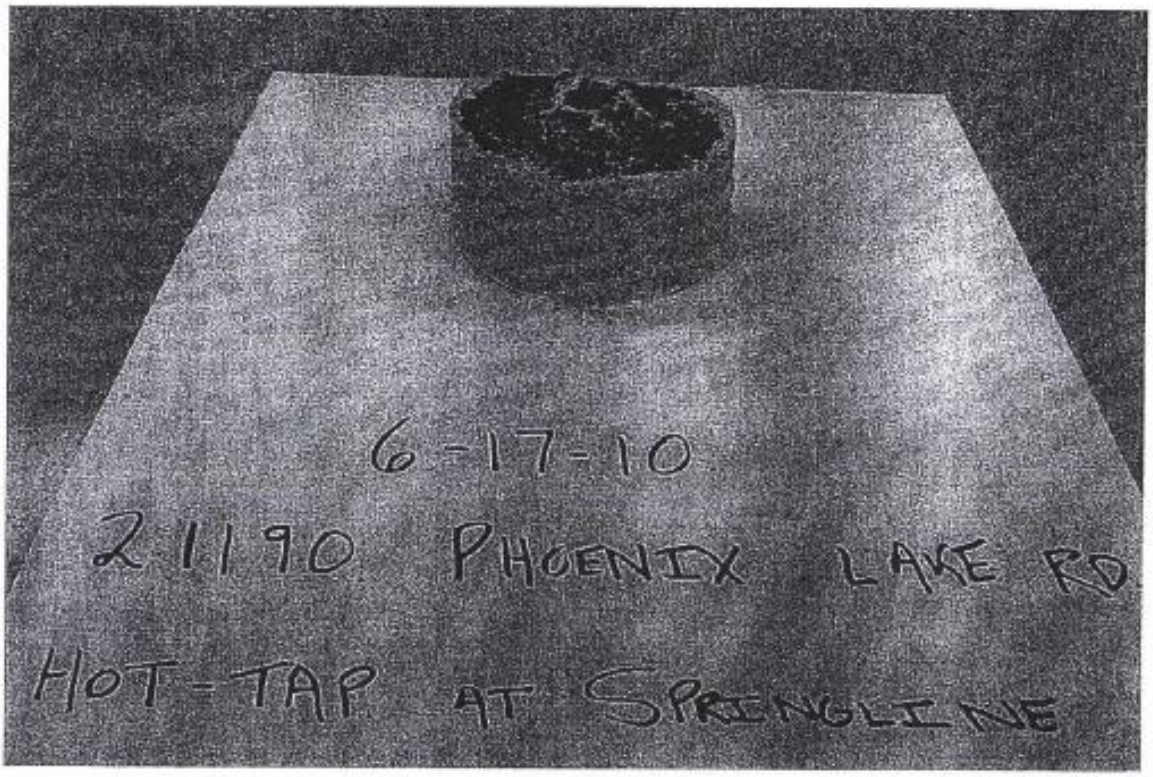

good condition
inside the inverted siphon

APPENDIX EH-2 CONT'D

TH Interceptor Connections - February 2009

Section (Station #)	Interceptor Condition		Connections	GPD	ESFR	Connection Type
	Gravity	Pressure				
+00 - 110+00	X		21	4,515	21	Adjacent properties
10+00 - 232+00		X	11	2,365	11	Adjacent properties w/ individual pumps
7+00		X	1	28,595	133	Apple Valley Estates (133 lots, septic) - TUD force main connection
26+00		X	1	11,610	54	Phoenix Lake Park (54 lots) - TUD force main connection
86+50 & 210+00		X	2	2,580	12	Bear Cub Acres (12 connections, septic)
32+00 - 253+25	X		8	1,720	8	Adjacent properties
53+25	X		72	15,480	72	Belleview Oaks
53+25 - 258+10		X	2	430	2	Adjacent properties w/ individual pumps
58+10 - 264+20	X		5	1,075	5	Adjacent properties
64+20 - 268+00		X	2	2,365	11	Adjacent properties w/ individual pumps - incl. Hidden Vly MHP (10 spaces)
68+00 - 283+00	X		6	1,290	6	Adjacent properties
83+00 - 328+50		X	11	5,010	23	Adjacent properties* w/ individual pumps - incl. Sullivan Creek School (190 students)
28+50 - 331+00	X		11	2,365	11	Adjacent properties plus Crystal Lake Ct.
31+00 - 348+60		X	11	2,795	13	Adjacent properties w/ individual pumps plus Rogue River Ct. (3 lots, septic)
18+60 - 353+00	X		11	2,365	11	Adjacent properties plus Feather River Drive
53+00 - 363+16		X	9	1,935	9	Adjacent properties w/ individual pumps
53+16 - THWWTP	X		79	16,985	79	Crystal Falls #4 & Big Falls Ranch (force main connections)
bove THWWTP			14	3,010	14	Adjacent properties w/ individual pumps
bove THWWTP			1	337,980	1,572	Twain Harte Community Services District collection system
		Total:	278	444,470	2,067	

tal Pressure connections w/ individual pumps below THWWTP: 46

tal esfr on large siphon near Phoenix Lake (Sta. 110+00 - 232+00): 77

septic GPDs (total # includes THWWTP): 7.2

GPDs below THWWTP: 23.3

APPENDIX EH-2 CONT'D

6. Presentation on Operation of the Twain Harte Interceptor and Potential Hazards

Tom Scesa reported that the District periodically receives requested for connections to the Twain Harte Interceptor, which was not designed to be a sewer collection system. Mr. Scesa explained that this past summer, the Board approved such a request, and during that meeting directed District staff to prepare an information report on the design, operation and potential hazards of the interceptor.

