

**PLACER COUNTY  
2007 – 2008 GRAND JURY  
FINAL REPORT**



## PLACER COUNTY GRAND JURY

(530) 886-5200  
Mailing Address:

FAX (530) 886-5201  
11490 C Avenue, Auburn, CA 95603

*Gordon 'Pete' Blakeman,  
Foreman*

*Larry Birch*

*Susan Bishop*

*Bill Gray*

*Roy Hamlin*

*Greg Herrick*

*Diane Houlton*

*Nancy Jolley*

*Harold Kalkwarf*

*William Kelly*

*Loren King*

*Hal Kinney*

*Bud Krutson*

*Rick Morgan*

*Susan Prince*

*Bob Robinson*

*Tom Schlarb*

*Daniel Walter*

*Brooke Whitlock*

June 19, 2008

The Honorable Larry Gaddis  
Presiding Judge, Superior Court  
County of Placer  
Department 2  
101 Maple Street  
Auburn, CA 95603

The Honorable Eugene S. Gini, Jr.  
Advising Grand Jury Judge  
County of Placer  
Department 12  
11270 B Avenue  
Auburn, CA 95603

*and Citizens of Placer County*

Dear Judge Gaddis, Judge Gini and Citizens of Placer County,

I take great pleasure in presenting the Final Report of the 2007-2008 Placer County Grand Jury. On behalf of all 19 members of the Grand Jury, I would like to acknowledge the appreciated advice and guidance throughout the year of our Advisor Judge, Eugene S. Gini, Jr., and that of our legal consultant, County Counsel Anthony LaBouff, as well as representatives of the District Attorney's Office. I would also like to acknowledge and commend the Grand Jury Coordinator, Rosalinda Cruz, for all her guidance and assistance throughout the year.

This has been a year of many challenges. As with any new Grand Jury year, 19 independent individuals bring together their respective talents and skills to organize a cohesive effort to make their contribution to the governments and citizens of the county. While there were diverse points of view on many issues, they were resolved with cooperation and teamwork. A full year is a short time in which to learn how to investigate the various cases presented to the Grand Jury members, and then to write a formal report of findings and recommendations, but the members took on the task and worked hard on this report.

*Final Report Foreman Letter*  
*June 19, 2008*  
*Page 2 of 2*

Another challenge this Grand Jury was involved with included a criminal indictment proceeding brought by the District Attorney's Office. Even though no true bill was reached in this matter it provided the Grand Jury with the insight and understanding of the criminal justice process.

The Final Report presents the findings of the entire Grand Jury, which they accomplished from their required tasks and reported on issues affecting the citizens of Placer County. We hope that this report provides a better insight and knowledge of the inner workings of local county government.

I appreciate being selected as a juror in the prior year and especially for the opportunity to be the foreperson of the 2007-2008 Placer County Grand Jury. On behalf of the members of the Grand Jury I want to thank you for your support and the opportunity to serve the citizens of Placer County.

Sincerely,



Gordon 'Pete' Blakeman  
Foreperson 2007-2008

*The issues that confront us may seem so huge, so complicated, so difficult to deal with that it's hard to believe that anything we can do will have a meaningful impact. But there are a lot of us in the world. A lot of people doing a lot of little things could have a huge impact. And by doing something, we are also demonstrating that lots of people really do care.*

Michael Norton in *365 Ways to Change the World*

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# PLACER COUNTY GRAND JURORS 2007 – 2008

**Foreman – Gordon “Pete” Blakeman, Roseville**

**Pro-Tem – Loren King, Roseville**

<b>Larry Birch</b>	<b>Auburn</b>
<b>Susan Bishop</b>	<b>Rocklin</b>
<b>Bill Gray</b>	<b>Auburn</b>
<b>Greg Herrick</b>	<b>Granite Bay</b>
<b>Roy Hamlin</b>	<b>Roseville</b>
<b>Nancy Jolley</b>	<b>Loomis</b>
<b>Harold Kalkwarf</b>	<b>Lincoln</b>
<b>William D. Kelly</b>	<b>Roseville</b>
<b>Hal Kinney</b>	<b>Lincoln</b>
<b>Bud Knudtson</b>	<b>Granite Bay</b>
<b>Diane Houlton</b>	<b>Rocklin</b>
<b>Rick Morgan</b>	<b>Lincoln</b>
<b>Susan Prince</b>	<b>Alta / Dutch Flat</b>
<b>Bob Robinson</b>	<b>Rocklin</b>
<b>Tom Schlarb</b>	<b>Roseville</b>
<b>Daniel Walter</b>	<b>Lincoln</b>
<b>Brooke G. Whitlock</b>	<b>Roseville</b>

## **RETIRED GRAND JURY MEMBERS**

**Shari O’Dette**

**Michael Miller**

**Marilyn (Penny) Spear**

**Elvia Mello**

**Tina Payne**

# 2007 - 2008 PLACER COUNTY GRAND JURY



*Left to right — Tom Schlarb, Foreman Pete Blakeman, Diane Houlton, Rick Morgan, Loren King, Bill Gray, Nancy Jolley, Bud Knudtson, Susan Bishop, Hal Kalkwarf, Dan Walter, Brooke Whitlock, Larry Birch, Roy Hamlin, William Kelly, Susan Prince, Bob Robinson*



*Greg Herrick*



*Hal Kinney*

# REPORT ABSTRACTS

## **CITY OF COLFAX WASTEWATER TREATMENT PLANT**

In the past few years, the City of Colfax has had problems with its aging wastewater treatment plant. The Grand Jury looked into city efforts regarding current and future wastewater treatment and was pleased to find those responsive to regulatory and environmental concerns, and successful.

## **FROM EUPHORIA TO DISILLUSIONMENT: WESTERN PLACER UNIFIED SCHOOL DISTRICT FINANCING, FACILITIES, AND MANAGEMENT**

The citizens of Lincoln are concerned about the credibility of the Western Placer Unified School District (WPUSD) and the future of schools in their community. The Grand Jury received complaints and accusations about many aspects of the district’s activities, from facilities financing to construction practices, from the Education Foundation to questions about land deals. The jury identified thirteen specific areas of potential investigation, based on complaints received. It decided that the community would best be served if it looked broadly across most of these areas. This report will clarify how the district got into its current situation and some of the actions it took to get back on track.

In less than five years, Lincoln citizens, especially parents, went from the euphoria of growth and the promise of new schools to the disillusionment of debt and portable classrooms. The causes of this dramatic reversal are many and complex, but these are the primary elements.

- ▶ The community had unrealistic expectations about the quality of new schools and the number of students in each school.
- ▶ The district initiated and approved design and construction of high-end, state-of-the-art facilities with no sound, achievable financing plan in place to fund this effort.
- ▶ The district and city did not negotiate aggressively enough with developers for fees and the district relied too much on risky debt for financing.
- ▶ The school district was not adequately staffed to undertake such a massive building program. Its personnel were stretched too thin and unqualified people were appointed to manage construction projects.

- ▶ There was not proper independent oversight of the architect (NTD) and the contractor (Edge), and there was not appropriate administration of contracts. The partnership between NTD and Edge gave, at the least, the appearance of a conflict of interest.
- ▶ Within the district, relationships were strained and communication was inhibited. The limited resources the district had were often used inefficiently, with confusing organizational structures, internal quarrels, and restrained information flow.
- ▶ The district was overwhelmed by its building program. The previous district administration, while trying to satisfy the desires of the community, unintentionally placed the district in a devastating financial position. The district will have difficulty meeting the current debt obligations while still preparing and building for future students. The recent economic downturn and cuts in state funding will make the situation even more difficult. In addition, many homeowners are heavily burdened by Mello-Roos fees.

The new administration, led by Superintendent Scott Leaman, reassessed the situation and brought in outside experts, as needed. The district faced painful realities as the facts were discovered and made difficult decisions in its attempt to make corrections. Its processes and dialog have become more transparent to the public.

The Grand Jury had many findings related to the design, funding, and construction of new schools. The WPUSD Board and Administration under Roger Yohe’s leadership did not follow generally accepted sound business practices in the performance of their duties. Superintendent Yohe influenced the board to follow a fiscally irresponsible plan toward his grandiose vision. The board fell into a pattern of complacency and lack of oversight which was not in concert with its fiduciary duties.

There are specific past issues that deserve more detailed investigation, but the Grand Jury recommends that recriminations within the district stop. The community should use its energy to create a solid plan for the future. The facts of the current situation are daunting and these problems will not be completely solved for decades. The City of Lincoln continues to grow and its citizens should not lose faith that they will overcome these difficulties. There cannot be an “old” Lincoln and a “new” Lincoln and a “retired” Lincoln, but only one Lincoln. By working together as one community, the people of Lincoln can

reach the common goal of housing and educating their children.

**AUBURN POLICE DEPARTMENT**

The Grand Jury conducted its annual inspection of the Auburn Police Department in November 2007. The Department is in compliance with California Penal Code Section 919 (b).

**PLACER COUNTY SHERIFF’S OFFICE BURTON CREEK FACILITY**

The Grand Jury conducted its annual inspection of the Placer County Sheriff’s Burton Creek Facility. Past grand juries have noted the inadequacies of this facility for several years. Despite the space limitations, the Grand Jury was impressed with the creativity and utilization of space by the personnel to carry out their duties for the community they serve.

**ROCKLIN POLICE DEPARTMENT**

The Grand Jury conducted its annual inspection of the Rocklin Police Department. The Grand Jury is pleased with the maintenance and staffing of this facility. The Rocklin Police Department and its staff met the requirements for Penal Code Section 919(b). This is a model facility that should be studied by other police departments planning to build new facilities.

**ROSEVILLE POLICE DEPARTMENT**

The Grand Jury conducted its annual inspection of the Roseville Police Department on October 23, 2008. Based on the inspections and observations of the Grand Jury, it was pleased with the maintenance and staffing of this facility.

**LINCOLN POLICE DEPARTMENT**

The Grand Jury conducted its annual inspection of the Lincoln Police Department in November 2007 with the assistance of Lt. Terry Kennedy. The Lincoln Police Department has found it necessary to expand the facility to keep up with the growth of its department and anticipates moving its administrative functions

to the old city hall in the near future. This is an interim fix until a new facility can be built. The new facility is estimated to be built within five years.

**PLACER COUNTY MAIN JAIL**

The Grand Jury conducted an inspection of this facility in two visits. The Placer County Main Jail is located in Auburn and is operated by the Placer County Sheriff’s Department. The Grand Jury found the Main Jail and Minimum Security Facility to be operated by a highly professional, well-trained and motivated staff. Jurors saw evidence of high efficiency throughout the facility. However, the high release rates of arrestees due to the federal cap, the maximum number of inmates which can be housed in a jail facility, makes it imperative that the construction of the South Placer Jail, west of Highway 65, proceed on schedule.

**PLACER COUNTY JUVENILE DETENTION FACILITY**

The Grand Jury conducted its annual inspection of the Placer County Juvenile Detention Facility (JDF) and found it to be well-maintained and staffed.

**PLACER COUNTY ASSESSOR – ASSESSMENT APPEAL PROCESS**

The Grand Jury conducted an investigation and found the Placer County Assessor’s Office conducted its property assessment business in an organized and appropriate manner.

**PLACER COUNTY ANIMAL SERVICES – ANIMAL CONTROL FACILITY**

The Placer County Grand Jury received complaints regarding Placer County Animal Services. Members of the Grand Jury found the policies, procedures, and facility to be adequate. Placer County Animal Services appears to be making reasonable efforts to accommodate special needs and situations that arise. Animals are being cared for in a qualified and responsible way.

**SPECIAL DISTRICTS – SPECIAL BENEFIT ASSESSMENT PROCEDURES**

The Placer County Grand Jury received a complaint questioning the procedures for a Special Benefit Assessment fee being proposed by the North Tahoe Fire

Protection District (NTFPD). Of primary concern was the lack of confidentiality in the balloting process. In addition, recent fee assessments by Loomis Fire District and Placer Mosquito and Vector Control District (PMVCD) led the Grand Jury to further investigate the process used by the Special Districts to assess fees on property owners.

There is currently in process an assembly bill (AB2218) addressing property owners' concern for securing fair and transparent assessment proceedings as it relates to Proposition 218.

The Grand Jury found the current process for Benefit Assessment fee hearings to be legal, within statutory law. However, the law is difficult to understand and ambiguous. Individual property owners question the law and are skeptical and suspicious about the process.

**COUNTY MATERIALS RECOVERY FACILITY**

The Grand Jury conducted an inspection of the Western Placer Waste Management Authority (WPWMA) Materials Recovery Facility (MRF) in January 2008. The MRF is a well-run facility using state-of-the-industry technology. It exceeds state-mandated recycling standards, reduces landfill waste deposits, and in most cases is more effective than a curbside recycling system.

**COUNTY SCHOOLS CHILD ABUSE REPORTING PROCEDURES**

The Grand Jury conducted an investigation of child abuse reporting procedures, specifically in Placer County Schools. School employees are mandated by the state to report suspected child abuse.

In addition, the jurors followed up on the recommendations of the 2006-2007 Grand Jury to confirm the Placer County Office of Education (PCOE) Special Education Staff Handbook had updated its manuals regarding child abuse reporting. A random check of other schools in the county was conducted to see if they had current information on child abuse reporting and its availability to staff.

The Grand Jury found availability of information provided to mandated report-

ers varied from school to school. Jurors found that some of the selected schools had difficulties in locating their manuals and providing the information to the Grand Jury.

## **CITY OF AUBURN SEWER SERVICE RATES**

On July 1, 2007 the City of Auburn significantly raised rates for sewer service. The Grand Jury found that this increase was justified and properly executed, and that the costs were fairly distributed among service customers. The jury commends the City of Auburn officials and staff for their efforts to address the city’s wastewater treatment problems and recommends that the city and Joint Powers Authority continue to investigate long term solutions, including a regional wastewater system.

## **HISTORY AND FUNCTIONS OF THE GRAND JURY**

### **History**

Juries stem from the eleventh century. By 1215, the concept of a jury had become a pledge expressed in the Magna Carta, that no free man would be “... Imprisoned or dispossessed or exiled or in any way destroyed ... except by the lawful judgment of his peers ....”

In 1635, the Massachusetts Bay Colony impaneled the first grand jury to consider cases of murder, robbery and wife-beating. The U.S. Constitution’s Fifth Amendment and the California Constitution call for grand juries. Grand juries were established throughout California during the early years of statehood. As constituted today, criminal and civil grand juries are part of the judicial branch of government, arms of the court system.

The criminal grand jury may conduct hearings to determine whether there is sufficient evidence to bring an indictment charging a person with a criminal offense. However, the district attorney usually empanels a separate jury drawn from the petit (regular trial) jury pool to bring criminal indictments. Civil and criminal grand juries have the power to subpoena.

### **Functions**

The grand jury is an investigative body created for the protection of society and

enforcement of the law. The grand jury in California is unusual because its duty includes investigation of county government as provided by statutes passed in 1880. Only a few other states require grand jury investigation beyond alleged misconduct of public officials. Although the jury responsibilities are many and diverse, these are the three main functions.

**Civil Watchdog Responsibilities** – This is the major function of present day California grand jurors and considerable effort is devoted to these responsibilities. The grand jury may examine all aspects of county and city government and special districts to ensure they are serving the best interests of Placer County citizens. The grand jury reviews and evaluates procedures, methods and systems used by county government for efficiency and economy. The grand jury is also authorized to

- ▶ Inspect and audit books, records and financial expenditures to ensure that public funds are properly accounted for and legally spent.
- ▶ Inspect financial records of special districts in Placer County.
- ▶ Inquire into the conditions of jails and detention centers.
- ▶ Inquire into charges of willful misconduct in office by public officials or government, district or agency employees.

Most grand jury “watchdog” findings are contained in reports describing problems they discover and their subsequent recommendations for solutions. To accomplish the county watchdog functions, the grand jury normally establishes several committees. During its term, the grand jury issues final reports on government operations in Placer County.

After a final report is published, the official or governing body of an agency or government covered in the report must respond to the grand jury within a given period of time, as prescribed by California law. Officials must respond within 60 days; governments or agencies must respond within 90 days. The following year’s grand jury publishes the responses to the final report.

- ▶ **Citizen Requests** – As part of the civil function, the grand jury receives complaints from citizens alleging official mistreatment, suspicious conduct, or government inefficiencies. The grand jury investigates reports from citizens for their validity. All such requests are kept confidential until a final report is published. In fact, the complainant is not told whether or not the grand jury will investigate a complaint until the report is issued.

- ▶ **Criminal Investigations** – Upon occasion, the district attorney asks the grand jury to hold hearings to determine whether evidence he presents is sufficient to indict an individual, who would then stand trial in court. A minimum of 12 grand jurors must vote for an indictment in any criminal proceeding.

**Qualifications**

Prospective grand jurors must possess the following qualifications, under Penal Code Section 893.

- ▶ Be at least 18 years old
- ▶ Be a resident of California and Placer County for at least one year immediately prior to selection
- ▶ Be in possession of his or her natural faculties, of ordinary intelligence, of sound judgment and fair character
- ▶ Possess sufficient knowledge of the English language to communicate both orally and in writing

A person is NOT competent to act as a grand juror if any of the following apply.

- ▶ The person is serving as a trial juror in any California court.
- ▶ The person has been discharged as a grand juror in any California court within one year of the beginning date of service, July 1.
- ▶ The person has been convicted of malfeasance in office or any felony or other high crime.
- ▶ The person is serving as an elected public official.

Desirable qualifications for a grand juror include the following.

- ▶ Be in good health
- ▶ Be open-minded with concern for the views of others
- ▶ Have the ability to work with others
- ▶ Have genuine interest in community affairs
- ▶ Have investigative skills and an ability to write reports
- ▶ Have modest computer and internet communications skills

**Selection**

In the spring each year the presiding judge selects citizens at random from a list of applicants. Applicants should expect a criminal records check will be conducted. Applications are reviewed and an interview is scheduled with the pre-

siding judge, the foreman of the outgoing grand jury, and perhaps the presiding judge’s assistant. Each applicant will be interviewed to determine if the qualifications above have been met.

After the interview process, prospective applicants are requested to appear for the final selection, held in a Placer County Superior Courts courtroom. At this time, with outgoing grand jurors in attendance, 19 names are drawn randomly by the court clerk. Another 12 names are drawn and ranked to form a list of alternate jurors. The new 19 grand jury members are sworn in and given a description of their duties and responsibilities by the presiding Superior Courts judge. The jurors begin a one-year term on July 1.

**Commitment**

Persons selected for grand jury service can expect to serve 25 to 30 hours per month for a period of one year, July 1 through June 30.

**Remuneration**

Grand jurors receive nominal payment for meetings they attend, and they are reimbursed for mileage to attend meetings, training, and possibly other minor expenses.

**Orientation**

New jurors are encouraged to attend an orientation training about grand jury functions, and on county, city and special district governments.

**Why become a grand juror?**

Those who volunteer and are accepted for grand jury service should feel privileged to be selected. They enter this service with interest and curiosity to learn more about the administration and operation of Placer County government. Serving as a grand juror requires many hours and serious effort, and reflects a generous commitment to public service.

**Grand Jury Reports**

The Placer County Courts maintains web pages for the Grand Jury on the Placer Courts website. Past and present final reports, and responses to those final reports, may be found on the Placer County Superior Court website

**<http://www.placercourts.org/?uid=190&ss=>**

# REQUEST FOR GRAND JURY ACTION

Placer County Grand Jury  
DeWitt Center  
11490 C Ave., Auburn, CA 95603

Notice: This form and any supplemental material will be treated confidentially. The Grand Jury is prohibited by law from disclosing any aspect of an inquiry prior to issuing a final report. For various reasons the grand jury cannot investigate all requests for action, therefore you may wish to pursue other avenues.

Your Name		
Your Mailing Address	City	Zip Code
Home Telephone	Work Telephone	

PERSON / AGENCY YOU ARE REPORTING		
Name		
Address	City	Zip Code
Telephone		

Please use space on back of form for a brief narrative of key events.  
Attach any correspondence or documents about the subject.

LIST OTHER OFFICIALS/AGENCIES YOU HAVE CONTACTED ABOUT THIS SUBJECT		
Official/Agency	Address	Approximate date of contact

PAST OR PENDING LAWSUITS
Explain what you know of past or pending lawsuits related to this matter.

Your Signature:	Date:
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Please mail completed form to the Placer County Grand Jury Foreperson at the above address.  
For Official Use Only. Do not write in the space below.

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# REQUEST FOR GRAND JURY ACTION FORM INSTRUCTIONS

- I. Submit a Grand Jury Citizen Complaint Form only after you have tried all other options to correct a problem or concern and they have proved unsuccessful.
- II. Instructions for preparing the Citizen Complaint Form:
  - a. The complaint is against:
    - i. Include the name of the individual(s) or organization(s) the complaint is against.
    - ii. Check for correct spellings for names and organizations.
    - iii. If the complaint is against an individual within an organization, include the individual’s title or position in the organization.
    - iv. Provide the individual’s or organization’s physical address, city and zip code; and the mailing address.
    - v. Provide the telephone number of the organization(s) or individual(s) cited, including the area code.
  - b. My complaint against the above-named person or agency is:
    - i. Describe the problem in your own words. Be as concise as possible. Provide dates, times, and names of individuals involved.
    - ii. Cite specific instances rather than broad generalizations.
    - iii. Attach any available photographs, correspondence or documentation that supports your complaint.
    - iv. If more room is required, attach extra sheets and include their numbers on the last line of the first sheet – i.e.: “Three (3) additional sheets are attached.”
  - c. Complainant:
    - i. Include your name, street address, city, zip code, telephone number and area code.
    - ii. **Your name will be held in strictest confidence. All grand jury documents are secret and cannot be subpoenaed in court or revealed to the public.**

Mail this complaint form to the address shown on the front.

Please sign your complaint. You may file an anonymous complaint if you wish. However, the grand jury is less likely to investigate anonymous

complaints because they will not be able to contact you for clarification and follow-up. The jury is also less likely to get to the truth of the matter if it does choose to investigate.

- III. The grand jury will respond to your complaint and acknowledge its receipt. The grand jury may contact you directly during its inquiries.

## **TO APPLY FOR OR TO CONTACT THE GRAND JURY**

Placer County residents are encouraged to volunteer for Grand Jury service. This may be done by visiting the Grand Jury website listed below and filling out the Application for Service.

Residents of Placer County are encouraged to write or contact the Placer County Grand Jury in one of the following ways.

- ▶ Placer County Grand Jury  
11490 C Avenue  
Auburn, CA 95603
- ▶ Grand Jury web pages: <http://www.placercourts.org/?uid=190&ss=>
- ▶ Grand Jury E-mail address: [grandjury@placer.ca.gov](mailto:grandjury@placer.ca.gov)
- ▶ Telephone inquiries  
Grand Jury – 530-886-5200  
Placer Superior Courts Administration – 530-889-7404

Leave a detailed message with your name, address and telephone number. A representative of the Grand Jury or Superior Courts will contact you.

## LIST OF RESPONDENTS

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Joan Phillipi Colfax City Manager P.O. Box 702 Colfax, CA 95713	City of Colfax Wastewater Treatment Plant	1
Colfax City Council P.O. Box 702 Colfax, CA 95713	City of Colfax Wastewater Treatment Plant	1
Scott Leamann WPUSD Superintendent 600 Sixth Street, Fourth Floor Lincoln, CA 95648	From Euphoria to Disillusionment: Western Placer Unified School District Financing, Facilities, and Management	5
WPUSD School Board c/o Paul Carras, President 600 Sixth Street, Fourth Floor Lincoln, CA 95648	From Euphoria to Disillusionment: Western Placer Unified School District Financing, Facilities, and Management	5
James Estep Lincoln City Manager 1390 First Street Lincoln, CA 95648	<ul style="list-style-type: none"> <li>• From Euphoria to Disillusionment: Western Placer Unified School District Financing, Facilities, and Management</li> <li>• County Materials Recovery Facility</li> </ul>	5  106
Valerie Harris Auburn Chief of Police 1225 Lincoln Way Auburn, CA 95603	Annual Inspection of the Auburn Police Department	53
Placer County Board of Supervisors 175 Fulweiler Avenue Auburn, CA 95603	<ul style="list-style-type: none"> <li>• Annual Inspection of the Placer County Sheriff's Office Burton Creek Facility</li> <li>• Special Districts – Special Benefit Assessment Procedures</li> </ul>	57  98
Edward Bonner Placer County Sheriff P.O. Box 6990 Auburn, CA 95604	<ul style="list-style-type: none"> <li>• Annual Inspection of the Placer County Sheriff's Office Burton Creek Facility</li> <li>• Annual Inspection of the Placer County Main Jail</li> </ul>	57  76
Mark Siemens City of Rocklin Police Department Chief of Police 4080 Rocklin Road Rocklin, CA 95677	Annual Inspection of the Rocklin Police Department	62
Mike Blair Chief, Roseville Police Department 311 Vernon Street Roseville, CA 95678	Annual Inspection of the Roseville Police Department	65
Roseville City Council 311 Vernon Street Roseville, CA 95678	Annual Inspection of the Roseville Police Department	65
Brian Vizzuzi Chief, Lincoln Police Department 770 7 <sup>th</sup> Street Lincoln, CA 95648	Annual Inspection of the Lincoln Police Department	71

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Thomas Miller Placer County Executive 175 Fulweiler Avenue Auburn, CA 95603	Annual Inspection of the Placer County Main Jail	76
Anthony J. La Bouff Placer County Counsel 175 Fulweiler Avenue Auburn, CA 95603	Annual Inspection of the Placer County Main Jail	76
Stephen Pecor Placer County Chief Probation Officer Auburn Justice Center 2929 Richardson Drive, Suite B Auburn, CA 95603	Annual Inspection of the Placer County Juvenile Detention Facility	85
Greg Chinn Superintendent Placer County Juvenile Detention Facility 11260 B Avenue Auburn, CA 95603	Annual Inspection of the Placer County Juvenile Detention Facility	85
Bruce Dear Placer County Assessor 2980 Richardson Boulevard Auburn, CA 95603	Placer County Assessor – Assessment Appeal Process	90
Dr. Richard Burton Health Officer and Director Health and Human Services 379 Nevada Street Auburn, CA 95603	Placer County Animal Services – Animal Control Facility	94
Mike Winters Animal Services Manager 11251 B Avenue Auburn, CA 95603	Placer County Animal Services – Animal Control Facility	94
James McCauley Placer County Clerk/ Recorder/ Registrar 2952 Richardson Boulevard Auburn, CA 95603	Special Districts – Special Benefit	98
Mitchell Bernstein District Manager Placer Mosquito Vector Control District P.O. Box 216 Lincoln, CA 94648	Special Districts – Special Benefit	98
Duane Whitelaw Chief, North Tahoe Fire Protection District P.O. Box 5879 Tahoe City, CA 96145	Special Districts – Special Benefit	98

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The Honorable Ted Gaines Member, California Assembly State Capitol Office Room 2002 Sacramento, CA 95814	Special Districts – Special Benefit	98
Robert Richardson, Auburn City Manager 1225 Lincoln Way Auburn, CA 95603	<ul style="list-style-type: none"> <li>• County Materials Recovery Facility</li> <li>• City of Auburn Sewer Service Rates</li> </ul>	104 115
Eric Oddo, WPWMA Senior Engineer 11476 C Avenue Auburn, CA 95603	County Materials Recovery Facility	104
Gayle Garbolino-Mojica County Superintendent of Schools Placer County Office of Education 360 Nevada Street Auburn, CA 95603	County Schools Child Abuse Reporting Procedures	110
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**CALIFORNIA PENAL CODE**  
**SECTION 933.05**

- a) For purposes of subdivision (b) of Section 933, as to each Grand Jury finding, the responding person or entity shall indicate one of the following:
  - i. The Respondent agrees with the finding.
  - ii. The Respondent disagrees wholly or partially with the finding, in which case the response shall specify the portion of the finding that is disputed and shall include an explanation of the reasons therefore.
  
