



County of Mendocino
Grand Jury

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July 7, 2006

The Honorable Cindee F. Mayfield
Presiding Judge, Superior Court
100 N. State St. Room 303
Ukiah CA 95482

Reference: The Final Report of the 2005-2006 Mendocino County Grand Jury

Dear Judge Mayfield:

Accompanying this letter is the Final Report of the 2005-2006 Mendocino County Grand Jury, in fulfillment of the Grand Jury's oath and charge. This report contains the results of investigations required by law, suggested by citizen complaints, or generated by the Grand Jury itself. Thirty-one citizen complaints were received, with those received late in the term referred to the incoming 2006-2007 Grand Jury for their consideration.

Taken as a whole, the Final Report makes it clear that there are many serious (and often connected) problems facing the County. Methamphetamine use, an inadequate detention facility, an overburdened social services network, a fire protection structure that is struggling to meet responsibilities, and unresolved issues over water are all critical problems that do not present easy or obvious solutions. The financial constraints on local government further complicate the picture.

The good news is that there is ample evidence that government officials are becoming aware of the full extent of the concerns and committed to facing the difficult choices ahead. In our dealings with public servants at every level, we were pleased and even humbled by their dedication and commitment. One of the goals of Grand Jury reports is to bring about greater awareness and engagement among County residents. Meaningful change will come only with their support and encouragement.

A semi-serious comment frequently heard amongst jurors is that anyone who wants to submit a complaint should first serve on the Grand Jury. If any County resident wants to learn about life in Mendocino County, there is nothing that remotely approaches the experience and education provided by Grand Jury service. I recommend it without reservation.

The Grand Jury could not have accomplished anything without the support of the Superior Court, specifically Judge Richard J. Henderson, whose advice was invariably constructive and timely, and Diana Donnelly, whose many years of careful and gracious tending to the needs of the full panel are coming to an end with her move from the County. She will be badly missed. Jeanine Nadel, Mendocino County Counsel, was also a readily available source of guidance for the Jury.

Most of all, on behalf of myself and the residents of Mendocino County, I would like to thank the members of the Grand Jury who put in hours beyond counting. Their wisdom, energy and devotion can be seen in the quality of reports issued during the course of the year.

The tradition of the Grand Jury in California is a long and honorable one. It is the best example of effective grass-roots democracy that I have ever experienced, and I am both privileged and honored to have been able to serve.

Benj Thomas
Foreman, 2005-2006 Mendocino County Grand Jury

CC: Judge Richard J. Henderson

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MENDOCINO COUNTY SHERIFF'S COAST SECTOR SUB-STATION AND HOLDING CELLS IN FORT BRAGG

November 3, 2005

Summary

In accordance with duties required, the Grand Jury visited the Mendocino County Sheriff's Coast Sector Sub-Station and Holding Cells.

Background

California Penal Code §919 (b) states that "The Grand Jury shall inquire into the condition and management of the public prisons within the county." The 2005/2006 Mendocino County Grand Jury undertook their charge with visits to the Mendocino County Sheriff's Coast Sector Holding Cells.

Methods

The Grand Jury toured the Mendocino County Sheriff's Coast Sector Holding Facility, including the Sally Port (inmate delivery), Booking Area, and Holding Cells. The Grand Jury interviewed Sheriff's Department personnel.

Findings

1. The Mendocino County Sheriff Coast Sector Sub-Station is staffed in accordance with its budget: one Lieutenant, three Sergeants, eleven Deputies, one Bailiff, one Detective, and one Secretary.
2. The Sheriff's Department designates the area between Rockport and Gualala as the Coast Sector.
3. A Coast Sector deputy sheriff generates approximately 20 hours of overtime every two weeks.
4. Coast Sector patrol work is generally limited to dispatch responses, process serving, transportation of detainees, and other departmental duties.
5. Deputies have recently been issued Tasers and instructed in their use by POST-trained officers (Police Officer Standard Training).
6. Storage space for evidence is inadequate.
7. Detainees at Fort Bragg are normally booked and transported to the County Jail in Ukiah or to another facility within two hours.
8. Detainees on the South Coast (from Navarro to the south County line) are taken directly to the County Jail in Ukiah.
9. The Coast Sector Sub-Station Holding Cells are clean.
10. The Coast Sector Holding Facility lacks an audio monitoring system.
11. The handicapped rails, benches, air duct screens, wall panel, and faucet handles in

- the Holding Cells could be used by a prisoner to hang him/herself.
12. The central heating and cooling system in the Sheriff's Coast Sector Sub-Station is inadequate.
 13. Given the heavy use of the Sheriff's Coast Sector offices, cleaning and routine maintenance beyond the regularly scheduled janitorial service provided by County General Services must be performed by the Sub-Station staff.
 14. The emergency button/bell system installed in the Sub-Station is unmonitored and connected only to offices that are often unoccupied.
 15. In the opinion of the Sheriff's Department Coast Sector Sub-Station, methamphetamine, along with other drugs including alcohol, is a major factor in most arrests.

Recommendations

The Grand Jury recommends that:

1. the Evidence Room (storage space for evidence) be enlarged and upgraded. (Finding 6)
2. an audio monitoring system be installed to bring the Sub-Station into compliance with California Code of Regulations §6031. (Finding 10)
3. components in the Holding Cells that present a danger to inmates be corrected. (Finding 11)
4. the heating and cooling system in the Sub-Station be upgraded. (Finding 12)
5. the frequency of janitorial services in the Sub-Station be increased. (Finding 13)
6. the emergency button/bell system installed in the Sub-Station be monitored at all times. (Finding 14)
7. that the BOS amend the County budget to remedy the problems in the Sub-Station Facility. (Findings 6, 10, 11, 12, 13, 14)

Comments

Despite the excessive workload and the problems with the facility, the staff of the Mendocino County Sheriff Sub-Station in Fort Bragg is providing excellent services. In the opinion of the Sheriff's Department, overtime would not be reduced by additional staff. Adding a substantial number of deputies to the roster would allow the Department to increase the hours of community policing.

Response Required

Mendocino County Board of Supervisors, Findings 6, 10, 11, 12, 13, 14 and Recommendations 1 through 7.

Sheriff, Mendocino County Sheriff's Department, Findings 1 through 15 and Recommendations 1 through 6.

Director, Mendocino County Department of General Services, Findings 6, 10, 11, 12, 13, 14 and Recommendations 1 through 6.

FORT BRAGG POLICE DEPARTMENT AND HOLDING CELL
November 3, 2005

Summary

In accordance with duties required, the Grand Jury visited the Fort Bragg Police Department (FBPD), the department office, and a holding cell on the adjoining property of the Mendocino County Sheriff's Department.

Background

California Penal Code §919 (b) states "The Grand Jury shall inquire into the condition and management of the public prisons within the county." The Grand Jury also has a general authority to review city affairs under Penal Code §925 (a). The 2005/2006 Mendocino County Grand Jury undertook their charge with a visit to the FBPD and Holding Cell.

Methods

On two occasions the Grand Jury interviewed members of the FBPD and made an on-site visit to the Department. A visit to their Cypress Street station and the adjoining holding cell situated next door at the facility managed by the Mendocino County Sheriff's Department was performed.

Findings

1. The FBPD web-site is up and operational at the time of inspection and continues to be expanded and developed.
2. The FBPD is staffed in accordance with its budget: one Chief, one Lieutenant, four Sergeants, ten Patrol Officers, two Community Service Officers (CSO) (one position is vacant), six Cadets, two Police Service Technicians (one is an Evidence Room Technician), and an Executive Secretary.
3. The FBPD staffing is affected by the number of officers on temporary disability.
4. Officer retention rates within rural communities such as Fort Bragg are affected by family circumstance and needs.
5. Dispatching for the FBPD is performed through a contract with the Sheriff's Department.
6. A high level of cooperation exists between the commanders of the FBPD and the Mendocino County Sheriff's Coast Sector Sub-Station.
7. Additional safeguards for the disposal of evidence are to be implemented.
8. Injury claims on the part of the patrol officers have been reduced by 30% with the introduction and appropriate use of Tasers.
9. The FBPD holding cell is physically located in the Mendocino County Sheriff's Coast Sector Sub-Station.

10. The Fort Bragg Holding facility lacks an audio monitoring system, resulting in non-compliance with California Code of Regulations §6031.
11. Transportation of prisoners to Ukiah or another facility is generally carried out within two hours.
12. The FBPD estimates that 75% to 80% of arrests are drug-related (methamphetamine or other drugs).

Recommendations

The Grand Jury recommends that:

1. the Mendocino County Department of Building and Grounds install an audio monitoring system in the FBPD Holding Cell that is in compliance with California Code of Regulation §6031. (Finding 10).

Comments

The FBPD continues to perform well in the face of financial adversity. The Department is able to provide the necessary services and protection for their community but would like to be able to do more with education and prevention within the local school systems. The FBPD is looking for grant funding to carry out special projects and making special efforts to find affordable housing for police personnel.

In the course of this investigation the Grand Jury learned that a Fort Bragg Emergency Plan is in place; this is a component of the Mendocino Emergency Services Authority plan which involves all city and County emergency agencies. A tsunami plan for Fort Bragg and environs is currently under development. The Grand Jury believes that city residents should be familiar with the details of these plans, and that the City needs to facilitate this familiarity.

Response Required

Fort Bragg City Council, Finding 2, 10
Police Chief, FBPD, Findings 1 through 12 and Recommendation 1

Response Requested

Director, Mendocino County General Services, Finding 10 and Recommendation 1

**COUNTRY SCHOOLS ARE ALIVE AND WELL:
THREE RURAL DISTRICTS IN MENDOCINO COUNTY**

February 21, 2006

Summary

As part of an ongoing survey of Mendocino County school districts, the Grand Jury undertook an assessment of the facilities, staffing, student populations and school/community relations in three rural districts.

Background

Several years have passed since the Grand Jury visited various rural school districts in the outlying areas of the County. The 2005-2006 Grand Jury performed oversights on Arena Union Elementary School District and Pt. Arena Joint Union High School District in the south, Leggett Valley Unified School District in the north, and Anderson Valley Unified School District, located between the coast and the inland valleys.

Methods

In the course of these oversights, the Grand Jury visited the school sites repeatedly, touring campuses and facilities while classes and/or outdoor activities were in session. Jurors interviewed administrators, teachers, classroom aides, classified employees and students at all sites, and reviewed district budgets, class schedules, student evaluation materials, and some teaching texts and materials.

Common Findings

1. The three surveyed rural districts have a total enrollment of approximately 1,270 students; all offer pre-school programs.
2. The relatively small school populations enable school personnel to recognize and know virtually all their students.
3. Meeting State proficiency standards is the first concern of principals and, therefore, teachers.
4. The Average Daily Attendance (ADA) figures seem relatively stable and are perhaps increasing.
5. The vast majority of students are bused to and from these rural schools.
6. Gang activity, graffiti and vandalism are not major problems in the surveyed schools.
7. An enforced dress code for students seems to have solved several problems; it has eliminated gang attire worn by "wannabes" and appears to promote positive student behavior.
8. Negative incidents between ethnic groups are minimal, as is fighting on campus.
9. Drug-related incidents are minimal.

10. There is no known student use of meth on these campuses.
11. Competitive sports are universally popular; a high percentage of students in grades seven through twelve are involved in at least one school sport.
12. Transiency within the student population during the school year adversely affects the learning process.
13. Cases of autism are rising, especially in preschool and primary grades.
14. Important news and announcements are sent home to parents in both English and Spanish.
15. All schools have computer labs available to both elementary and secondary students; all classrooms contain at least one computer, usually more.
16. All schools offer cafeteria and food service, although staffing and student participation in preparation and service vary from school to school.
17. All schools have stocked and staffed libraries, although hours, materials and levels of staff certification differ from school to school.
18. Mendocino County Office of Education (MCOE) provides legal and consulting services to the districts, financial services including planning, scholarship and college testing information, as well as opportunities for site administrators to meet and confer on a regular basis.

School Findings

Anderson Valley Unified School District

1. Anderson Valley Unified School District (AVUSD) has been a stable, flourishing educational system for many years at both the elementary and secondary levels; enrollment is presently approximately 590 students.
2. Every AVUSD senior high school student has a Personal Learning Plan which is reviewed at least twice yearly; each student has a faculty mentor who guides him/her through the four-year experience.
3. AVUSD offers the Advancement Via Individual Determination (AVID) program for all eligible students; participants seek to be the first members of their families to attend college.
4. The AVUSD Junior-Senior High School offers several Advanced Placement (AP) classes on site; these include Spanish Literature and Spanish for Native Speakers.
5. AVUSD offers an elective American Sign Language class which fulfills the foreign language graduation requirement.
6. AVUSD offers a Culinary Arts elective; students from the five classes assist in menu planning, food preparation, setting up, serving and actually cooking for the breakfasts, lunches and nutrition breaks for the entire school population.

7. The libraries in the AVUSD schools are staffed on a full-time basis and are open before and after school.
8. Thirty of the thirty-eight graduating AVUSD seniors in June 2005 entered two or four year colleges the following September.
9. The AVUSD works in conjunction with the Community Safety Committee; the district has instituted a Safety Plan and has distributed preparedness kits to the staff.
10. At least 70% of the Junior-Senior HS students are involved in at least one sport; the district traditionally produces championship soccer and volleyball teams.

Leggett Valley Unified School District

(The Grand Jury did not include the Whale Gulch K-12 school on the Lost Coast in their oversight visits.)

11. The Leggett Valley Unified School District maintains a campus on which are located the Leggett Valley High School (LVHS), the elementary school and the pre-school.
12. LVHS has 56 students, six teachers; not all teachers are full time. At present district enrollment is approximately 190 students.
13. Leggett Elementary School classes are combined 1-2, 3-4, 5-6 but differ in size each year, with usually under 20 students.
14. LVHS offers students the opportunity, during regularly scheduled class time, to take AP classes online.
15. Much of the LVHS plant has been renovated: the boiler room has given way to central heating, windows have been replaced with double-panes, and all bathrooms have been brought up to code.
16. The campus has a well designed library with wall stacks and several tables and chairs; it is open daily and before school, after school twice weekly, and by appointment. The classified staff in charge of the library has acted in this capacity for many years.
17. LV offers high school students who have difficulty learning in a regular classroom alternative education in a self-contained classroom; this program is housed in an aged, cramped trailer in a corner of the campus.
18. Ten of the thirteen LV 2004 graduating seniors have continued their education at two and four year colleges.
19. The Leggett community thinks of LV as a "basketball" school; two thirds of the high school students play basketball, offered as a team sport from third through twelfth grades.