Tom Scesa introduced and welcomed Robert Kostivy, Executive Director of the Tuolumne County Environmental Health Department.

Tom Scesa presented an updated report on operation of the Twain Harte Interceptor and potential hazards. Mrs. Scesa explained that the Twain Harte Interceptor was constructed in 1975 as a part of the Regional Sewer System, noting it was designed to transport only treated effluent from the Twain Harte Wastewater Treatment Plant to the Regional Plant in Sonora. The treatment plant treats sewage from the service area of the Twain Harte Community Services District which has an estimated 1,572 equivalent single family residences. The interceptor is 6.9 miles long from its beginning in Crystal Falls Unit 4 to the Sullivan Creek Bridge on Mono Way, where it connects to the East Sonora Interceptor. Over the years, the District and its predecessors have allowed residential connections to the interceptor. In 1982, Belleview Oaks, Unit 2 (72 lots) was developed with its sewer collection system connecting to the interceptor, currently there are 495 residences connected below the Twain Harte Treatment Plant. The interceptor has several, "inverted siphons" where the pipeline is between high points and the sewage is under pressure and was not designed to carry solids. Mr. Scesa noted that most of the connections are at gravity-flow (unpressurized) sections, but some are connected to inverted siphons, and therefore required privately-owned sewer pumps.

Tom Scesa outlined a couple of concerns that the District has with the Twain Harte Interceptor:
- The inverted siphons cannot be televised to inspect their condition. The pipe material is asbestos-concrete, which is susceptible to corrosion from hydrogen-sulfide gas.
- Asbestos-concrete pipe is rigid and cannot flex if there is any ground movement. It has been in place for 35 years.

Tom Scesa indicated that the largest inverted siphon is in Phoenix Lake Road adjacent to Phoenix Lake and is 2.3 miles in length, noting that the volume of effluent and sewage that remain in this section when it is not flowing is 63,121 gallons.

Tom Scesa responded to questions from the Board.

2

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Director Day suggested that District staff do everything possible to maintain the Twain Harte Interceptor, and explore how the District can avoid great risk to the community - know all of our options.