- b) For purposes of subdivision (b) of Section 933, as to each Grand Jury finding, the responding person or entity shall indicate one of the following actions:
  - i. The recommendation has been implemented, with a summary regarding the implemented action.
  - ii. The recommendation has not yet been implemented, but will be implemented in the future, with a time frame for implementation.
  - iii. The recommendation requires further analysis, with an explanation and the scope and parameters of an analysis or study, and a time frame for the matter to be prepared for discussion by the officer or head of the agency or department being investigated or reviewed, including the governing body of the public agency when applicable. This time frame shall not exceed six months from the date of publication of the grand jury report.
  - iv. The recommendation will not be implemented because it is not warranted or is not reasonable, with an explanation therefore.
  
- c) However, if a finding or recommendation of the grand jury addresses budgetary or personnel matters of a County agency or department headed by an elected officer, both the agency or department head and the Board of Supervisors shall respond if requested by the Grand Jury, but the response of the Board of Supervisors shall address only those budgetary or personnel matters over which it has some decision-making authority. The response of the elected agency or department head shall address all aspects of the findings or recommendations affecting his or her agency of department.
  
- d) A Grand Jury may request a subject person or entity to come before the Grand Jury for the purpose of reading and discussing the findings of the Grand Jury report that relates to that person or entity in order to verify the accuracy of

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the findings prior to their release.

e) During an investigation, the Grand Jury shall meet with the subject of that investigation regarding that investigation, unless the court, either on its own determination or upon request of the foreperson of the Grand Jury, determines that such a meeting would be detrimental.

A Grand Jury shall provide to the affected agency a copy of the portion of the Grand Jury report relating to that person or entity two (2) working days prior to its public release and after the approval of the Presiding Judge. No officer, agency, department, or governing body of a public agency shall disclose any contents of the report prior to the public release of the Final Report.

# COLFAX WASTEWATER TREATMENT PLANT



*North Fork American River below Colfax*

# COLFAX WASTEWATER TREATMENT PLANT

## SUMMARY

In the past few years, the City of Colfax has had problems with its aging wastewater treatment plant. The Grand Jury looked into city efforts regarding current and future wastewater treatment and was pleased to find those responsive to regulatory and environmental concerns, and successful.

## BACKGROUND

The Grand Jury decided to examine the way the City of Colfax had addressed complaints in the past several years regarding management and disposal of its waste water. For example, there had been newspaper reports about several illegal wastewater discharges.

## INVESTIGATION METHODS

The Grand Jury Cities Committee visited the Colfax Wastewater Treatment Plant and spoke extensively with one staff member, and briefly with another staff member, about plant functions and operation. The committee also asked about plans for and construction of the new city wastewater treatment plant, scheduled to begin operation in the fall of 2008.

In addition, the committee interviewed another city employee very familiar with the current plant and its operation, and the steps the city had taken to address concerns and problems at the plant.

## FACTS

The City of Colfax is in the process of replacing its 30-year-old wastewater treatment plant, to address problems in recent years with consistency in water treatment and illegal wastewater discharges. The illegal discharges took place during periods of very heavy rainfall, when the current plant and its series of three treatment ponds were unable to contain the volume of waste water from the city, as well as heavy rain run-off from the surrounding hillsides.

Over the past several years, the city installed new monitoring and treatment equipment to handle water treatment quality and consistency. The current plant’s water quality and consistency have met federal and state guidelines as required since December 2006, when the last major equipment upgrade was installed.

The city also began the process of planning and obtaining funding for a new wastewater treatment plant. The city began construction of the new plant in September 2007, and the plant is expected to begin operation in the fall of 2008. The new plant will use state-of the-industry techniques to treat the city’s wastewater.

In addition to meeting current city needs, the new plant is designed to meet the city’s needs as it grows in the coming years.

Funding for the new plant came from a revolving state fund, and will need to be repaid by the city, through charges to sewer system ratepayers. In fact, the city has already raised sewer rates. The city also obtained additional funding from the federal government to line the third of its wastewater treatment ponds.

**FINDINGS**

The Grand Jury found the City of Colfax officials, employees and consultants have acted responsibly and as promptly as resources allowed to address problems with the city’s old wastewater treatment plant. The city took reasonable steps to obtain funding to address the vital issue of providing wastewater treatment which meets federal and state requirements, to help safeguard water quality in the North Fork of the American River.

**CONCLUSIONS / RECOMMENDATIONS**

The Grand Jury commends the City of Colfax officials, employees and consultants who participated in finding appropriate solutions to the city’s wastewater treatment problems. It has no recommendations.

**REQUEST FOR RESPONSE (s)**

No response is requested.

- ▶ Joan Phillipi  
City of Colfax  
City Manager  
P.O. Box 702  
Colfax, CA 95713
  
- ▶ Colfax City Council  
P.O. Box 702  
Colfax, CA 95713



*New filters installed recently at the Colfax plant*

# FROM EUPHORIA TO DISILLUSIONMENT: WESTERN PLACER UNIFIED SCHOOL DISTRICT FINANCING, FACILITIES AND MANAGEMENT



*Bank Sale Sign for Home Near Twelve Bridges Middle School*

# FROM EUPHORIA TO DISILLUSIONMENT: WESTERN PLACER UNIFIED SCHOOL DISTRICT FINANCING, FACILITIES AND MANAGEMENT

## SUMMARY

The citizens of Lincoln are concerned about the credibility of the Western Placer Unified School District (WPUSD) and the future of schools in their community. The Grand Jury received complaints and accusations about many aspects of the district’s activities, from facilities financing to construction practices, from the Education Foundation to questions about land deals. The jury identified thirteen specific areas of potential investigation, based on complaints received. It decided that the community would best be served if it looked broadly across most of these areas. This report will clarify how the district got into its current situation and some of the actions it took to get back on track.

In less than five years, Lincoln citizens, especially parents, went from the euphoria of growth and the promise of new schools to the disillusionment of debt and portable classrooms. The causes of this dramatic reversal are many and complex, but these are the primary elements.

- ▶ The community had unrealistic expectations about the quality of new schools and the number of students in each school.
- ▶ The district initiated and approved design and construction of high-end, state- of-the-art facilities with no sound, achievable financing plan in place to fund this effort.
- ▶ The district and city did not negotiate aggressively enough with developers for fees and the district relied too much on risky debt for financing.
- ▶ The school district was not adequately staffed to undertake such a massive building program. Its personnel were stretched too thin and unqualified people were appointed to manage construction projects.
- ▶ There was not proper independent oversight of the architect (NTD) and the contractor (Edge), and there was not appropriate administration of contracts. The partnership between NTD and Edge gave, at the least, the appearance of a conflict of interest.
- ▶ Within the district, relationships were strained and communication was

inhibited. The limited resources the district had were often used inefficiently, with confusing organizational structures, internal quarrels, and restrained information flow.

- ▶ The district was overwhelmed by its building program. The previous district administration, while trying to satisfy the desires of the community, unintentionally placed the district in a devastating financial position. The district will have difficulty meeting the current debt obligations while still preparing and building for future students. The recent economic downturn and cuts in state funding will make the situation even more difficult. In addition, many homeowners are heavily burdened by Mello-Roos fees.

The new administration, led by Superintendent Scott Leaman, reassessed the situation and brought in outside experts, as needed. The district faced painful realities as the facts were discovered and made difficult decisions in its attempt to make corrections. Its processes and dialog have become more transparent to the public.

The Grand Jury had many findings related to the design, funding, and construction of new schools. The WPUSD Board and Administration under Roger Yohe’s leadership did not follow generally accepted sound business practices in the performance of their duties. Superintendent Yohe influenced the board to follow a fiscally irresponsible plan toward his overly ambitious vision. The board fell into a pattern of complacency and lack of oversight which was not in concert with its fiduciary duties.

There are specific past issues that deserve more detailed investigation, but the Grand Jury recommends that recriminations within the district stop. The community should use its energy to create a solid plan for the future. The facts of the current situation are daunting and these problems will not be completely solved for decades. The City of Lincoln continues to grow and its citizens should not lose faith that they will overcome these difficulties. There cannot be an “old” Lincoln and a “new” Lincoln and a “retired” Lincoln, but only one Lincoln. By working together as one community, the people of Lincoln can reach the common goal of housing and educating their children.

**BACKGROUND**

Throughout the last decade the City of Lincoln has experienced phenomenal growth. This growth was primarily driven by large developments in the south-

ern part of the city, along the Highway 65 corridor. The biggest developments are Sun City Lincoln Hills, Twelve Bridges, Lincoln Crossing, and, north of downtown, Foskett Ranch. The Lincoln population increased from approximately 7,800 people in 1995, to around 17,700 in 2002, to over 37,000 in 2007. This small town struggled to anticipate and manage this explosive growth.

Western Placer Unified School District (WPUSD) is responsible for planning, building, and administering the K-12 schools in the City. Early in this decade it started a building program, trying to stay ahead of the expected influx of students. Different types of debt instruments were used to finance the construction of these schools. Four new schools were opened between 2004 and 2007.

In the fall of 2006 the district revealed it was heavily in debt and the debt could not be serviced as currently structured. There was no money to build additional schools, specifically, a new high school.

These revelations upset Lincoln homeowners, many of whom are paying added property taxes in the form of Mello-Roos fees. This caused many citizens to lose confidence in the district administration and the school board. Since these initial financial revelations, other issues and accusations have surfaced, ranging from construction specifications to personnel dissatisfaction.

The local media, specifically, the Lincoln News Messenger and The Sacramento Bee, have written many investigative articles on the WPUSD problems.

## **INVESTIGATION METHODS**

The Grand Jury conducted numerous interviews, relying heavily on testimony from current and former staff, consultants, past and present school board members, and Lincoln citizens. Jurors also used independent research to investigate WPUSD. The Grand Jury had access to primary source documentation, [Appendix H], such as board presentations and consultant analysis; and to secondary sources, such as newspapers and individual citizen investigations.

Here are examples of some investigative activities.

- ▶ Toured Lincoln Crossing Elementary School
- ▶ Toured Lincoln High School Farm
- ▶ Attended a WPUSD School Board Meeting
- ▶ Reviewed facility master plans, contracts, budgets, and audit reports

- ▶ Reviewed tax and charter documents related to foundations
- ▶ Reviewed consultant reports
- ▶ Reviewed state and local websites

The Grand Jury investigation did not focus specifically on the role of the architect (NTD) or the contractor (Edge) due to time constraints, the lack of expertise needed for such an investigation, and because the school district already hired a consultant to review their activities.

**FACTS**

**Master Facilities Plan**

In approximately 1994 WPUSD initiated a study, “Project Build,” on the long-term facilities needs of the district. WPUSD hired a well-known consultant from New Orleans to direct the planning effort. According to Superintendent Yohe, the effort took thirteen months, involved over one hundred people in the Lincoln community, and cost approximately \$75,000. The results were published in 1996. This process was applauded as a model for other districts at several educational forums in the state.

“Project Build” created a fifteen-year master plan . It included elements on growth projections, financing, and the types of facilities needed. It was developed before the city’s growth trajectory was fully understood. The main focus was to describe the types of schools the community wanted to build in the future, a “wish list,” describing the ideal designs and amenities future WPUSD schools should have. An example is the desired maximum student population in different levels of education

- ▶ K-5 no greater than 500 students in each school
- ▶ 6-8 no greater than 1,000 students in each school
- ▶ High school no greater than 1,500 students in each school

Lincoln residents had suffered a sense of perceived inferiority often referred to as “stinkin’ Lincoln.” Lincoln was dismissed by many as an isolated, backward town, and the city residents were very sensitive about these perceptions. They wanted first-class development to compete with neighboring cities and wanted to change the aura of the city. “Project Build” reflected these aspirations in the descriptions of future schools. Superintendent Yohe became a vocal proponent

of this vision.

In the early part of this decade, development exploded in the city and Jay Stewart, Assistant Superintendent of Business Services, developed a projection of how many new schools the district would need. He also planned expansions and upgrades to existing schools. Looking just six to ten years out and only at three sections of the city (Twelve Bridges, Lincoln Crossing, and Foskett Ranch), he estimated that the district might need as many as eight new schools (five elementary schools, two middle schools, and a high school). This averaged a new school opening each year. Jay Stewart presented these projections and cash flow estimates at the school board meeting on March 25, 2003. [Appendices D and F.]

Based on this analysis, the district started an aggressive building program. The district felt a sense of urgency because it takes many years to acquire land, and to plan and build schools. Reasonable projections for the entire cycle are

- ▶ Five years for an elementary school
- ▶ Seven years for a middle school
- ▶ Nine years for a high school

By the summer of 2006, the district had completed a stadium upgrade at Lincoln High School, two new elementary schools, and a middle school. It was also engaged in the construction of Lincoln Crossing Elementary and the Twelve Bridges Learning Center.

The Twelve Bridges Learning Center is planned to be built off of Twelve Bridges Road on the southern edge of the city. This is to include the nearby middle school and a multi-use library, which opened in 2006 and 2007 respectively, the Twelve Bridges High School and a Sierra College extension. Approximately \$18 million was spent on the high school for site grading and for water and power infrastructure. In the summer of 2006, the new high school was scheduled to open in Fall 2009 and was estimated to cost \$60-80 million.

In 2004 Dr. Ronald Feist was hired to perform a more comprehensive and structured analysis of the district's facilities needs. He attempted to look at the entire district and to project a 20-30-year timeframe. When he asked

the administration about new-school funding, Dr. Feist said he was told by Superintendent Yohe and Mr. Stewart it was not part of his master-plan projection responsibilities. A draft of his findings was published in 2006. In February 2007 consultant Curt Pollack produced a Facilities Funding report explaining the money which had already been spent. In June 2007 Dr. Feist released a new Interim Master Facilities Plan, which tied in funding and demographic information. It was created to adapt facilities plans to the recently-understood debt realities. It was considered a short-term, temporary plan because WPUSD wanted to review the updated City of Lincoln General Plan before a permanent plan was finalized. The city's General Plan was released in Spring 2008 and should enable a more accurate and longer-term Master Facilities Plan to be developed.

In summary, Dr. Feist's findings and recommendations were

1. Lincoln's growth had slowed so the district did not need to build schools as fast as it had expected. The demographics of its student population were different than was expected ten years ago. Younger families were moving to Lincoln, so the elementary age students increased at a much faster rate than high school students.
2. Thus the near-term focus would be to add another elementary school, at an estimated cost of \$33 million, by 2011. Next in priority would be a new high school by 2013, at an estimated cost of \$136 million; then a middle school by 2014, estimated to cost \$64 million.
3. Glen Edwards School must continue to serve as a middle school for many years.
4. WPUSD must be aggressive in obtaining funding for future schools.
5. It is estimated that the district will grow to over 9,000 students by 2014. The district must determine how to service the existing debt while building new facilities to meet student needs.

An important finding in this analysis is the new high school does not need to be built until the fall of 2013. This is certainly influenced by the fiscal realities of the district. WPUSD does not expect to need a new high school until the current elementary students advance to high school level.

The Grand Jury heard concerns that one practice holding back the growth of the

high school student population is that WPUSD allows many students to transfer to other districts, including Rocklin’s Whitney High School, which is near the southern limits of Lincoln. During the school year 2007-2008, WPUSD granted 81 inter-district transfers out to other districts for students in 9th through 12th grades. This is 6% of the total high school population. As a benchmark, The Grand Jury looked at inter-district transfers from Placer High School in Auburn. It granted transfers out for 4.5% of their high school population. While the Lincoln High School transfer rate is higher, it is not significant enough to have an impact on when the new high school is built.

The new plan is also based on a more pragmatic approach to facilities growth than was used in the past. The report states that the district needs a high school population over 2,000 before there is a need for two facilities. Even then it would create two relatively small schools and it would be difficult to sustain full academic and extra-curricular programs at both schools. An additional reason the administration wanted to bring the current Lincoln High School capacity to over 2,000 was to help maximize eligibility for state aid.

Lincoln High School ended the 2006-2007 school year with 1,160 students and started the fall of 2007-2008 with 1,400 students, so it is still growing. As of Fall 2007, the high school has a capacity of 1,528, while maintaining current programs and labs. Because the district offices moved to the new city hall building in February 2008, Lincoln High School is adding three classrooms by renovating some of the old district space. This will increase capacity by 96 students for the 2008-2009 school year, bringing the total to 1,624. The total acreage of the current Lincoln High School site is approximately 39 acres, including Phoenix Continuation High School, so there is room to expand using portable classrooms.

Once there are enough students to justify an additional high school, the district will face several sobering issues and decisions. It is possible the cost of a new high school in five years could be as high as \$136 million as opposed to the \$80 million projected in 2006. Significant funds were spent on the Twelve Bridges site, but it may not be the optimal location, given the proximity of Whitney High School in Rocklin. If it stays at the planned location, there may need to be changes in the school design to meet new state standards and to reduce the cost,

and the current infrastructure may need to be modified. In addition, the district must build a new elementary school before a new high school.

**Cost of New Schools**

As stated earlier, the new schools were designed to be first-class, with many extra amenities. Based on the directives of “Project Build” and the school district, the architect planned high-end design and materials. Twelve Bridges Elementary was designed as a “statement” of the new Lincoln expectations. Mr. Stewart said he became alarmed at the actual cost of the school; it was significantly more than originally budgeted. This was the first red flag that the level of spending could not be sustained. At the same time construction costs were increasing dramatically.

After the Twelve Bridges Elementary construction experience, the district provided cost estimates to the architect and contractor of what it thought was reasonable and what it could afford. The design of each subsequent school was reduced, but not quickly enough to get control over spending. Because of the upscale designs of the schools, and materials and construction costs at the time, the current administration said it would not be surprised if the cost was higher than the average school in the area. At the school board meeting on November 9, 2006, board member Paul Carras stated that the schools may be “overbuilt.”

It is difficult to compare school costs because districts include different items in their cost analyses, and land costs can vary considerably. The project analysis prepared by Curt Pollack [Appendix E] shows that Lincoln certainly spent more than budgeted.

**Financing the Schools**

The district launched a major building and borrowing program in 2003. The state contributes money to school construction based on a formula. Since Lincoln decided to build first-class facilities, it had to pay a larger percentage of the cost than most communities. By November 2006, the administration and board became aware the district was burdened by risky debt and they would not be able to service that debt as currently structured. This caused significant public concern and confusion.

To understand what happened, one must look at how schools are funded in California. Historically, all homeowners in a community shared the cost of new schools through property taxes. Proposition 13 limited property tax to 1% of the assessed value. Since this proposition passed, the cost of school facilities has been borne primarily by developers, new home buyers, and General Obligation bonds. A study in 1997 showed in one California community, developer fees and homeowner assessments accounted for 19% of the average sales price.

Besides state money, WPUSD used four types of funding for facilities construction.

**1. General Obligation Bonds (GO) [Appendix B]**

In the 1990s the voters passed a GO to help finance schools. The district still owes approximately \$10 million on this bond and this is paid by all residents of Lincoln through property taxes. The district decided not to offer another GO in 2003 because it thought many residents in the community would not vote for it.

**2. Developer Fees**

When developers first propose building on a site, they negotiate plans and fees with the school district. Schools and other infrastructure can be paid 100% by the developer, or the developer can pay a smaller percentage, and the future home owners fund the balance through a Community Facilities District (CFD).

The City of Lincoln did not want to discourage development and the state limits how much developers are required to pay for schools. The school district allowed most developers to pay 30% of the cost of the schools, with the rest shouldered by the homeowners.

**3. Community Facilities District / Mello-Roos (CFD) [Appendix B]**

The new homeowners pay this cost through CFDs, which has become a standard financing mechanism for school districts. It is more commonly known as “Mello-Roos,” named for the legislative sponsors of the bill that established that type of CFD. The CFD has two components, (A) revenue generation and (B) bond issuance.

- **CFD revenue generation** – Revenue from CFDs was initiated in two new sub-divisions, Lincoln Crossing and Foskett Ranch, before they were

built. The few original land owners voted to create Community Facilities Districts. The home buyers within these districts agreed, when they purchased their homes, to pay CFD fees based upon the square footage of their homes. Details about the CFD obligations were in the closing documents. It is the obligation of the buyer to read and understand these documents. These fees are collected each year when property taxes are paid.

For the school district this is a risk-free form of revenue because the real individual home properties are the security for these fees and delinquency can result in penalties and, ultimately, foreclosure and sale. Unlike General Obligation bonds, where everyone in the city pays, only the homeowners within a specific CFD pay these fees. The first CFD, created in 2005 for the Foskett Ranch development, authorized collecting \$177 million over 30 years. The second CFD, created for Lincoln Crossing, authorized \$100 million over 40 years. The second CFD has an escalation clause stating that fees to homeowners can increase up to 2% each year for the life of the assessment.

- **CFD Bond Issuance** – The CFD fees mentioned above are collected gradually, over decades. However, most of this money is needed when the homes are built, to construct schools. Therefore, the law allows for CFD bonds to be sold. This quickly secures the required funding, which will be paid back over time with interest, using the collected homeowner fees. WPUSD issued \$15 million of this type bond, but realized in 2003 that the appraised value of the land would not allow the district to borrow the full amount of money needed for all the building projects. The district turned to another type of borrowing, Certificates of Participation.

4. **Certificate of Participation (COP)** [Appendix B]  
A COP has few restrictions and can be used to generate significant funding. These became popular in California after Proposition 13 because issuing COPs do not require voter approval and are not capped by land value appraisal. This type of debt is much riskier for the district than CFDs. Homeowners assume all the risk for CFDs, up to and including foreclosure. The school district is responsible for COPs and if property fees do not cover the payments then the district must pay COP obligations from the operating budget and reserves. As a last resort, an investor can foreclose and take ownership of a school funded by a COP, although this is rare.

Because COPs are not secured by real property, interest on this type of bond is higher than on CFDs. The COPs WPUSD sold had variable interest rates. Based on school district revenue projections and the urgent need for facilities funding, the school board decided to use COPs for financing.

The district has issued five COPs, totaling \$132.3 million

- ▶ \$27 million in 2003
- ▶ \$12 million in 2003
- ▶ \$35 million in 2004
- ▶ \$8 million in 2006
- ▶ \$50.3 million in 2006

Two important points

1. The district is required to house students from households paying CFD fees, but it is not necessary that it build new schools in the CFD neighborhood. The district planned to use the long-term revenue generated by CFD assessments and future developer fees to pay off the COPs. This is standard practice, because the CFD fees can be used to pay off any debt that is incurred for school facilities, even facilities that have already been built.
2. The \$177 million in fees from the two existing CFDs would only cover the \$130 million in COPs and \$15 million in CFD bonds, plus interest, which had already been issued. The district knew the CFD fees approved to date would only pay for the elementary and middle schools already built. To build additional facilities, including the Twelve Bridges High School, new sources of financing would be required. The district assumed continued growth would keep this revenue stream stable and sufficient to pay off the COPs and build new schools.

The Grand Jury did not review in detail all the COP documents for all the disclosures regarding the financial instruments.

**Current Financial Position**

Servicing the existing debt and borrowing for future school construction was

dependent on growth of the tax base. As growth slowed in 2005, the revenue stream began drying up. Also, the schools built during the previous few years had many expensive amenities and cost more than originally expected. By the school board meeting on November 9, 2006, the trustees were faced with some hard realities. They would soon be unable to meet the current debt obligations and they had insufficient funding to complete existing projects. At that time the district was financially committed to several construction projects, including

- ▶ Lincoln Crossing Elementary School
- ▶ Infrastructure for the new high school
- ▶ The new library, a joint project with the City of Lincoln
- ▶ One floor of the new City Hall for offices, another joint project with the city

The board made several decisions during this time.

1. Approved the issuance of an additional \$50 million COP, to complete several of the active projects, especially Lincoln Crossing Elementary and the library. There was a proposal to issue even more debt for the high school, another middle school, and a multi-purpose room at Creekside Oaks, but the board rejected this proposal
2. Hired financial consultants to analyze facilities funding and debt service, including Curt Pollack, Bruce Kerns, and Cathy Dominico
3. Hired a consultant to update the Master Facilities Plan, Dr. Ron Feist

At this time the administration felt there were three urgent questions that needed to be answered.

1. How will the district manage its debt?
2. How will it continue building?
3. What is the timeline for the new high school?

In February 2007, Curt Pollack presented the results of his analysis to the board. He stated that the debt was \$189 million (\$127 million borrowed plus \$62 million in eventual interest). He presented six recommendations to the Board.

1. Postpone any new projects.
2. Perform a full debt analysis.
3. Reconsider the configuration of future schools.
4. Establish budgets for new school construction.
5. Transfer administration of facility finances to the Facilities Department.

6. Renegotiate joint-use agreements with the city.

In June 2007 Bruce Kerns, an employee of the investment firm, Stone and Youngberg, presented his analysis of the district’s debt to the board. He demonstrated that the CFD and developer fees would not cover the existing debt. By 2009 the expenditures for debt service would outweigh revenues, and by 2012 it could affect the district general fund. He recommended the district issue a new GO or CFD bond and tie any financing plan to the facilities plan that was being revised.