Pt. Arena Joint Union High School District and Arena Union Elementary School District

19. After several turbulent years of high level administrative turnover, controversies and disruption within the district, the elementary and secondary schools of Pt. Arena

have enjoyed over three years of stability and order . Enrollment is at present approximately 480 students.

20. Building on the Anderson Valley Personal Learning Plan model, Pt. Arena has compiled literacy standards and benchmarks for their K through 12 students in the READING WRITING SPEAKING plan, tailored specifically to the district's population.
21. Pt. Arena High School offers the AVID program for all eligible students.
22. Pt. Arena High School offers students the opportunity, during regularly scheduled class time, to take AP classes online.
23. Through a combination of construction bonds and state funding, the dilapidated secondary school plant will soon be totally replaced; many new buildings are already in use.
24. Pacific Community High School, a charter school, shares the campus and facilities of Pt. Arena High School; Pacific Community co-enrolls in sports activities with Pt. Arena.
25. The two Pt. Arena districts have adapted the "Blended Model" program to meet the educational needs of all students. Using individualized materials within math and language arts Learning Centers, the Blended Program's goal is to raise all student achievement to grade level and beyond.
26. Pt. Arena HS has a spacious, well-stocked library; certified staff is available three days a week. However, the band practices regularly in the center of the room; music stands and chairs, several instruments, amplifiers and other equipment are located between the stacks and the reading area.
27. Roughly 80% of the Pt. Arena High School graduates attend a two or four year college.
28. The two Pt. Arena districts have an official Community Safety Committee which includes a local EMT, a transportation representative, a cafeteria representative, a Board trustee, the school principals and a charter school representative.

Recommendations

The Grand Jury recommends that:

1. Anderson Valley USD be used as a model for its accepting bicultural environment and its program in which virtually all students of various ethnic backgrounds become bilingual before graduation. (Common findings 3,13, School findings 3,4,5)
2. the AVUSD, proud of success achieved in attracting and retaining Spanish-speaking students, be afforded the additional resources needed to assist and support this population. (Common findings 3,12, School findings 2,3,4,)

3. the Leggett Valley USD continue to foster its supportive environment and knowledgeable attention to each individual. (Common finding 2)
4. those high school students in Leggett Valley who attend the alternative education program be housed in a classroom that is as inviting as those of their fellow students. (School finding 17)
5. MCOE and the Pt. Arena community do everything possible to support and continue the improvement within the Pt. Arena Joint Union High School District and Arena Unified Elementary School District; the dramatic decrease in turnover of trustees, administrators, teachers and students is clearly a positive turnaround in the health of these districts. (Common finding 4, School findings 19, 23)
6. the Pt. Arena JUHSD, justifiably proud of its new buildings, not overlook the obvious: a library should be reserved for reading and research, not set up for regular band practice. (School finding 26)

Comments

“Schools should be the most beautiful structures in town”. This statement by a Mendocino County school administrator was meant literally, but its deeper meaning is surely felt by students, parents and staff of the three districts surveyed by the 2005-2006 Grand Jury.

In a County notorious for its drug tolerance and availability, there seems small evidence that hard drug use or genuine gang activity has gained a foothold in the elementary and secondary schools of Anderson Valley, Leggett and Pt. Arena. Alcohol and marijuana use on school sites is not unknown but uncommon.

Instead, the primary problem seems to be poverty: 75 to 80% of the students in the districts surveyed are on the free or reduced fee breakfast and lunch program. Tied to low income and high Hispanic and Native American populations in two of the schools is a second problem: high transiency rates. Affordable housing and long term, adequately compensated employment are hard to find in rural Mendocino. When circumstances become difficult, families move on, disrupting the education of their children.

Compounding this problem, a growing school population speaking English as a second language and increasing evidence of severe language impairment in pre-K and primary children make meeting the State Literacy Requirements a formidable task.

In spite of this, the three rural districts are in so many ways a success story. An inordinate percentage of graduates attend two and four year colleges, many on well-earned scholarships. A huge percentage of the population is bussed to their schools: they arrive, eat breakfast, and attend classes, most with enthusiasm and a positive attitude. A small but dedicated group of parents work for and within each school district for the benefit of all students. Most importantly, these rural districts boast caring, competent staff (several of them former students), strict but not unreasonable regulations, and a personal, nurturing educational environment that larger urban and suburban schools simply cannot duplicate.

The country schoolhouse may be wired for the Internet, but the educational family still exists for youth in the far corners of Mendocino.

Responses Required

Superintendent, Mendocino County Office of Education (Common Findings 1 through 18, School Findings 1 through 28, Recommendations 1 through 6)

Responses Requested

Superintendent, Anderson Valley Unified School District (Common Findings 1 through 18, School Findings 1 through 10, Recommendations 1 and 2.)

Superintendent, Leggett Valley Unified School District (Common Findings 1 through 18, School Findings 11 through 18, Recommendations 3 and 4)

Superintendent, Pt. Arena Union High School District, Arena Union Elementary School District (Common Findings 1 through 18, School Findings 19 through 28, Recommendations 5 and 6)

MENDOCINO COUNTY JUVENILE HALL

February 21, 2006

Summary

In accordance with duties required, the Mendocino County Grand Jury visited the Mendocino County Juvenile Hall (MCJH).

Background

California Penal Code Section §919 (b) states that “The Grand Jury may inquire into the conditions and management of the public prisons within the county.” Juvenile Halls fall under this directive, so the 2005/2006 Mendocino County Grand Jury undertook their charge with visits to the MCJH.

Methods

The Grand Jury toured the MCJH, including the cells, recreation areas, education facilities and dining facilities. The Grand Jury reviewed the inspection document for compliance with the Minimum Standards for Local Juvenile Facilities, California Code of Regulations, issued by the Corrections Standards Authority. The jury also interviewed supervisory personnel and staff.

Findings

1. The majority of crimes committed by juveniles in Mendocino County are property crimes and alcohol/drug offenses.
2. Approximately 75% of the juveniles returning to MCJH have violated probation, mostly for drug and/or alcohol offenses.
3. In general, juveniles can be sentenced up to one year in MCJH.
4. Juveniles sentenced to more than one year generally serve their sentence at a California Youth Authority (CYA) facility.
5. Approximately three inmates a year go to CYA from Mendocino County.
6. MCJH had 681 bookings in the calendar year of 2005.
7. The maximum inmate capacity for MCJH is 43, with an approximate daily average of 41 inmates.
8. It costs approximately \$160 a day to house an inmate.
9. Parents or guardians are charged \$15 a day towards costs of incarceration, with a

maximum of \$750 per stay.

10. Approximately 30% of the amount billed to parents or guardians is actually collected.
11. The staff turnover rate at the MCJH is very low.
12. At the time of the Grand Jury's visit, two staff members were bilingual in English and Spanish.
13. Funds budgeted to cover anticipated costs of mandated training for future hires are insufficient.
14. West Hills School, which is located at MCJH, is operated by the Mendocino County Office of Education.
15. JH inmates can earn a high school diploma or a GED and earn college credit.
16. Proceeds from the inmates' payphones at MCJH are used exclusively for youth programs, including recreational equipment and magazine subscriptions.
17. There are Narcotics Anonymous (NA) and Alcoholics Anonymous (AA) programs available for MCJH inmates.
18. There currently is no work program available to which the courts can refer youth in Mendocino County.
19. A previously funded Mendocino County work program was demonstrated to be effective and beneficial in the rehabilitation of juveniles.
20. A work program can serve as an effective court diversion for youth who otherwise would be in MCJH.

Recommendations

The Grand Jury recommends that:

1. additional funding be budgeted for mandated training of MCJH staff. (Finding 13)
2. a work program for juvenile offenders be reinstated (a recommendation also made in the Mendocino County Grand Jury report on the MCJH of 2004-05). (Findings 18, 19, 20)

Comments

According to Mendocino County law enforcement personnel, gang activity is increasing drastically; the implications of that for MCJH are extensive and serious.

The Grand Jury found the facility to be clean and safe and wishes to commend the staff and administration of the MCJH for their excellent work despite budgetary constraints.

It has been estimated that a limited work program for juvenile offenders in the Ukiah Valley could be implemented for \$70,000, to be operational within three weeks of funding. A fully funded county-wide program would cost approximately \$280,000, the

same amount budgeted in the past. The Grand Jury believes that such a program would significantly reduce costs to the County for MCJH as well as other programs.

Response Required

Mendocino County Board of Supervisors (Findings 3, 8, 9, 10, Recommendations 1, 2)

Mendocino County Juvenile Hall Facility Manager (Findings 3, 8, 9, 10, Recommendations 1, 2)

Mendocino County Chief Probation Officer (Findings 8, 9, 10, Recommendation 2)

Judge, Mendocino County Juvenile Court (Findings 8, 9, 10, Recommendation 2)

**THE PIERCY PHOENIX:
a Report on the Piercy Fire Protection District
April 6, 2006**

Summary

The 2005-2006 Mendocino County Grand Jury conducted an oversight of the Piercy Fire Protection District and found a district struggling with enormous burdens to rebuild itself.

Background

The 2004-2005 Mendocino Grand Jury conducted an oversight of seven rural fire districts within the County, including the Piercy Fire Protection District (PFPD). At the time of that oversight the PFPD was non-operational, having closed down in January 2004. The PFPD resumed operations in August of 2005.

Methods

The Grand Jury conducted site visits and interviewed department personnel as well as State and County officials. The Grand Jury also reviewed relevant documents such as the budget and the personnel roster.

Findings

1. The PFPD receives less than \$9000 a year in property tax revenue.
2. The PFPD receives some income from donations and grants; this income is unpredictable.
3. The PFPD tax base covers 7.2 square miles.
4. The PFPD response area covers approximately 100 square miles.
5. Most district calls are related to traffic accidents on US 101.
6. The chief receives no compensation.
7. On average, the chief spends 15-20 hours per week on fire department business, including arranging training schedules, arranging for equipment maintenance, recruiting volunteers, writing grant proposals, developing the budget, monitoring expenditures, and reporting to commissioners.
8. Most residents of the Piercy area commute into Humboldt County for employment.
9. The PFPD has a roster of nine volunteers, which include one chief, one assistant chief, one training officer, one safety officer and five first responders.
10. All available personnel respond to calls.
11. Responders receive no compensation.
12. The PFPD has a fleet of four vehicles; two are over 20 years old.
13. The PFPD does not have a long range plan for replacing equipment.
14. An ad hoc committee of the Mendocino County Board of Supervisors has been directed to explore ways in which the County can assist rural fire districts.

Recommendations

The Grand Jury recommends that:

1. the PFPD seek ways to recover costs for out-of-district calls and calls involving nonresidents. (Findings 1, 5, 11)
2. County government actively promote opportunities for economic development in the Piercy area. (Findings 1, 2, 8)

Comments

As the smallest fire protection district in the County and with no local employers, the PFPD finds itself in a truly hazardous position. In January of 2004 the department shut down operations, in part due to changes in state law. SB1207-Romero 2002 made department chiefs and directors responsible for ensuring that volunteers be trained to the same level as responders in full-time, paid departments. Unfortunately, many would-be volunteers are unable to spend the time and money required not only to reach this level of training but to maintain it. As a result, many fire departments in the County have had to face a drastic shortage of people willing and able to volunteer. The fact that the chief and board of directors are personally responsible for this training was part of the reason that the PFPD closed for more than 18 months. During this time the Leggett Valley Fire Protection District was responding to calls in this area. This resulted in a ripple effect through the rest of the County as other districts had to respond farther north and east to fill in the gap.

The revenue to PFPD comes primarily from property taxes. Under the terms of Proposition 13 all property tax is lumped together. This amount is then distributed to the various entities in the County which receive property tax revenue. The amount apportioned to each entity is determined by law. Special districts like PFPD receive a fixed percentage of all property tax revenues proportionate to district area. As a result, this level of support is fixed and offers no solution to the problems facing the district.

The fact that the PFPD is once again in operation should not be taken as evidence that these problems no longer exist. With yearly revenues of less than \$9000 (compared to Leggett Valley Fire Protection District with a comparable non-grant budget of \$21,300) the PFPD is constantly on the verge of shutting down once again. Should they experience an equipment failure in their aging fleet or a sudden loss of personnel, they may have no option but to close down. The Grand Jury recognizes there is little, if anything, the PFPD can do to alleviate this situation as it is largely the result of State and County policies. The Grand Jury looks to County government to work with the PFPD in seeking innovative ways to maintain public safety.

The Grand Jury would like to recognize the extraordinary efforts, both past and ongoing, made by the members of the PFPD and Piercy residents in general in restoring their department to operational status.

Response Required

Mendocino County Board of Supervisors (Recommendation 2)

Mendocino County Chief Executive Officer (Recommendation 2)

Board of Directors, Piercy Fire Protection District (Findings 1-13, Recommendation 1)

Chief, Piercy Fire Protection District (Findings 1-13, Recommendation 1)

A LONG ROAD FOR LEGGETT:
A Report On The Leggett Valley Fire Protection District
April 6, 2006

Summary

The 2005-2006 Mendocino County Grand Jury conducted an oversight of the Leggett Valley Fire Protection District. The Grand Jury found that the district was burdened by the problems of limited funding and support.

Background

The 2004-2005 Mendocino County Grand Jury conducted an oversight of seven rural fire districts within the County. The 2005-2006 Grand Jury continued this work by reviewing an additional four districts, including Leggett Valley Fire Protection District.

Methods

The Grand Jury conducted site visits and interviewed department personnel as well as State and County officials. The Grand Jury also reviewed relevant documents such as the budget and the personnel roster.