Director Retherford stated that he believes in this situation "if it isn't broke - don't fix it", noting that the District has to consider the financial impacts to our community.

It was the consensus of the Board for District staff to perform some additional investigations on the condition of the Twain Harte Interceptor and to also develop options for repair or replacement of the interceptor in the future.

Summaries of Additional Tuolumne County Entities

A few times throughout the year, the 2011/2012 Jury began investigations into agencies or programs which turned out to not warrant a full investigation. However, in the name of completeness and consistency, summaries of these investigations, including reasons for deciding not to do a full investigation, are included below. The Jury does not offer recommendations or requests for responses related to these investigations.

Jamestown Mine

Summary

Early in its tenure, the Jury decided to investigate the "Jamestown Mine". The first thing the Jury learned was that the County had signed a contract to sell the mine property. Knowing this, the Jury decided to monitor the situation, as opposed to conduct a full investigation.

Findings

The mine property has a long and storied past, and is now owned by Tuolumne County. The acquisition of the mine property by the County was, to put it mildly, unfortunate. The property has contamination issues that will require an expensive clean-up.

A Court Trustee is now in charge of the environmental clean-up procedures for the property. Tuolumne County has agreed to pay over $6 million into a fund to cover the County's share of the clean-up. Over $5 million of that amount is still owed and is being paid yearly by the County – approximately $370,000 per year including interest. Payments continue through the year 2037. Other than some ongoing monitoring expenses, the County will be "off the hook" when the above payment is complete.

The County entered into an agreement in 2011 to sell the mine property to a development group for $169,000. The group proposes to create "Yosemite Gardens Park", a multi-use recreational and retail center. The actual sale of the property has not taken place, and will not until the environmental and permitting process is complete. The developer has proposed a very complicated and expensive project. All parties seem to be hopeful but there are many hurdles to overcome before this property is sold and the park is built.

Tuolumne Transit

Summary

The Grand Jury initially decided to look into Tuolumne Transit as it is a major provider of transportation to Tuolumne County citizens. However, after the Jury reviewed the web site for

Tuolumne County Transit, it was noted that a five-year development plan had just been completed. Majic Consulting Group conducted the study and interviewed management and employees.
Due to the exhaustive nature of the development plan, the Jury decided to discontinue its investigation, but recommends that a future Grand Jury may decide to follow-up and to evaluate the implementation and execution of the development plan in 2015.

BACKGROUND

Tuolumne Transit was established in 1979 and has four routes within the County. Tuolumne County's total area is 2,274 square miles. Tuolumne County's population totals 55,365 people, with concentrations located in Sonora (estimated population of 4,903) and along Highways 49 and 108. In addition to the regular four routes within the County, Tuolumne Transit runs a Dodge Ridge ski bus service in the winter and bus service into Yosemite National Park. Tuolumne Transit also offers "Dial-A-Ride" service, which provides curbside pick-up and drop-off service for persons with disabilities or persons 60 years or older.

FINDINGS

The Grand Jury reviewed the Transit Development Plan Update for Tuolumne County Transit which was submitted by Majic Consulting Group to the Tuolumne County Transportation Council in February 2011. After carefully reading the document, the Grand Jury agreed that this document successfully recapped what progress had been completed to date and what the future plans for Tuolumne Transit encompassed. The Plan projected out through 2014-2015. This Plan can be located on the web site for Tuolumne County Transit.

The Grand Jury should consider investigating Tuolumne Transit in 2015 at the completion of the current five-year development plan.

APPENDIX.