The board found this report useful, but did not feel additional GO bonds would be passed by the voters. A consultant, Cathy Dominico from Capital Public Finance Group, was hired to find other creative ways to finance the debt. On November 20, 2007 the board held a budget workshop where she presented her suggestions. [Appendix G.] As noted previously, there were five outstanding COPs. Ms. Dominico suggested the district refinance three of the COPs with a shorter life and variable interest rates. By extending the time to pay these off and locking in interest rates, the monthly payments could be lowered to something manageable. To cover these payments the district should use all available remaining facilities money (approximately \$6 million), Mello-Roos fees, and developer fees (projected at \$800,000 per year, increasing 5% each year). Using conservative assumptions, it was expected this plan would avoid affecting the General Fund until at least 2018. The district accepted this course of action.

Some other observations at that time about the budget were

- ▶ The district is still obliged to pay its share of the projects being built in partnership with the city, which were the library and the city hall.
- ▶ 90% of the general fund is used to pay employees, leaving only 10% for other expenses. Having to pay for the debt from the general fund would affect all other school programs.
- ▶ Cost-of-living salary increases were funded for 2007-2008, but were tentative for future years. (NOTE: on January 15, 2008 the Board approved increases for the 2008-2009 school year.)

The Board and the administration noted that to build additional schools in the

near future, the district will probably need to pursue several avenues.

- ▶ Apply and qualify for state hardship funds.
- ▶ Receive state money through grants for career technical programs.
- ▶ Get special funding as a small school district.
- ▶ Plan to build at future school sites in phases.
- ▶ Use less expensive designs, possibly even borrowing site plans from other districts.

### **Design, Contracts, and Construction**

In 1995 WPUSD selected the architectural firm, NTD, as the school district’s architect, after a competition with two other finalists. NTD is headquartered in San Diego and has a local branch office in Auburn. WPUSD came to trust and rely on an architect at NTD. In 2003, when it needed to implement its aggressive building program, the board stayed with NTD, rather than seek new competitive bids.

WPUSD wanted to be sure the new facilities would meet the expectations of the residents, so NTD was directed to make the school facilities “comparable” with Rocklin and Roseville. NTD designed unique, high-end schools with many amenities and received several awards for these designs. NTD was compensated based on the total cost of the projects; it was paid \$5,179,249 in design-related fees for the Twelve Bridges High School.

NTD entered into a limited partnership with Edge Development, a contractor also headquartered in San Diego. NTD/Edge solicited bids from sub-contractors and negotiated a Maximum Price Contract, with WPUSD. They also engaged in a value engineering exercise before the project began. Value engineering is a review of the design and materials to see if there are any opportunities to substitute less expensive construction techniques, materials, or design elements without compromising the quality of the facility. WPUSD relied on NTD to represent the district, because it lacked in-house staff qualified to manage this activity. Very few value engineered changes were documented.

In school construction, to be sure the facility is built to the design and meets state specifications, a school district hires state licensed inspectors. An inspector is an expert representative for a school district and a key quality control

mechanism. If an inspector finds a deviation, either the contractor needs to correct it or the architect must change the design to accept the deviation. The architect then sends the accepted change to the Division of State Architects to update the design drawings.

The Grand Jury heard testimony that a state-certified school building inspector, hired by the WPUSD, required a change in construction, to meet plan requirements. The change was not made; instead the architect revised the plans retroactively to accommodate the actual construction. There were also instances where an inspector requested a change and the contractor covered the area with drywall, so it couldn't be reinspected.

Although the contracts are called "Maximum Price Contracts," they include certain contingencies, along with inflation factors, and percentages for cost over-runs. After projects are complete, the contracts should be audited to be sure a district receives any refunds due them.

Based on staff testimony, the initial bids and awards were reviewed by the school board. However, before June 2006, all contracts and change orders were negotiated and approved by Mr. Stewart and Superintendent Yohe, without review by the board members. Today, these types of contracts are managed by Cathy Allen, Assistant Superintendent of Facilities, and changes are reviewed and approved by the board.

In August 2007, the district maintenance staff raised concerns about the district's relationship with NTD/Edge, contractual irregularities, and poor quality construction. The Grand Jury did not look into these allegations in detail because the district hired a consultant, Bob Aaronson, to investigate them.

The district has since retained a new architect.

**Western Placer Unified School District Foundations**

There are three foundations associated with WPUSD:

- ▶ Lincoln High School Farm Foundation
- ▶ Western Placer Education Foundation
- ▶ Western Placer Financing Corporation

The Lincoln High School Farm Foundation was established over 30 years ago on land donated by the federal government. It is a unique gem that most school districts in the state would envy. The function of the farm is to expose students to agriculture and the environment and to show how these can work together. The foundation’s purpose is to provide education in and appreciation for both farm production and natural resources.

The Western Placer Education Foundation (WPEF) was established in early 1998 as “a non-profit public benefit corporation to support and promote excellent education in the Western Placer Unified School District.” It manages 151 acres of donated property and administers an educational fund. It awards grants to district schools and teachers which are generated from this fund.

The Western Placer Financing Corporation was created for the purpose of issuing COPs for the district’s needs.

The foundations have volunteer governing boards, including members of the WPUSD School Board, the administration, the teaching staff, and members of the community. Foundation members who were interviewed were passionate, dedicated and proud of their organizations. Volunteers put in many hours of service and some have supported these foundations for decades. However, as volunteers, they often do not have a complete understanding of non-profit reporting requirements and responsibilities. Also, the public is easily confused about the foundations’ roles and relationships with the school district.

**Land and Facilities Transactions**

WPUSD, the Lincoln High School Farm Foundation, the Western Placer Education Foundation, and the City of Lincoln were involved in several transactions involving land swaps and integrated facilities projects.

- ▶ The Lincoln Community Center is next to Creekside Elementary School, at First Street and Joiner Parkway. The city built the community center in 1993, but could not service the debt a few years later. The district took over the debt and used the building as a multi-purpose room/cafeteria for Creekside Elementary School, renting it to the city for community func-

tions. In early 2006, the district sold the facility back to the city for \$6.1 million, to raise money for its share of the city hall construction. WPUSD planned to build a new multi-purpose room/cafe/tertia at Creekside Elementary, but the current debt problems caused the board to suspend those plans.

- ▶ The City of Lincoln built a new four-story city hall on Sixth Street for approximately \$22 million. WPUSD contributed \$5 million to the construction in exchange for one floor of the building for district offices. In addition to this payment, the district signed a 55-year lease with the city. At the end of that period the district will own its share of the building. Staff occupied the new building in February 2008.
- ▶ The new Lincoln library was a joint project with the City of Lincoln, WPUSD, and Sierra College. It was planned to be a multi-use library at the Twelve Bridges Learning Center, used by the city, the future Twelve Bridges High School, and a future Sierra College extension. State funding was secured with the understanding that it would be primarily used as a high school library. The high school and the community college extension plans have been suspended, so the library is currently used only as a city library. WPUSD contributed \$2.2 million to the construction costs and, in accordance with the original agreement, continues to pay approximately \$120,000 annually in operational funds
- ▶ Twelve Bridges Placer Holdings, Inc., a developer, donated 179 acres to the Western Placer Education Foundation in 1999. This property is administered by the foundation for WPUSD as an “Outdoor Learning Environment,” and includes a Native American archaeological site. In 2007 the foundation sold 28 acres to Westpark, a developer, for \$1.4 million. The foundation is currently using these monies to generate income for educational grants within the district. It plans eventually to use the money to build a learning center on the site. The remaining 151 acres has an easement that prevents the foundation from selling it for development.
- ▶ Three decades ago, WPUSD was offered 280 acres of former Beale Air Force Base property by the federal government. After using the property for thirty years for educational purposes, it was allowed to purchase this property two years ago for one dollar. It is currently used for the Lin-

coln High School Farm, an agricultural educational facility. In May 2006 WPUSD entered into an agreement with Wildlands, Inc. for a “Western Placer Vernal Pool Conservation Bank.”

Wildlands agreed to give WPUSD 126 additional acres adjacent to the existing farm and \$750,000. The \$750,000 was deposited in the general fund as a restricted account and the income generated from this account supplements the farm budget. Wildlands also set up an endowment that generates additional money for property maintenance. In exchange the district agreed to deed 224 acres to be used solely for “future wetlands mitigation purposes.” Wildlands was granted these environmental easements, which it can sell to developers. The original 280 acres, plus the 126 acres from Wildlands, totals 406 acres. The balance of this property, after deducting the 224 acres that will be used for wetlands mitigation, is planned to be divided into 60 acres for a future high school and 122 acres for the Lincoln Farm.

- ▶ The Zebra Housing Project is a joint program with the city at Creekside Village. This is a self-funded program for low-income housing. It is an educational program, where students get on-the-job experience in the building trades. The city and developers collaborate on the land and fees. The students contribute the labor, and the sale of each home built supports the other building costs, such as materials. Four homes were built under this program, with one left for sale. Once sold, all costs should be covered and the program should have zero balance. At the school board meeting on December 4, 2007, board members expressed surprise that there was not a positive balance, since the land and labor were donated. The school board is re-assessing this program and there are no plans to build additional homes.
  
- ▶ All new schools built in the district have adjoining city parks. The schools have priority in using the parks. To reduce cost, the school district is managing the bidding and construction of the schools and parks as one project. Once complete, the city will pay the district for the cost of the parks. As of November 20, 2007, the city had been billed \$2.9 million for parks. According to WPUSD personnel, as of March 19, 2008, the city had not yet paid the district for any of these parks.

## **Observations about District Communication, Relationships and Oversight**

### **The School District**

During its investigation, the Grand Jury discovered that past communication within the district was not as open as it should have been. It heard instances of dialog being stifled, warnings going unheeded or not being passed to the responsible parties and important questions being left unanswered. This lack of accessibility and dialog led to staff frustration and, it appeared, contributed to poor decision making.

The Grand Jury saw indications that communication and relationships within the district had improved, but they were still inadequate. There was still some unhealthy tension within the district organization that could distract the staff from focusing on solving problems and serving students.

### **The Public**

The Grand Jury was also told that under the prior district administration, the district was not very open with the public. It was difficult for citizens to access data and to voice concerns. This increased the public’s apprehension and distrust.

It appears the new superintendent has made an effort to be candid and transparent. He quickly disclosed problems as they were discovered and held “Facilities Forums” to directly and publicly answer questions. Although the community did not like many of the answers, this openness has definitely improved community relations. The Grand Jury still heard complaints from citizens that access to public information is slow and the board appears indifferent to some individuals’ comments.

### **The City of Lincoln**

WPUSD has a close, rather complicated relationship with the City of Lincoln. It is good for a school district to nurture a positive relationship with its local cities. It depends on the city to use its leverage during the planning process to encourage developers to work with the school district. Mutually beneficial facilities, such as parks, can be developed. However, the Grand Jury was surprised at the number of dealings and the extent of their co-dependence; from

the parks, to the library, to the community center, to the Zebra Housing Project, to the city hall.

**School Board Decisions**

The school board makes many decisions, usually based on information supplied by the district administration. However, the Grand Jury saw a pattern of complacency and lack of oversight that concerned jurors. According to testimony, Superintendent Yohe manipulated a passive school board to follow his vision. Here are examples.

1. Superintendent Yohe hired Ken Gammelgard as District Director of Site Development. Gammelgard did not have the experience and qualifications for this position, especially given the expected growth in facilities construction projects. Gammelgard was a school principal, and it was simply convenient to retain existing personnel within the district.
2. District Superintendent Yohe was transferred to the new position of Facilities Superintendent. He also had no apparent experience or qualifications in managing construction. This move was approved at a board meeting on April 4, 2006. He was given a three-year contract and his salary was raised to \$155,000 a year, an increase of \$4,730. At the same meeting the board named Scott Leaman to replace Roger Yohe as Superintendent, at a salary of \$139,000 per year, an increase of \$22,788. This created two superintendent roles and confusion about reporting relationships. These changes were effective July 3, 2006.
3. On December 5, 2006, the board decided that the position of Facilities Superintendent was no longer needed. The parties came to a mutual agreement to cancel the contract. The board agreed to keep Yohe in this position and pay his full salary until June 30, 2007. The board also agreed to pay health, dental, and welfare benefits for Yohe and his spouse until they become eligible for Medicare benefits at age 65.
4. The board did not closely monitor the growth of debt and the cost of construction. The Grand Jury did not find evidence that the funding mechanisms proposed by the administration were clearly understood by the board or that it questioned the level of debt. Although the board did request monthly facility reports at meetings, it did not insist on updates

regarding construction contracts, negotiations with the builders, and contract change orders.

**FINDINGS**

- ▶ WPUSD made many errors and misjudgments in facilities construction and financing during the last decade. The WPUSD board and administration, under Roger Yohe’s leadership, did not follow generally accepted sound business practices in the performance of their duties regarding the design, funding, and construction of new schools. Examples are
  - Superintendent Yohe influenced the board to follow a fiscally irresponsible path toward his overly ambitious vision.
  - He initiated and approved design and construction of high-end, state-of-the-art facilities with no sound, achievable financing plan in place.
  - The WPUSD hired unqualified individuals to lead the aggressive new facility construction.
  - The board’s lack of oversight and pattern of complacency did not meet its fiduciary responsibilities.
  
- ▶ In the early 2000’s the district had a short-term Facilities Master Plan that was loosely coupled to the funding plan. The district based their decisions on the same assumptions of growth, in development and equity, which most lenders and home buyers were using to make decisions. With the economic downturn, WPUSD suffered the same reversal as many others. The evidence indicates the district personnel and the school board thought the finances were fine and were surprised in Fall 2006 to discover their dilemma. The evidence also indicates they should have anticipated the problem. They should have used more checks and balances, better communication, and more conservative assumptions. The Grand Jury believes the school board should have examined the school costs and funding mechanisms more closely.
  
- ▶ The district and city did not negotiate aggressively enough with developers for up-front fees to build schools. Instead they relied on CFD assessments and COPs.

- ▶ Although COPs are a less secure form of school financing than CFDs, and WPUSD relied heavily on them, the Grand Jury found them an appropriate method of financing new schools. Since Proposition 13, most school districts had to discover creative funding avenues, especially for building new facilities. Some were less desirable due to increased risk. Many districts turned to COPs. The district could not raise enough up-front funding through CFD bonds and it believed that GO bonds would not be supported by a majority of the community in Lincoln. WPUSD expected the COPs to act as short-term bridge loans, to be covered by developer fees and the CFDs, but the downturn in the housing market altered those plans.
- ▶ The Grand Jury found no evidence of misuse of the CFD funds. There are clear accounts designated to manage these funds within the school district. Some of the funds can lawfully be used for operations tied to building new facilities. WPUSD is audited annually and the funds appear to be managed correctly.
- ▶ The facilities building program was under-staffed and the people appointed to oversee construction did not have the expertise required to plan and manage the projects. This problem was addressed, to some degree, with Lincoln Crossing Elementary School.
- ▶ The district performed little or no oversight of the architect and the contractor, and there was not appropriate administration of some contracts. The partnership between NTD and Edge gave the appearance, at the very least, of a conflict of interest.
- ▶ The community had unrealistic expectations about the quality of new schools the district could afford. It also anticipated unrealistically low numbers of students in each school.
- ▶ The community was told the district would build a new high school. However, Superintendent Leamann and the board acted properly in halting construction when they realized the extent of the district's debt. The subsequent interim Master Facilities Plan is well-documented and logically constructed. The Grand Jury believes the delay of the new high school is appropriate, based on projected student enrollment.

- ▶ Within the district, staff relationships were strained and communication was inhibited. The district had confusing organization structures, causing internal quarrels, and restrained information flow.
- ▶ The non-profit foundations within the district are managed correctly and benefit it. The Grand Jury believes that Lincoln High School Farm is a valuable and unique asset, not only for the high school, but for the entire district.
- ▶ The many land and facility transactions between the district, and the city and developers were done to benefit the district. However, the Grand Jury believes that the district did not always maximize those benefits. In the long term it may be good to have land available to build new schools. Yet, in the short term, the administration of these transactions, management of the farm, and nurturing relationships with the city and Sierra College, may have distracted the district from the focus needed for their major construction program.
- ▶ The Grand Jury believes the current district administration has taken appropriate steps to address the district’s financial situation.

**CONCLUSIONS / RECOMMENDATIONS**

1. The school board members must clearly understand their role and responsibilities. The board plays a vital role in the well-being of the district. They must work with the administration, but examine information critically. They must support and assist the superintendent to achieve district goals, and must hold the superintendent accountable for district finances, practices and policies. They must require high standards, to maintain district financial health.
2. WPUSD should guarantee all building projects are tied to defined and specific funding sources. The school board should perform an annual review to assure the facilities plans match student demographics and funds available. The board must approve building plans and costs, and major changes to those plans.

3. WPUSD must be determined to protect its own interests. Given its current financial situation, there is little margin for error. It should make no commitment to schools in the new developments until clear, firm and sustainable funding mechanisms are in place. Schools are an asset for the entire community and WPUSD must encourage developers and the city to jointly shoulder this burden. The Grand Jury agrees with Dr. Ron Feist, who said it is vital for the district to partner with the City of Lincoln to develop the financial resources needed to build future school facilities.
4. WPUSD must ensure it is receiving fair value in all transactions with other organizations, such as the City of Lincoln or Wildlands, Inc.
  - It must negotiate business arrangements, such as the selling of environmental mitigation rights, to maximize district benefits.
  - It must use competitive bidding for all contracts.
  - It must be sure it is promptly paid by the city for joint projects, such as parks.
  - It must be very confident joint ventures with the city, such as the library and city hall, are in the best, long-term interest of the school district.
5. The school district should not allow partnerships between its architect and primary contractor, to avoid even the appearance of a conflict of interest. Districts must rely on the architect to be a representative of the district's interests. Decisions made by the contractor directly influence the profits of the architect, and vice versa.
6. The Grand Jury recommends WPUSD create a department dedicated to new construction, separate from facility maintenance. The district needs to make certain it has staff competent to oversee facility construction. This department must have qualified experts who can negotiate contracts, monitor construction, and work actively with inspectors and architects, guarding the district's interests.
7. The Grand Jury is concerned that there are still relationship and communication issues within the district. The district must adhere to clear organizational reporting lines and job descriptions.
8. The district administration and board have taken positive steps to be open and transparent in their communications. The Grand Jury recommends

that the district continue to communicate aggressively with the public. The district needs to make better use of its website. As all district and project information becomes available, it should be posted and maintained on the district website. The site should include details on the CFDs and their requirements, the COPs, the facilities building plans, the project plans, and the district’s foundations.

9. The Grand Jury recommends the district staff actively communicate with local realtors and developers to ensure they have the latest school facilities information for prospective homebuyers.
10. The Grand Jury commends the volunteers who invest their time and energy as district foundation board members and advisors. The foundations are separate entities but not autonomous from WPUSD. The district must be sure the foundations’ directors are familiar with the laws and regulations under which a public foundation operates, and make sure they comply with those processes. The foundations should be as transparent in their operations as the district.
11. The Grand Jury commends the district for its longstanding farm education program. It recommends the district expand the use of the Lincoln High School Farm as an educational tool. The district might develop agricultural or environmental programs for elementary or middle schools, or offer its programs to other districts and colleges.
12. The Grand Jury recommends the Lincoln community support the district school board. When board vacancies occur, the district administration, other board members, citizens, and city officials should aggressively recruit well-qualified candidates to run for the board.
13. The Grand Jury recommends the community remain engaged and voice its opinions, and work with the district administration and board. The community must bind together and use its energy to create a solid plan for the future. The Grand Jury encourages the public to attend school board meetings.
14. The district must also have a strong relationship with the City of Lincoln. City officials need to be actively involved in district activities, since a

strong school district is integral to a healthy community.

- 15. The Grand Jury commends the local press for covering the board meetings. The media need to continue school coverage.

**REQUEST FOR RESPONSE (S)**

The Grand Jury requests responses to the following items from the following individuals and agencies. No responses are requested for Items # 12, 13, and 15.

- ▶ WPUSD Superintendent Scott Leaman - #s 2,3,4,5,6,7,8,9,10,11  
600 Sixth Street, Fourth Floor  
Lincoln, CA 95648
- ▶ WPUSD School Board - #s 1,2,3,4,5,6,7,8,10,11  
c/o Paul Carras, President  
600 Sixth Street, Fourth Floor  
Lincoln, CA 95648
- ▶ Lincoln City Manager James Estep - #s 4,14  
600 Sixth Street  
Lincoln, CA 95648

**APPENDICES**

**Appendix A:** Chronology

**Appendix B:** Glossary, Facilities Financing summary sheet, and What is Mello-Roos

**Appendix C:** Names and titles of people mentioned in the report

**Appendix D:** Projected New School Construction presented at Board meeting on March 25, 2003 and list of new schools and dates built

**Appendix E:** Individual Project Analysis, dated Feb 20, 2007

**Appendix F:** Capital Facilities Projected Cash Flows, presented at Board meeting on March 25, 2003 (section covering 2002-2003 to 2009-2010 school years

**Appendix G:** Five slides from Outstanding Debt Review, presented at the Board meeting on November 20, 2007

**Appendix H:** List of primary documents used in research

Appendix A: Chronology

**Western Placer Union School District  
Grand Jury Investigation  
Chronology of Events**

<b>Date</b>	<b>Action</b>
1993	Community Center built at First and Joiner Streets
1994	<i>Project Build</i> started
1994	Roger Yohe becomes WPUSD Superintendent
1995	City of Lincoln population is approximately 7,800
1995	WPUSD selects NTD as district architect
1996	<i>Project Build</i> results are published
Spring 1998	Formation of <i>Western Placer Education Foundation</i>
Fall 1999	Donation of 179 acres to <i>Western Placer Education Foundation</i> from <i>Twelve Bridges Placer Holdings, Inc.</i>
2002	City of Lincoln population approximately 17,700
March 2003	Proposal for joint use library at Twelve Bridges; city owned and operated
March 2003	Jay Stewart presents growth projections and cash flow estimates to School Board
2003	COPs issued during this year total \$39M
August 2004	Twelve Bridges Elementary School opens
2004	Dr. Ron Feist hired for facilities needs analysis
2004	COPs issued during this year total \$35M
August 2005	Foskett Ranch Elementary School opens
January 2006	Roger Yohe proposes to board that he transfer to job as Facilities Superintendent.
February 2006	Draft Facilities Master Plan, by Dr. Ron Feist, released
March 2006	School district sells the Community Center building back to the City for \$6.135M.

<b>Date</b>	<b>Action</b>
April 2006	School Board approves Scott Leaman as District Superintendent and Roger Yohe as Facilities Superintendent
May 2006	WPUSD approves Wildlands Inc. mitigation rights for 224 acres of Lincoln High School Farm.
June 2006	City Council and WPUSD approve contract award for new library. Sierra College had previously approved.
June 2006	Jay Stewart leaves WPUSD
July 2006	Job changes become effective for Scott Leaman and Roger Yohe
July 2006	Board approves "Guaranteed Maximum Price " contract of \$20,709,721 for Lincoln Crossing Elementary School.
August 2006	Board approves "Guaranteed Maximum Price " contract of \$76,140,087 for 12 Bridges High School.
August 2006	Twelve Bridges Middle School opens
Summer 2006	Lincoln High School stadium upgrades complete
November 2006	School Board elections.
November 2006	Board learns that projected revenues barely cover yearly debt payment of approximately \$17M.
November 2006	Board hires Curt Pollack to review debt and provide creative financing solutions
November 2006	Board authorizes sale of \$50M more in COPs, to finish existing projects. Voted against more debt for new high school, at least until new facilities plan is complete.
December 2006	Scott Leaman writes article in local paper explaining delay of high school.
December 2006	Board restructures contract with Roger Yohe; contract will end 6/30/2007
December 2006	First <i>Facilities Forum</i> - addressed question, "Where did the money go? Curt Pollack's report presented.
2006	Preliminary <i>Master Facilities Plan</i> , by Dr. Ron Feist, published

<b>Date</b>	<b>Action</b>
2006	COPs issued during this year total \$58.3M
February 2007	Curt Pollack's report on the analysis of debt and ways to move forward, presented to the Board.
March 2007	Second <i>Facilities Forum</i> - addressed question, "Can we afford our debt?" - Bruce Kerns report discussed
June 2007	At School Board meeting, Bruce Kerns report on debt service presented. Suggested district needed new bond measure.
June 2007	Updated <i>Interim Master Facilities Plan</i> by Dr. Ron Feist, is released and presented to the board
June 2007	Third <i>Facilities Forum</i> - addressed question, "When will the new high school be built?" - Dr Ron Feist's report is presented.
June 2007	Roger Yohe leaves WPUSD
Summer 2007	Educational Foundation sells 28 acres for \$1.4M
August 2007	Maintenance employees mailed binder with concerns about district construction projects to School Board members
August 2007	WPUSD hires Bob Aaronson to investigate concerns raised in binder
August 2007	Lincoln Crossings Elementary School opens
September 2007	Board appoints Cathy Allen as new <i>Assistant Superintendent of Facilities and Operations</i> .
October 2007	New Twelve Bridges Library opens
November 2007	School District conducts a <i>Budget Workshop</i> , discussing details of the budget status and recovery options
<b>Date</b>	<b>Action</b>
2007	City of Lincoln population over 37,000
February 2008	Opening of new City Hall; WPUSD moved District Offices to one floor of new building
March 2008	Lincoln releases updated <i>General Plan</i>

Appendix B:

Glossary

Community Facilities District Bonds (CFD or Mello-Roos)

A method whereby almost every municipal subdivision of the state may form a special, separate district to finance a long list of public facilities by the sale of bonds and finance certain public services on a pay-as-you-go basis. CFD's are formed and bond issues authorized by a two-thirds vote of the property owners in the district. Typically the only voters in a district are one or more large land owners or real estate developers who own or have an option on all the land in the district. Bonds are sold to finance facilities that can include schools, parks, libraries, public utilities and other forms of infrastructure. Bonded debt services are paid for by special taxes levied on the real property within the district. As the developer subdivides and sells off the land the new property owner assumes the tax burden. Tax delinquencies can lead to fines and penalties and ultimately foreclosure and sale. The ultimate security for CFD's is the value of the real property being taxed, consequently a provision in the law requires the appraised value of the land to be three times the bonded debt. Recent foreclosure sales have cast doubts on the skills of the appraisers, and underscore the riskiness of some of this debt when a severe real estate slump hits developers.