Findings

1. The Leggett Valley Fire Protection District (LVFPD) tax base covers 53 square miles.
2. The LVFPD response area covers 155 square miles.
3. Sixty percent of district calls are medical responses.
4. Thirty percent of district calls are traffic-related.
5. The LVFPD has recently employed a collection agency to recover costs for responses outside district boundaries and calls involving nonresidents.
6. The LVFPD budget includes \$25,000 to pay matching funds on a \$189,000 FEMA grant used for purchasing a new fire truck yet to be delivered.
7. The total LVFPD 2005-2006 budget is \$52,300, which includes the \$25,000 matching funds.
8. The chief receives no compensation.
9. The chief spends many hours per week on fire department business, including arranging training schedules, arranging for equipment maintenance, recruiting volunteers, writing grant proposals, and monitoring expenditures.
10. The LVFPD has insufficient community support.
11. Most Leggett residents work outside the area.
12. Most of the older residents have already served in the fire department.
13. The LVFPD has a roster of nine volunteers, including the chief, assistant chief, two captains and five firefighters.
14. All available personnel respond to calls.
15. Responders receive no compensation.
16. The LVFPD has an ongoing training program.

17. The LVFPD has an active fleet of three vehicles; all are at least ten years old, the oldest vehicle is 30 years old.
18. The LVFPD does not have a long range plan for replacing equipment.
19. An ad hoc committee of the Mendocino County Board of Supervisors has been directed to explore ways in which the County can assist rural fire districts.

Recommendations

The Grand Jury recommends that:

1. the LVFPD make the office of chief a paid position. (Findings 8, 9,11)
2. the LVFPD work to increase community support. (Findings 10-14, 16)
3. the LVFPD develop a long term plan for replacing equipment. (Findings 17, 18)
4. the LVFPD establish operating reserves. (Findings 6, 7,18)
5. the LVFPD monitor collection results for out-of-district responses. (Finding 5)
6. County government actively promote opportunities for economic development in the Leggett area. (Findings 1-4, 11, 12, 14, 19)

Comments

Lack of community support is the most critical issue facing the LVFPD. The Grand Jury found that while offers of support are received by the department, few of these result in real assistance.

Lack of economic opportunity in the north central portion of Mendocino County results in few people being able and/or willing to participate in the fire department. Most people work out of the area and so are unable to respond to calls during the day or to participate in the extensive training required of department personnel. The majority of older residents in the Leggett area have already served in the fire department and are unwilling or unable to do so again. This leaves primarily younger residents as the volunteer pool, most of whom do not have the time.

The chief is the operational head of the department. Making the office of chief a paid position will alleviate some of the pressure on him, allowing him to devote a portion of his time to the behind-the-scenes department business like grant writing and community outreach efforts. It is very difficult to hold a fulltime job and carry out the duties of the chief.

County government also has a role to play. Only it can address the lack of economic opportunity in the Leggett area; only if people are able to live and work in the area can the fire department be viable in the long term.

Response Required

Mendocino County Board of Supervisors (Finding 19, Recommendation 6)

Mendocino County Chief Executive Officer (Recommendation 6)

Board of Directors, Leggett Valley Fire Protection District (Findings 1-18, Recommendations 1-5)

Chief, Leggett Valley Fire Protection District (Findings 1-18, Recommendations 2, 3, 5)

A CROSSROADS AT COMPTCHE:
A Report on the Comptche Volunteer Fire Department
April 6, 2006

Summary

The 2005/2006 Mendocino County Grand Jury conducted an oversight of the Comptche Volunteer Fire Department. While the Department faces many challenges in the future, none of these are insurmountable.

Background

The 2004/2005 Mendocino County Grand Jury conducted an oversight of seven rural fire districts within Mendocino County. The 2005/2006 Grand Jury continued this work by reviewing an additional four districts, including Comptche Volunteer Fire Department, a nonprofit, which provides fire protection services by contract to Comptche Community Services District.

Methods

The Grand Jury conducted site visits and interviewed Department and district personnel as well as state and County officials. The Grand Jury also reviewed relevant documents such as their budget and personnel roster.

Findings

1. The Comptche Volunteer Fire Department (CVFD) enjoys a high level of community support.
2. The total 2005/2006 budget for the CVFD is \$66,681.
3. \$28,185 of the 2005/2006 budget is in the form of specific purpose grants.
4. The CVFD maintains no operating reserves.
5. The Comptche Community Services District tax base covers 100 square miles.
6. The chief receives no compensation.
7. On average the chief spends 10 hours per week on fire department business, which includes recruiting volunteers, writing grant proposals, developing the budget, monitoring expenditures, attending county level fire protection meetings and numerous administrative tasks.
8. The CVFD has a roster of 21 personnel, which includes one chief, one training officer, one medical officer, six firefighters, and 12 additional personnel.
9. All available personnel respond to fire calls.
10. Responders receive no compensation.
11. The CVFD has an ongoing training program.
12. The CVFD has an active fleet of seven vehicles.
13. Twenty-eight percent of the active fleet was obtained through the Federal Excess Personal Property (FEPP) program.
14. The CVFD does not have a long range plan for replacing equipment.

Recommendations

The Grand Jury recommends that the CVFD:

1. work to maintain and promote the current level of community support. (Findings 1, 8-10)
2. make the office of chief a paid position. (Findings 5-7)
3. develop a long term plan for replacing equipment. (Findings 12-14)
4. establish operating reserves. (Findings 2-4)

Comments

The CVFD provides a vital service to both the Comptche area and the County as a whole. In a mutually beneficial relationship, employers in Comptche provide a pool for volunteer firefighters and thereby promote public safety for themselves and the entire community. It is in the best interests of the County to support the CVFD as well as local employers.

The CVFD is staffed entirely by volunteers who cover out of their own pockets expenses incurred while on a call. In addition to the monetary costs associated with volunteering to serve in the CVFD, the chief also has the burden of responsibility for any accidents or problems which occur in the Department. Making the office of chief a paid position will alleviate some of the pressure on him, allowing him to devote a portion of his time to behind-the-scenes department business like grant writing and community outreach efforts.

Some of the Department's equipment was obtained through the FEPP program, which provides a vital and much needed source of equipment for small rural fire departments. FEPP requires that unserviceable or excess equipment initially acquired through the program be disposed of only through a long and complicated process which involves considerable time and paperwork to complete. Due to already high workloads, this process is often low on the list of priorities for a department. Some of the currently active equipment is on the verge of becoming unserviceable and will need to be stored. The only solution to this dilemma is to proceed through the disposal process before storage becomes a serious problem for the Department. Further information on the FEPP program can be found at <http://www.fs.fed.us/fire/partners/fepp/>.

The CVFD's high level of community support is demonstrated by the fact that appreciative local residents donated much of the work and materials needed to expand the station in Comptche.

Response Required

Board of Directors, Comptche Community Services District (Findings 1-14, Recommendations 1-4)

Chief, Comptche Fire Department (Findings 5-14, Recommendations 2-4)

A BRIGHT SPOT IN BOONVILLE:

Error! Bookmark not defined.A Report on the Anderson Valley Fire Department *April 6, 2006*

Summary

The 2005/2006 Mendocino County Grand Jury conducted an oversight of the Anderson Valley Fire Department, and found it to be in notably good condition.

Background

The 2004/2005 Mendocino County Grand Jury conducted an oversight of seven rural fire districts within Mendocino County. The 2005/2006 Mendocino Grand Jury continued this work by reviewing an additional four districts, including the Anderson Valley Fire Department, which is part of the Anderson Valley Community Services District.

Methods

The Grand Jury conducted site visits and interviewed department personnel as well as state and County officials. The Grand Jury also reviewed relevant documents such as their budget and personnel roster.

Findings

1. The Anderson Valley Fire Department (AVFD) enjoys a high level of community support.
2. The 2005/2006 budget for the AVFD is \$282,581.
3. The AVFD maintains six months worth of operating reserves.
4. The Anderson Valley Community Services District covers 160 square miles.
5. The AVFD responds to calls within an area covering approximately 200 square miles.
6. The AVFD has a roster of 36 personnel, which includes one chief, one battalion chief, eight captains, four lieutenants, 20 firefighters and two cadets.
7. The office of chief is the only paid position.
8. All available personnel respond to fire calls.
9. Responders receive an \$8.00 stipend for each call.
10. The AVFD has an ongoing training program.
11. The AVFD has an active fleet of 21 vehicles distributed among the seven stations of the AVFD.
12. Forty-three percent of the active fleet was obtained through the Federal Excess Personal Property (FEPP) program.
13. The AVFD has a long range plan for replacing equipment and facilities.
14. The AVFD has an inactive fleet of ten vehicles.
15. Sixty percent of the inactive fleet was obtained through the FEPP program.

Recommendations

The Grand Jury recommends that the AVFD:

1. work to maintain and promote the current level of community support.
(Findings 1, 6, 8, 9)
2. begin the process of disposing of inactive FEPP vehicles. (Findings 11-15)

Comments

With the exception of the chief's position, the AVFD is staffed entirely by volunteers. The department provides volunteers with a pair of firefighter's boots when they join the department. A stipend of \$8.00 per call is intended to provide the volunteers with enough money to replace their boots when they are no longer serviceable. Volunteers cover out of their own pockets expenses incurred while on a call.

Much of the department's equipment was obtained through the FEPP program, which provides a vital and much needed source of equipment for small rural fire departments. FEPP requires that unserviceable or excess equipment initially acquired through the program only be disposed of through a long and complicated process which involves considerable time and paperwork to complete. Due to already high workloads, this process is often low on the list of priorities for a department. Not surprisingly, the AVFD has several vehicles which are no longer serviceable and are currently stored in various locations within the district. Some of the currently active equipment is on the verge of becoming unserviceable and will also need to be stored. The only solution to this problem is to proceed through the disposal process before storage becomes a serious problem for the District. Further information on the FEPP program can be found at <http://www.fs.fed.us/fire/partners/fepp/>.

The AVFD currently enjoys an unusually high level of community support. Appreciative local residents performed much of the construction on the new station in Boonville.

Response Required

Board of Directors, Anderson Valley Community Services District (Findings 1-15, Recommendations 1-2)

Chief, Anderson Valley Fire Department (Findings 6-15, Recommendations 1-2)

MENDOCINO COUNTY JAIL, COURTHOUSE HOLDING CELLS, AND EVIDENCE ROOM

March 20, 2006

SUMMARY

In accordance with duties required, the Mendocino County Grand Jury visited the Mendocino County Jail, Mendocino County Courthouse Holding Cells, and the Mendocino County Evidence Room.

BACKGROUND

California Penal Code §919 (b) states that "The Grand Jury may inquire into the conditions and management of the public prisons within the county."

METHODS

The Mendocino County Grand Jury toured the Mendocino County Jail Facility, including the Sally Port (inmate delivery) and Booking Area, the Mendocino County Courthouse Holding Cells, and the Mendocino County Evidence Room. The Grand Jury interviewed jail personnel, Deputies, and Evidence Room Technicians, and attended meetings of the Mendocino County Criminal Justice Policy Council.

MENDOCINO COUNTY JAIL

FINDINGS

1. The Mendocino County Jail (MCJ) can currently accommodate 302 inmates.
2. There are currently 57 budgeted positions for the Corrections Department: one Captain, two Sergeants, eight Corporals and 46 Correctional Deputies, not including additional support staff.
3. The position of Correctional Deputy was recently reclassified under California Penal Code Section §830.1.
4. In the current contract, Correctional Deputies are scheduled to receive a three percent pay raise spread over 18 months. Additional qualifications, such as an AA or BA degree or Field Training Instructor status, will result in a further increase, up to a maximum of eight percent.
5. There are Bi-Lingual Correctional Deputies, with pay incentives for those who qualify, at a rate of three percent for basic command of a second language and five percent for advanced knowledge.
6. Correctional Deputies receive \$1,000 a year as a clothing allowance.
7. In 2005 there was a 13.6% turnover rate among Correctional Deputies.
8. Basic Correctional Deputy training consists of twelve weeks working in-house with a Field Training Deputy, six weeks of Core (basic) training, and three weeks of California Penal Code Section §832 training.

9. Correctional Deputies do most of the transporting of inmates; Field Deputies transport inmates on an "as needed" basis.
10. MCJ has received funding for five Sheriff's Service Technicians to relieve the bottleneck in the Booking Room.
11. The average stay for an inmate in the MCJ is 16.6 days.
12. There are currently six Tasers available to Correctional Deputies on duty.
13. From January to June of 2005 there were 21 incidents of Taser use by Correctional Deputies; from July to December 2005 there were five incidents of Taser use.
14. There is a medical doctor on staff and on call who sees to the health needs of the inmates.
15. There is one full-time Registered Nurse Manager on staff.
16. A Licensed Vocational Nurse is on duty at all times.
17. There is a psychiatrist on staff who spends up to 15 hours a week at the MCJ; in 2005 there were 1,636 psychiatric visits.
18. Mental Health workers from the Mendocino County Mental Health Department provide counseling for inmates. The number of visits from Mental Health workers in 2005 was 4,542.
19. The medical staff creates and maintains medical records on all inmates.
20. The nurse on duty dispenses inmates' medications at the direction of a medical doctor.
21. There is an extremely high percentage of inmates with a history of methamphetamine use.
22. There is no Social Worker on staff.
23. The MCJ works with the Ukiah Adult School for inmates who want to earn a GED.
24. There are Alcoholics Anonymous (AA) and Narcotics Anonymous (NA) programs available for inmates.
25. At the time of inspection, there were many significant problems with the MCJ facility, including malfunctioning door locks, roof leaks, aging plumbing, floor tile in need of replacement, and inadequate storage space.
26. Mendocino County General Services is charged with the maintenance of the MCJ.

MENDOCINO COUNTY COURTHOUSE HOLDING CELLS

FINDINGS

1. There are four Holding Cells.
2. All Holding Cells were clean and all fixtures were in working order at the time of inspection.
3. Thirty minutes is the average amount of time an inmate occupies a Holding Cell.
4. A Correctional Deputy is stationed outside a Holding Cell when it is occupied.
5. There is no video surveillance or monitoring system for the Holding Cells.

6. The different colored coveralls worn by inmates indicate to Correctional Deputies the security classification of each inmate.
7. Female inmates are separated from male inmates in the Holding Cells.
8. Sheriff's Department vehicles transport inmates between the MCJ and the Mendocino County Courthouse.

MENDOCINO COUNTY EVIDENCE ROOM

FINDINGS

1. The Evidence Room is used by the Mendocino County Sheriff's Department and the Mendocino County Major Crimes Task Force.
2. At the time of inspection the Evidence Room was well maintained.
3. Staffing at the Evidence Room is insufficient to purge the large quantities of out-dated evidence.

