

KINGS COUNTY GRAND JURY



2019-2020 FINAL REPORT

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TABLE OF CONTENTS

Letter from the Advising Judge	5
Letter from the Grand Jury Foreperson	7
2019-2020 Grand Jury	
Grand Jury Members	9
Public Meetings Attended During Term	10
Reports	11
California Substance Abuse Treatment Facility & State Prison At Corcoran	13
Home Garden Community Service District	33
Lemoore Finance Department	43
Letters	49
Avenal State Prison	51
Kings County Local Agency Formation Commission (LAFCO)	52
Kings County Local Agency Formation Commission (LAFCO) Response	53
Responses to 2018-2019 Grand Jury Report	57
City of Lemoore Response	59

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Superior Court of the State of California
County of Kings

Randy Edwards
Superior Court Judge

May 14, 2020

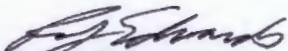
To: Kings County Grand Jury and Affected Governmental
Agencies and Officers

The 2019-2020 Kings County Grand Jury has submitted the enclosed reports to the Presiding Judge and/or his designee of the Superior Court in accordance with Section 933 of the California Penal Code. The enclosed reports were submitted and are hereby accepted as the final reports of the Grand Jury concerning these areas of inquiry.

The agencies and elected officials who are affected by the enclosed reports are each hereby notified that they are required to comment to the Presiding Judge and/or his designee concerning these findings and recommendations as they pertain to the subject agency or elected official. Comments are due on behalf of each elected county officer or agency head that has responsibility for the agencies and functions described in these reports within 60 days from this date. The governing bodies of the public agencies affected by the reports have a 90-day time limit within which to submit comments pursuant to Penal Code Section 933 (c). In addition, a copy of each response shall be placed on file with the clerk of the public agency on whose behalf the response is made.

Those having questions concerning their responsibilities to respond to the Grand Jury's recommendations should contact County Counsel or their agency's general counsel.

The Judges of the Superior Court wish to express our sincere appreciation for the long hours of service given by members of the 2019-2020 Grand Jury, with special thanks to their Foreperson, Anita Lizotte. Selfless dedication to public service such as that demonstrated by this Grand Jury is crucial to the survival of the institution of the Grand Jury, which is itself an important part of the checks and balances necessary for our democracy to function.


Randy Edwards
Judge of the Superior Court

1640 Kings County Drive
Hanford, CA 93230
(559) 582-1010 ext. 6002

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COUNTY OF KINGS
GRAND JURY
P.O. Box 1562
Hanford, CA 93232
Office: 449 C Street
Lemoore, CA 93245
grand.jury@co.kings.ca.us
(559) 852-2892

May 28, 2020

Honorable Donna Tarter, Presiding Judge
Kings County Superior Court
1640 Kings County Drive
Hanford, CA 93230

The 2019-2020 Kings County Grand Jury hereby submits the final report to the Kings County Superior Court and to the citizens of Kings County. Without the sound council of the Advising Judge, the Office of County Counsel, the Office of the District Attorney and the Office of the Jury Commissioner, this report would not be possible. We also thank the court staff for the many instances where they aided us in administrative matters on a regular basis.

The COVID-19 Pandemic Stay at Home Order placed us in a precarious position of having the time needed to complete the interviews and write the reports in a timely manner. This entailed multiple training sessions on the technology, numerous meetings to catch up and move forward. All this time the grand jury members kept their heads up and eyes focused on the end result.

I also extend my sincere thanks to the members of the 2019-2020 Kings County Grand Jury. The effort that they all put into meeting their obligations and duties as grand jury members through the COVID- 19 Pandemic is remarkable. We spent many hours utilizing a technology-based system to meet and interview governmental entities to ensure our reports were accurate and fair. We were able to keep our Kings County Grand Jury members safe from the virus but at the same time allow them to continue their important work. The work done shows the commitment to serve the needs of the people of Kings County. It is a great responsibility, but also a great honor to serve as a member of the grand jury.

Sincerely,

Anita Lizotte
Foreperson

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GRAND JURY MEMBERS

Anita Lizotte	Foreperson
Linda Mackey	Foreperson Pro Tem
Anna Sutton	Recording Secretary
Becky Hudson	Corresponding Secretary
Shirley Miller	Treasurer
John Costa	Sergeant at Arms
Gail Crooms	Chairperson Law and Public Safety Snack Master,
Vickie Ornellas	Chairperson, Health and Education
Kevin Scott	Chairperson, County Government
Larnell Ray Austin Sr.	Local Government Chairperson,
Hailey Stengel	Social
George Cleary	
Mike Mathis	
Dennis Meeks	
Carol Scott	
Louise Silacci	
Paul Slack	
Diana Thomas	

GRAND JURY

The Kings County Grand Jury consists of 19 qualified county citizens chosen by lottery from a list of 30, prepared by the Presiding Judge of the Superior Court. The Judge may reappoint as many as 10 jurors from the sitting Jury, but no one can serve more than two consecutive terms. The Judge chooses the Grand Jury Foreperson.