Certificates of Participation (COPs)

A form of lease revenue bond that permit's the investor to participate in a stream of lease payments, installment payments or loan payments relating to the acquisition or construction of specific equipment, land or facilities. In theory the certificate holder could foreclose on the equipment or facility financed in the event of default, but so far no investor has ended up owning a piece of a school house or a storm drainage system. A very popular financing device in California since Proposition 13 because COP issuance does not require voter approval. COPs are not viewed legally as "debt" because payment is tied to an annual appropriation by the

government body. As a result, COPs are seen by investors as providing weaker security and often carry ratings that are a notch or two below an agency's general obligation rating.

### General Obligation Bonds (GO)

A general obligation bond is a common type of Municipal bond in the United States that is secured by a state or local government's pledge to use legally available resources, including tax revenues, to repay bond holders.

Most general obligation pledges at the local government level include a pledge to levy a property tax to meet debt service requirements, in which case holders of general obligation bonds have a right to compel the borrowing government to levy that tax to satisfy the local government's obligation. Because property owners are usually reluctant to risk losing their holding due to unpaid property tax bills, credit rating agencies often consider a general obligation pledge to have very strong credit quality and frequently assign them investment grade ratings.

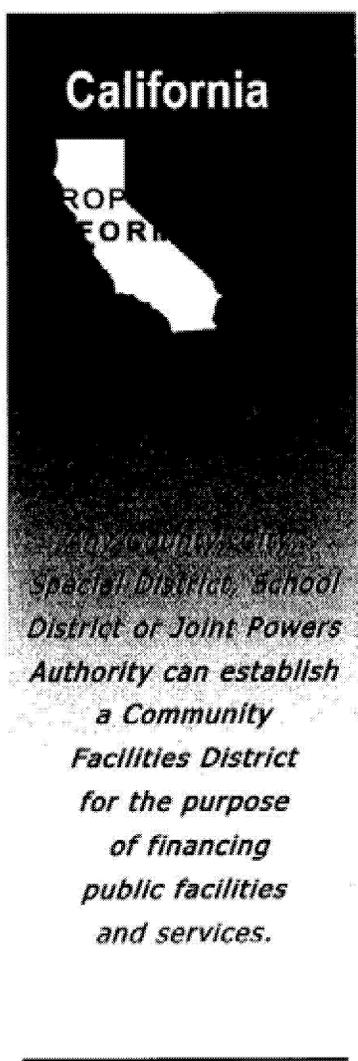
Facilities Financing Summary Sheet

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Placer County Grand Jury

Facilities Financing				
	General Obligation Bonds (2/3 approval)	Prop 39 General Obligation Bonds	Mello-Roos Bonds	Certificates of Participation
Voter Approval	yes	yes	yes	no
Affirmative Vote Req'd	66.67%	55%	66.67% of registered voters or landowners (if less than 12 registered voters)	n/a
Secured By	property owners	property owners	property owners	District General Fund or any legally available revenue source
Debt Repayment	tax rate per \$100,000 of assessed values	tax rate per \$100,000 of assessed values; not to exceed \$60/\$100,000 of AV for unified district	amount per Rate and Method of apportionment in CFD docs (not <i>ad valorem</i> )	interest and principal repaid per debt service schedule
Limit on Amount of Debt Issued	bonding capacity (2.5% of AV for unified district) and amount approved in bond measure	tax rate limitation (\$60/\$100,000 of AV for unified district), bonding capacity and amount approved in bond measure	per CFD ballot; must have 110% debt service coverage	according to ability to pay and obtain financing
Types of Facilities	Only capital facilities and land (including administration) as specified per bond language	Capital facilities, land, equipment and capital leases (including administration) as specified in detailed bond language by project	capital facilities with a useful life of 5 years or longer (including administration) per bond language	per board resolution
Term of Debt	usually 25-40 years	usually 25-40 years	per terms in CFD docs; 20-40 years	matches life of asset; 10-40 years
Prepayment/Refiance Allowed	yes, only one <i>advance</i> refunding	yes, only one <i>advance</i> refunding	yes	yes
Furniture and Equip	no	yes	yes	yes
Oversight Committee Required	no	yes	no	no

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# What is Mello-Roos?

**Background:**

In 1978 Californians enacted Proposition 13, which limited the ability of local public agencies to increase property taxes based on a property's assessed value. In 1982, the Mello-Roos Community Facilities Act of 1982 (Government Code §53311-53368.3) was created to provide an alternate method of financing needed improvements and services.

**The Mello-Roos Community Facilities Act of 1982**

The Act allows any county, city, special district, school district or joint powers authority to establish a Mello-Roos Community Facilities District (a "CFD") which allows for financing of public improvements and services. The services and improvements that Mello-Roos CFDs can finance include streets, sewer systems and other basic infrastructure, police protection, fire protection, ambulance services, schools, parks, libraries, museums and other cultural facilities. By law, the CFD is also entitled to recover expenses needed to form the CFD and administer the annual special taxes and bonded debt.

**Why is a Mello-Roos CFD Needed?**

A CFD is created to finance public improvements and services when no other source of money is available. CFDs are normally formed in undeveloped areas and are used to build roads and install water and sewer systems so that new homes or commercial space can be built. CFDs are also used in older areas to finance new schools or other additions to the community.

**How is a Mello-Roos CFD Formed?**

A CFD is created by a sponsoring local government agency. The proposed district will include all properties that will benefit from the improvements to be constructed or the services to be provided. A CFD cannot be formed without a two-thirds majority vote of residents living within the proposed boundaries. Or, if there are fewer than 12 residents, the vote is instead conducted of current landowners. In many cases, that may be a single owner or developer.

Once approved, a Special Tax Lien is placed against each property in the CFD. Property owners then pay a Special Tax each year. If the project cost is high, municipal bonds will be sold by the CFD to provide the large amount of money initially needed to build the improvements or fund the services.

**How is the Annual Charge Determined?**

By law (Prop. 13), the Special Tax cannot be directly based on the value of the property. Special Taxes instead are based on mathematical formulas that take into account property characteristics such as use of the property, square footage of the structure and lot size. The formula is defined at the time of formation, and will include a maximum special tax amount and a percentage maximum annual increase.

**How Long Will the Charge Continue?**

If bonds were issued by the CFD, special taxes will be charged annually until the bonds are paid off in full. Often, after bonds are paid off, a CFD will continue to charge a reduced fee to maintain the improvements.

**IMPORTANT TO KNOW:**

- **Rights to Accelerated Foreclosure.** It is important for CFD property owners to pay their tax bill on time. The CFD has the right (and if bonds are issued, the obligation) to foreclose on property when special taxes are delinquent for more than 90 days. Additionally, any costs of collection and penalties must be paid by the delinquent property owner. This is considerably faster than the standard 5 year waiting period on county ad valorem taxes.
- **Disclosure Requirement for Sellers (California Civil Code §1102.6).** When reselling a property in a CFD, the seller must make a "good faith effort" to obtain a Notice of Special Tax from the local agency that levies the Special Tax, and provide it to the buyer.

[www.calliforniataxdata.com](http://www.calliforniataxdata.com)

100 Pacifica, Suite 470  
Irvine, California 92618  
Tel 949-789-0660  
Fax 949-788-0280

Appendix C: Names and titles of people mentioned in the report

**Individuals**

<i>Aaronson, Bob</i>	Consultant to WPUSD, self employed
<i>Allen, Cathy</i>	Current WPUSD Assistant Superintendent of Facilities
<i>Carras, Paul</i>	Current WPUSD Trustee; School Board President
<i>Dominico, Cathy</i>	Consultant to WPUSD, employed by Capital Public Finance group
<i>Feist, Dr. Ronald</i>	Consultant to WPUSD, Feist Education Consulting Services
<i>Gammelgard, Ken</i>	Former WPUSD District Director of Site Development
<i>Kerns, Bruce</i>	Consultant to WPUSD, employed by Stone & Youngberg, invest. firm
<i>Leaman, Scott</i>	Current WPUSD District Superintendent
<i>Pollack, Curt</i>	Consultant to WPUSD, self employed
<i>Stewart, Jay</i>	Former WPUSD Assistant Superintendent of Business Services
<i>Yohe, Roger</i>	Former WPUSD District Superintendent

**Entities**

<i>Beale Air Force Base</i>	Yuba County US Air Force facility
<i>Capital Public Finance Group</i>	Financial consulting firm
<i>Edge Development</i>	Building contractor
<i>Lincoln Community Center</i>	Facility jointly used by WPUSD and the City of Lincoln
<i>Lincoln High School Farm Foundation</i>	Foundation to provide agricultural experience for WPUSD students
<i>Lincoln News Messenger</i>	Newspaper
<i>Lincoln, City of</i>	Local government
<i>NTD/Edge</i>	A architectural limited partnership
<i>NTD</i>	NTD Stichler Architecture, an architectural firm

<i>Sierra College</i>	Community college located in Rocklin
<i>Sacramento Bee</i>	Newspaper
<i>Stone &amp; Youngberg</i>	An investment firm
<i>Twelve Bridges Learning Center</i>	A facility intended to be used jointly by WPUSD, Sierra College and the City of Lincoln
<i>Twelve Bridges Placer Holdings, Inc.</i>	A local developer
<i>Westpark</i>	A developer
<i>Western Placer Education Foundation</i>	A foundation to support & promote excellent education for WPUSD
<i>Western Placer Financing Corporation</i>	Created by WPUSD to issue certificates of participation
<i>Western Placer Unified School District</i>	WPUSD
<i>Wildlands, Inc.</i>	Development mitigation rights broker
<i>Zebra Housing Project</i>	A joint program with the City of Lincoln

Appendix D: *Projected New School Construction* presented at Board meeting on March 25, 2003

WESTERN PLACER UNIFIED SCHOOL DISTRICT

PROJECTED NEW SCHOOL CONSTRUCTION

SCHOOLS	GRADE LEVEL	STUDENT CAPACITY	PROJECTED OPENING
Foskett Ranch Elementary School	K-5	600	Jan-05
Lincoln Crossings Elementary School (North)	K-5	600	Undetermined
Lincoln Crossings Elementary School (South)	K-5	600	Undetermined
Lincoln Crossings Middle School	6-8	1,000	Undetermined
Twelve Bridges Elementary School (A)	K-5	600	Aug-04
Twelve Bridges Elementary School (B)	K-5	600	Undetermined
Twelve Bridges Middle School	6-8	1,000	Aug-05
Twelve Bridges Learning Center	9-12	1,600	Aug-07

All projected schools, except for the Twelve Bridges Learning Center, are co-located next to joint-use park sites.

List of new schools and dates built

Facility	Date Opened
Twelve Bridges Elementary School	August 2004
Foskett Ranch Elementary School	August 2005
Lincoln High School Stadium/Sports Complex	August 2005
Twelve Bridges Middle School	August 2006
Lincoln Crossing Elementary School	August 2007
Twelve Bridges Library	October 2007
City Hall – District Offices	February 2008

Appendix E: Individual Project Analysis, dated Feb 20, 2007

Western Placer Unified School District

Facility Funding Analysis

**Individual Project Analysis**

To analyze how the District has spent the available resources, we focused on two of the larger projects – Foscett Ranch Elementary and Twelve Bridges Middle. These two projects received state funding for both the new construction and joint use. However, the District exceeded the apportionments and matching funds.

Foscett Ranch Elementary School's revenues and expenditures are shown below:

<b>Foscett Ranch Elementary</b>	
New Construction State Apportionment	\$ 6,900,450.00
Joint Use State Apportionment	\$ 926,448.00
District Matching Fund	\$ 6,900,450.00
State Required Partner Matching Funds	\$ 926,448.00
<b>Total Revenues</b>	<b>\$ 15,653,796.00</b>
<b>Total Expenditures</b>	<b>\$ 24,589,933.60</b>
<b>Surplus/(Deficit)</b>	<b>\$ (8,936,137.60)</b>

Twelve Bridges Middle School's revenues and expenditures are shown below:

<b>Twelve Bridges Middle</b>	
New Construction State Apportionment	\$ 13,215,679.00
Joint Use State Apportionment	\$ 1,753,170.00
District Matching Fund	\$ 13,215,679.00
State Required Partner Matching Funds	\$ 1,753,170.00
<b>Total Revenues</b>	<b>\$ 29,937,698.00</b>
<b>Total Expenditures</b>	<b>\$ 47,564,520.41</b>
<b>Surplus/(Deficit)</b>	<b>\$(17,626,822.41)</b>

In both cases, there are two very important fiscal areas of focus for the District. The first area is the practice of spending more than the basic revenue sources. While it is not unacceptable to spend more than the basic revenues, it is important that any additional revenues designated for a project be approved and encumbered prior to the expenditure. The second area is the receipt of all funds.

**Recommendations**

**Establish budgets and funding for all new projects.** It is recommended that, prior to any approving any new projects, the governing board should approve the project budget and designate the funding sources.

**Approve all change orders and recognize funding sources simultaneously.** When the District presents change orders to the governing board for approval, it is recommended that the District provide the dollar amount of the change order, the funding source that will pay for the change order, and immediately update the appropriate budget.

3.16

Appendix F: *Capital Facilities Projected Cash Flows*, presented at Board meeting on March 25, 2003 (section covering 2002-2003 to 2009-2010 school years)

**WESTERN PLACER UNIFIED SCHOOL DISTRICT  
SPECIAL MEETING OF THE BOARD OF TRUSTEES**

**March 25, 2003, 6:00 – 8:00 P.M.  
District Office Staff Development Room  
810 J Street, Lincoln**

## **AGENDA**

- 1. WELCOME/CALL TO ORDER**  
Karen Roberts, President, Board of Trustees
  
- 2. FACILITY REVIEW AND UPDATE**  
Jay Stewart, Assistant Superintendent of Business Services
  
- 3. FACILITY WORKSHOP**  
Jay Stewart, Assistant Superintendent of Business Services  
And Board of Trustees
  
- 4. ADJOURNMENT**

**RECEIVED**

FEB 07 2008

Placer County Grand Jury

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Posted: 3/19/03

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CAPITAL FACILITIES PROJECTED CASH FLOW

DESCRIPTION	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10
<b>BEGINNING BALANCE</b>	2,428,778	3,598,168	8,154,439	13,574,237	20,011,841	25,468,416	32,049,428	39,626,431
<b>INTEREST EARNINGS</b>	0	0	0	0	0	0	0	0
<b>OTHER LOCAL REVENUES</b>	23,155	0	0	0	0	0	0	0
<b>SECURED ROLL</b>	699,950	1,182,856	2,053,923	3,068,854	3,948,476	4,826,857	5,788,706	6,691,054
<b>DEVELOPER FEES:</b>								
Del Webb	1,078,723	1,304,486	1,304,486	1,303,250	0	0	0	0
Infill and County Residential	342,935	342,935	342,935	342,935	342,935	342,935	342,935	342,935
Sycamore Ventures	99,050	0	0	0	0	0	0	0
<b>TOTAL DEVELOPER FEES</b>	<b>1,520,708</b>	<b>1,647,421</b>	<b>1,647,421</b>	<b>1,646,185</b>	<b>342,935</b>	<b>342,935</b>	<b>342,935</b>	<b>342,935</b>
<b>MELLO-ROOS:</b>								
Aspen Meadows	84,434	0	0	0	0	0	0	0
Brookview Estates IV	118,106	114,156	0	0	0	0	0	0
Cyprus Meadows	0	120,680	92,706	0	0	0	0	0
Foskett Ranch (LDR)	15,815	194,064	198,516	186,564	178,092	0	0	0
Foskett Ranch (HDR)	0	0	0	524,800	0	0	0	0
The Grove	103,772	32,684	0	0	0	0	0	0
Lincoln Highlands	19,669	241,356	236,920	0	0	0	0	0
Nader Ranch	0	0	0	0	0	401,760	411,480	420,390
Premier Homes	76,643	0	0	0	0	0	0	0
Siamos Corporation (HDR)	264,837	0	0	0	0	0	0	0
SunCal Companies	0	0	0	0	0	0	0	0
Three D	265,513	101,110	248,016	46,517	0	0	0	0
Twelve Bridges	988,277	921,944	942,296	964,684	987,072	1,009,460	1,033,882	1,056,269
<b>TOTAL MELLO-ROOS</b>	<b>1,937,066</b>	<b>1,725,994</b>	<b>1,718,454</b>	<b>1,722,565</b>	<b>1,165,164</b>	<b>1,411,220</b>	<b>1,445,362</b>	<b>1,476,659</b>
<b>TOTAL PROJECTED REVENUE</b>	<b>4,180,879</b>	<b>4,556,271</b>	<b>5,419,798</b>	<b>6,437,604</b>	<b>5,456,575</b>	<b>6,581,012</b>	<b>7,577,003</b>	<b>8,510,648</b>
<b>TOTAL PROJECTED RESOURCES</b>	<b>6,609,657</b>	<b>8,154,439</b>	<b>13,574,237</b>	<b>20,011,841</b>	<b>25,468,416</b>	<b>32,049,428</b>	<b>39,626,431</b>	<b>48,137,079</b>

CAPITAL FACILITIES PROJECTED CASH FLOW

DESCRIPTION	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10
<b>PROJECTED EXPENDITURES:</b>								
<b>COPS:</b>								
COP-Facility Construction	708,319	704,719	705,281	709,769	708,406	705,906	707,750	706,000
COP-School Site Purchase					1,385,938	1,381,143	1,385,545	1,383,610
<b>TOTAL COPS</b>	<b>708,319</b>	<b>704,719</b>	<b>705,281</b>	<b>709,769</b>	<b>2,094,344</b>	<b>2,087,049</b>	<b>2,093,295</b>	<b>2,089,610</b>
<b>PORTABLE LEASES:</b>								
State Emergency Portable Lease	64,000	64,000	64,000	64,000	64,000	64,000	64,000	64,000
School Bus Lease/Purchase	64,708	64,708	64,708					
First Street Portables (8) Lease/Purchase	58,136	58,136	58,136					
Carlin C. Coppin Portables (3) Lease	24,852	24,852						
Carlin C. Coppin Media Center Lease	37,521	37,521	37,521	37,521	37,521			
Creekside Oaks Portables (1) Lease	4,000	4,000						
Creekside Oaks Portables (5) Lease	41,420	41,420						
First Street Portable (1) Lease	4,000	4,000						
First Street Portable (1) Lease	8,284	8,284	8,284					
Glen Edwards Computer Lab Lease	8,284	8,284	8,284					
Glen Edwards Portables (2) Lease	16,568	16,568	16,568					
Glen Edwards PE Portable Lease	17,200	17,200	17,200					
Glen Edwards Restroom Lease	11,954	11,954	11,954					
Glen Edwards Science Labs (2) Lease	55,969	55,969	55,969					
Lincoln High Portables (3) Lease	24,673	24,673	24,673	24,673	24,673			
Lincoln High ROTC Lease	15,002	15,002	15,002	15,002	15,002			
Lincoln High Restroom Lease	18,049	18,049	18,049	18,049	18,049			
Preschool Buildings	26,000	26,000	26,000	26,000	26,000	26,000	26,000	26,000
<b>TOTAL PORTABLE LEASES</b>	<b>500,620</b>	<b>500,620</b>	<b>418,064</b>	<b>185,245</b>	<b>185,245</b>	<b>90,000</b>	<b>90,000</b>	<b>90,000</b>

CAPITAL FACILITIES PROJECTED CASH FLOW

DESCRIPTION	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10
<b>PROJECTED EXPENDITURES (CONT):</b>								
Portable Site Development/Installation	700,000	100,000						
<b>NEW SCHOOLS A&amp;E:</b>								
Twelve Bridges Elementary - A&E	300,000							
Twelve Bridges Middle - A&E	300,000							
Lincoln Crossings Elementary - A&E	20,000							
Lincoln Crossings Elementary - A&E	10,000							
Lincoln Crossings Middle - A&E	25,000							
Foskett Ranch Elementary - A&E	100,000							
<b>TOTAL NEW SCHOOLS A&amp;E</b>	<b>755,000</b>							
<b>SUPPORT &amp; ADMINISTRATION:</b>								
School Busses	140,385							
Consultants	65,000							
District Administration	107,165	107,165	107,165	107,165	107,165	107,165	107,165	107,165
Legal Fees	35,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
<b>TOTAL SUPPORT &amp; ADMINISTRATION</b>	<b>347,550</b>	<b>117,165</b>	<b>117,165</b>	<b>117,165</b>	<b>117,165</b>	<b>117,165</b>	<b>117,165</b>	<b>117,165</b>
<b>TOTAL PROJECTED EXPENDITURES</b>	<b>3,011,489</b>	<b>1,422,504</b>	<b>1,240,510</b>	<b>1,012,179</b>	<b>2,396,754</b>	<b>2,294,214</b>	<b>2,300,460</b>	<b>2,296,775</b>
<b>ENDING BALANCE</b>	<b>3,598,168</b>	<b>6,731,935</b>	<b>12,333,727</b>	<b>18,999,662</b>	<b>23,071,662</b>	<b>29,755,214</b>	<b>37,325,971</b>	<b>45,840,304</b>

Appendix G: Five slides from *Outstanding Debt Review*, presented at the Board meeting on November 20, 2007



### **The District Has 5 Outstanding COP Issuances**

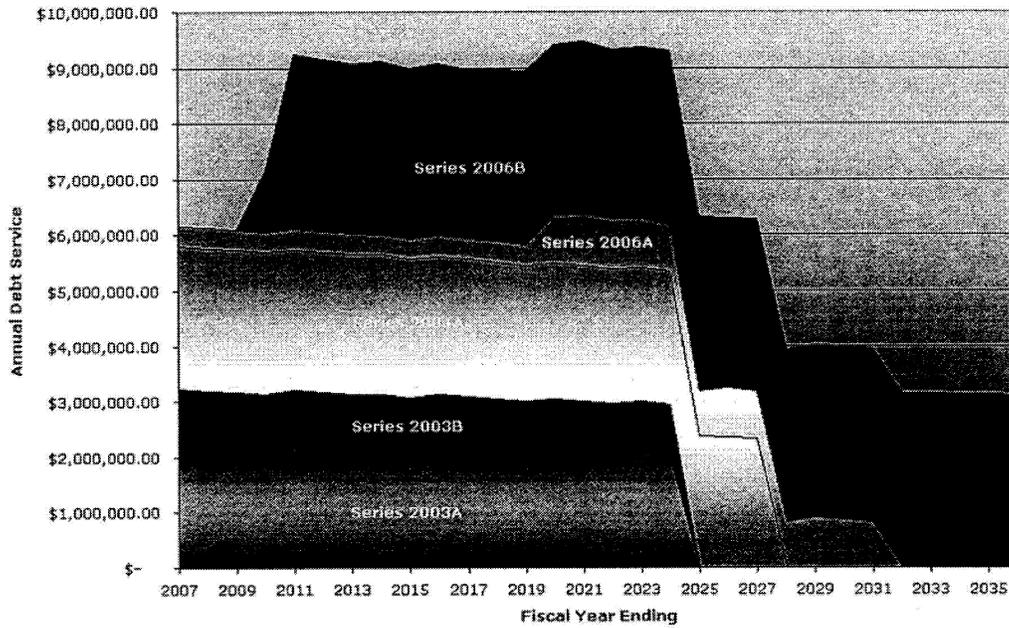
- 2003 Series A: \$27 million
  - \$25 million outstanding
- 2003 Series B: \$12 million
  - \$11.5 million outstanding
- 2004 Series A: \$35 million
  - \$33.8 million outstanding
- 2006 Series A: \$8 million
- 2006 Series B: \$50.3 million

11/20/2007

Capitol Public Finance Group, LLC

Slide 2

Combined Annual Debt Service on Outstanding COPs

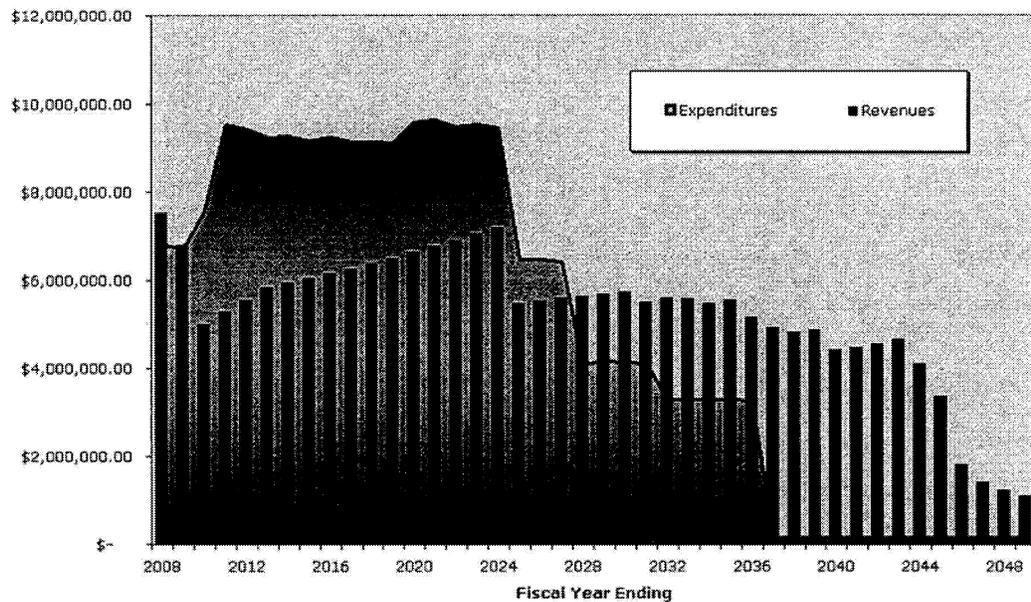


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Capitol Public Finance Group, LLC

Slide 4

In the Short Term, On an Annual Basis, Expenditures Far Exceed Available Revenue

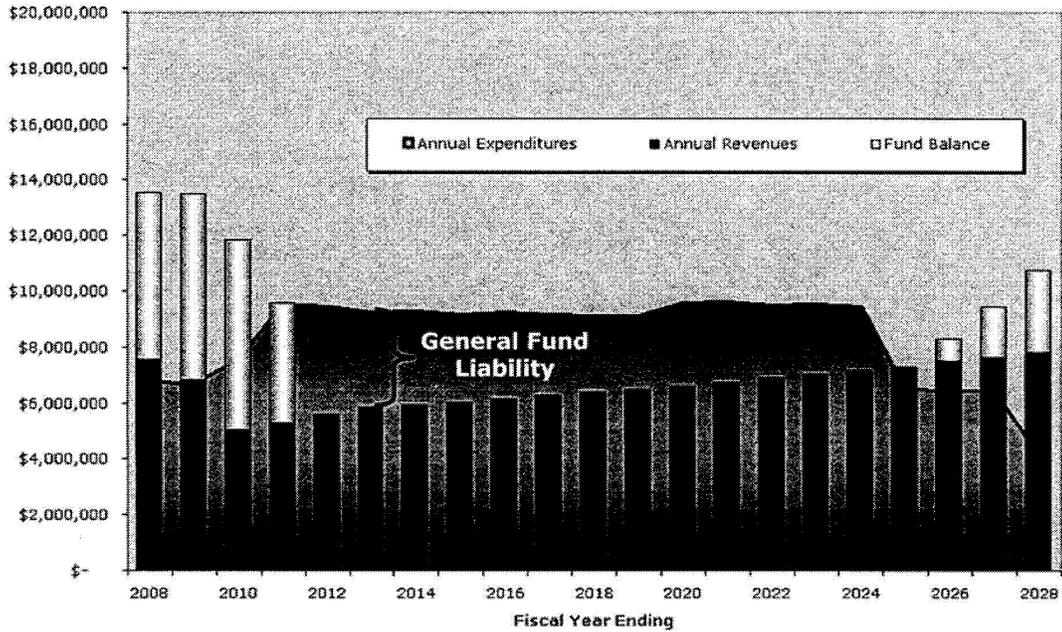


11/20/2007

Capitol Public Finance Group, LLC

Slide 13

With the Current Debt Structure, After Applying Facilities Fund Balance, the District Will Have a Shortfall as Soon as 2012, Which Could Impact the General Fund

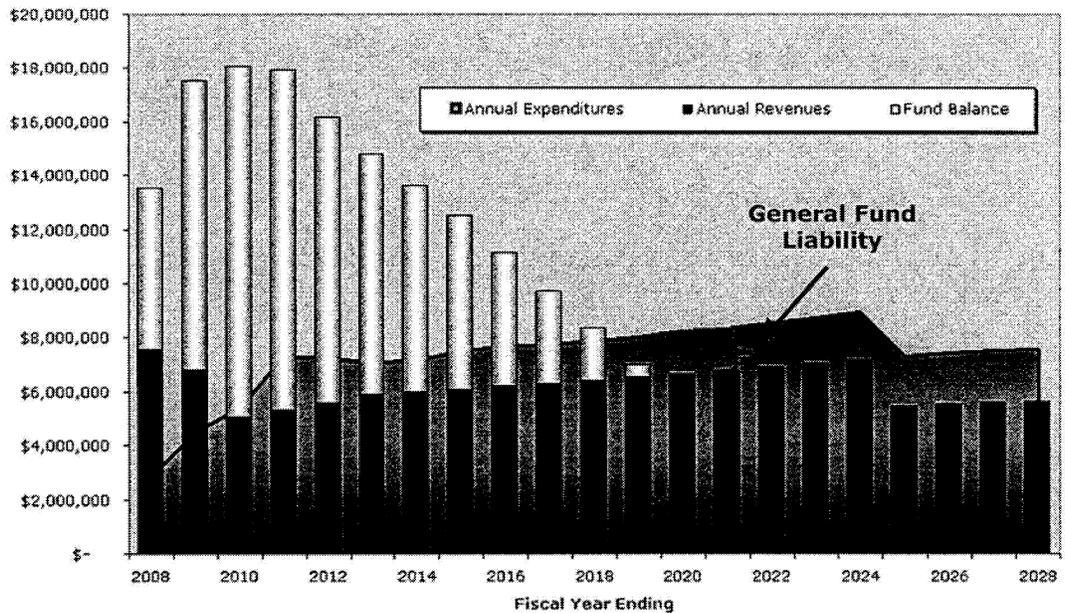


11/20/2007

Capitol Public Finance Group, LLC

Slide 14

By Restructuring the COPs, When Applying Fund Balance, the District Will Be Able to Pay Debt Service Payments Without Impacting the General Fund Through 2018



11/20/2007

Capitol Public Finance Group, LLC

Slide 19

## Appendix H: Partial list of primary documents used in research

A partial list of some of the primary documents used by the Grand Jury during the investigation of WPUSD.