OVERALL RECOMMENDATIONS

The Grand Jury recommends that:

1. a social worker be added to the staff of the MCJ. (MCJ Finding 22)
2. the Mendocino County Board of Supervisors should at the earliest possible date relocate and consolidate all of the Mendocino County Justice facilities to one central location on a site that is easily accessible. (MCJ Finding 25 and Holding Cell Finding 8)

COMMENTS

The Grand Jury commends the staff of the Mendocino County Jail for the tremendous work they do in maintaining a safe environment for the staff and inmates. The challenges are enormous considering the poor condition of the antiquated facilities in which they have to work. The creation of a Criminal Justice Policy Task Force, though long overdue, gives reason to expect positive change in a system badly in need of improvement.

RESPONSES REQUIRED

Mendocino County Board of Supervisors (all Findings and Recommendations)
Mendocino County Chief Executive Officer (all Findings and Recommendations)
Sheriff, Mendocino County (all Findings and Recommendations)
Director, Mendocino County General Services (MCJ Finding 25, Recommendation 2)

WILLITS POLICE DEPARTMENT and HOLDING CELLS

July 5, 2006

Summary

In accordance with duties required, the Grand Jury visited the Willits Police Department (WPD) and the Holding Cells located at 125 East Commercial Street in Willits.

Background

California Penal Code §919(b) states "The Grand Jury may inquire into the condition and management of the public prisons within the county." The Grand Jury also has a general authority to review city affairs under Penal Code §925(a).

Methods

On several occasions the Grand Jury interviewed members of the Willits Police Department during on-site visits.

Findings

1. The budget of the WPD provides for a staff of one Chief, three Sergeants, ten Patrol Officers, one Community Service Officer, five Dispatchers, and one administrative assistant.
2. At the time of the Grand Jury's visit, three patrol officer positions were vacant, two of them unfilled and one unfunded. One dispatcher position was unfilled.
3. The Administrative Assistant is in cross training for Dispatcher.
4. There currently is neither a female nor a bi-lingual Patrol Officer.
5. Housing and quality of life are important considerations when recruiting personnel for WPD.
6. According to the California Board of Corrections Inspection Report of 2005, the Willits Police Department Holding Cells were out of compliance because not all required Policies and Procedures were included in the Jail Manual.
7. On occasion there are not enough officers to adequately staff the Holding Cells and still respond to calls.
8. General Orders (operating procedures) for the WPD are being revised with funding provided by Redwood Empire Municipal Insurance Fund.
9. Currently one staff person is qualified to be a Custodian in the Evidence Room; other staff are undergoing training.
10. Transportation of prisoners to the County Jail or another facility is carried out within

one hour.

11. At the time of the Grand Jury's visit All Holding Cells were clean and facilities were found to be in working order.
12. WPD does not possess Tasers.
13. The Emergency Plan for the City of Willits was last revised in 1998.
14. Total drug arrests are up by approximately 300% over the last five years.

Recommendations

The Grand Jury recommends that:

1. the WPD comply with the regulations of the California Board of Corrections and update the Policy and Procedure Manual for the WPD Holding Cells. (Finding 6)
2. the WPD actively recruit for bi-lingual and female patrol officers. (Finding 4)
3. the Willits City Council fund and fill vacant positions. (Findings 2, 7)

Comments

A fully staffed Willits Police Department would ensure an increase in safety and protection.

Response Required

Willits City Council (all findings and recommendations)
Willits City Manager (all findings and recommendations)
Chief, Willits Police Department (all findings and recommendations)

**STRETCHED TO THE LIMIT:
Non-Profit Social Service Providers in Mendocino County
May 4, 2006**

Summary

As part of an ongoing survey of Mendocino County health and human services and to determine the extent to which homeless and other needy citizens are able to receive assistance, the Grand Jury undertook an assessment of four non-profit agencies. The Ford Street Project, Plowshares, Project Sanctuary, and the Ukiah Community Center/Food Bank serve to provide a safety net for people in need or in crisis in this County. In times of financial cutbacks in Mendocino County, the demand for the services provided by these agencies rises drastically while their funding is cut back.

Background

- The 2005 estimated population of Mendocino County is 90,816.¹
- In a May 2005 point-in-time study, the “2005 Mendocino County Homeless Census reported a count of 1,947.” This included “homeless people on the streets and in emergency shelters, transitional housing, permanent supportive housing, domestic violence shelters, voucher motels, hospitals, jails, and rehabilitation facilities.”
- “Survey data regarding the average length of homelessness indicates that the homeless population renews itself approximately 2.74 times every year... This projects to 5,335 persons who were homeless some time during 2005.”²
- 5.87% of Mendocino County's total population was estimated to be homeless at some time during 2005. The percentage of homeless people for the whole State of California is estimated to be between 3% and 4%.³ The percentage of homeless people for the nation as a whole is estimated to be 1% of the total population.⁴
- The Mendocino County Community Health Report 2004 indicated that 22.2% of County residents were on Medi-Cal, 19.2% have no high school diploma, 4.5% are unemployed, 37.9% are not in the work force, and 15.9% are below the poverty line (21.5% of children are below the poverty line).
- By extrapolation, the estimated number of people at risk of hunger in this county is more than the 15,000 with incomes below the poverty line and the 4,000 unemployed.

¹ Based on the 2005 population estimates from the State of California Department of Finance (DOF)

² The 2005 Mendocino County Homeless Census and Survey.

³ Foster, Lisa K., and Patricia Snowdon, Addressing Long-Term Homelessness: Permanent Supportive Housing, California Research Bureau, August 2003.

⁴ National Coalition for the Homeless September 2002.

Methods

The oversight consisted of visits made by members of the Grand Jury to Plowshares and the Ukiah Community Center/Food Bank while their programs were in operation. Visits were also made to Project Sanctuary and the Ford Street Project; the Grand Jury did not observe their programs in operation. Executive Directors, department heads, staff, and volunteers were interviewed; funding reports and financial documents were reviewed.

Findings

Ford Street Project (FSP)

Mission Statement: *The Ford Street Project provides shelter, housing, substance abuse treatment, and employment services to the homeless, addicted, and disabled of Mendocino County.*

1. The Ford Street Project has been in existence for 33 years. It provides the following services: detox, residential treatment, housing, transitional housing, crisis resolution, First Offense (Driving under the Influence) training, employment for persons undergoing treatment for mental health conditions. FSP also manages the Buddy Eller Homeless Shelter that provides an average of 55 persons a night with shelter, showers, and an evening meal.
2. During 2005, FSP provided multiple services for 954 individuals. The daily average was 20 persons in residential treatment, 24 in transitional housing, 30 receiving outpatient treatment, and 30 receiving First Offense training each month. At the time of this survey there were 18 people in permanent housing. Under contract with Caltrans, FSP provides part-time employment for 26 mental health clients.
3. FSP receives funding from Mendocino and Lake Counties, the State of California, and Federal agencies. They also accept private-pay individuals as clients.

Plowshares

Mission Statement: *That no one in our community go hungry.*

4. Plowshares has been preparing and serving meals to the hungry for 23 years. Presently they serve a noon meal in their 64-seat dining room. In January 2006, Plowshares served a daily average of 101 meals to adults and 5 to children. In the same month, their "Meals-on-Wheels" volunteers delivered a total of 1626 meals to the elderly and disabled in the Ukiah area.
5. Plowshares volunteers receive no compensation or mileage for their services.
6. Currently there is a Mental Health Department worker available during most meal times.
7. Plowshares provides shower and laundry facilities on a limited basis. In January, they reported a daily average use of 17 showers and five persons doing laundry.
8. Primary resources for Plowshares come from donations of food, money, and volunteer time. Volunteer cooks prepare and serve the meals; excess food donations are shared with other agencies. Plowshares is currently sharing a grant

with the Buddy Eller Shelter. Other agencies have provided their services at Plowshares as funds permit.

Project Sanctuary (PS)

9. **Mission Statement:** *To end domestic violence and sexual abuse in our community.*
10. Project Sanctuary has been providing crisis intervention, rape prevention education, shelter and counseling to women, children, and men for 27 years. They coordinate with 22 partner agencies that also work toward abuse prevention, including police departments, the District Attorney, hospitals, and social service agencies.
11. In a nine month period, PS served 190 people with crisis intervention, 135 who had been sexually assaulted, and sheltered 450. In this same time period, they provided intervention counseling to 1625, and rape prevention education to 3703 through group presentations.
12. PS has services for women, children, men, and the elderly. Sixteen beds are available on site for sheltering women and children. Men and those they cannot house on-site are placed at the Buddy Eller Shelter. Occasionally, local motels are also used for temporary shelter.
13. PS receives most of its funding from state agencies. They also receive a portion of the fees collected from marriage license applications. As most of this funding is restricted, PS is particularly dependent upon local non-restricted donations.

Ukiah Community Center (UCC) and Food Bank (FB)

Mission Statement: *Provide Community Assistance to meet urgent needs and promote self-sufficiency.*

14. The Ukiah Community Center and Food Bank have been providing food and services to people in Ukiah for 35 years; they now also provide homeless services in Fort Bragg. In addition to providing USDA food boxes, they provide emergency food from the Food Bank in Ukiah and to food pantries in other areas of the county. They supervise the crisis line and also provide housing services, case management, a day shelter with breakfast, life skill classes, limited (\$800 maximum) interest-free housing crisis loans.
15. The FB provides Prescription Food Boxes, the contents of which are defined for the recipient by government-formulated specifications. Supplies for these Boxes come from the Second Harvest and USDA Commodities programs through the Redwood Empire Food Bank in Santa Rosa.
16. Each of the Prescription Food Boxes distributed requires monitoring and registration of compliance to Federal regulations.
17. There are currently 323 Food Bank clients that qualify for food commodities. Recent cutbacks of Federal funds now allow for only 249. FB must choose which 74 clients will no longer receive these commodity foods.
18. Local donations of food and money supply much of the non-Prescription food that is made available.

19. FB provides food to approximately 3,000 individuals each month.
20. UCC has an average backlog of 110 cases seeking housing at any one time and 25 new cases contacting them for this service each month. Although they are funded to serve only 79 cases, they currently have 180 active cases. Recent cuts in funds have resulted in reducing their housing case managers from four to two.
21. Although the need is great, UCC can accommodate only 15 persons at a time in their day shelter due to fire safety regulations.
22. The crisis line received 1514 calls in the month of January 2006. This is an increase from a monthly average of 1359 in 2005 and 738 in 2004.
23. UCC/FB receives most of their funding from contracts and grants. Local community support comes through donations of volunteer time, food and money.
24. UCC has only enough funds to purchase 90 transportation vouchers from MTA for client emergencies. Insurance restrictions prevent them from transporting clients in their vehicles.

Common Findings

25. It is the policy of these four agencies to treat clients with dignity and respect.
26. A high percentage of clients served are experiencing problems with mental illness, alcohol, and drug addiction. Many have a dual diagnosis (mental illness and substance addiction).
27. All of these agencies make every effort to meet the urgent needs of those seeking assistance and to help each client reach a level of self-sufficiency. This includes one agency picking up essential services when another agency discontinues them.
28. All of these agencies assist clients in obtaining appropriate services from city, County, State, and Federal agencies.
29. These four agencies work diligently and successfully to respond to the concerns of their geographic neighbors.
30. All the agencies are monitored by the County Health Department and meet sanitation standards.
31. These four agencies work together with other non-profits, Mendocino County Health and Social Services, and California State Departments to meet the needs of their clients.
32. All four agencies belong to The Homeless Services Planning Group, an association made up of Social Service departments and non-profit agencies concerned with homelessness for the purpose of coordinating service delivery and avoiding duplication of services.
33. All four agencies receive their funding from multiple sources with different guidelines and regulations.
34. Grants and contracts received by these agencies rarely provide more than 5-6% for administrative costs and sometimes none. This is far below the actual administrative costs of 10-15%.

35. All agencies acknowledge the need to allocate staff time to apply for grants and short-term financing for long-term needs.
36. The lowest wage paid to an employee of any of these agencies is \$8.39 per hour. Most staff members earned between \$10 and \$17 per hour. Compensation for Executive Directors ranged from \$17.60 to \$26.23 per hour.
37. When possible these agencies provide health benefits to their employees; three provide no retirement benefits to employees, one matches employee contributions to an IRA.
38. All agencies are hampered by income shortfalls and slow delivery of contracts and grant funds. Methods used to meet these shortfalls include reducing salaries, reduction of overtime for holidays, and encouragement of voluntary leaves of absence without pay. Agencies also borrow money to cover slow reimbursement from government contractors, cut staff hours, and even lay off employees. Board members have made personal contributions to carry their agency through a shortfall.
39. All agencies have an all-volunteer Board of Directors; some of the directors are former clients.
40. All agencies wish to increase membership on their Boards and to have memberships more representative of local demographics.
41. The Buddy Eller Shelter is almost one mile from the UCC/FB, two miles from the Plowshares dining room, and two and a half miles from the proposed new dining room. Currently the Mendocino Health Clinic provides limited bus service between UCC and Plowshares.

Recommendations

The Grand Jury recommends that:

1. contracts made by the County provide sufficient funds for administrative costs. (Finding 33)
2. agencies ensure that funds be allocated for “core” services and publicly announce which services will need to be discontinued until additional funding is received. (Finding 37)
3. the Mendocino County CEO and the Board of Supervisors release funds for approved grants, contracts, or reimbursement requests in a more timely manner. (Findings 33, 37)
4. the BOS create a program to provide for travel vouchers for the elderly, disabled, and needy individuals requiring transportation. (Finding 40)

Comments

The Domino Effect. These four agencies are interdependent and provide complementary services. If one has a shortfall of funds and subsequently cuts back on services, this reduction may adversely impact the other agencies and the services they provide.

The four non-profit agencies described in this report are among the largest and most

visible of many such organizations that care for the needy and distressed members of our community. Their employees, their volunteers and their boards of directors provide assistance that is both deeply compassionate and unarguably necessary. If it were not for them, local government would be expected to bear even more of the burden than it already does.

The quality of life in the county depends in no small measure on the work of these agencies. These financially strapped non-profits help the citizens of our county at a cost far below what a County government agency would require. Moreover, as these agencies have been forced to reduce services, government has not filled the vacuum. With the wholehearted support of the community in the form of money and time, the vital work of these agencies can continue.