APPENDIX 1. REVIEW OF 2010/2011 RESPONSES

Name of Report & Recommendation	Timely Response	Responder(s)	Update/Comments
Sierra Conservation Center			
	yes	Frank X. Chavez, Warden, Sierra Conservation Center	Reviewed annually
Tuolumne County Parks and Recreation Department (Tuolumne County Recreation Department)			
	yes	Maureen Frank, Deputy County Administrator, Recreation Department	See update in *Response Monitoring*
Jail Health & Medical			
	yes yes	James W. Mele, Sheriff-Coroner, Tuolumne County Sheriff's Office S. Todd Stolp, Tuolumne County Health Officer, Tuolumne County Public Health Department	Reviewed annually
Probation			
	yes	Adele Arnold, Chief Probation Officer, Tuolumne County Probation Department	See update in *Response Monitoring*
Sheriff Department			
	yes	James W. Mele, Sheriff-Coroner, Tuolumne County Sheriff's Office	
Community Development/Regulatory Committee: Future of Fire Safety			
R1c, R2, R5b, R5c, R7, R8, R9 R1d, R1e, R4a, R5c, R6	yes yes yes yes yes	Craig L. Pedro, County Administrator, County Administrator's Office All county Fire Protection Districts Paul Speer, Assistant County Fire Warden, CAL FIRE-Tuolumne County Fire Department Cooperative Fire Protection Services Stan Steiner, President, Columbia Fire Protection District Paul G. Speer, Assistant Chief, Jamestown Fire District	See update in *Response Monitoring*

	yes	William Schneiderman, Director, Mi-Wuk/Sugar Pine Fire Protection District	
	NA	Tuolumne Band of Me-Wuk Indians Fire	No response required
	yes	H. Lee Dempsey Jr., President Board of Directors, Strawberry Fire Protection District	
	NA	City of Sonora	No response required
	yes	Toney Powers, Acting Chief, Tuolumne Fire District	
	yes	Shane Warner, Fire Chief, Groveland Fire District; Gary J. Mello, General Manager-District Engineer, Groveland Community Services District	
	yes	Gordon Molloy, President Board of Directors, Twain Harte Community Services District	
Secured Property Assessment Value & Tax Collection: Economic Strategic Goal & TCEDA			
R1	yes	Ken Caetano, Assessor-Recorder, County of Tuolumne Office of Assessor-Recorder	
R2	yes	Daniel M. Richardson, Deputy County Administrator, County Administrator's Office	
R3	yes	Craig L. Pedro, County Administrator, County Administrator's Office	
Tuolumne County Special Districts			
	yes	Dorothy Tate, Chairman, Carter Cemetery District	
	yes	Sherrin N. Grout, Sexton, Columbia Cemetery District	
	yes	Mary Stevens, Chairperson, Jamestown Cemetery District	
	yes	Paul G. Speer, Assistant Chief, Jamestown Fire District	
	yes	Marvin Palmer, Board Member, Leland Meadows Water District; Board Member, Leland Meadows Homeowners Association	
	yes	William Schneiderman, Director, Mi-Wuk/Sugar Pine Fire Protection District	
	yes	Board of Trustees, Oak Grove Cemetery District	
	yes	Dave Slicton, Trustee, Shaws Flat-Springfield Cemetery District	
	yes	H. Lee Dempsey Jr., President Board of Directors, Strawberry Fire Protection District	
	yes	John Feriani, Board President, Tuolumne City Sanitary District	
	yes	Toney Powers, Acting Chief, Tuolumne Fire Protection	
R1-R4	yes	Dorothy Tate, Chairman, Carter Cemetery District	
	yes	Craig L. Pedro, County Administrator, County Administrator's Office for Tuolumne Lighting District	
	yes	Toney Powers, Acting Chief, Tuolumne Fire District	
	yes	Board of Directors, Tuolumne Park and Recreation District	
	yes	John Feriani, Board President, Tuolumne City Sanitary District	
R2b, R5	yes	Craig L. Pedro, County Administrator, County Administrator's Office for Tuolumne Lighting District	See update in *Response Monitoring*

Tuolumne City Sanitary District			
R1-13	yes	John Feriani, Board President, Tuolumne City Sanitary District	See update in *Response Monitoring*
R1	yes	Pete Kampa, General Manager, Tuolumne Utilities District	
R1-3, R13	yes	Rhonda Standage, President, Tuolumne Economic Development Authority, Inc.	

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