- WPUSD School Board Meeting Minutes
- The City of Lincoln General Plan Revision
- “Project Build” binder
- “Facilities Funding Analysis,” by Curt Pollock presented to the School Board on February 20, 2007
- “Summary of the Tax-Exempt Debt for School Facilities,” by Bruce Kerns in June 2007
- Draft “Facilities Master Plan: A Vision for the Future,” by Ronald L. Feist , Ed.D., dated February 28, 2006 rev 2
- WPUSD “Facilities Interim Master Plan for 2007-2012,” by Ronald L. Feist, Ed. D., dated June 26, 2007
- “Questions regarding District Construction Projects,” by Frank Nichols and Mike Thornbrough of the WPUSD Maintenance Department, dated July 2007
- “Outstanding Debt Review,” by Cathy Dominico, presented to the School Board on November 20, 2007
- WPUSD Financial Statements and Independent Auditors Reports. Three reports dated 6/30/2004, 6/30/2005, and 6/30/2006 prepared by Gilbert Associates, Inc. and one report dated 6/30/2007 prepared by Perry-Smith LLP.
- WPUSD Financial Corporation binder
- Site Lease by and between Western Placer Unified School District as Lessor and Clark and Sullivan, LLC as Lessee, dated as of August 1, 2006.
- Facilities Lease – Lincoln Crossing North Elementary School Project by and between Clark and Sullivan, LLC as Lessor and Western Placer Unified School District as Lessee, Dated as of August 1, 2006.
- Appendix A – Rate and Method of Apportionment of Special Tax for Community Facilities District No. 1

- Exhibit B – Communities Facilities District No.2, Western Placer Unified School District, Lincoln, California – Rate, Method of Apportionment, and Manner of Collection of Special Tax
- *Summary of Fiscal Irresponsibility of the San Mateo Union High School District Board of Trustees, 2006-2007* San Mateo County Civil Grand Jury
- Research Brief by the Public Policy Institute of California on “Developer Fees and New Homes,” June 1997

# ANNUAL INSPECTION OF THE AUBURN POLICE DEPARTMENT



*Squaw Valley in Spring*

# ANNUAL INSPECTION OF THE AUBURN POLICE DEPARTMENT

## SUMMARY

The Grand Jury conducted its annual inspection of the Auburn Police Department in November 2007. The Department is in compliance with California Penal Code Section 919 (b).

## BACKGROUND

Each year the Grand Jury inquires into the conditions and management of all public jails and holding areas within Placer County as required by Penal Code Section 919 (b). Accordingly, the Grand Jury conducted an on-site inspection of the Auburn Police Department. As part of the inspection, the Grand Jury looked into such areas as: training of staff, condition of the booking area, and information available to those in custody. In addition, maintenance, security and cleanliness of the holding areas and the general appearance of the facilities were inspected.

## INVESTIGATION METHODS

The Auburn Chief of Police, Valerie Harris, was contacted to schedule an appointment to inspect the facility and talk to some of the staff. During the visit on November 27, 2007, the Grand Jury took notes, asked questions and toured the facility.

## FACTS

California Penal Code Section 919(b) states “The Grand Jury shall inquire into the condition and management of the public prisons within the county.” The Auburn Police Department facility is located at 1215 Lincoln Way in Auburn. This facility was previously an elementary school before the police department moved into the building in 1991. Auburn Police Department is a Type 1 facility, which means it can hold prisoners for a maximum of 96 hours. However, the

department holds arrestees for no more than three hours before transporting them to the Placer County Main Jail.

Chief Valerie Harris conducted the tour for the Grand Jury. During the tour the Grand Jury spoke with Captain James Weldon and the staff supporting the dispatch center.

Staff consists of 26 sworn officers, 10 non-sworn staff members, three Level 1 reserve officers and one canine unit. There are five sergeants on staff, one in investigations and four supervisors for the patrol officers.

The citizen volunteer group consists of eight to ten participants. Chief Harris stated this is an area she wants to expand.

The facility's holding area has a security camera and restraints which consist of a stool and handcuff attach ring for incoming arrestees. If language differences occur which cannot be supported internally, a language line service is available. Current staff has two personnel fluent in Spanish and one fluent in Russian.

The Foothills Integrated Regional Swat Team (FIRST) is a joint effort between Auburn Police Department and Placerville Police Department. FIRST is comprised of one sergeant and five officers from both the Auburn Police Department and Placerville Police Department. The team trains two days each month and responds to eight to ten callout incidents each year. The sergeant from the agency of jurisdiction where the incident is occurring is designated the team leader.

The dispatch call center is currently staffed twenty-four hours a day Monday through Friday and for two eight-hour shifts Saturday and Sunday. A full facility communications equipment upgrade is in process with a target completion date of February 2008. This upgrade will enable all cell phone calls within the local area to come directly to the dispatch center; currently the California Highway Patrol receives these calls. At the completion of the communications upgrade, the plan is to have the dispatch center operational twenty-four hours a day, seven days a week by June 2009.

**FINDINGS**

The Grand Jury finds the Auburn Police Department and its staff meet the requirements of the California Penal Code Section 919(b).

**CONCLUSIONS / RECOMMENDATIONS**

The Auburn Police Department and staff have set challenging targets for the effort to upgrade the communication equipment at the facility and to staff the dispatch call center twenty-four hours a day, seven days a week. Completion of this effort will enhance the level of service this agency can provide the community.

The Chief of Police and staff are doing a commendable job with the operation of this agency.

The Grand Jury supports Chief Harris in the effort to expand the citizen volunteer staff. Citizen volunteers have proven a valuable resource at other police departments by providing the department additional resources and it improves the relationship between the department and the community.

The Grand Jury has no recommendations regarding the Auburn Police Department.

**REQUEST FOR RESPONSE**

None

CC: Auburn Chief of Police Valerie Harris

# ANNUAL INSPECTION OF THE PLACER COUNTY SHERIFF'S DEPARTMENT BURTON CREEK FACILITY



*Tahoe West Shore in Winter*

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Placer County Sheriff's  
Office-Burton Creek Facility

# ANNUAL INSPECTION OF THE PLACER COUNTY SHERIFF'S DEPARTMENT BURTON CREEK FACILITY

## SUMMARY

The Grand Jury conducted its annual inspection of the Placer County Sheriff's Burton Creek Facility. Past grand juries have noted the inadequacies of this facility for several years. Despite the space limitations, the Grand Jury was impressed with the creativity and utilization of space by the personnel to carry out their duties for the community they serve.

## BACKGROUND

Every year the Grand Jury is mandated by Penal Code Section 919(b) to conduct an on-site inspection of all city police stations, county sheriff's operations, and jail facilities within Placer County. The Grand Jury conducted an inspection of the Sheriff's Department Burton Creek Facility, located in Tahoe City, on October 9, 2007. The inspection included the facility, the personnel staff, training and development, and the operational aspects of the facility such as maintenance, cleanliness, and the overall appearance of the building and surrounding areas.

## INVESTIGATION METHODS

The Grand Jury contacted the Burton Creek officer in charge, Captain Jeff Granum, to schedule an appointment to tour their facility and to interview personnel. The Grand Jury used inspection forms to guide them through the process. The jurors took notes and asked questions regarding operation and management of the facility. A question-and-answer session was held after the tour to clear up any other questions the Grand Jurors had about the facility, operational aspects, and personnel.

## FACTS

The Burton Creek Facility was built in 1959 just prior to the 1960 Olympics in Squaw Valley. For many years it housed all of the North Tahoe branches of

Placer County offices, which included the Sheriff, Planning, District Attorney, Courts, and a small jail. The two-story building was twice expanded and some departments moved into other leased facilities in the area as space became scarce. Due to space limitations, the Patrol Division is based in a leased facility in Carnelian Bay.

Currently Burton Creek houses the Sheriff’s Department, District Attorney, and the Superior Courts. It is a normal Type I facility, but it does not hold detainees overnight. Through an arrangement between Nevada County and Placer County, Nevada County takes detainees at night and on weekends.

The Burton Creek Facility is authorized to be staffed with approximately 60 employees. Its yearly budget is \$10 million dollars, 65% for salaries and the balance for operational functions. They have 18 deputies and six sergeants assigned to patrol, three deputies and a sergeant assigned to investigations, two community service officers and a sergeant assigned to community services. They also have two school resource officers assigned to the high school and middle school. The administrative personnel include two records/reception clerks, an administrative secretary, an evidence technician, an auto service worker, two jail deputies, a lieutenant and a captain.

Their dispatch center has an authorized staff of 12 but is running at less than half of that, because of the difficulty in recruiting, hiring, and retaining personnel in the department. Because of staffing shortages, dispatch has become a five-day-a-week operation with two shifts. The Auburn Dispatch Center handles the hours not covered by Burton Creek.

Because of the high cost of housing, about half of the employees commute long distances to get to work. Some travel from as far away as Lincoln, Elk Grove, Yuba City, and Reno. Turn-over at the facility is about 33% every year because of high housing costs, hard winters, and extended travel times.

The deputies accomplish their patrol tasks with four-wheel-drive vehicles, bicycles, snowmobiles, horseback, and on foot. The peak seasons are summer and winter for visitors. The full-time population in the area is about 7,500 but during peak times the population grows to about 103,000. In the future it is

expected that the full-time population will grow due to new year-round destinations expected to be developed in the area.

Captain Granum stated that he wanted to divide the Northern Patrol Area 3, because of its large size, and create a fourth patrol area. He said this would provide better coverage for the northern area. The fourth area would require four new deputies and two vehicles.

Captain Granum also would like to implement a Citizens on Patrol program (COP) to relieve the patrol deputies from tasks that could be handled by volunteer personnel. Some additional vehicles and training would be required to accomplish this objective.

Crime is low in the area. Basic enforcement issues are fires, domestic violence, traffic, and drug and alcohol issues.

The building definitely shows its age and deteriorating state. The paved area around the facility is a series of patches. It's not fully compliant with ADA requirements, for instance it doesn't have an elevator. A new facility is scheduled to be constructed; the county hopes it will be in operation in five to seven years.

**FINDINGS**

The Grand Jury found that the Burton Creek substation and its staff are in compliance with Penal code Section 919(b) as far as processing and holding detainees. The facility is not completely ADA-compliant, thus it doesn't meet public needs as required. The management and staff are doing an excellent job despite an inadequate facility.

**CONCLUSIONS / RECOMMENDATIONS**

Based on our inspection, the Grand Jury recommends:

- 1) Review the possibility of expanding patrol areas from three to four.
- 2) If the COP program is implemented and a new patrol area is created, obtain additional vehicles.

- 3) Implement a COP program (Citizens On Patrol) to relieve the patrol deputies of some duties that do not require a sworn officer.
- 4) Recruit and train additional dispatch personnel and provide incentives to retain these employees.
- 5) The County Supervisors should make the new facility a higher priority and build it sooner than currently projected.

**REQUEST FOR RESPONSE(S)**

The Grand Jury requests a response from:

- ▶ Edward Bonner – #1,2,3,4  
Placer County Sheriff  
P.O. Box 6990  
Auburn, CA 95604
- ▶ Placer County Board of Supervisors - #5  
175 Fulweiler Avenue  
Auburn, CA 95603

# ANNUAL INSPECTION OF THE ROCKLIN POLICE DEPARTMENT



*Coon Creek*

# ANNUAL INSPECTION OF THE ROCKLIN POLICE DEPARTMENT

## SUMMARY

The Grand Jury conducted its annual inspection of the Rocklin Police Department. The Grand Jury is pleased with the maintenance and staffing of this facility. The Rocklin Police Department and its staff met the requirements for Penal Code Section 919(b). This is a model facility that should be studied by other police departments planning to build new facilities.

## BACKGROUND

Each year, the Grand Jury inquires into the conditions and management of all public jails and holding areas within Placer County as required by Penal Code Section 919(b). Accordingly, the Grand Jury conducted an on-site inspection of the Rocklin Police Department. The Grand Jury looked at the condition of the booking and holding areas, facility maintenance, cleanliness and security, as well as staff training and procedures.

## INVESTIGATION METHODS

The visiting members of the Grand Jury familiarized themselves with requirements of Penal Code Section 919(b) and used checklists to record observations during the tour. An inspection was led by jail supervisor Sgt. Trent Jewell and Lt. Lon Milka. During the facility tour on November 7, 2007, members asked questions about the facility itself and the procedures for handling arrestees.

## FACTS

The Rocklin Police Department moved into a new \$15 million, state-of-the-art 40,000 square-foot facility in June 2005. This is a Type I facility with five holding cells where arrestees are usually held for less than two hours. Only preliminary processing is done at this facility. The department maintains a breathalyzer, for measuring the user's blood alcohol level, which is calibrated monthly.

Adult arrestees are usually taken directly to Placer County Main Jail. When the new detention center under construction in western Placer County is completed,

it will shorten the transportation time and lessen the use of the Rocklin holding facility even more.

There is a separate entrance for juveniles, who are held in an area away from any adult arrestees and monitored at all times by a police officer. Most juveniles are released to their parents.

There are 56 sworn officers in the department and five community service officers. In addition to the police chief, there are two captains, three lieutenants, seven sergeants, and five corporals. There are three detectives and one sergeant in Investigations. Officers are required to attend an eight-hour “Jail Operations” course and annual CPR and first aid training.

For the first time in over ten years, the City of Rocklin sent two cadets through the Sacramento Police Academy. The recruits graduated in December and were sworn in January 2008. Two more slots have been reserved for the July 2008 class.

The Rocklin Police Department is pursuing accreditation through the Commission for the Accreditation of Law Enforcement Agencies of Fairfax, Virginia. The Grand Jury learned later that the accreditation committee visited in December 2007. Only five percent of law enforcement agencies seek accreditation. The goals for the process include:

- ▶ Improving crime prevention
- ▶ Improving service delivery
- ▶ Improving inter-agency cooperation
- ▶ Formalizing essential management and operational procedures

**FINDINGS**

The Rocklin Police Department and its staff met the requirements for Penal Code Section 919(b).

**CONCLUSIONS / RECOMMENDATIONS**

The Rocklin Police Department is growing and making improvements through its accreditation process. This is a model facility that should be studied by other police departments planning to build new facilities.

**REQUEST FOR RESPONSE(S)**

None.

# ANNUAL INSPECTION OF THE ROSEVILLE POLICE DEPARTMENT



*Aitken Ranch Grasslands*

# ANNUAL INSPECTION OF THE ROSEVILLE POLICE DEPARTMENT

## SUMMARY

The Grand Jury conducted its annual inspection of the Roseville Police Department on October 23, 2008. Based on the inspections and observations of the Grand Jury, it was pleased with the maintenance and staffing of this facility.

## BACKGROUND

Each year the Grand Jury inquires into the condition and management of all public prisons, jails and holding facilities within Placer County as required by Penal Code 919(b). Accordingly, the Grand Jury conducted an on-site inspection of the Roseville Police Department.

As part of that inspection the Grand Jury looked into such areas as:

- ▶ Staff training
- ▶ Security, maintenance and cleanliness of holding cells
- ▶ General appearance of the facility

## INVESTIGATION METHODS

The members of the Grand Jury visiting this facility were first familiarized with the requirements of Penal Code Section 919(b). All members were provided with check lists to record their observations during this tour. During the inspection visit questions were asked to determine how the facility was managed as well as the process for handling arrestees and holding of detainees.

## FACTS

The Roseville Police Department maintains a Type I facility, with a maximum holding time of 96 hours. There is generally no need for food service, however, it does have quick meals which can be served when needed. Typically, arrestees are there less than 24 hours. The facility has 12 holding cells which can each accommodate two persons. Two cells used for alcohol or drug related arrestees can each hold up to five persons.

They have a staff of ten correctional officers and the facility is open 24 hours. They are responsible for booking arrestees, which includes

- ▶ Identifying information
- ▶ Recording arrest charges
- ▶ Obtaining fingerprints
- ▶ Photographing

The fingerprints are transmitted to the California Department of Justice to verify the arrestee’s identity and to record the arrest charges on the person’s criminal history.

The Roseville Police Department is well equipped with adequate holding areas for the booking process and recording the information. The facility’s booking areas consist of a counter area and secured benches with handcuff restraints to be utilized for those in custody. After the booking process, the arrestees are either released on bail, released on promise to appear or transported to the Placer County Jail in Auburn.

The Roseville Police Department recently implemented a new program, the Roseville City Jail Sentenced Prisoner Program. This program offers an alternative to serving jail time in the Placer County Jail. With the approval of the judge, people can serve their sentences in the Roseville facility when sentenced to jail for a misdemeanor conviction, such as driving under the influence. People with a history of violent behavior will not be admitted to this program. The Roseville Jail computes sentences on a two to one basis. For example, someone with a 30-day sentence will actually serve 15 days in jail.

The Roseville Police Department charges sentenced prisoners a fee for jail time served. The fees for sentenced prisoner stays are \$50 for 12 hours or \$100 for 24 hours. All fees are payable at check-in time.

**FINDINGS**

The Grand Jury found the Roseville Police Department complies with the applicable Penal Code sections dealing with the processing and holding of persons in custody. The Grand Jury commends the department for its cooperation and staff support. Jurors found the department is well organized, well-maintained, and a credit to the community it serves.

**CONCLUSIONS / RECOMMENDATIONS**

Based on their inspection and observations, jurors were pleased with the maintenance and staffing of this facility. They found the new program, the Roseville City Jail Sentenced Prisoner Program, was innovative and creative. There are no comments or recommendations to be made regarding the Roseville Police Department.

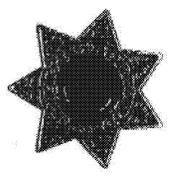
**REQUEST FOR RESPONSE(S)**

No response is requested.

- ▶ Mike Blair  
Chief, Roseville Police Department  
311 Vernon Street  
Roseville, CA 95678
  
- ▶ Roseville City Council  
311 Vernon Street  
Roseville, CA 95678

**APPENDIX**

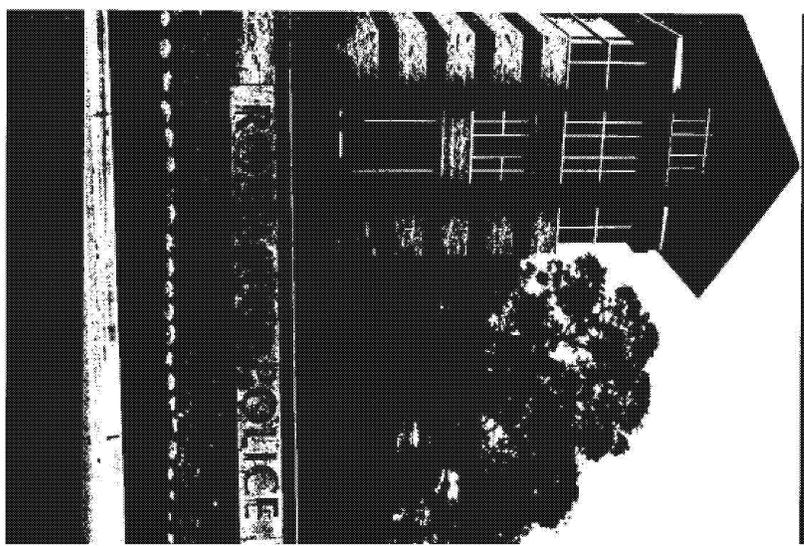
Roseville Police Department Sentenced Prisoner Program brochure



1. Before my commitment into the Roseville City Jail, I shall pay the amount ordered by the Court. This shall be paid to the Roseville City Jail by credit card, cash or by certified/cashier's check made out to "City of Roseville - SPP".
2. I understand that smoking and/or smokeless tobacco is not permitted inside the Roseville City Jail facility.
3. I will not be allowed to receive any telephone calls once I enter the jail. I may use the telephone(s) located within the cells.
4. If I require medical treatment and/or hospitalization, I will be released from custody with time-served credit to the nearest 12-hour increment, and will be responsible for any and all medical or hospital bills.
5. At any time during my imprisonment, if so directed by the corrections staff, I will surrender my cell space to another inmate. I understand that I will be given a later date/time to return to complete my commitment at no additional charge to me.
6. I will not report for commitment with alcohol on my breath, and/or be under the influence of any legal or illegal intoxicants. I will submit to a breath test if requested by the correctional staff. I understand that arriving under the influence of any intoxicant(s) will result in my denial for commitment into the Roseville City Jail.
7. I will not be allowed to use, ingest, inject, and/or be under the influence of any prescribed medication(s) while serving my commitment sentence in the Roseville City Jail.
8. I understand that violation of any of these conditions may result in the immediate termination, denial or removal from the Roseville City Jail Sentenced Prisoner Program.

Roseville Police Department Jail  
 1051 Junction Blvd.  
 Roseville, CA 95678  
 Phone: 916.746-1061

**Serving Your Jail  
 Sentence in Roseville**  
 Roseville Police Department



## Roseville City Jail Sentenced Prisoner Program

### Why should I pay to stay at the Roseville City Jail?

By staying at the Roseville Jail, you can serve your time in 12-hour increments, thus allowing you to keep your job and satisfy the court requirements for serving jail time in a modern jail facility.

### What is the Sentenced Prisoner Program?

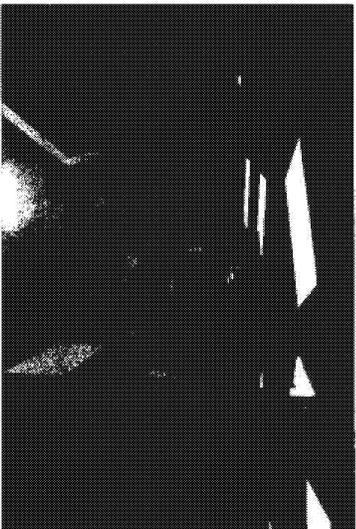
The "Sentenced Prisoner Program" (SPP) offers an alternative to serving jail time in the Placer County Jail. People can serve time when sentenced to jail due to a misdemeanor conviction such as driving under the influence. People with a history of violent behavior will not be admitted to this program. With the approval of the sentencing court, your time can be served in the less crowded Roseville City Jail.

### How is my time served?

The Roseville Jail computes sentences on a 2 for 1 basis. For example, if you are sentenced to ten days, you only have to serve five (5) days to complete your sentence.

### What does it cost?

The fee for sentenced prisoner stays are \$50 for 12 hours or \$100 for 24 hours. All fees are payable at check-in time. We accept credit cards, cash or cashier's checks payable to City of Roseville – SPP.



### Will I be housed with other prisoners?

SPP participants are normally housed one person to a cell. However, depending on the number of participants, housing two people to a cell may be necessary.