Response Required

Mendocino County Board of Supervisors, (Findings 28, 30-34, 38, 41, Recommendations 1, 3, 4)

Response Requested

Director, Ford Street Project (Findings 1-3, 25-41)

Director, Plowshares (Findings 4-9, 25-41)

Director, Project Sanctuary (Findings 10-13, 25-41)

Director, Ukiah Community Center/Food Bank (Findings 15-41)

TOO MANY CHIEFS:

A Report on the Mendocino County Clerk of the Board Office

May 4, 2006

Summary

The 2005-2006 Mendocino County Grand Jury investigated the Clerk of the Board office, its structure, and its supervision by the Board of Supervisors (BOS).

Background

As a result of considerable public attention to the situation in the Clerk of the Board office, the 2005-2006 Mendocino County Grand Jury conducted an oversight of the relationship between the Mendocino County Board of Supervisors and the Clerk of the Board.

The status and duties of the Clerk of the Board are in part spelled out in California Legal Code §25100-25105.5.

Methods

The Grand Jury conducted numerous interviews of County workers and administrators and reviewed job descriptions and overtime reports.

Findings

1. The Clerk of the Board (COB) is a department head, with a budget calling for a total staff of four.
2. In addition to its direct support of the Board of Supervisors (BOS), the COB staff manages Board appointments to more than 110 commissions, boards, and committees.
3. As of December 2005, all non-elected County department heads are supervised by the Chief Executive Officer (CEO), except for the County Counsel and the COB.
4. At the time of the creation of the CEO position, consideration was given to placing the COB under the CEO for administration and supervision, but that proposal was rejected by the BOS.
5. The COB is responsible for a wide range of functions, including the production of agendas and minutes of BOS meetings.
6. The agenda for Tuesday BOS meetings is generally made public by end of business on the Thursday before each meeting.
7. Background documents for agenda items are usually available at the COB office on Thursday before the Tuesday BOS meeting.
8. The COB office is currently closed to the public on Fridays.
9. The BOS has not defined performance criteria for the COB position.
10. Performance reviews of the COB have not been carried out in a regular or timely fashion.

11. Supervision and performance reviews of the COB are currently the responsibility of the five-member BOS.
12. The turnover rate in COB office staff has been unusually high for a number of years. From the start of 2000 through the end of 2005, at least six full time employees were hired and have since left this office.
13. The COB office was understaffed at the time of the investigation, having, in addition to the Clerk, two full-time employees and one part-time employee.
14. The posting of BOS meeting minutes, a responsibility of the COB, is at times delayed.

Recommendations

The Grand Jury recommends that:

1. the COB office be placed under the supervision of the CEO. (Findings 3, 4, 9-11)
2. the CEO's office should establish and implement policies, procedures, and performance criteria for the comprehensive review of the COB and its office staff. (Findings 9-11)
3. the resources of the COB be reallocated or increased in order to keep the office open to the public on Fridays. (Finding 8)
4. background documents for BOS agenda items be made available online. (Finding 6-8)

Comments

The overwhelming workload currently borne by the COB office is a result of the failure on the part of the BOS to provide effective oversight. For its own reasons the BOS chose to keep the COB under its control, but all observers and participants agree that politics and personalities have played a major role in this decision. Giving responsibility for supervision to the CEO's office, as is the case for most other County departments, may remove the COB from the political arena.

Responses Required

The Mendocino County Board of Supervisors (All Findings. All Recommendations)

The Mendocino County Clerk of the Board (All Findings. All Recommendations)

Director, Mendocino County Department of Human Resources (Findings 9-11, 13. Recommendations 1-3)

Mendocino County Chief Executive Officer (Findings 1-7, 12. All Recommendations)

WHAT METHAMPHETAMINE IS COSTING YOU

May 12, 2006

SUMMARY

According to local law enforcement and social services agencies, crimes related to the use, possession, and manufacture of methamphetamine have reached epidemic proportions in Mendocino County. The intent of this report to help the community to identify the symptoms of methamphetamine use, its affect on the environment, and the programs and services that are available to victims of methamphetamine in Mendocino County.

BACKGROUND

Amphetamines were originally intended for use in nasal decongestants and bronchial inhalers and do have limited medical applications. Methamphetamine, a derivative of amphetamine, is a powerful stimulant that affects the central nervous system. Methamphetamine can be smoked, snorted, orally ingested, and injected; it is accessible in many different forms and may be identified by color, which ranges from white to yellow and darker colors such as red and brown. Methamphetamine is also known as "speed" or "crystal" when it is swallowed or snorted, as "crank" when it is injected, as "ice" or "glass" when it is smoked.

Household products contain most of the necessary chemicals to complete the manufacturing process. Items such as isopropyl or rubbing alcohol, brake cleaner, engine starter, drain cleaner, matches, road flares, salt, iodine, batteries, gun scrubber, MSM, sodium metal, gasoline additives, muriatic acid, farm fertilizer, lye, cold tablets containing pseudo-ephedrine or ephedrine, acetone and cat litter can be used. The necessary equipment is just as common: Pyrex or Corning dishes, bottles, paper towels, coffee filters, thermometers, cheesecloth, funnels, blenders, rubber tubing, gloves, buckets, gas cans, tape, clamps, aluminum foil, propane cylinders, hotplates, plastic storage containers, ice chests, measuring cups, towels, bed sheets, and laboratory beakers.

Drain cleaner when mixed with salt produces hydrogen gas for use in the final stage of methamphetamine production. The hydrogen chloride gas procedure (as well as other procedures used in the manufacture of methamphetamine) is extremely dangerous and may cause death or serious injury, not only to the individuals making the methamphetamine, but also to others who may be nearby.

Methamphetamine producers have been known to leave waste at the site, dump it into streams and rivers, spread it out over open fields, dump it into sewage systems, or leave it in garbage bags for the local trash collector. Motel or hotel rooms may be used for the purpose of manufacturing methamphetamine, which may result in toxic fumes that expose other guests and the cleaning staff to health hazards. The chemical vapors produced during the manufacturing process permeate the walls and carpets, making the rooms uninhabitable. Cleaning up these sites requires specialized training and costs

that can average into the thousands of dollars per site, in funds that come out of the already strained budgets of state and local agencies. Property owners also face the burden of clean-up costs.

METHODS

The Grand Jury interviewed employees of the Mendocino County Superior Court, the District Attorney's Office, the Sheriff's Department, the Correctional Department, the Major Crimes Task Force, the Probation Department, the Department of Social Services, the Mental Health Department, the Office of the Public Defender, and the Public Health Department. Also interviewed were employees of the Willits Police Department, the Fort Bragg Police Department, and the Ukiah Police Department. Also interviewed were employees of the Ford Street Project, Project Sanctuary, the Ukiah Community Center, the Ukiah Valley Medical Center, the Howard Memorial Hospital, public housing authorities, and local realtors.

FINDINGS

1. Methamphetamine is one of the most powerful and pernicious drugs, potentially addictive from the first use.
2. After methamphetamine use is stopped, severe withdrawal symptoms occur, including depression, anxiety, fatigue, paranoia, aggression, and an intense craving for the drug. Psychotic symptoms can persist for months or years after use has ceased.
3. Methamphetamine use can result in hyperactivity, disturbed sleep patterns, irritability, paranoia, aggressive behavior, shortness of breath, involuntary muscle movements, malnutrition, and severe depression with suicidal tendencies. Chronic users may develop sores on their bodies from scratching at "crank bugs," the term that describes the common delusion that bugs are crawling under the skin. Long-term use may lead to fatal kidney and lung disease, brain damage, liver damage, stroke, lowered resistance to illnesses, tooth decay, and permanent psychological problems such as drug-induced psychosis.
4. Methamphetamine use during pregnancy results in a higher risk of premature births, babies with low birth weight, cardiac blockages and other birth defects. The use of methamphetamine during pregnancy impacts the fetus by reducing blood flow or by a direct toxic effect on the developing brain.
5. Children who are exposed to methamphetamine via second-hand smoke can have detectable levels of methamphetamine in their urine.
6. Children who are legally removed from a methamphetamine environment cannot take with them their clothing and toys due to contamination.
7. Children of methamphetamine-using parents are raised in a highly traumatic environment and often subjected to physical and emotional neglect.
8. Many Child Protective Service and domestic violence cases in Mendocino County are directly related to the use of methamphetamine by a parent or family member.

9. Substance abuse programs in Mendocino County are provided by:
 - a. Mendocino County Alcohol and Other Drug Program (AODP)
 - b. the Ford Street Project
 - c. Narcotics Anonymous (NA)
 - d. Alcoholics Anonymous (AA)
10. The number of patients needing medical services rises significantly in Mendocino County emergency rooms when there is a rise in the purity of the methamphetamine available on the streets.
11. Efforts to secure funding for programs to combat methamphetamine use require considerable staff time, though the yield is generally a short-term grant for a long-term need.
12. Gangs are involved with methamphetamine manufacture and sales in Mendocino County; gang violence can also be attributed to methamphetamine.
13. Biker gangs are becoming more active in the distribution of methamphetamine.
14. Many individuals and departments funded by Mendocino County taxpayers are involved in the arrest, prosecution and incarceration of methamphetamine users. These include city police, the Sheriff's Department, the Major Crimes Task Force, judges, court staff, probation officers, District Attorney staff, and Public Defender staff.
15. Law enforcement personnel express frustration over the lack of meaningful consequences for those enrolled in the Proposition 36 program, which attempts to provide an alternative to confinement for drug abusers.
16. Many of the items required to produce methamphetamine are readily available at local grocery and hardware stores. Because many of the chemicals used to make methamphetamine are explosive, caustic and carcinogenic, they pose serious health hazards if mixed together or stored improperly.
17. With a cash outlay of less than one hundred dollars, a batch of methamphetamine can be manufactured (cooked) and sold on the streets for several thousand dollars.
18. For every pound of methamphetamine manufactured there are six pounds of toxic waste materials that must be disposed of.
19. Professionals who work to combat drug abuse in the County agree that the problem is intensified because there is in the County both a high level of tolerance for general drug use and a lack of awareness of the dangers of methamphetamine.

RECOMMENDATIONS

The Grand Jury recommends that:

1. The Board of Supervisors and City Councils from the four incorporated cities cooperate in taking the lead in the war on methamphetamine in Mendocino County. (Findings 6, 8-16)
2. The Board of Supervisors and City Councils from the four incorporated cities increase controls on the sale of ingredients used in the manufacture of

methamphetamine. (Finding 5)

3. the Board of Supervisors and City Councils establish a process to rigorously evaluate both the costs to and the impact on the County and the incorporated cities of the methamphetamine epidemic. (Findings 6, 8-16)
4. the Board of Supervisors and City Councils continue to aggressively pursue grant funding to address the methamphetamine problem in Mendocino County. (Findings 11-16)
5. the Board of Supervisor and City Councils allocate money from their general funds to address the methamphetamine problem. (Finding 11,14, 19)
6. the District Attorney examine the consequences of current sentencing practices for drug-related crimes. (Finding 15)
7. the Board of Supervisors and City Councils require departments and agencies to freely share information and statistics regarding methamphetamine in order to coordinate programs and maximize resources. (Findings 11-16)
8. education of the public be the primary weapon to counter the methamphetamine epidemic. The Grand Jury strongly urges that both the County and local communities use all their resources (including school programs, town hall meetings, and media) to further educate and engage the residents of Mendocino County in efforts to combat methamphetamine. (Findings 1, 3, 4, 6, 11, 12, 17, 18)
9. community members assist law enforcement in uncovering methamphetamine labs by reporting suspicious odors, trash, and unusual traffic flow in their neighborhoods, through neighborhood watch programs, homeowners associations, and other local action groups. (Findings 6, 18)
10. all government agencies and non-governmental organizations encourage and cooperate with citizens' methamphetamine suppression efforts. (Findings 1, 3, 4, 6, 11, 12, 17, 18)

COMMENTS

As long as there is widespread tolerance among the general public for dangerous drug use, the efforts of law enforcement and drug prevention agencies will be ineffective. The complexities involved in establishing an effective medical marijuana policy further muddy these waters. The leaders in this County, both public and private, need to communicate clearly the realities of dangerous drug use.

The public needs also to recognize that the costs of methamphetamine use extend far beyond the immediate consequences to the individual user. That user may be a burden to the community for the rest of his or her life. The family, particularly the children, of that user is at risk for physical, financial and emotional damage for years to come.

REQUIRED RESPONSES

Mendocino County Board of Supervisors (all findings and all recommendations)
Chief Executive Officer, Mendocino County (all findings and all recommendations)
City Council of Fort Bragg (all findings and all recommendations)
City Council of Point Arena (all findings and all recommendations)
City Council of Ukiah (all findings and all recommendations)
City Council of Willits (all findings and all recommendations)
District Attorney, Mendocino County (all findings and all recommendations)
Department of Human Services, Mendocino County (all findings and all recommendations)
Department of Social Services, Mendocino County (all findings and all recommendations)
Public Health Officer, Mendocino County (all findings and all recommendations)
Public Health Department, Mendocino County (all findings and all recommendations)
Mental Health Department, Mendocino County (all findings and all recommendations)
Chief Probation Officer, Mendocino County (all findings and all recommendations)
AODP, Mendocino County (all findings and all recommendations)
Sheriff, Mendocino County (all findings and all recommendations)
Willits Police Department (all findings and all recommendations)
Ukiah Police Department (all findings and all recommendations)
Fort Bragg Police Department (all findings and all recommendations)
Mendocino County Major Crimes Task Force (all findings and all recommendations)
Superintendent, Mendocino County Office of Education (all findings and all recommendations)

RESPONSE REQUESTED

Presiding Judge, Mendocino County Superior Court
Project Sanctuary
The Ford Street Project
Ukiah Community Center
Ukiah Valley Medical Center
Frank Howard Memorial Hospital

Sources:

Governor's Office of Emergency Services Law Enforcement and Victim Services Division
Mendocino County Mental Health Department report; "Health Problems Caused by Methamphetamine Use" (Beth Martinez, Director)
Mendocino County Therapeutic Courts report
2004/2005 Nevada County Grand Jury Report "What You Don't Know *Can* Hurt You, Methamphetamine In Nevada County"
2001/2002 Mendocino County Grand Jury Report "Marijuana and Methamphetamine Suppression Efforts in Mendocino County"
MSNBC TV Program - "Wasteland"
National Geographic TV Program - "MS13"
2005/2006 Mendocino County Final Budget

UKIAH POLICE DEPARTMENT

May 4, 2006

Summary

In accordance with duties required, the Grand Jury visited the Ukiah Police Department located at 300 Seminary Avenue in Ukiah.