### What property may I bring with me?

A valid state or federal government-issued photo identification card is required. You may also bring no more than two (2) changes of clothing. You may also bring up to three (3) pieces of reading material. Pornographic material is strictly prohibited. You may also bring prescription glasses and/or contact lenses and solution. Smoking is not permitted. No jewelry whatsoever is permitted.

### What if I have prescription medication(s)?

The Roseville City Jail cannot accommodate persons with significant medical problems, requiring the administration of prescription medications. You must also obtain, at your own expense, a current tuberculosis (TB) test and provide proof of that test at the time of check-in.

### Where is the Roseville City Jail located?

The Roseville City Jail is located at the Roseville Police Department, 1051 Junction Blvd. We are near the intersection of Junction Boulevard and Washington Boulevard.

### Is parking available?

We strongly encourage you to have someone drop you off to complete your stay. There is limited parking available on Corporation Yard Road behind the police department. All parking in the front parking lot is timed parking only.

### How can I serve my time at the Roseville City Jail?

During your sentencing proceedings, you (or your attorney) must ask the court to allow you to serve your sentence in the Roseville City Jail. You (or your attorney) will also need to ask for a court commitment order, which states your name, the charge(s) and the sentence (time) to be served. Ensure the commitment order specifies that your time may be served at the Roseville City Jail. If it does not specify that, then we will not be able to accommodate you in the program.

### How do I apply?

Contact the Roseville City Jail Supervisor at (916) 746-1061 to request an applicant interview. At that interview, if you tentatively qualify, you will be provided an application, medical screening form and all other required documentation and information. Please bring your court commitment order to your scheduled appointment. All processes will be explained to you at your initial interview.

# ANNUAL INSPECTION OF THE LINCOLN POLICE DEPARTMENT



*Autumn berries at Salmon Lake*

# ANNUAL INSPECTION OF THE LINCOLN POLICE DEPARTMENT

## **SUMMARY**

The Grand Jury conducted its annual inspection of the Lincoln Police Department in November 2007 with the assistance of Lt. Terry Kennedy. The Lincoln Police Department has found it necessary to expand the facility to keep up with the growth of its department and anticipates moving its administrative functions to the old city hall in the near future. This is an interim fix until a new facility can be built. The new facility is estimated to be built within five years.

## **BACKGROUND**

Each year the Grand Jury inquires into the conditions and management of all public jails and holding areas within Placer County as required by Penal Code Section 919(b). Therefore, the Grand Jury conducted an on-site inspection of the Lincoln Police Department.

## **INVESTIGATION METHODS**

Lt. Terry Kennedy conducted the tour for the Grand Jury. During the visit on November 9, 2007, the Grand Jury took notes, asked questions, and toured the facility.

### *Facts*

The Lincoln Police Department is a Type 1 facility, therefore it can hold arrestees for no more than 96 hours. Arrestees are normally transported to the Placer County Main Jail immediately.

### *Organization*

The Department is organized into three divisions, Administrative, Support and Operations, and each is managed by a lieutenant. Operations has three units, Patrol, Traffic, and Youth Services. Support has seven units, Records, Communications, Investigations, Citizen Volunteers, Animal Control, Property and Evidence, and Professional Standards.

***Facility***

The Lincoln Police Department is housed in a warehouse-type building with offices built inside. Seven years ago, there were nine to eleven officers in the entire police department. Presently, there are thirty-five officers and the department is planning to hire five more. The building is too small for this size force. Recently, the administrative functions were moved to the old city hall building. Traffic and patrol functions remain in the current location.

The building currently has an entry area with a television to play informational videos about the department.

There is an interview room to take reports and perform livescans. Livescans are background checks from a computerized fingerprint analysis.

There is a small holding area with three metal stools bolted to the floor to which arrestees can be handcuffed. Additionally, a video camera is installed for monitoring by dispatch personnel. Currently it does not have recording capability. Both the ability to handcuff arrestees to a stool and the camera were recommendations from last year's Grand Jury.

The garage / warehouse area has a gym without heating and air conditioning. There are many places where insulation is coming loose and one rollup door has a large gap along the floor allowing rodents to enter. An exterminator is called regularly.

For animal control, the Department has a kennel outside that has been recently upgraded to protect animals from the weather. There is no animal control officer currently assigned but there are plans to hire one. The Department has a contract with Placer County to pick up the animals within a day or two.

***Citizens on Patrol (COP) Program***

There are over fifty volunteers who perform many functions for this dept. They worked over 16,000 hours in 2006. Volunteers attend an academy where they are trained in fingerprinting, safety, CPR, first aid, radio operations, dealing

with the public, observation skills, emergency preparedness, and other topics. They perform functions such as:

- ▶ Patrol schools, streets , trails, and parks
- ▶ Do home vacation checks
- ▶ Help with neighborhood watch programs
- ▶ Work in the records department

***Crime Activity and Prevention***

The Lincoln Police Department recently reported overall crime rates were less in 2007 than in 2006.

The graffiti problem has been actively engaged and the problem has decreased. Officers carry spray paint so that after documenting the graffiti, they quickly cover it up before a rival graffiti artist tries to spray over it.

In the area of crime prevention, the Lincoln Police Department is collecting DNA samples from all registered sex offenders for the Department of Justice (DOJ) databank.

The Lincoln Police Department has assigned a police officer to work in the middle school to try to address problems before students reach high school.

The Lincoln Police Department has incorporated a license plate scanning system which automatically scans plates from surrounding vehicles using a patrol car camera. The system tells the patrol officer if a plate is on the DOJ alert list.

Another system recently installed within the department is an Online Crime Reporting System. This is a self-service reporting tool using a personal computer for low level crime activity and lost and found items. The public can access this system at the Lincoln Police Department or on the Lincoln Police Department

**FINDINGS**

The Lincoln Police Department has developed a model COP program that has become a huge success. Other departments should use this program as a model.

Last year's Grand Jury recommendations were implemented.

**CONCLUSIONS / RECOMMENDATIONS**

- 1) A new facility will increase the Lincoln Police Department's effectiveness. The Lincoln Police Department and Lincoln City Council should build the new facility within five years or sooner.
- 2) Install a recording device for the camera in the holding area.
- 3) Repair the walls and ceiling and fix the insulation in the garage.
- 4) Repair the roll up door in the garage to prevent rodent infestation.
- 5) Install heating/air conditioning units in the gymnasium area to increase staff use.

**REQUEST FOR RESPONSE(S)**

The Grand Jury requests responses from:

- ▶ James Estep  
Lincoln City Manager - Item #1  
1390 First Street  
Lincoln, CA 95648
- ▶ Brian Vizzuzi - Items #1,2,3,4,5  
Chief, Lincoln Police Department  
770 7th Street  
Lincoln, CA 95648

# ANNUAL INSPECTION OF PLACER COUNTY MAIN JAIL



*Petroglyphs on a ridge above the North Fork American River*

# ANNUAL INSPECTION OF PLACER COUNTY MAIN JAIL

## SUMMARY

The Grand Jury conducted an inspection of this facility in two visits. The Placer County Main Jail is located in Auburn and is operated by the Placer County Sheriff's Department. The Grand Jury found the Main Jail and Minimum Security Facility to be operated by a highly professional, well-trained and motivated staff. Jurors saw evidence of high efficiency throughout the facility. However, the high release rates of arrestees due to the federal cap, the maximum number of inmates which can be housed in a jail facility, makes it imperative that the construction of the South Placer Jail, west of Highway 65, proceed on schedule.

## BACKGROUND

California Penal Code Section 919(b) states, "The grand jury shall inquire into the condition and management of public prisons within the county."

## INVESTIGATION METHODS

Two inspections of the Placer County Main Jail and Minimum Security Facility were conducted December 17, 2007 and February 11, 2008. The inspection teams examined the general appearance of each facility and procedural activity within the housing units, medical services, visiting areas, laundry, and kitchen.

Jurors also reviewed the Placer County Corrections Needs Assessment & Master Plan, revised in March 2008.

## FACTS

The Placer County Main Jail was opened in July 1985, with additional construction completed in 1992 and 2003. The jail operates with an annual budget of \$33 million. It is the only Type II facility for receiving, processing and housing inmates in Placer County. A Type II jail holds prisoners awaiting arraignment or trial and sentenced inmates up to one year. The present capacity

is 640 beds and the average inmate count is 585 to 600, of which approximately 15% are women. The Placer County Main Jail has 165 full-time personnel in the Corrections Department. 149 employees work in the jail.

There are four types of housing units in the jail

- ▶ Maximum Security Housing Units One and Two have individual cells with limited or no television privileges and inmates may be confined for 23 hours a day. These cells are for the most serious offenders, inmates convicted and awaiting transfer to the California State Prison System, or inmates who need protection from the general jail population. Meals are served in the cells
- ▶ Housing Unit Three has cells and a dayroom area with tables and televisions. Inmates may be confined to cells up to 20 hours per day. All meals are served in the common dayroom area. Part of Housing Unit Three remains under construction and is not usable.
- ▶ General Population inmates are confined dormitory-style with bunk beds and a dayroom area with tables and televisions. Chin-up bars are the only exercise equipment available. As in Housing Unit Three, all meals are served in the dayroom area.
- ▶ Minimum Security is located in barracks across the street from the Main Jail. At the time of the visit it housed 128 men and 32 women in separate facilities. Inmates go to work each day in the kitchen, facilities maintenance, county printing operation, animal shelter and the laundry (women only). Many inmates work on road crews for CalTrans.

Jurors reviewed the revised Placer County Corrections Needs Assessment and Master Plan (March 14, 2008) prepared by Jay Farbstein & Associates, in collaboration with Placer County Criminal Justice Policy Committee and the Jail Planning Advisory Group. Under the current federal cap, 32% are released on either a promise to appear or a court order. Only 5% were released from jail due to time served in 2007. The Needs Assessment and Master Plan projects the need for jail beds would increase from 650 to 700 in 2011, 746 beds in 2021 and 773 beds in 2031. [Appendix B]

The need to begin construction on the South Placer jail near Roseville, with

tentative completion date of 2012, was noted because the land-use permit will expire. This prospective facility will augment the present county jail and help lessen releases due to the federal cap. The jail supervisor said the new jail needs to provide an inmate medical/mental-health facility.

The medical services company has been under contract for twenty years. Every two years there is a medical inspection by the California State Corrections Standards Authority and the Placer County Main Jail has received the highest accreditation. Approximately 110 inmates are treated daily for various medical problems. Between 1,100 and 1,300 doses of medication are administered daily to approximately 350 inmates, many of whom are on psychotropic medication.

The current minimum security facility barracks does not meet seismic standards. There is no room to expand the barracks and the buildings are considered to be at the end of their useful life, according to the Needs and Assessment Plan. When the new facility is completed, the present women's area will be converted into a kitchen and expanded laundry.

The state-of-the-industry Cook/Chill operation in the kitchen is controlled by the Probation Department. Approximately 3,000 meals per day are prepared by this operation which feeds the main jail, minimum security and juvenile facility, plus the correctional officers. The menu consists of 90% bagged food preparation which can be kept in the freezer/refrigerator for fourteen days. When the new South Placer Jail is completed, this kitchen will provide food service for the Main Jail, the Juvenile Detention Facility, the Minimum Security Facility, and the South Placer Jail.

There are 140 cameras in the main jail for monitoring. However, the facility has no means of recording on-going activities.

Hallways in the Placer County Main Jail continue to be a problem. New flooring is needed as some of the hallway floors are worn, uneven and cracked. However, the jail has not received an acceptable contractor's bid. Constant foot traffic makes construction a security concern. This has been a problem for thirteen years.

The visiting area of the Placer County Main Jail, as with the minimum security facility is a “no contact” area. In the Main Jail, visitors and inmates are separated by a thick glass partition and must speak by telephone. The attorney/client visiting area consists of five separate, private rooms where they may speak by phone. At the minimum security facility, visitors and inmates are seated at tables, divided only by low partitions and may speak directly. Each inmate gets two thirty-minute visits per week, scheduled at specific times.

There is an Inmate Welfare Fund at this facility. The funds are generated from commissary sales, collect calls and bail bond advertisements, (The advertisements cost each bondsman \$200 per month). The fund pays for carpeting in the general population housing area to keep the noise level down for inmates and correctional officers. It has also paid for bars on the second level to prevent suicide attempts.

All incoming minimum security inmates are interviewed to determine their skill level and interests, to develop the best fit for work-related activities. A minimum security inmate who refuses to work is returned immediately to the general population housing area of the Main Jail. Working inmates receive work-time credits which reduce their sentences.

**FINDINGS**

The Grand Jury finds the Placer County Main Jail management and staff meets the requirements of the California Penal Code, Section 919(b). The staff continues to demonstrate a high level of motivation and functional job knowledge. The jail continues to improve its operation and overcome the problems faced due to space and logistical constraints.

The needs assessment for the jail stated in its key findings that the corrections system in Placer County “is out of balance,” with fewer beds than needed. Offenders understand that due to lack of jail space they will not have to serve their full sentences. Thus, inmates choose jail time and ignore alternative programs, which usually are longer in duration and require more effort. Therefore, the alternative sentencing programs are underutilized, which results in even more early releases under the federal cap. Until a new facility is open,

the situation at the Main Jail will continue to require the court to issue signed promise-to-appear releases, released on own recognizance, bail bonds or early releases to meet the federal cap.

The Grand Jury toured the minimum security facility and found the barracks outdated. Jail personnel said the current facility does not meet the jail’s logistical need to move prisoners from work areas to housing areas.

**CONCLUSIONS / RECOMMENDATIONS**

The Grand Jury has the following recommendations.

1. High release levels due to the federal cap illustrate the need for the South Placer Jail. Placer County should take the steps necessary to keep the new jail construction on schedule to reach the 2012 target date.
2. A new barracks must be built nearer the Main Jail to improve logistics and to replace the current outdated building.
3. Cameras with recording devices should be installed throughout the jail for the protection of the staff and inmates.
4. The Grand Jury specifically urges a timely solution be found to the hallway flooring problems. Thirteen years is too long to wait for a satisfactory repair.

The Grand Jury commends the Sheriff, his committed managers and staff for their continuing effort to provide Placer County citizens with a county jail facility run in a highly efficient manner and a low incidence of problems.

**REQUEST FOR RESPONSE(S)**

- ▶ Thomas Miller, Placer County Executive Officer - #s 1,2,3, and 4  
175 Fulweiler Avenue  
Auburn, CA 95603
- ▶ Edward Bonner, Placer County Sheriff - #s 3 and 4

P.O. Box 6990  
Auburn, CA 95604

**APPENDICES**

Appendix A - Main Jail Means of Release

Appendix B – Available and Needed Beds, by Classification

## APPENDIX A - MAIN JAIL MEANS OF RELEASE

### Appendix A

Table 5.10: Means of Release (2007)

	Number	Percent
Bail Bond	3,697	23%
Federal court release on PTA	2,635	17%
Federal court order early release	2,268	15%
Cite and Release <sup>1</sup>	1,736	10%
Own recognizance	1,051	7%
State prison	911	6%
Detention only	779	5%
Time served	759	5%
Promise to appear	665	4%
Book and Release	305	2%
Charge Dismissed	105	<1%
PC §849 <sup>2</sup>	89	<1%
Hold dropped	80	<1%
Treatment program	79	<1%
DA Filed for further investigation	54	<1%
Probation released	45	<1%
Released no charges filed	33	<1%
Booked in Error	29	<1%
Released en-route	7	<1%
Superior Court release	7	<1%
Warrant recalled by court	7	<1%
Bail bond reinstated by court	6	<1%
Wrong defendant	3	<1%
Duplicate	1	<1%
No show	1	<1%
Sentence modification	1	<1%
<b>Total</b>	<b>15,048</b>	<b>100%</b>
<p>1 Does not include citations issued by law enforcement officers in the field. Some cite and release decisions are also driven by fed cap.]</p> <p>2 Discretionary release of those arrested for intoxication or under-the-influence of a controlled substance.</p>		

## APPENDIX B - AVAILABLE AND NEEDED BEDS, BY CLASSIFICATION

### Appendix B

Table 8.10. Available and Needed Beds by Classification (2011)<sup>6</sup>

Classification	Demand 2011			Existing Beds			Proposed SPJ Project			System Total 2011		
	Single	Double	Dorm	Single	Double	Dorm	Single	Double	Dorm	Single	Double	Dorm
Admin. Seg. <sup>4,5</sup>	74	0	0	35	36	0	40	0	0	75	0	0
Maximum High <sup>1</sup>	7	0	0	7	0	0	0	0	0	7	0	0
Maximum-Medium	29	0	0	4	16	0	20	0	0	24	16	0
Medium High	0	142	0	8	72	0	0	80	0	12	136	0
Medium <sup>2</sup>	0	0	252	0	0	126	0	40	0	0	32	126
Medium Low	0	0	133	0	32	106	0	0	120	0	32	120
Minimum <sup>3</sup>	0	0	305	0	0	165	0	0	0	0	0	271
Protective Custody	46	0	0	0	24	0	40	0	0	40	0	0
Psychiatric <sup>7</sup>	25	0	0	4	16	0	20	0	0	20	0	0
Total	181	142	690	58	196	397	120	120	120	178	316	517
<b>Grand Total</b>	<b>1,013</b>			<b>651</b>			<b>360</b>			<b>1,011</b>		

1 Existing singles are classified as Disciplinary.

2 Existing includes 1 Unit with new intakes awaiting housing.

3 Existing includes 5 beds at Lake Tahoe currently not used.

4 Existing single cells include R Unit currently closed for renovations.

5 Existing single cells in N Unit divided between 3 MAXH and 13 ADSG.

6 Note that all numbers are needed or existing beds. For example, 62 in the "double" column would be 31 cells housing 62 detainees.

7 Non-acute (acute will be in the infirmary and not counted as part of the jail population).

**ANNUAL INSPECTION OF THE  
JUVENILE DETENTION FACILITY  
PLACER COUNTY PROBATION DEPARTMENT**



*Sierra Nevada Juniper*

# ANNUAL INSPECTION OF THE JUVENILE DETENTION FACILITY PLACER COUNTY PROBATION DEPARTMENT

## SUMMARY

The Grand Jury conducted its annual inspection of the Placer County Juvenile Detention Facility (JDF) and found it to be well-maintained and staffed.

## BACKGROUND

The Placer County Grand Jury is required under Penal Code Section 919(b) to conduct an annual inspection of the JDF to determine whether the facility and its occupants are safe. The JDF is operated by the Placer County Probation Department.

## INVESTIGATION METHODS

Members of the Grand Jury were given a tour of the JDF by Greg Chinn, Superintendent, and Tom Haydon, Assistant Superintendent, in addition to speaking with Stephen Pecor, Placer County Chief Probation Officer.

Members of the Placer County Grand Jury spoke with the officer monitoring the closed circuit cameras, the officers in charge of intake, an officer directly in charge of detainees, a female detainee, and the on-duty medical attendant.

## FACTS

The Juvenile Detention Facility was opened in 2000. The facility has 75 beds and has housed up to 55 juveniles at one time. The average population is 40 for this calendar year, with an average stay of 21 days. Approximately 80 juveniles a month are processed through the JDF. There were 37 juveniles present during the Grand Jury visit, including eight girls.

Placer County has several alternative programs for juvenile offenders, such as house arrest, group homes, electronic monitoring, First Offender program, Peer

Court, and contracted therapeutic facilities that house juveniles with more specific needs.

During intake a thorough search and health screening are conducted for weapons, drugs and communicable diseases. Juveniles are transported immediately to a hospital if they are deemed intoxicated, ill, or under the influence of drugs. Juveniles may place two collect phone calls during intake to a parent and/or attorney. There have been no suicides or attempted suicides, deaths or escapes since last year's Grand Jury report.

Juveniles are separated into different units by gender and gang affiliation. The girls are housed in a unit with the younger boys. These units have no contact with one another during meals or movement around the facility. There are also fifteen rooms in a maximum security section.

School, including a special education class, is conducted and attendance is mandatory. There are three teachers on staff during the day. The teaching staff stay in communication with the student's primary school and the County Office of Education which runs the school. In addition to a standard curriculum there are classes in health education, and anger management. Two hours a week are devoted to drug and alcohol education classes.

Detainees will often volunteer to clean the common areas of the facility to receive special benefits, which might include being able to stay up later than normally allowed. Staff will award "points" for good behavior and detainees are expected to keep their personal areas clean and orderly. All detainees are entitled to file grievances and this practice is common within the JDF. Following the grievance procedure is part of the learning process for juveniles, to teach them appropriate methods to resolve problems.

Juveniles are allowed two hours of visitation per week on the weekends. Staff members are each assigned two or three detainees. The working philosophy of staff is that both positive and negative discipline should be used early on in order to avoid a loss of privileges.

There is extensive monitoring equipment maintained at the JDF although there

is currently no recording of activities. The dining room, open air recreation room and classrooms are areas within the JDF that still have no cameras for observation. This appears to be a critical safety issue.

**FINDINGS**

JDF is a well-run facility with an experienced Superintendent and Assistant Superintendent, as well as a staff that appears calm and caring while understanding the risks and limitations of the detainees.

The 2006/2007 Placer County Grand Jury recommended that cameras be located in the dining hall, open air recreation room and all classrooms. The funds for this project have been allocated and according to senior staff, a request for bids has been issued.

**CONCLUSIONS / RECOMMENDATIONS**

The Grand Jury found in its annual inspection of the Placer County JDF that it was well-maintained and staffed.

Having cameras in place would provide invaluable data in any investigation of detainee complaints or injuries, staff safety and any legal matters raised with Placer County at this facility.

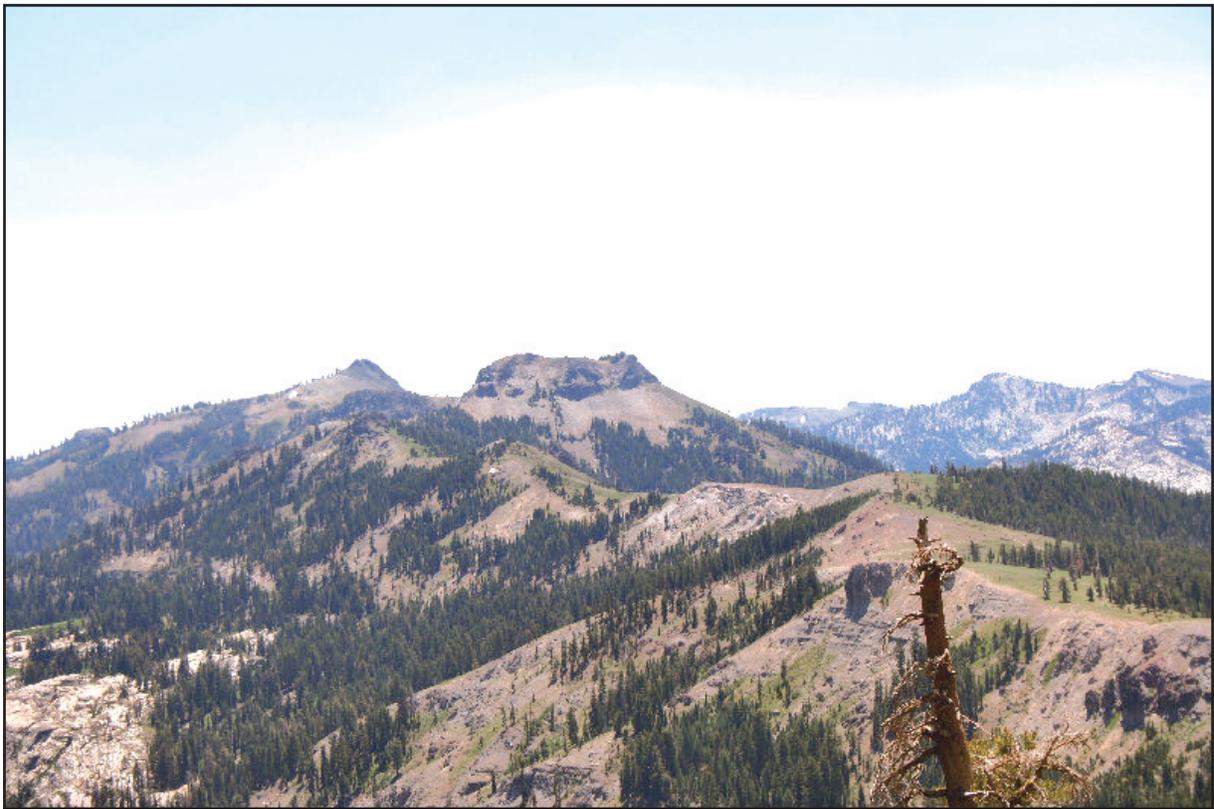
1. The Grand Jury strongly recommends that the Placer County JDF be upgraded to include surveillance cameras, with recording devices, in the areas of the dining room, the open air recreation room and all classroom locations.
2. A specific target date for completion of the camera installation project should be prior to the required tour from the 2008/2009 Grand Jury or the end of this calendar year.

**REQUEST FOR RESPONSE(S)**

The Grand Jury requests responses to their recommendations.

- ▶ Stephen Pecor - Item #2  
Placer County Chief Probation Officer  
Auburn Justice Center  
2929 Richardson Drive, Suite B  
Auburn, CA 95603
  
- ▶ Greg Chinn - Items #1,2  
Superintendent  
Placer County Juvenile Detention Facility  
11260 B Avenue  
Auburn, CA 95603

# PLACER COUNTY ASSESSOR'S OFFICE PROPERTY ASSESSMENT APPEALS PROCESS



*Tinker Knob and Anderson Peak, along the Pacific Crest Trail*

# PLACER COUNTY ASSESSOR'S OFFICE PROPERTY ASSESSMENT APPEALS PROCESS

## SUMMARY

The Grand Jury conducted an investigation and found the Placer County Assessor's Office conducted its property assessment business in an organized and appropriate manner.

## BACKGROUND

The Grand Jury received complaints regarding the activities of the Placer County Assessor's Office, specifically on how the Assessor and his staff conducted assessment appeals and provided information to the Assessment Appeals Board.

## INVESTIGATION METHODS

Members of the Grand Jury attended several meetings of the Assessment Appeals Board to observe the appeals process. In addition, the County Administration Committee interviewed County Assessor Bruce Dear to learn about the assessment appeals process and Assessor's Office staff training, and staff turnover levels.

## FACTS

The Placer County Assessor's Office handles original property assessments of new construction within Placer County, requests for property reassessment by residential and business owners, and state-mandated audits of businesses valued at \$400,000 or more for four consecutive years. There are approximately 800 businesses of that size in the county, and roughly 200 businesses are audited each year, to complete a four-year audit cycle.

The office has between 15,000 and 18,000 walk-in customers a year, and about 1,500 website visitors a day. The types of assessment activities within the office are cyclical, depending on the economic climate. When property values decline,

requests for assessment appeals increase. When the economy is busy, new construction increases.

When a property owner believes his or her property may have changed in value, he or she may file an assessment appeal with the Placer County Clerk of the Board. This generally occurs when an owner believes the property has decreased in value, and wants a reduction in property taxes. Assessment appeals are heard by the county’s Assessment Appeals Board, whose members are appointed by the Board of Supervisors. The Board does not have oversight authority on property valuation. In 2006, the Board adopted a set of local rules to govern their practices. The Placer County Executive Office contracts with legal counsel for the Assessment Appeals Board. The contractor attends each Board meeting and acts as an independent party.

Often, after a property owner files an assessment appeal, the owner and the Assessor’s Office staff will come to an agreement on a stipulated value for the property in question. In that case, the Board may accept or reject the stipulation, but it cannot set actual property valuations.

The Board’s main role is to resolve cases where there is disagreement on a property’s valuation. It may accept a value stipulation, or it may reject it and require the applicant and representatives from the Assessor’s Office to appear and present information regarding the property and its appraisal. If the property owner and the Assessor’s Office staff cannot reach agreement on a property’s value, there is no stipulation and they both present information before the Board. The Board will decide in favor of the applicant or the Assessor’s Office.

State law requires that the assessor and his staff and the Assessment Appeals Board remain independent of one another, so they may serve the public fairly. Assessor’s Office staff must meet state and other requirements for training and certification, both to do assessments and to testify in Board hearings.

The state has requirements for assessment appeals board members. A nominee:

- a) (Must have) a minimum of five years professional experience in this state as a certified public accountant or public accountant, a licensed real estate broker, an attorney, a property appraiser accredited by a nationally recognized

professional organization, or a property appraiser certified by the Office of Real Estate Appraisers.

b) Is a person who the nominating member of the board of supervisors has reason to believe is possessed of competent knowledge of property appraisal and taxation.

The state also requires board members to complete training provided either by the State Board of Equalization, the BOE, or by the county. Training provided by a county must meet BOE requirements.

**FINDINGS**

The Grand Jury found the Assessor’s Office conducted its business in an organized and appropriate manner.

**CONCLUSIONS / RECOMMENDATIONS**

The Grand Jury has no recommendations on this matter.

**REQUEST FOR RESPONSE(S)**

No response is requested.

Bruce Dear  
Placer County Assessor  
2980 Richardson Boulevard  
Auburn, CA 95603

# PLACER COUNTY ANIMAL SERVICES

## AUBURN ANIMAL SERVICES FACILITY



*Middle Loch Leven Lake*

# PLACER COUNTY ANIMAL SERVICES

## AUBURN ANIMAL SERVICES FACILITY

### SUMMARY

The Placer County Grand Jury received complaints regarding Placer County Animal Services. Members of the Grand Jury found the policies, procedures, and facility to be adequate. Placer County Animal Services appears to be making reasonable efforts to accommodate special needs and situations that arise. Animals are being cared for in a qualified and responsible way.

### BACKGROUND

The Placer County Grand Jury received complaints questioning the policies and procedures of Placer County Animal Control Services, the shelter in Auburn, and the proposed facility planned in Roseville.

### INVESTIGATION METHODS

Jurors attended a meeting of the Placer County Animal Advisory Committee on September 13, 2007.

Members of the Grand Jury toured the Auburn Animal Shelter with Animal Services Manager Mike Winters, and Cindy Leonard, Animal Care Supervisor/Registered Vet Technician, on January 23, 2008. Animal Shelter staff explained current policies and procedures and answered all questions. The Grand Jury received a copy of the Policies and Procedures Manual. In addition, jurors reviewed the shelter's behavioral evaluations, adoption applications, and animal surrender questionnaires.

### FACTS

Placer County Animal Services is part of the Department of Health and Human Services. Its services include animal shelters in Auburn and Tahoe Vista, animal adoptions, dog licensing, dead animal pick-up, and capturing loose animals. There are 24 budgeted positions, including two vacancies. There is

one manager, five administrative positions, six kennel positions, and six field positions in Auburn. The Tahoe Vista facility has one kennel position and three field positions. There is also a contracted veterinarian who works twelve to sixteen hours a week at the Auburn shelter. Trained volunteers help exercise animals. Jail inmates are used for cleaning and other tasks at the shelter.

When an individual surrenders an animal to the shelter, the shelter requires a questionnaire regarding animal history and behavior. Stray animals are held for ten days for owners to claim. If not claimed, the animals are put up for adoption if they pass their evaluation.

All animals received at the shelter are given an extensive health and behavioral evaluation to determine adoptability. Dogs that have bite histories are not put up for adoption. The staff veterinarian spays or neuters all adopted animals at the shelter prior to leaving the shelter.

In 2007, 150 dogs and 563 cats were euthanized by Placer County Animal Services. Most were sick, injured, or had behavioral problems. Some were surrendered by owners to be euthanized. Only four dogs and eighteen cats which were considered healthy were euthanized. Of all the animals taken into the shelter, 72.9% were live releases.

The shelter in Auburn recently built a six-stall barn to handle large livestock. The Board of Supervisors approved \$20 million for a new facility in Roseville and to remodel the shelter in Auburn.

**FINDINGS**

The Auburn Shelter was clean, not overcrowded, and animals appeared to be well taken care of the day of the tour. Jurors saw an inmate cleaning the animal areas. Volunteer help is an essential resource for the animals’ needs and staff assistance.

The shelter works with numerous adoption partner/rescue groups. According to state law, rescue groups can take any animal from the shelter. Some of these groups will take animals with behavior problems or special needs. The shelter will try to make arrangements to care for animals of persons taken into custody or victims of car accidents.

Anyone wanting to adopt an animal must complete an application and pay fees that cover items such as the cost of spaying or neutering. Animal Services may refuse to allow an adoption for any reason and there are specific guidelines that must be agreed to by the adopting party.

A new Western Placer Animal Shelter in Roseville is in the planning stage. Construction is expected to start in 2009, and the facility is expected to open in 2011. It will be co-located with the Placer SPCA for public convenience. After the opening of this facility, improvements are planned for the Auburn Shelter.

**CONCLUSIONS / RECOMMENDATIONS**

The Auburn Shelter is well-run and the animals well cared for. Employees are doing a very competent job in meeting the county requirements for animals. A new facility is needed and the remodeling of the Auburn shelter is also needed

**REQUEST FOR RESPONSE(S)**

No response is requested.

- ▶ Dr. Richard Burton  
Health Officer and Director  
Health and Human Services  
379 Nevada Street  
Auburn, CA 95603
  
- ▶ Mike Winters  
Animal Services Manager  
11251 B Avenue  
Auburn, CA 95603

# PLACER COUNTY SPECIAL DISTRICTS

## SPECIAL BENEFIT ASSESSMENT PROCEDURES



*Spring along the South Fork of the Yuba River, near Cisco Grove*

# PLACER COUNTY SPECIAL DISTRICTS

## SPECIAL BENEFIT ASSESSMENT PROCEDURES

### SUMMARY

The Placer County Grand Jury received a complaint questioning the procedures for a Special Benefit Assessment fee being proposed by the North Tahoe Fire Protection District (NTFPD). Of primary concern was the lack of confidentiality in the balloting process. In addition, recent fee assessments by Loomis Fire District and Placer Mosquito and Vector Control District (PMVCD) led the Grand Jury to further investigate the process used by the Special Districts to assess fees on property owners.

There is currently in process an assembly bill (AB2218) addressing property owners' concern for securing fair and transparent assessment proceedings as it relates to Proposition 218.

The Grand Jury found the current process for Benefit Assessment fee hearings to be legal, within statutory law. However, the law is difficult to understand and ambiguous. Individual property owners question the law and are skeptical and suspicious about the process.

### BACKGROUND

The complaint received was regarding how the Benefit Assessment Fee process is currently implemented. The main focus of the complaint was directed at the NTFPD on the following issues.

- ▶ There was no citizen or county agency oversight to the development or verification of voting rolls.
- ▶ The information on the ballots presented by the contracted engineer was biased in its presentation to the voters.
- ▶ The firm contracted to develop the engineering report also put together the mailing list, wrote the ballot and counted the ballots. The firm is paid by the proponent of the assessment.
- ▶ Although a voter's signature was required on the ballot, there was no

means to verify the signatures. This is contrary to accepted practice and fundamental election requirements which hold an individual vote confidential.

Local news organizations have reported the Weimar/Applegate/Colfax Municipal Advisory Council has asked the Placer County Board of Supervisors to negate the recent Special Benefit Assessment fee by the PMVCD.

More recently, a Special Benefit Assessment fee was levied by the Loomis Fire District.

Proposition 218 is the law that governs how these special districts must conduct the Special Benefit Assessment proceedings.

**INVESTIGATION METHODS**

The Grand Jury

- ▶ Read and reviewed the provisions of Proposition 218 and Proposition 218 Omnibus Implementation Act.
- ▶ Read and reviewed Senate Bill Analysis SB 911, date June 16, 1997.
- ▶ Reviewed original mailed literature and ballots along with NTFPD Resolution No. 10-2007.
- ▶ Attended the NTFPD Public Hearing on October 23, 2007.
- ▶ Interviewed Jim McCauley, Placer County Clerk / Recorder / Registrar, on November 13, 2007.
- ▶ Interviewed Mitchell Bernstein, District Manager and Bob Snyder, Board President, of PMVCD on January 8, 2008.
- ▶ Spoke with Ted Gaines, California Assemblyman and Madhavi Knickerbocker, his Legislative Director on February 12, 2008, regarding proposed language and legislative changes (AB 2218) to Proposition 218.

**FACTS**

In 1996, California voters approved Proposition 218, which in part required all local taxes, either new or increased, receive approval by a majority of voters for general taxes, and receive two-thirds voter approval for special taxes.

Proposition 218, known as the “Right to Vote on Taxes Act”, included two amendments to the California Constitution. (1) Article XIII C, which provides that “...The power of initiative to affect local taxes, assessments, fees and charges shall be applicable to all local governments”; and (2) Article XIII D, providing for property-related fee reform.

Proposition 218, Article XIII D, Section 2(3) reads that an agency shall conduct a public hearing upon the proposed assessment not less than 45 days after mailing the notice of the proposed assessment to recorded owners of each identified parcel.

Unsigned ballots are not counted and there is no verification that the signed and returned ballots bear the legal signature of the voter or property owner. All opened and signed ballots received are to be opened for public viewing.

Proposition 218, Article XIII D, Section 4(b) states that “...All assessments shall be supported by a detailed engineer’s report prepared by a registered professional engineer certified by the state.” According to statute, a registered professional engineer means an engineer registered pursuant to the Professional Engineers Act (Chapter 7 commencing with Section 6700 of Division 3 of the Business and Professions Code).

The Grand Jury obtained a copy of the NTFPD ballot sent to the voters. On the ballot there was a picture of a structure engulfed in flames (Appendix A). Included on the ballot was a box to mark either “Yes” or “No” for their vote. A “No” vote stated *No, I oppose the proposed maximum assessment on my parcel for fire suppression services that benefit my parcel.*

The Special Districts surveyed by the Grand Jury have each used private, outside development firms to run the assessment balloting process.

**FINDINGS**

The Grand Jury researched Proposition 218, specifically Articles XIII C and XIII D, along with the Proposition 218 Omnibus Implementation Act and determined the benefit assessment processes conducted by NTFPD and PMVCD,

appear to comply with Proposition 218.

Even though NTFPD transported their ballots to the fire house in Kings Beach for counting the following day and PVMCD sent their ballots out of county to be counted, this was not a violation of Proposition 218. Several citizens questioned why the ballots were not counted at the conclusion of the public hearing.

Though not illegal, the Grand Jury considered the ballot presented by NTFPD to be biased based on the picture of the burning structure. It also led one to believe that a “No” vote on this assessment meant the property owner would not receive fire protection.

The purpose of the proposed Assembly Bill 2218 is to make Special Benefit Assessment ballot proceedings more closely adhere to the provisions of the California Elections Code. Specifically, amended language will address ballot confidentiality, and authentication of voters’ signatures in addition to ballot information bias.

**CONCLUSIONS / RECOMMENDATIONS**

The Grand Jury recommends the following issues be considered, to improve the Special Benefit Assessment process, so that the tax-payers feel secure that assessment increases are being handled in a fair and impartial manner.

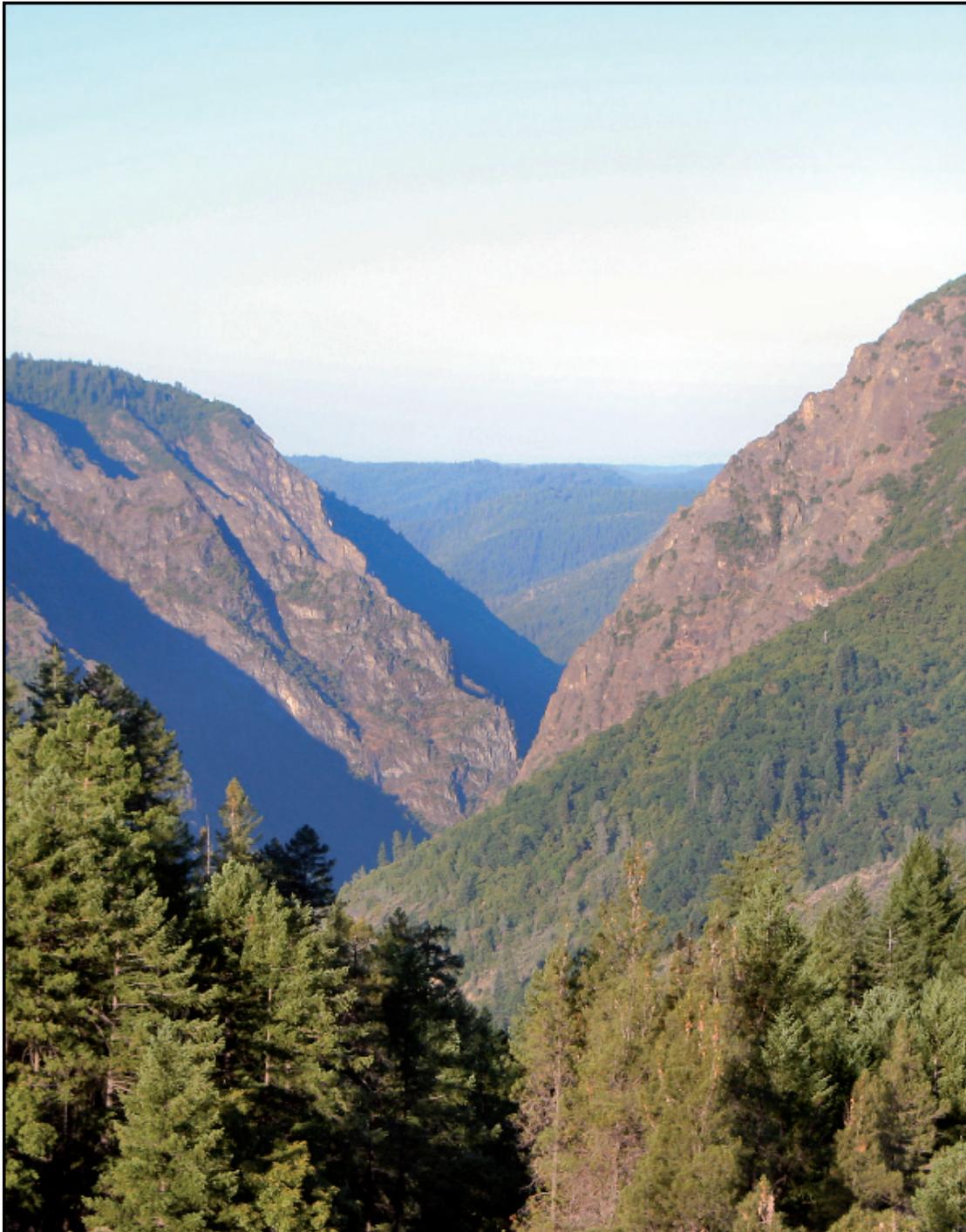
1. Special districts considering new assessment fees should consult the Placer County Clerk / Recorder / Registrar for guidance in conducting an impartial procedure.
2. Signature requirements should be made verifiable by balloting officials and required to meet the recognized California State Election Code standards of confidentiality.
3. Informational pamphlets pertaining to special benefit assessments should be written with an impartial analysis of both primary and rebuttal arguments, if any.
4. In order for ballot counting procedures to be transparent and accessible to public viewing, the ballots should be opened, qualified and counted at the hearing location at the conclusion of the public hearing.
5. The Grand Jury supports AB2218 as a positive reform to special districts assessments.

**REQUEST FOR RESPONSE(S)**

No response requested.

- ▶ Placer County Board of Supervisors  
175 Fulweiler Avenue  
Auburn, CA 95603
  
- ▶ James McCauley  
Placer County Clerk / Recorder / Registrar  
2952 Richardson Boulevard  
Auburn, CA 95603
  
- ▶ Mitchell Bernstein  
District Manager  
Placer Mosquito Vector Control District  
P.O. Box 216  
Lincoln, CA 94648
  
- ▶ Duane Whitelaw  
Chief, North Tahoe Fire Protection District  
P.O. Box 5879  
Tahoe City, CA 96145
  
- ▶ California Assembly Member Ted Gaines  
State Capitol Office Room 2002  
Sacramento, CA 95814

# WESTERN PLACER WASTE MANAGEMENT AUTHORITY MATERIAL RECOVERY FACILITY



*Looking west from Casa Loma Road, through Giant Gap*

# WESTERN PLACER WASTE MANAGEMENT AUTHORITY MATERIAL RECOVERY FACILITY

## SUMMARY

The Grand Jury conducted an inspection of the Western Placer Waste Management Authority (WPWMA) Materials Recovery Facility (MRF) in January 2008. The MRF is a well-run facility using state-of-the-industry technology. It exceeds state-mandated recycling standards, reduces landfill waste deposits, and in most cases is more effective than a curbside recycling system.

## BACKGROUND

Residents of Western Placer County have questioned the effectiveness of their recycling system since no separation of recyclable material at home is required.

## INVESTIGATION METHODS

Members of the Grand Jury went on two tours of the MRF facility. Both tours were conducted by Eric Oddo, WPWMA Senior Civil Engineer and Wayne Trewhitt, President of Nortech, the company which has contracted with the county to operate the MRF. Jurors observed the actual recycling process in action, attended a presentation, and asked questions.

The jurors contacted Placer County Supervisor Robert Weygandt and requested a comparative analysis of the MRF system to the curbside recycling system in Davis, CA. Eric Oddo completed the summary and the results are attached, as Appendix A.

## FACTS

The WPWMA was established in 1978 as a joint powers authority (JPA), by the cities of Roseville, Rocklin, Lincoln, and the County of Placer. The MRF was built in 1995. The MRF personnel consist of ten county and 300 contract employees of Nortech. In 2006, Nortech was awarded a seven-year contract to run this facility with an option to renew in 2013. Nortech is paid by the ton to dis-

pose of waste and may sell recyclables that are recovered for profit.

By state law AB 939, cities and county are required to recover, recycle or re-use 50% by weight of materials disposed of in their jurisdictions. This includes household garbage, green waste, and construction waste. The state estimates the volume of waste each jurisdiction produces each year. It conducted studies on specific waste production activities in 1990, like household garbage and green waste, then used a statistical model to project waste production by population.

The cities of Lincoln and Auburn provide a volunteer blue bag program. Residents are offered 10-gallon blue garbage bags to be filled with non-green recyclable materials. The blue bags are placed directly in the mix of normal garbage. The program was designed to have MRF personnel extract the blue bags at the facility as they are initially dumped in the warehouse.

The MRF was refitted and expanded in 2003 with new equipment. All non-green garbage is initially dumped onto the floor of a warehouse. Large front-loader trucks then scoop material and dump it on conveyor belts where the recovery process begins. Through a series of machines and personnel, all bags are shredded and recyclable material is sorted out. Hazardous materials such as batteries and paint cans are also sorted and disposed of properly. At the end of the sorting process, aluminum cans, plastics, bottles, newspapers, and cardboard are packaged for resale. The green waste is dumped in another area and is composted for sale to the public at the facility.

**FINDINGS**

The new equipment and expansion of the plant in 2003 dramatically improved the recycling program. The Grand Jury was impressed with the new technology for sorting recyclables.

Jurors observed that most blue bags were not separated, but handled as regular trash. The blue bag program didn't appear to improve the waste management program. In fact, the blue bag program increased waste.

Based on the attached summary, Placer County's recycling and recovery system exceeds state standards and the curbside system used in Davis, CA.

The contract arrangement with Nortech allows local jurisdictions to budget for stable waste disposal costs and meet the state-mandated trash recovery requirements. Nortech benefits from having multiple revenue streams.

This system is better than a consumer-based recycling program because Nortech instructs staff to immediately begin recovering newly-valuable material from trash going to the MRF. This recently happened when a new market was developed for opaque plastic materials like old toys and other plastic items.

All residential garbage is screened for hazardous waste and recyclable material. No residential sorting is required. A curbside system recycles only what is put into recycle bins and all remaining waste goes directly to the landfill.

Public tours to the facility can be arranged by appointment.

**CONCLUSION**

The Western Placer Waste Management Authority’s MRF serves the community efficiently.

**RECOMMENDATION**

The Grand Jury recommends that jurisdictions serviced by the MRF eliminate their blue bag programs.

**REQUEST FOR RESPONSE(S)**

The Grand Jury requests a response to their recommendation from the managers of the Cities of Lincoln and Auburn.

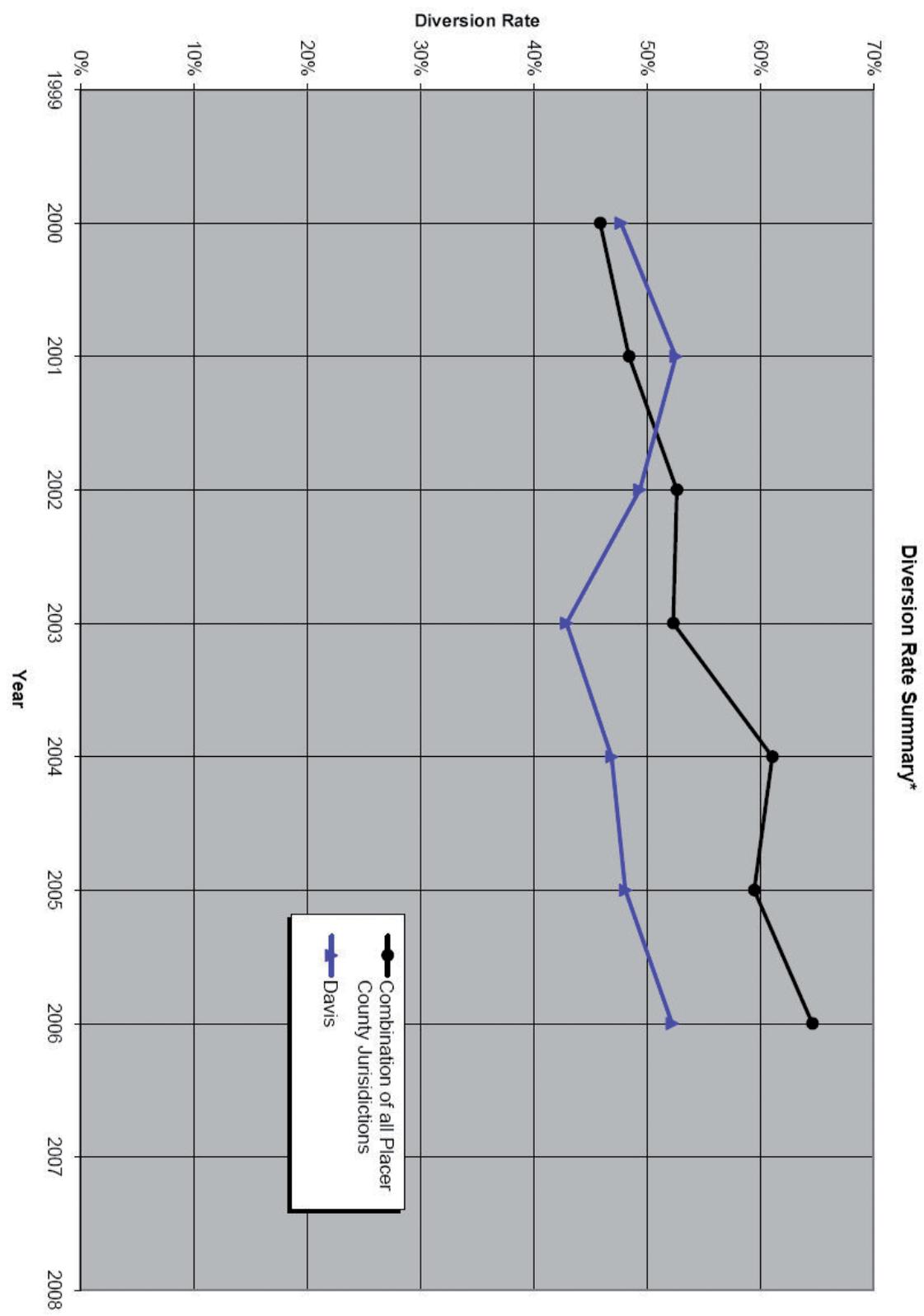
- ▶ Eric Oddo, WPWMA Senior Engineer  
11476 C Avenue  
Auburn, CA 95603

- ▶ James Estep  
Lincoln City Manager  
1390 First Street  
Lincoln, CA 95648
  
- ▶ Robert Richardson  
Auburn City Manager  
1225 Lincoln Way  
Auburn, CA 95603

**APPENDICES**

**Appendix A** - Graph comparison of the Placer County MRF with the City of Davis curbside recycling program showing the percentage of materials diverted from landfill disposal to recycled-materials disposal

**APPENDICES**  
Appendix A



# CHILD ABUSE REPORTING PROCEDURES IN PLACER COUNTY SCHOOLS



*Winter along the South Yuba River*

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County Schools Child Abuse  
Reporting Procedures

# CHILD ABUSE REPORTING PROCEDURES IN PLACER COUNTY SCHOOLS

## SUMMARY

The Grand Jury conducted an investigation of child abuse reporting procedures, specifically in Placer County Schools. School employees are mandated by the state to report suspected child abuse.