Background

California Penal Code §925(a) states, "the Grand Jury has a general authority to review city affairs." The 2005-2006 Mendocino County Grand Jury undertook this charge with visits to the Ukiah Police Department.

Methods

The Grand Jury interviewed members of the Ukiah Police Department during on-site visits. The Jury also reviewed the City of Ukiah budget and documents related to the sales tax increase (Measure S), which was intended to augment funds for public safety.

Findings

1. The Ukiah Police Department (UPD) is staffed in accordance with its budget: one Chief, two Captains, six Sergeants, 13 Patrol Officers, three Police Officers/Detectives, one School Resource Officer, three Police Records Clerks, and one Equipment Mechanic. Six Dispatchers are funded through Public Safety monies.
2. Currently there is a School Resource Officer located at Ukiah High School who is also available to other schools within the City.
3. In accordance with the Ukiah City budget, the UPD anticipates receiving \$372,964 from Measure S funds for the fiscal year 2005/2006.
4. Four additional Police Officers will be funded through Measure S monies.
5. The UPD does not possess Tasers.
6. Mental health patients in crisis are transported by the UPD to the Ukiah Valley Medical Center for evaluation, in accordance with California Penal Code §5150.
7. The City of Ukiah has an Emergency Plan, created in 2002, which addresses natural disasters. A new plan is currently being written in conjunction with the County.
8. A significant number of UPD arrests are methamphetamine-related.

Recommendations

The Mendocino County Grand Jury recommends that:

1. the Ukiah City Council provide secured (non-grant) funds to the UPD for additional School Resource Officers. (Findings 2-3)

Comments

Measure S funds have made it possible to provide additional Patrol Officers. This increase in staff benefits both UPD and the City of Ukiah.

Response Required

Ukiah City Council (All findings and Recommendation 1)

Ukiah City Manager (All findings and Recommendation 1)

Ukiah Police Chief (All findings and Recommendation 1)

WATER, WATER EVERYWHERE, but...: a Report on Mendocino County Water Districts

May 4, 2006

Summary

As part of its obligation to conduct periodic reviews of County Special Districts, the Grand Jury performed an oversight of Water Districts as they impact water resources within the County, focusing primarily on those water agencies and special districts in Ukiah Valley and Potter Valley, their available water supply, their plans, and their ability to respond to emergencies and major water shortfalls.

Background

The area of Ukiah Valley and Potter Valley contains a high proportion of the Mendocino County population. Water agencies and special districts in the Ukiah and Potter Valleys originated in distinctly separate communities responding to various water events such as floods or droughts, local and neighborhood interests, needs and demands. Over decades, as the population increased, boundaries and interests have grown together and have overlapped. Continued urbanization has placed increased demand on a relatively fixed water supply; the issue has been further complicated by the advent of environmental interests, concerns, and habitat requirements.

Almost no rainfall occurs in Mendocino County from May through October. In addition, at 10 to 15 year intervals, the County, including the Ukiah and Potter Valley area, experiences extreme droughts lasting two to four years.

The source of water within the Ukiah and Potter Valley area is the Eel River Diversion, created by the Van Arsdale Dam and the Scott Dam (Lake Pillsbury), Coyote Dam (Lake Mendocino), the Russian River and its tributaries, as well as numerous ground water wells. Hydrologists have determined that geologically, the Ukiah Valley ground water aquifer is considered undeveloped and a potential water source, while Potter Valley is a fractured aquifer which is most likely not a water source.

The Eel River Diversion has supplied the Ukiah and Potter Valley area with summer water for nearly 100 years. However, a decrease in water imports from the Eel River Diversion is a distinct possibility. There are three reasons for this: the age and physical condition of the Eel River Tunnel; the Federal Energy Regulatory Commission (FERC) has issued a decision regarding water supply, though this is currently under appeal; and other possible environmental determinations.

Primary water storage for the Ukiah and Potter Valley area is Coyote Dam; other sources include agricultural ponds, various smaller dams and reservoirs, and storage tanks. The availability of stored water is not only essential but critical in drought conditions.

No one entity in Mendocino County has overall responsibility and authority for the development of water resource management plans and policy. The Board of Supervisors is required by law to develop these plans and policies but does not have the authority to implement or enforce them. The entities involved in Mendocino County water policy are: the Board of Supervisors, Mendocino County Water Agency,

Mendocino County Inland Water and Power Commission, Russian River Flood Control and Water Conservation District, the City of Ukiah, and all the other individual County Water Districts.

Methods

The Grand Jury conducted interviews with officials of Mendocino County and the City of Ukiah, as well as representatives of some of the water agencies/special districts. The Jury reviewed numerous documents, hydrological studies, and reports concerning water, focusing primarily within Ukiah Valley and Potter Valley.

Findings

1. There are some 20 agencies, including Special Districts, involved with water resources within the entire County.
2. The Ukiah Valley and Potter Valley (UV/PV) area alone has nine Mendocino County water agencies and/or special districts. They are:

City of Ukiah	Calpella County Water District (CWD)
Mendocino County Water Agency (MCWA)	Millview CWD
Mendocino County Inland Water and Power Commission (IWPC)	Potter Valley Irrigation District (PVID)
Russian River Flood Control and Water Conservation District (RRFCWCD)	Redwood Valley CWD
	Willow CWD

In addition there are a number of private water companies; the largest is the Rogina Water Company.

3. In accordance with the Mendocino County Water Agency Act, the Board of Supervisors (BOS) acts as the Board of Directors for MCWA, and to the extent that the BOS may deem expedient or economical, MCWA is charged “to control flood and storm waters and other waters within the District [County] and the flood waters of streams outside the District, which flow into the District; to conserve such waters by storage in surface reservoirs, to divert and transport such waters for beneficial uses within the District; to release such waters from surface reservoirs to replenish and augment the supply of waters in natural underground reservoirs and otherwise to reduce the waste of water and to protect life and property from floods within the District; and to do any and every lawful act necessary to be done that sufficient water may be available for any present or future beneficial use or uses of the lands or inhabitants within the district...” (California Water Code, §54-3.q)
4. MCWA operates with a full-time equivalent staff of 2.8 persons.
5. The City of Ukiah, RRFCWCD, PVID and Redwood Valley CWD comprise the Joint Powers Agency (JPA) that makes up IWPC.
6. RRFCWCD does not physically provide water directly to any individual user.
7. RRFCWCD wholesales water to water providers and agriculturists for beneficial use within the Ukiah Valley, but not Potter Valley.

8. Current water agencies/special districts in the UV/PV area originated as a result of an unplanned and uncoordinated history of water events, local and distinctly separate community and neighborhood interests, needs and demands.
9. Continual growth and development, together with increased population demands, have resulted in some overlap of interests, influence and competition between various UV/PV area water districts.
10. State law and codes that mandate the organization and structure of water agencies/special districts are involved and complex.
11. Water districts are largely autonomous and governed by elected boards of directors serving a specific defined geographical area and population.
12. Unification or consolidation of water districts, a complex process, requires that all parties or districts concerned must approve such action.
13. Except for the City of Ukiah, accurate measurement and/or metering of water usage (industrial, agricultural, and residential) within most water districts varies widely. Currently, it is not possible to know exactly how much water is actually being used in the UV/PV area because of the multiple systems of accountability in use, as well as a degree of undocumented use.
14. The amount of water used by many water purveyors is known and available from those required to file Statement of Use with State Water Resource Control Board (WRCB). Reporting has been haphazard, with no current consequence for non-compliance.
15. RRFCD is currently operating under a Cease and Desist Order from WRCB over questions about water usage measurement.
16. Users with riparian rights, those whose property is immediately contiguous to a water source, are required to file a Statement of Use with WRCB. The requirement to report is currently not enforced, and many do not file. Currently, there is no requirement to report usage locally.
17. Projections of population growth and development within the County and specifically the UV/PV area, indicate that continued availability of adequate water resources will be problematic.
18. Increased demand for potable water within UV/PV area would require developing new water sources, conservation of existing sources, and the construction of new treatment, storage or supply facilities. Construction of these facilities could have significant environmental effects.
19. The majority of UV/PV area water districts have adequate emergency and water management plans for responding to local emergencies, such as power outages, local and system-wide contamination, and/or distribution interruptions.
20. Except for the City of Ukiah, the plans of most UV/PV area water districts for responding to earthquakes and multi-year droughts are marginal to non-existent.
21. New contracts for water from RRFCD require agencies and individuals using its water to develop water conservation programs. To date, this requirement has not

been enforced by RRFCWCD.

22. While there may be some arrangements between various water districts for water sharing, there is no official comprehensive plan or legal agreement among water districts for sharing water resources.
23. The Army Corps of Engineers (ACE) and the Inland Water and Power Commission (IWPC), the local sponsoring agency, are studying methods to improve flood control and increase water storage for the UV/PV area.
24. The Coyote Valley Dam Feasibility Study will consider various options for increasing water supplies and storage. Raising the water level behind Coyote Dam or raising the dam itself are two of those options.
25. ACE has completed its initial Reconnaissance Study and is prepared to proceed with the next phase of the Coyote Valley Dam Feasibility Study, which will include California Environmental Quality Act (CEQA) and National Environmental Policy Act (NEPA) analyses.
26. The current cost for the complete Coyote Valley Dam Feasibility Study is estimated to be approximately \$6,000,000 and will take five or more years to complete; \$3,000,000 of that cost will consist of local matching funds.
27. In the past, nearly \$300,000 in ACE's annual appropriations for the Study have been lost due to local entities' inability to furnish the required matching funds.
28. In fiscal year 2006-2006, the Federal government has appropriated \$100,000 to ACE for the next phase of the Coyote Valley Dam Feasibility Study, anticipating \$100,000 of local matching funds. This appropriation will expire September 30, 2006 if local monies are not forthcoming.
29. While Redwood Valley CWD has not committed to the project, three of the four members of IWPC (City of Ukiah, RRFCWCD and PVID) are currently negotiating financial participation relationships and funding availability for the Coyote Valley Dam Feasibility Study, under critical time constraints. Qualification for Federal funds will depend upon successful completion of these negotiations.
30. Funding for development and construction costs for the potential project coming out of the Coyote Valley Dam Feasibility Study, would consist of 75% from the Federal government and 25% local monies. Total costs are estimated to be in excess of \$150 million.
31. State, Federal, and local laws deal with environmental issues, water supply, water quality, and water rights, utilization and distribution.
32. RRFCWCD, ACE, and the Sonoma County Water agency (SCWA) are currently undertaking a Section 7 Consultation with NOAA-Fisheries to evaluate the effects of existing and proposed operation and maintenance activities (SCWA's "Water Supply and Transmission System Project") on the Russian River on listed salmonid species.
33. Agencies outside Mendocino County influencing decisions regarding UV/PV area water resources include:

Sonoma County Water Agency (SCWA)

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California Water Resources Control Board (WRCB)
California Regional Water Quality Control Board (RWQCB)
California Department of Health Services (DHS)

Army Corps of Engineers (ACE)
National Marine Fisheries Services, (NOAA-Fisheries)
State and Federal courts

34. There is universal agreement that the most efficient, inexpensive and environmentally sensitive method to increase water availability is to reduce demand through conservation.
35. The authority and ability of the Board of Supervisors (BOS) to directly affect water resource policy is limited by statute and the nature of the autonomous organizational character of County Water Districts.
36. There is in existence a Mendocino County Service Area #3 which has jurisdiction over the entire county. The BOS acts as its Board of Directors. Created in the 1950's and last activated in 1991, it has been inactive and non-operational in recent years.
37. The BOS has the authority to allocate monies for water projects within the County.

Recommendations

The Grand Jury recommends that:

1. the BOS take a leadership role in developing long-range comprehensive management plans and strategic policy for dealing with all aspects of water resources (supply, rights, availability, usage, conservation, storage, distribution and infrastructure) countywide and specifically for the UV/PV area. (Findings 3, 10, 35-37)
2. the BOS establish a Water Resource Policy Council, composed of all water agencies/special districts and official water-related entities within the County and the UV/PV area. The Council should explore interests and concerns in order to develop common long-range plans and strategies to address the issues of adequate guaranteed water availability, usage, conservation and storage within the County. (Findings 3, 10, 35-37)
3. the BOS increase staff and funding for the MCWA and immediately initiate procedures with the State necessary to expand its mission, powers and authority to include co-ordination and administration of all water resource management and feasibility studies within the County. (Findings 3, 4)
4. the BOS and the IWPC, perhaps in conjunction with other appropriate entities, arrange necessary financing for the matching funds to add to the ACE's 2005-2006 appropriated monies for the continued development of the Coyote Valley Dam Feasibility Study. (Findings 26-29, 36, 37)
5. the BOS take all steps necessary to ensure the water rights of any added water capacity be negotiated in favor of the County and UV/PV. (Findings 23, 24, 31)
6. the BOS by ordinance or other appropriate authority (activate Mendocino County

Service Area #3) require all water purveyors, providers, agencies and special districts, as well as riparian rights users, to install meters and/or measuring devices to track water usage for local reporting. (Findings 13 -16)

7. the Mendocino County Water Agency receive and compile water usage data for informational and planning purposes. (Findings 13-16)
8. all water agencies/special districts immediately develop and implement conservation programs, with an education component for residential, agricultural and industrial use. Devices such as reduced-flow water fixtures and irrigation equipment and other passive and active approaches, including reclaimed water (treated wastewater) systems, should be investigated and considered. (Findings 3, 18, 31)
9. the BOS lobby State and Federal agencies to promote solutions to each and all water resource and distribution problems within the County and UV/PV area. (Findings 10-12, 31, 35)

Comments

Historically, instead of using a unified consensual approach, various County Water Districts have been embroiled in continual squabbles and infighting, petty territorial and philosophical conflicts, and competition, typically without accomplishing any meaningful results except to generate extraordinarily high legal costs for all involved.

Strategic planning must be done now rather than waiting until a crisis develops. The process of developing new supplies in the face of ever increasing demand will be difficult and time-consuming, especially if there is a material decrease in imports from the Eel River Diversion. Additionally, the potential impact of a typical multi-year drought, as well as outside restrictions on Russian River water use, requires immediate and serious attention to both short and long range strategies.

The Municipal Service Review of the Ukiah Valley/Russian River Watershed currently being written for the Local Area Formation Commission (LAFCO) may shed more light on the issues of water resources in the UV/PV area.