In addition, the jurors followed up on the recommendations of the 2006-2007 Grand Jury to confirm the Placer County Office of Education (PCOE) Special Education Staff Handbook had updated its manuals regarding child abuse reporting. A random check of other schools in the county was conducted to see if they had current information on child abuse reporting and its availability to staff.

The Grand Jury found availability of information provided to mandated reporters varied from school to school. Jurors found that some of the selected schools had difficulties in locating their manuals and providing the information to the Grand Jury.

## BACKGROUND

The Grand Jury reviewed a complaint presented to the 2006-2007 Grand Jury stating child abuse reporting was being discouraged by PCOE Special Education administrators. In that complaint an employee who filed multiple child abuse reports concerning a disabled child was reprimanded for continuing to inquire about the health and welfare of the child. The child later died. The 2007-2008 Grand Jury focused its efforts on the availability of information on the procedures for reporting child abuse within Placer County school districts.

The 2006-2007 Grand Jury recommended changes to the PCOE Special Education Staff Handbook.

**INVESTIGATION METHODS**

The Grand Jury reviewed the complaint, interviewed witnesses, and read reports and primary documentation. The Grand Jury conducted interviews and did a random survey of schools in Roseville, Rocklin, and Lincoln to determine what information is available to mandated reporters on the policies and procedures for reporting child abuse in each school district. In addition, the jurors reviewed a copy of the updated revisions to the staff handbook for the PCOE Special Education Division.

**FACTS**

The 2006-2007 Grand Jury investigated a complaint about the discouragement of child abuse reporting and published their findings in their final report.

The PCOE Special Education Division provided the Grand Jury with a copy of their updated staff handbook. The updated handbook included all the recommendations suggested by the 2006-2007 Grand Jury.

The California Child Abuse and Neglect Reporting Law is currently found in Penal Code (P.C.) Sections 11164-11174.3. The law states mandated reporters among school staff include teachers, instructional aides, teacher’s aides or assistants employed by any public or private school, a classified employee of any public school, an administrative officer, or supervisor of child welfare and attendance, or a certificated pupil personnel employee of any public or private school.

In P.C. 11166(a) the law says all mandated reporters must report when in their professional capacity or within the scope of their employment, have knowledge of or observe a child whom the reporters know or reasonably suspect has been the victim of abuse or neglect.

Additionally, the mandated reporter must report immediately (or as soon as practically possible) by telephone and they must prepare and send, fax or electronically transmit a written report within 36 hours of receiving the information. The Department of Justice form (SS 8572) for reporting can be found on the California Attorney General’s Website.

When they visited the schools, jurors found different schools had different ways of providing information, or had difficulty finding the child abuse reporting documentation and procedures.

**FINDINGS**

The Grand Jury found the PCOE has improved the handbook pages about reporting child abuse. Specific addresses, phone numbers and websites provide the necessary local information. It also includes a copy of “The California Child Abuse and Neglect Reporting Law, Condensed Version, 2007.” The booklet provides specific information to educators about requirements for mandated reporters and lists symptoms and behavioral indicators. The handbook states that hard copies of the reporting form are available in the Special Education Office at the PCOE office, or the form may be completed online.

Procedures vary widely for disseminating information to school employees concerning child abuse reporting. The Grand Jury found inconsistencies in the availability of documentation concerning child abuse reporting procedures. At some schools, jurors heard the policy “...Is at the district office.”

- ▶ Rocklin High School formulated a Safe School Plan. It has eight pages of specific information concerning policies and procedures for reporting child abuse. However, the plan is only available in the administration building.
- ▶ Victory Alternative High School in Rocklin had the same Safe School Plan available in the school office.
- ▶ Spring View Middle School in Rocklin had information in the counseling department and Rocklin Elementary staff members had a booklet in the school nurse office.
- ▶ The Rocklin Unified School District reported that all employees watch a training video at the beginning of the year and sign a copy of the Penal Code references pertaining to mandated reporters.
- ▶ At Quail Glen Elementary School in Roseville, the principal reported that the information was available at the district office but not on site.
- ▶ In Lincoln, Twelve Bridges Elementary referred the Grand Jury member to the district office for the information.
- ▶ Twelve Bridges Middle School had an abbreviated version of the documentation and stated that the complete manual could be found at the

Western Placer Unified School District Office. The complete document was obtained at the district office.

*Silverado Middle School and Roseville High School did not respond to the Grand Jury's request for information.*

**CONCLUSIONS / RECOMMENDATIONS**

1. The Grand Jury recommends all Placer County schools have consistent policies and procedures for reporting child abuse available for any mandated reporter to review. All new school employees should be trained and current employees annually updated on child abuse reporting. Current information should be available at all times.
2. The Grand Jury recommends the PCOE ask all school districts in Placer County to update their child abuse reporting policies and procedures and make that information available to all mandated reporters.

**REQUEST FOR RESPONSE(S)**

The Grand Jury requests a response from Superintendent Garbolina-Mojica.

Gayle Garbolino-Mojica - #s 1 and 2  
County Superintendent of Schools  
Placer County Office of Education  
360 Nevada Street  
Auburn, CA 95603

# AUBURN SEWER SERVICE RATES CALCULATIONS AND INCREASES



*Upper Loch Leven Lake Sierra Nevada above Rainbow*

# AUBURN SEWER SERVICE RATES

## CALCULATIONS AND INCREASES

### **SUMMARY**

On July 1, 2007 the City of Auburn significantly raised rates for sewer service. The Grand Jury found that this increase was justified and properly executed, and that the costs were fairly distributed among service customers. The jury commends the City of Auburn officials and staff for their efforts to address the city’s wastewater treatment problems and recommends that the city and Joint Powers Authority continue to investigate long term solutions, including a regional wastewater system.

### **BACKGROUND**

In May 2007 the City of Auburn mailed a “Notice of Public Hearing” on new “Proposed Sewer Service Changes.” The city was required under Proposition 218 to send these notices to all property owners in the City. This proposition also required the city to ensure no property owner’s fee exceeds his or her proportionate share of costs for the property-related service.

Concerns were raised about (1) whether Auburn followed the notification and voting requirements of Proposition 218 and (2) whether the fee increases and rates were fair.

This report primarily focused on the second issue, the fairness of the new sewer charges.

### **INVESTIGATION METHODS**

The Grand Jury interviewed city officials and conducted research for the investigation. They also reviewed the “Final Sewer Rate Fee Analysis Report” by ECO:LOGIC Engineering, dated April 23, 2007.

**FACTS**

The City of Auburn is wrestling with decisions about the future of its wastewater system. It is part of the Placer-Nevada Wastewater Authority, a county-led Joint Powers Authority (JPA), looking at the cost and feasibility of connecting to a regional wastewater facility in the City of Lincoln. This would require both a pipeline to Lincoln and improvements to the Lincoln wastewater plant. The JPA is moving forward slowly to establish a governance structure and pipeline plans.

In the long run, the regional approach to wastewater management is more efficient and economical than local solutions. But in the short term the City of Auburn faces penalty fees from the California Regional Water Quality Board if it does not make timely improvements to its existing wastewater facility. In early 2007 the deadline for making these improvements was December 2009. The city council decided that they could not wait for the regional solution and voted to move forward with substantial capital improvements to its own wastewater facilities primarily to meet new state effluent standards. The planning cost estimate for these upgrades was over \$11 million.

Other cities in Placer County besides Auburn have been forced to upgrade their facilities to meet tightening state standards. Colfax is building a new waste treatment plant and last year the City of Lincoln increased its wastewater charges.

The City of Auburn hired an engineering consulting firm, ECO:LOGIC Engineering, to analyze the existing rates and recommend updated rates to support the necessary capital improvement program while at the same time maintaining efficient operation and maintenance of the city (from “Final Sewer Rate Fee Analysis Report”).

Water flowing into customer sites is measured by a meter. But wastewater flowing out of customer sites cannot be easily measured, so an estimate of usage is used. The City of Auburn uses a standard called “Equivalent Dwelling Unit” (EDU). A single family residence is considered one EDU and one EDU is defined as producing 187 gallons per day. Other types of dwelling units (e.g. duplex, condo, apartment) are assigned a percentage factor in relation to the

EDU. Their flow is assumed to be the single family residence flow multiplied by their EDU factor. For example, the “EDU Factor” is .77 for a condominium. By multiplying the single family assumed flow of 187 gallons per day by .77, you calculate the estimated flow for a condominium, which is 144 gallons per day.

The Equivalent Dwelling Units (EDU) standard has been used for many years by the City of Auburn to extrapolate estimated wastewater flow. This is a standard and well-accepted process used by many local governments. The gallons per day and EDU factors vary between agencies, but the concept is well established as a way to estimate wastewater flow. Examples of states that use EDU are California, Texas, Idaho, and Maryland. The State of Maryland established an EDU standard of 250 gallons per day, somewhat higher than Auburn’s 187 gallons per day. In contrast, some agencies have a flat monthly rate for all residential users, with no distinction between single family residences and other types of dwellings.

The consultant recommended only one change to this existing rate calculation process. In the past, single family and multi-family (apartment) dwellings were treated as one general category. It was recommended that these be broken into two different categories, with different EDU factors.

The City of Auburn last increased sewer service fees in 1995. Since then wastewater management costs had increased 40%. The consultant estimated that the monthly rate per EDU would need to be increased by 56% to cover projected maintenance and capital expenditure costs. This was an average; increases to some residential customers in 2007-2008 would be as high as 70%, partly because of additional charges for sewer lift station service. (Sewer lift stations provide pumps for sewers which aren’t able to use a gravity-feed system.) It was also recommended that the city council be able to increase these proposed rates for inflation (using the change in the consumer price index, capped at 5% per year), through 2012. Finally, it was recommended that charges for initial sewer system connections increase, up 85% by the year 2010.

The City Council accepted these recommendations, which triggered the voting process as directed by Proposition 218. Those voting requirements are

not simple and are subject to interpretation. The Auburn City Attorney has worked closely with state agencies to understand the proposition’s intent and restrictions. He reviewed the City’s approach and approved its election plans.

A notice was sent to the printer for copying and mailing on April 27. These notices were sent to all known property owners, as identified in the city’s “Geographic Information System” database. This database primarily tracks sewer users by building permits. As of April 2007 there were a total of 4,327 residential parcels in Auburn, representing approximately 5,637 residential units. There were a total of 607 non-residential parcels. The city acknowledges that it initially missed 30 to 40 residences and that it mistakenly sent a few notices to homes on septic systems. These people were identified and notified. Public hearings were held on June 11 and June 25. To stop these changes from taking effect, written protests from a majority of parcel owners needed to be received by June 25. Approximately 5,800 notices were sent out and only 81 written protests were received. The new sewer charges took effect July 1, 2007.

In February 2008 the California Regional Water Quality Control Board granted the city an extension of one year, until 2010, to do the upgrades. If the city decides to build a pipeline connecting with the regional facility, it has been given an extension until 2013. These are tight timeframes to plan and execute either option, so the city is still under intense pressure to make major decisions in 2008, with limited data on the costs and risks.

**FINDINGS**

- ▶ The City of Auburn staff members were knowledgeable about proposition 218 requirements and followed the assessment voting process.
- ▶ The rate increase was justified given the cost increases that had already occurred since 1995 and given the projected significant cost increases required to meet state mandates.
- ▶ Using a process, such as Equivalent Dwelling Units, to establish assumed flow rates as a proxy for actual flow rates, is appropriate. The city cannot cost effectively determine individual actual household rates and EDU is an accepted and widely used standard.

- ▶ The way Auburn is applying EDU is a good approximation of actual usage and meets the Proposition 218 requirement that fees are proportionate to the service received. Auburn refined their rate-calculating method this year to distribute cost burdens more accurately than in the past. Their EDU gallons per day appear to be reasonable.
- ▶ Individual Placer County communities are finding it harder and harder to meet tightening state effluent standards. There is no inexpensive solution. The City of Auburn has represented its citizens well in trying to project wastewater expenses at least five years into the future and acting on those projections. As painful as the new increases are, they would eventually be even more burdensome if the city ignored this issue and failed to plan.

**CONCLUSIONS / RECOMMENDATIONS**

- 1) The Grand Jury encourages the City of Auburn to keep a long term perspective in solving this problem. It should continue exploring all options, including the proposed regional wastewater system.
- 2) The Grand Jury commends the cities and county for forming a wastewater Joint Powers Authority and for collectively attacking this difficult problem. We hope that this JPA is empowered to recommend and negotiate solutions with the urgency required. We are especially encouraged that the city councils of Auburn and Lincoln are having joint meetings to discuss wastewater options.

**REQUEST FOR RESPONSE(S)**

No response required.

**ATTACHMENTS**

- 1) City of Auburn Sewer Enterprise Fund 10-year Reconciliation of Revenue & Expenses
- 2) City of Auburn Sewer Enterprise Fund Sewer Fund Capital Projects
- 3) City of Auburn ballot mailed to sewer customers to raise rates

City of Auburn  
Sewer Enterprise Fund  
10-Year Reconciliation of Revenue and Expenditures  
9-Jul-07

Sewer Fund Capital Project	Actual Expenditures										Estimated FY 2006-07	
	FY 1997-98 (D)	FY 1998-99 (D)	FY 1999-00 (D)	FY 2000-01	FY 2001-02	FY 2002-03	FY 2003-04	FY 2004-05	FY 2005-06	FY 2006-07		
I&I Study / Stormwater Study	10,302	-	-	-	-	-	-	-	-	-	-	-
Stream Flow Gauge	18,017	14,094	9,573	9,262	6,807	8,743	6,906	9,388	260	-	243,634	
Lift Station Upgrades	-	13,071	23,036	137,693	17,081	2,170	44,950	105,818	114,431	-	-	
March Lift Station	28,473	-	-	-	-	-	-	-	-	-	-	
Stream Study	11,897	-	-	-	-	-	-	-	-	-	-	
Stream Sampling - County	22,557	34,229	14,438	42,566	36,143	9,068	-	-	-	-	-	
Auburn Ravine Sewer	-	736	-	-	-	-	1,755	1,958	-	-	-	
Auburn Ravine Sampling	-	-	-	-	-	-	310	-	-	-	-	
Old Town Sewer Repair	-	-	-	-	-	-	-	-	-	-	-	
Hoffman Avenue / St. Kath. Arms	-	152	-	3,538	-	-	-	-	-	-	-	
105 Lincoln Way Project	20,313	9,227	2,731	4,499	137,876	-	-	-	-	-	-	
North McDaniel / Skyridge Project	10,883	11,280	3,505	15,999	752	3,979	7,092	934	30,089	-	3,752	
Village Lane / Fulweller Project	57	5,457	767	438	804	51	259	399	399	-	-	
Canyon Court / Foresthill Project	12,330	26,952	477	674	71,505	253,520	17,171	903	19,283	-	296,043	
Prospector Hill Project	-	-	-	-	21,380	3,179	192	96	7,625	-	1,403	
Stream Sampling - Waste Water Treatment Plant	-	-	-	-	-	-	-	-	-	-	-	
Sacramento Street Sewer Project	13,846	115,268	59,706	8,271	-	-	-	-	-	-	-	
Union Pacific Sewer Project	-	8,271	812,355	2,504	-	-	-	-	-	-	-	
LB - Old Town Sewer Project	214,791	18,804	6,548	370,757	180,992	261,968	224,700	200,038	299,905	-	478,065	
Emergency Repair Projects	103,734	171,746	193,407	9,158	80,156	113,649	54,758	23,708	2,687	-	7,931	
Sewer Map Updates	9,708	7,839	4,299	5,575	28,187	37,505	30,524	20,325	124,696	-	28,605	
Waste Water Treatment Plant Repairs	-	37,425	201	73	102	-	-	235	-	-	-	
Bioassy Testing Waste Water Treatment Plant	-	15,246	-	-	-	-	-	-	-	-	-	
Old Waste Water Treatment Plant Demolition	-	-	-	-	-	-	-	-	-	-	-	
Waste Water Treatment Plant - Line Ponds 1A	-	-	-	-	-	-	-	-	-	-	-	
UST Removal / Closure Report	3,448	-	-	-	-	-	-	-	47,495	-	610,464	
Plant Upgrade Design & Construction	698,012	2,148,522	2,687,380	979,787	-	-	-	-	-	-	-	
Ultraviolet Disinfection Waste Water Treatment Plant	-	-	-	-	-	-	1,371	92,642	26,671	-	9,758	
Waste Water Treatment Plant SCADA System	-	-	-	-	-	-	2,528	-	109,410	-	21,804	
Upper/Lower Vinage Lift Station	-	-	-	-	-	-	-	-	979	-	-	
Thermal Impact Study	-	-	-	-	-	-	-	-	651	-	16,179	
Granite Ditch	-	-	-	-	-	-	-	-	-	-	-	
Collection Systems TV Equipment	-	-	-	304	-	-	-	144	4,114	-	-	
Back Flow Preventer	-	-	-	-	-	-	-	-	1,972	-	-	
Source Control Program	-	-	-	-	-	-	-	-	7,380	-	1,939	
NPDES Permit Renewal	-	-	-	-	-	-	2,086	4,074	-	-	294,186	
Vector Truck	-	-	-	-	-	-	-	-	-	-	37,735	
Hydroler Unit	-	-	-	-	-	-	-	-	-	-	174	
Robie Point Sewer	-	-	-	-	-	-	-	-	-	-	-	
<b>Total Capital Expenditures:</b>	<b>\$ 1,178,358</b>	<b>2,690,332</b>	<b>3,818,423</b>	<b>1,582,865</b>	<b>581,185</b>	<b>693,832</b>	<b>394,602</b>	<b>460,263</b>	<b>798,047</b>	<b>2,059,675</b>		

(1) Financial Accounting System Detail for fiscal years prior to FY2000-01 is not readily available. City converted to a new financial system on July 1, 2000.  
 (2) Sewer Service Charges noted in this analysis are those collected via the County Tax Roll (i.e. Sewer Service Charge Assessments).  
 (3) Property tax collection fees were previously netted against direct assessment charges collected.  
 (4) Portions to Fiscal Year 2005-06, Sewer Fund was not charged for fair portion of General Liability Insurance - only WWTP pollution insurance was assessed.

City of Auburn  
Sewer Enterprise Fund  
10-Year Reconciliation of Revenue and Expenditures  
9-Jul-07

	Actual Revenues										Estimated	
	FY 1997-98 (I)	FY 1998-99 (I)	FY 1999-00 (I)	FY 2000-01	FY 2001-02	FY 2002-03	FY 2003-04	FY 2004-05	FY 2005-06	FY 2006-07		
<b>Sewer Revenues</b>												
Sewer Service Charges (2)	\$ 2,415,829	2,530,752	2,703,676	2,628,824	2,472,123	2,481,455	2,668,627	2,471,822	2,604,200	2,536,327		
Sewer Connection Fees	95,914	139,370	102,611	92,750	121,181	269,649	270,045	288,174	261,949	185,000		
Sewer Development Fees	96,064	140,568	175,380	12,237	165,801	231,442	2,988	13,508	75,321	3,352		
Interest Income	131,688	109,251	140,184	203,584	111,159	164,204	49,289	86,398	127,425	260,000		
Other Revenues	9,705	296,357	109,315	440	-	61	-	-	-	-		
Proceeds of Debt	-	1,590,634	1,532,782	1,178,736	401,725	-	-	-	-	13,347		
Transfers-In (CDBG Fund)	-	-	-	-	430,272	-	-	-	-	-		
<b>Total Sewer Revenues:</b>	<b>\$ 2,749,200</b>	<b>4,806,932</b>	<b>4,763,942</b>	<b>4,546,843</b>	<b>3,271,989</b>	<b>3,146,811</b>	<b>2,990,949</b>	<b>2,859,902</b>	<b>3,068,895</b>	<b>2,998,826</b>		

	Actual Expenditures										Estimated
	FY 1997-98 (I)	FY 1998-99 (I)	FY 1999-00 (I)	FY 2000-01	FY 2001-02	FY 2002-03	FY 2003-04	FY 2004-05	FY 2005-06	FY 2006-07	
<b>Sewer Expenditures</b>											
Administrative Expenses											
Staff Salaries	\$ 59,563	63,728	46,576	50,214	47,688	80,561	118,698	133,689	139,993	110,000	
Other Expenses - In-Lieu Property Taxes	107,100	107,100	-	-	-	-	-	-	-	-	
<b>Materials and Services</b>											
Consultant Costs - Bracewell Engineering	128,733	133,858	74,210	34,464	10,714	3,529	7,545	13,269	248	-	
Consultant Costs - Larry Walker & Associates	n/a	n/a	n/a	2,527	3,119	5,381	826	1,049	-	794	
Consultant Costs - State Water Resource Control Board	n/a	n/a	n/a	4,000	4,500	6,700	8,779	7,949	8,667	9,651	
Consultant Costs - Ecologic	n/a	n/a	n/a	-	-	88,566	82,511	18,963	45,369	87,886	
CH2M Hill	n/a	n/a	n/a	-	4,000	-	-	-	-	-	
BSK & Associates	n/a	n/a	n/a	6,051	8,068	8,068	9,485	8,068	8,068	8,068	
Siren & Associates	n/a	n/a	n/a	1,376	15,480	3,998	1,271	1,041	3,205	8,352	
Other Materials & Services (Misc / Supplies / Consult)	n/a	n/a	n/a	40,419	7,958	40,392	21,290	22,967	19,687	83,376	
Insurance Costs (4)	n/a	n/a	n/a	21,054	22,005	26,265	28,827	36,706	95,856	62,100	
ONM Contract	765,764	829,299	1,089,712	1,079,567	1,229,972	1,298,744	1,360,895	1,353,387	1,520,652	1,612,271	
Debt Service	169,028	169,028	277,719	277,719	2,114,876	284,348	282,234	284,663	282,234	282,234	
Capital Projects / Outlay (See breakdown below)	1,385,959	2,854,120	3,910,589	1,582,865	581,185	693,832	394,602	460,263	798,047	2,072,699	
Property Tax Administration (Collection) Fees (3)	-	-	-	-	-	-	-	-	24,580	25,095	
Transfers-out	21,477	22,584	22,143	21,679	19,544	25,136	26,849	48,120	66,479	87,208	
Indirect Cost Allocation (CMO / Finance / IT)	-	-	-	-	-	-	-	85,000	-	-	
Transfer to cover cost for ASPP line relocation	-	-	-	-	-	-	-	-	-	-	
<b>Total Sewer Expenditures:</b>	<b>\$ 2,637,624</b>	<b>4,179,717</b>	<b>5,420,949</b>	<b>3,121,735</b>	<b>4,069,109</b>	<b>2,565,520</b>	<b>2,343,812</b>	<b>2,475,134</b>	<b>3,013,085</b>	<b>4,449,835</b>	

<b>Ending Fund / Cash Balance (Reserved and Unreserved):</b>	<b>\$ 2,522,283</b>	<b>3,149,498</b>	<b>2,492,491</b>	<b>3,998,163</b>	<b>3,211,135</b>	<b>3,833,922</b>	<b>4,307,451</b>	<b>4,642,442</b>	<b>4,786,813</b>	<b>3,315,386</b>	
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**CITY OF AUBURN**

Public Works Department

1225 LINCOLN WAY • AUBURN, CA 95603 • PHONE (530) 823-4211 • FAX (530) 885-5508

City of Auburn  
Notice of Public Hearing

**PROPOSED SEWER SERVICE CHARGES**

You are receiving this notice because City records indicate you own real property that receives sewer service from the City.

**At 6:00 p.m. on June 11, 2007, in the Council Chambers at 1225 Lincoln Way, Auburn, CA, the City Council will hold a public hearing on proposed sewer service charges to be effective July 1, 2007.** If approved, the City will begin charging these rates on property tax bills issued in late 2007. Charges are approved as monthly rates, but are charged on the annual property tax bill to continuing customers.

The City charges each parcel based upon its anticipated "flow", a measure of the volume of wastewater a parcel is expected to produce. Flow is estimated based upon land use (i.e., single family home, duplex, office, etc). Additionally, an additional charge is imposed on parcels served by "lift stations" that pump wastewater uphill from those properties. A chart showing which parcels receive lift station services is available for review in the office of the City Clerk.

The table on the reverse of this notice shows the proposed new charges for 2007-08, and further increases are proposed each year through 2011-12. The following are the basic rates for 2007-08 for residential customers who do not require lift station service:

	Proposed Monthly Charge
Single Family Home w no lift stations	\$54.40
Duplex/Triplex/Condo (per dwelling unit)	\$42.02
Multifamily (apartments) (per dwelling unit)	\$38.91

In Fiscal Year 2008-09 and future years, the City Council may increase the proposed rates for inflation by the change in the Consumer Price Index, but capped at 5% per year.

Sewer service charges fund the City's costs to collect and treat wastewater. The proposed charges were calculated to fairly spread these costs among customers based on the expected volume of wastewater each is expected to generate. These monies may not be used by the City for any other purpose.

The City last increased its sewer service charges in 1995. The proposed increases are necessary to pay for: (i) new state and federal regulatory requirements for the protection of the environment, (ii) repair and replacement of aging sewer lines and treatment plant improvements, and (iii) inflation since 1995. The cost estimates and proposed rates were prepared by ECO:LOGIC Engineering, an independent consultant hired by the City. The City does not believe it can continue to provide high quality service to our customers and comply with State and Federal regulations without the proposed rate increase.

The City Council will also consider an increase in the sewer system connection charge from \$3,500 to \$6,465. This charge is paid by the owners of properties connected to the sewer system for the first time; typically new developments, to ensure that new development pays its fair share of the cost of upgrading the City's sewer utility.

You are invited to present oral or written testimony to the City Council at the public hearing. You may also submit a written protest against the proposed charges. If written protests against the proposed charges are presented by owners of a majority of parcels subject to the charges, then the City Council will not impose the proposed charges. The City Council may set rates for future years lower than the maximum rates set forth in the attached table; but it cannot set rates higher than that amount without providing another notice like this one to affected property owners.

To obtain additional information please call Linda Bauer at (530) 823-4211 ext. 136.

Sincerely Yours,

  
Jack Warren  
Public Works Director

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## PHOTOGRAPHY CREDITS

The Grand Jury thanks the photographers who contributed their work for this report.

- ▶ Bill Gray — photo page 5
- ▶ Loren Clark, Placer County Community Resources Development Agency — cover photo, pages 53, 62, 65, 76, 98, 110
- ▶ Beverly Lewis, Placer - Lake Tahoe Film Office — photo page 57
- ▶ Susan Prince, 2007 – 2008 Placer County Grand Jury — photos pages v, 1, 4, 71, 85, 90, 94, 104, 115