A properly organized, single entity dealing with UV/PV area water issues can provide the appropriate direction and leadership for smaller independent agencies and special districts to follow in addressing and solving mutual water problems.

There must be a top-down political will to accomplish any multi-agency unification among the various agencies and special districts, with the assistance of LAFCO. The agencies and special districts must be committed to the benefits of unification and consensus. Agencies and special districts should retain their individual water rights even as they work together. The BOS needs to play a pivotal role in the development of this political will and consensus among the diverse independent water entities within UV/PV. Beyond that, citizen involvement and engagement in development of this political will is equally essential.

Because water development, improvement and infrastructure require large financial

resources, a unified entity can better provide the financial leadership needed to negotiate with financial institutions about bond issues, as well as to negotiate with political groups and elected officials concerning revenues.

Outside entities such as several State and Federal agencies, ACE and SCWA require an effective County negotiator. A single unified entity would provide a coherent and knowledgeable negotiating force.

Responses Required

Mendocino County Board of Supervisors:

(Findings 1-4, 8-12, 17-19, 33, 35-37, All Recommendations)

Mendocino County Water Agency:

(Findings 1-4, 8-12, 18-34, 36, All Recommendations)

Chief Executive Officer, Mendocino County:

(Findings 1-4, 8-12, 17-19, 33, 35-37, All Recommendations)

Ukiah City Council:

(Findings 5, 9, 13-18, 20, 22-31, 33, 34, Recommendations 1, 2, 4-8)

Board of Directors, Inland Water and Power Commission:

(Findings 1, 2, 5, 8, 9, 13, 17, 18, 20, 22-31, 33, 34, Recommendations 5, 6)

Board of Directors, Russian River Flood Control and Water Conservation District:

(Findings 1, 2, 5-18, 21-34, Recommendations 1, 2, 4-8)

Board of Directors, Calpella County Water District:

(Findings 1, 2, 8-14, 16-20, 22, 31, 33, 34, Recommendations 1, 2, 4-8)

Board of Directors, Millview County Water District:

(Findings 1, 2, 8-14, 16-20, 22, 31, 33, 34, Recommendations 1, 2, 4-8)

Board of Directors, Potter Valley Irrigation District:

(Findings 1, 2, 8-14, 16-20, 22, 31, 33, 34, Recommendations 1, 2, 4-8)

Board of Directors, Redwood Valley County Water District:

(Findings 1, 2, 8-14, 16-20, 22, 31, 33, 34, Recommendations 1, 2, 4-8)

Board of Directors, Willow County Water District:

(Findings 1, 2, 8-14, 16-20, 22, 31, 33, 34, Recommendations 1, 2, 4-8)

Resources

California Water Code, Chapter 45, Mendocino Water Agency - 1996

Ukiah Valley Drinking Water Adequacy Assessment - April 2002

City of Ukiah Water Management Plan - November 2002

Ukiah Valley Area Plan, Draft Environmental Impact Report - July 2005

The Ukiah Valley/Russian River Watershed Municipal Service Review (in progress)

DOLLARS AND SENSE: a Report on Retirement Funding

June 1, 2006

Summary

The 2005-2006 Mendocino County Grand Jury conducted an oversight of the funding of retirement benefits for County employees. Primarily pension finances were studied; health benefits and disability retirements were also examined.

Methods

The Grand Jury conducted interviews with members of the Board of Supervisors and County department heads and attended Employee Retirement Association Board meetings. The Jury reviewed Mendocino County Employees' Retirement Association (MCERA) reports, actuarial valuations, and Mendocino County audit reports. Also reviewed were the mechanisms of fund transfers between these various agencies regarding contributions, present and future payouts, and the Pension Obligation Bond loans. The Grand Jury obtained a specially defined financial data sheet from County officials for use in this oversight.

Background

A timeline of events:

- **1937** The State of California passes The County Employee Retirement Law
- **1994** The Government Accounting Standards Board (GASB) which sets the accounting standards for government entities in relationship to employee benefits, mandates in GASB-25 that by 1996 pension systems report an actuarial projection to cover liabilities for future employees. This changes the amount the County needs to accrue for the Pension Trust Funds.
- **1996** Mendocino County issues \$30,720,000 in Pension Obligation Bonds (POB) to meet the mandated requirements of 1994 GASB-25.
- **2000** The County-funded Slavin study determines that the County salary scale is significantly below comparable jurisdictions. Many salaries are subsequently raised without the pension funds receiving a matching reserve for the resulting increase in future obligations.
- **2001-2002** As a result of changes in both national and local economic conditions, MCERA's Pension Fund investment returns drop, reducing its expected value of assets or Valuation Assets (VA).
- **2002** Taking advantage of low interest rates, the County issues \$91,945,000 in Taxable Pension Obligation Bonds Refunding, Series 2002, to allow the County to defease (pay off) the initial Pension Obligation Bonds and to fully fund the residual portion of its Unfunded Actuarial Accrued Liability (UAAL).

The County of Mendocino participates in the Mendocino County Retirement Association, a multiple employer Defined Benefit Pension plan, which serves the employees of the County and two special districts. It was established under the County Employee Retirement Act of 1937.

The Grand Jury sought an overall picture of the funding of Mendocino County employee retirements, specifically examining the use of Pension Obligation Bonds to meet mandated requirements. (The 2002-2003 Grand Jury also issued a report on this topic.)

There are two major entities involved in funding County pensions: the County and MCERA. The Retirement Association Board controls the financial assets of the Pension Trust Fund and the investment of the employees' contributions. The County for its part collects employee contributions, determines the County's contribution, and transfers these funds to MCERA.

(Definitions of terms used in this Report are given in Appendix A)

Findings

1. The Board of Supervisors (BOS) must approve any negotiated new or increased pension benefits.
2. While the BOS has sought input from actuaries in making pension benefit decisions, the BOS has not always consulted with County financial officials before approving new plans.
3. The decision by the BOS to retroactively, and without employee buy-in cost, reclassify Safety employees so as to give them higher-level benefit rates resulted in higher pension obligations.
4. The decision in 1998 by the BOS to no longer fund post-retirement health insurance benefits for future hires resulted in a reduction of County liability.
5. Disability retirement payouts begin immediately upon determination and are significantly higher than regular retirement benefits.
6. Disability retirements have been increasing in the last 10 years.
7. County financial officials have estimated that the total debt for retirement has peaked and should soon show a steady reduction. Their estimate is that, when the current POB is fully paid in 2026, the MCERA funding level will be at what the County believes to be a fiscally responsible level, that is, at 90% of Actuarial Accrued Liability (AAL), meaning that 10% falls into the category of Unfunded Actuarial Accrued Liability (UAAL).
8. The total County financial picture regarding retirement benefit funding and debt can only be gained by reviewing the reports from both MCERA and the County budget.
9. The AAL for pensions is affected by the value of promised benefits to employees. County Administration and labor representatives negotiate periodically these promised benefits.

10. The pension fund assets are invested by MCERA until they are needed for a pension payout to retirees.
11. The County's contribution to MCERA for 2004-2005 was approximately \$9,197,000. The employees' contribution for this year was approximately \$5,622,000.⁵ As of June 30, 2005 there were 1,333 active and 394 inactive employees in-rolled in the County's pension plan.⁶
12. The UAAL has not been recognized as a debt, so it is not included in any of the actual debt service payments made by the County.
13. County obligations for retirement funding is the sum of the unpaid POB balance by the County plus MCERA's UAAL, as reported each year. (See Appendix C, Chart 1).
14. As of 2005, the remaining debt owed to investors of the POB is approximately \$99,930,000.⁷
15. The Pension Trust Fund statements reflect total assets of \$288,238,797 as of June 30, 2005.⁸
16. As of June 30, 2005, there were 809 retirees with an annual pension allocation of \$12,013,000. This averages \$14,849 per individual per year.⁹
17. Retirement-related outlays (pensions, health insurance, POB interest and principal) make up approximately 10 % of the County's annual budget.

Recommendations

The Grand Jury recommends that:

1. the Auditor-Controller publish yearly a County Retirement Funding report to summarize the status of assets and liabilities of both the County and of MCERA, and to present the actual total numbers for the previous five years and projections for the upcoming five years, based upon current performance. (See Appendix C, Table 1). (Findings 7, 8, 11-14)
2. the BOS consider increasing the County's payment to MCERA to lower the debt at a faster rate. (Finding 7)
3. the BOS include Department heads responsible for the financial health of the County in its discussion of retirement obligation decisions. (Finding 1-3, 6)

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6 Mendocino County Employees' Retirement Association - June 30, 2005 Experience Study Report, Pages 3 and 4.

7 County of Mendocino Audit Report -- June 30, 2005, Page 11

<http://www.co.mendocino.ca.us/auditor/pdf/05%20Mendocino%20GASB34%20afs%20-%20FINAL%2019Apr06.pdf>

8 County of Mendocino Audit Report -- June 30, 2005, Page 01

<http://www.co.mendocino.ca.us/auditor/pdf/05%20Mendocino%20GASB34%20afs%20-%20FINAL%2019Apr06.pdf>

9 Mendocino County Employees' Retirement Association - June 30, 2005 Experience Study Report, Page 3

4. the BOS ensure that future employee benefits do not overburden the County with pension obligation debt. (Findings 2, 3, 12, 17)

Comments

Mendocino County is not alone in facing the issue of affordability of its pension plans; there is now a considerable national debate going on about this problem.

Issued in order to pay current obligations and expenses, the POB must be paid. The current obligation is the present value of future promised retirement payments. In accounting, this is a very real current expense that is no different from salaries or office equipment.

Publication of County pension fund numbers are not conveniently summarized in one document but are found in portions of several documents. The reasons for separating the calculations of County and MCERA operations may be sound accounting, but their financial results should be combined and made available for easier public understanding. Appendix C, Table 1 presents important numbers supplied by county officials for the Grand Jury's oversight. The charts shown in Figures 1, 2 and 3 depict some of this data as well.

Responses Required:

Mendocino County Board of Supervisors (All Findings and Recommendations)
CEO, Mendocino County (All Findings and Recommendations)
Mendocino County Auditor/Controller (All Findings and Recommendations)
Mendocino County Treasurer/Tax Collector (All Findings and Recommendations)
Mendocino County Employee Retirement Association (All Findings and Recommendations)
Mendocino County Department of Human Resources (Findings 5, 6, 11, 16, 17, Recommendation 4)

Appendix A – Definitions

Makeup of the Mendocino County Employee Retirement Association (MCERA) Board -- four non-County government individuals appointed by the Board of Supervisors (which has the option of appointing one of its own), two members of the Retirement Association elected by general members, one retired member elected by retirement members, one Safety member elected by Safety members, and one ex-officio, who is the Retirement Administrator/County Treasurer.

AAL (Actuarial Accrued Liability) – the portion, as determined by a particular cost

method, of the total present value of benefits (the plan's current and expected benefits payments plus administrative expenses) that is attributable to past service credit. Imagine a planned schedule of future payments for every covered employee, and then back-calculate the present value of all those monthly checks when added together. This gives the Actuarial Accrued Liability (AAL) for the MCERA pension plan. It is called Actuarial because it incorporates statistical employee lifetimes and averages of financial performance in this calculation. The liabilities that MCERA has are the value of all the pension promises made to employees and to current retirees. Its result is in present dollars. The AAL for Mendocino County as of June 30, 2005 was \$289,467,000.⁶

VA (Valuation Assets) – equal to the actual pension reserves held by MCERA. As of June 30, 2005, the valuation assets were \$253,487,000.⁶

(UAAL) Unfunded Actuarial Accrued Liability – the difference between a fund's Actuarial Accrued Liability (AAL) and its current assets. If a fund's Actuarial Accrued Liability (AAL) exceeds its current assets, then the fund has a shortfall that is known as an Unfunded Actuarial Accrued Liability (UAAL). This shortfall is the difference between what the fund has on hand (on the books) right now and what is expected to be needed to pay current and future benefits. As of June 30, 2005, Mendocino County had a UAAL of \$35,980,000.⁶

AAL	-	VA	=	UAAL
\$289,467,000	-	\$253,487,000	=	\$35,980,000.

In other words, the UAAL is the shortfall the fund would face if its assets were liquidated and the present value of the benefits was paid today. Although the UAAL represents a shortfall in assets relative to liabilities, it does not represent a cash loss because, in reality, the fund is not liquidating nor are all benefits and costs due today. The UAAL is calculated yearly and reported by MCERA. In accordance with the funding agreement between the County and the Employees' Retirement Association, the County is required to amortize the portion of the UAAL that is in excess of the target balance equal to 10% of the total AAL. The County is required to fund any excess UAAL under the terms of the funding agreement.

Smoothing -- the difference between the expected and actual investment returns, after expenses, spread over five years (only 20% is recognized for any one year). This method took effect as of June 30, 2005.

AVA (Actuarial Value of Assets) – the smoothed value of assets. These assets are

⁶ Mendocino County Employees' Retirement Association - Report on the Actuarial Valuation as of June 30, 2005
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⁶ Mendocino County Employees' Retirement Association - Report on the Actuarial Valuation as of June 30, 2005
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called Actuarial Value of Assets because they are calculated from the present market or paper value by a 5-year smoothing process intended to average out yearly investment return variations. Note that the AVA is in current dollars. As of June 30, 2005, the Actuarial Value of Assets was \$273,884,295.7

POB (Pension Obligation Bonds) – bonds that may be issued by state or local governments to reduce their UAAL as a part of an overall strategy for managing pension costs. From a purely financial perspective, issuing pension obligation bonds can reduce expenses and even produce savings for a government if the interest rate paid on the bonds is less than the rate of return earned on proceeds placed in the pension plan.

Pension Obligation Bonds must be issued on a taxable basis because current federal tax law restricts the investment of the proceeds of tax-exempt bonds in higher-yielding taxable securities. Pension Obligation Bonds are a legal debt of the County, and have required payment schedules for principal and interest. Governments issuing pension obligation bonds must be aware of the risks involved with these instruments and must manage these risks.

Appendix B – Pension Obligation Bond Details

On December 19, 1996, Mendocino County issued \$30,720,000 in Taxable Pension Obligation Bonds (POB). Payments were due July 1st in estimated annual principal installments of \$1,655,000, increasing to \$4,770,000 in the year 2009, at variable interest rates with interest payable semiannually on July 1st and January 1st at rates ranging from 5.54% to 6.97%. Final maturity would have been July 1, 2009.

By 2002, the increase in AAL and a reduced VA resulted in a UAAL of \$68,768,000.

When interest rates were low, the County on December 12, 2002 issued \$91,945,000 in Taxable Pension Obligation Bonds Refunding, Series 2002 to allow the County to fund the residual portion of its UAAL toward retirement benefits for County employees. The amount being funded with proceeds of the 2002 Bonds equals the present value of the payments the County would otherwise be required to make to amortize the current UAAL, discounted at the Retirement Association's actuarially assumed earnings rate of 8%. Estimated annual principal installments are due on July 1 of each year, starting at \$885,000 and increasing to \$7,560,000 in the year 2026, with variable interest rates with interest payable semiannually on July 1st and January 1st at rates ranging from 2.07% to 5.00%. Final maturity is July 1, 2026.

This bond issue includes proceeds sufficient to defease approximately 50% of each maturity of the \$23,795,000 outstanding principal amount of the original 1996 taxable Pension Obligation Bonds. The amount of principal defeased was \$11,245,000 and the

interest was \$3,911,938, totaling \$15,156,938. By refunding and defeasing the 1996 bonds, the County has restructured the amortization schedule of its outstanding debt so as to achieve a more level annual debt service pattern.⁸

Appendix C — Financial Charts and Table

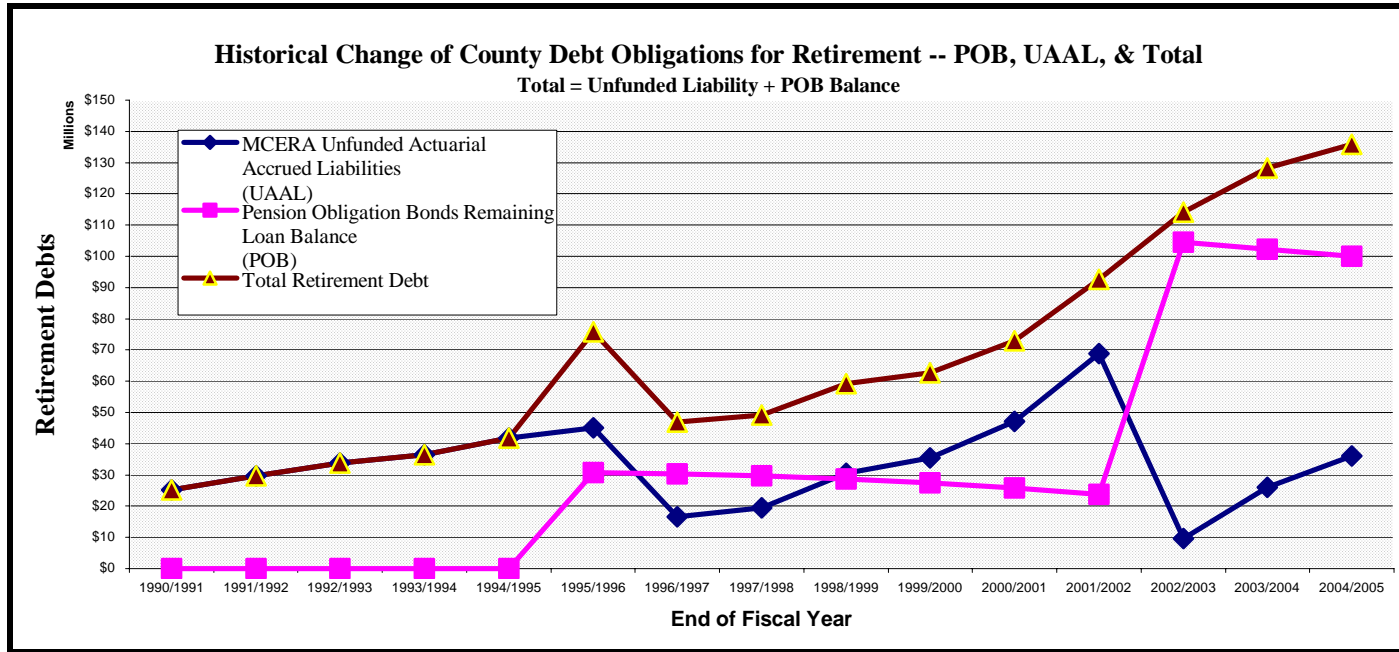


Chart 1 -- Historical Change of County Debt Obligations for Retirement

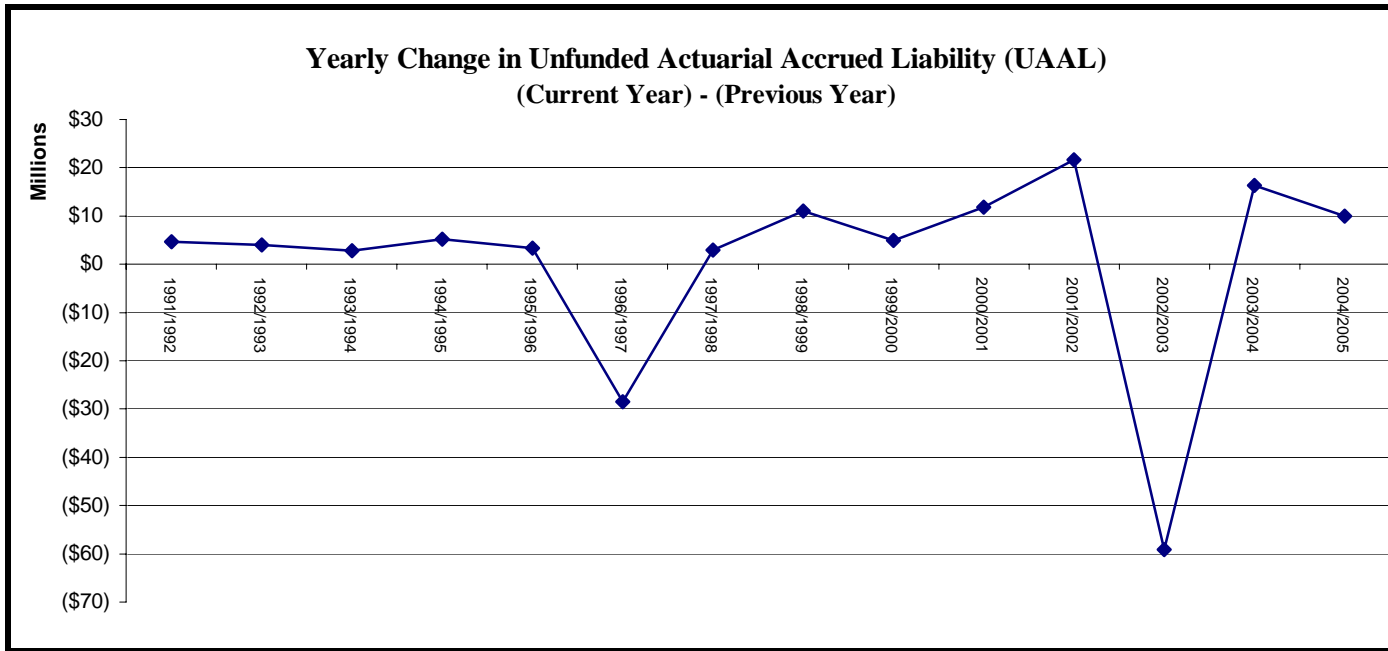
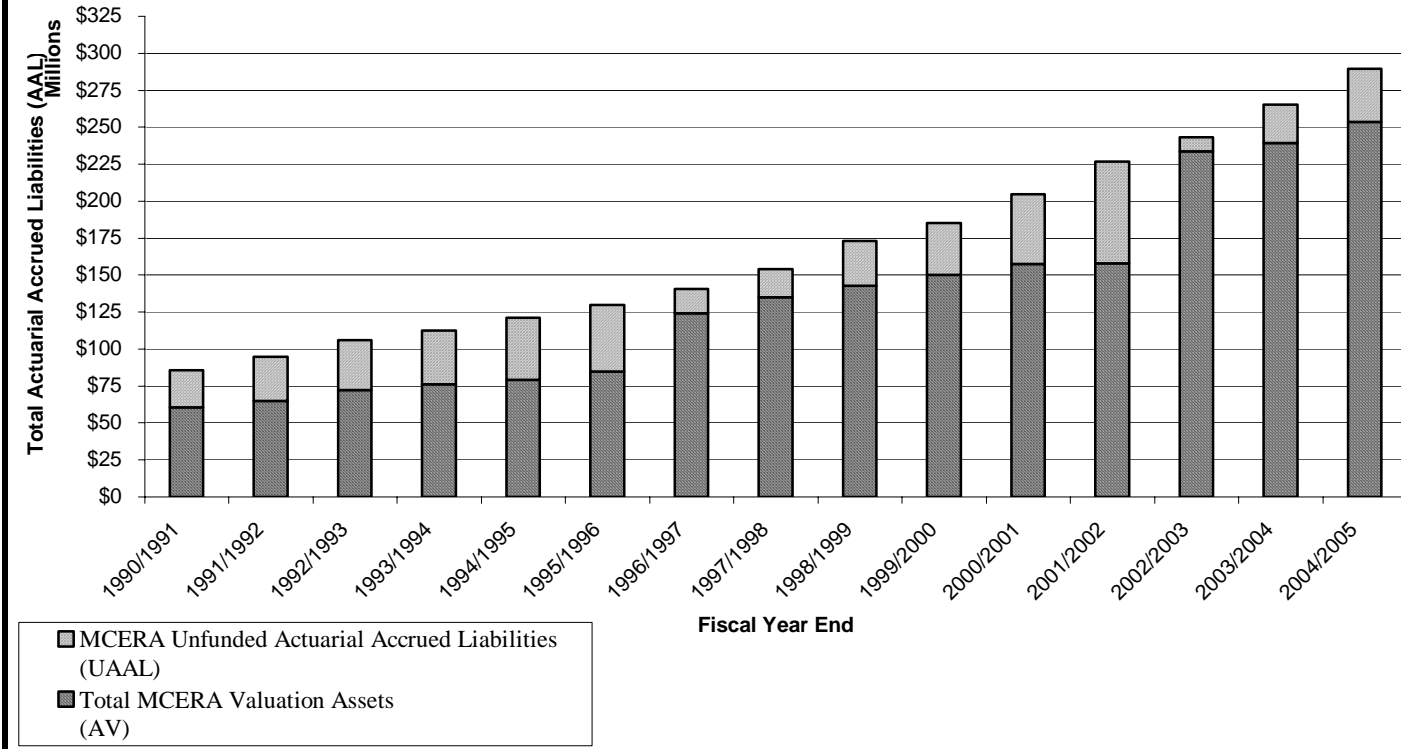


Chart 2 -- Yearly Change in Unfunded Actuarial Accrued Liability (UAAL)

Historical Growth of Actuarial Accrued Liabilities (AAL)

$$AAL = AV + UAAL$$



**Chart 3 -- Historical Growth of Actuarial Accrued Liabilities (AAL)
Historical Values of Key Retirement Funding Data**

A	B	C	D	E	F	H	I	J
Ending Budget Year	Total MCERA Actuarial Accrued Liabilities (AAL)	Total MCERA Valuation Assets (AV)	MCERA Unfunded Actuarial Accrued Liabilities (UAAL)	Percentage of UAAL that is Unfunded	Yearly Change in UAAL Col-D	Pension Obligation Bonds Remaining Loan Balance (POB)	MCERA Unfunded Actuarial Accrued Liabilities (UAAL)	Total Retirement Debt
Source:	Retirement Audit Report	Retirement Audit Report	Retirement Audit Report	Calculated Col-D/Col-B	Calculated CurYr - PrvYr	County Audit Report	Retirement Audit Report	Calculated Col-H + Col-I
1990/1991	\$85,604,000	\$60,431,000	\$25,173,000	29.406%		0	\$25,173,000	\$25,173,000
1991/1992	\$94,761,000	\$64,947,000	\$29,814,000	31.462%	\$4,641,000	0	\$29,814,000	\$29,814,000
1992/1993	\$105,866,000	\$72,062,000	\$33,804,000	31.931%	\$3,990,000	0	\$33,804,000	\$33,804,000
1993/1994	\$112,535,000	\$75,976,000	\$36,559,000	32.487%	\$2,755,000	0	\$36,559,000	\$36,559,000
1994/1995	\$121,027,000	\$79,322,000	\$41,705,000	34.459%	\$5,146,000	0	\$41,705,000	\$41,705,000
1995/1996	\$130,036,000	\$84,992,000	\$45,044,000	34.640%	\$3,339,000	\$30,720,000	\$45,044,000	\$75,764,000
1996/1997	\$140,783,000	\$124,286,000	\$16,497,000	11.718%	(\$28,547,000)	\$30,405,000	\$16,497,000	\$46,902,000
1997/1998	\$154,263,000	\$134,836,000	\$19,427,000	12.593%	\$2,930,000	\$29,685,000	\$19,427,000	\$49,112,000
1998/1999	\$173,250,000	\$142,775,000	\$30,475,000	17.590%	\$11,048,000	\$28,780,000	\$30,475,000	\$59,255,000
1999/2000	\$185,423,000	\$150,056,000	\$35,367,000	19.074%	\$4,892,000	\$27,375,000	\$35,367,000	\$62,742,000
2000/2001	\$204,699,000	\$157,545,000	\$47,154,000	23.036%	\$11,787,000	\$25,720,000	\$47,154,000	\$72,874,000
2001/2002	\$226,883,000	\$158,115,000	\$68,768,000	30.310%	\$21,614,000	\$23,795,000	\$68,768,000	\$92,563,000
2002/2003	\$243,342,000	\$233,764,000	\$9,578,000	3.936%	(\$59,190,000)	\$104,495,000	\$9,578,000	\$114,073,000
2003/2004	\$265,141,000	\$239,191,000	\$25,950,000	9.787%	\$16,372,000	\$102,270,000	\$25,950,000	\$128,220,000
2004/2005	\$289,467,000	\$253,487,000	\$35,980,000	12.430%	\$10,030,000	\$99,930,000	\$35,980,000	\$135,910,000
2005/2006		Data came from MCERA - Benefit Changes by Bar-				\$97,475,000		
2006/2007		gaining Unit Presented to BOS Workshop 16 Aug 2005				\$94,890,000		

Table 1 – Historical Values of Key Retirement Funding Data