PUBLIC MEETINGS ATTENDED

A major function of the Kings County Grand Jury is to serve as a “watchdog” of the County, City Governments and Special District operations. In order to accomplish this Grand Jury members attend many meetings as observers, taking notes, and reporting to the full Grand Jury. By this method the Kings County Grand Jury continues to be a “watchdog” for the residents of our county.

Total Hours Spent in meetings 6,415 Total miles driven 45,054

Meetings members of the 2018-2019 Grand Jury attended

Avenal City Council	Kings County Board of Supervisors
Behavioral Health Advisory Board	Kings County Budget Hearing
Corcoran City Council	Kings River Hardwick Board
Hanford City Council	Lemoore City Council
Hanford Elementary School District	Lemoore Union Elementary School District
Hanford Jt. Union High School District	Lemoore Union High School District
Hanford Planning Commission	Library Advisory Board
Home Garden Coalition	Reef-Sunset School District
Island Union School District	South Folk Kings Groundwater Sustainability Agency

Reports

California Substance Abuse Treatment Facility & State Prison At Corcoran

Home Garden Community Service District

Lemoore Finance Department

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California Substance Abuse Treatment Facility &

State Prison at Corcoran

2019-2020



SUMMARY

The California Substance Abuse Treatment Facility & State Prison at Corcoran (SATF) is one of three state prisons within Kings County. As of the date of this report, it houses approximately 5,586 inmates and employs approximately 1,900 custodial and civilian employees. SATF provides a workplace that has significant foot traffic, which includes approximately 2.5 miles of walkways. The mission of SATF is to protect the public by safely and securely supervising adult offenders, providing effective rehabilitation and treatment, and integrating offenders successfully into the community. The Institution Annual Operating Budget is \$214,500,000.00 and the Medical Annual Operating Budget is \$88,000,000.00.

A concern was brought to the Kings County Grand Jury (KCGJ) of staff tripping on their way to and from their work areas. There were two visits to SATF where the KCGJ observed notable trip hazards in the high-traffic areas.

GLOSSARY

California Substance Abuse Treatment Facility (SATF)
Kings County Grand Jury (KCGJ)
Band-Aid Report: Form 3066 Employee Report to Supervisor of Injury/Illness

BACKGROUND

The California Department of Corrections and Rehabilitation (CDCR) has a process for reporting on-the-job injuries. Form 3066, Employee Report to Supervisor of Injury/Illness (Band-Aid Report) (see attachments) is the form an employee uses to initiate SATF's injury and illness prevention program at SATF. From 2010 to present date, there have been 18 reports of workplace injuries and illnesses filed. Also from 2018 to present date, there have been two Workers' Compensation claims filed as a result of injuries. Notably, SATF asphalt was poured during construction in 1997. Data provided by the Public Information Officer showed that the Plant Operations department has the responsibility to maintain the facility walkways. Our investigation revealed that no regular maintenance on the walkways has been performed since then, other than bringing them into compliance with the Americans with Disabilities Act (ADA).

A project which began in early 2018, performed by Inmate Ward Labor, to address all paths of travel at SATF to correct any walkways that did not meet ADA standards was completed by the end of 2018. The Plant Operations department is currently in the process of obtaining a piece of equipment that is used to "shave down" any high spots in the asphalt that were not addressed by that project, or that have come up since the project was completed.

METHODOLOGY

The KCGJ made its annual State-mandated tour at SATF. Members of the KCGJ returned to SATF for a second time to take photos of the unlevelled walkways that could pose injuries. The photos taken of the hazardous walkways lead from entrances to the various complexes. From the photos, a timeline was established of relevant events cited in the incident reports to identify possible discrepancies. The KCGJ reviewed SATF institutional injury reports, the current SATF Policy and Procedure Handbook, documents, and forms, as well as conducted interviews with the Warden and administrative staff to ensure the policies and procedures are being

followed. The KCGJ also reviewed work orders filed in accord with SATF policies and procedures following an injury report. The Internet was utilized to triangulate the information received. The KCGJ identified and scheduled a follow-up interview with the Public Information Officer.

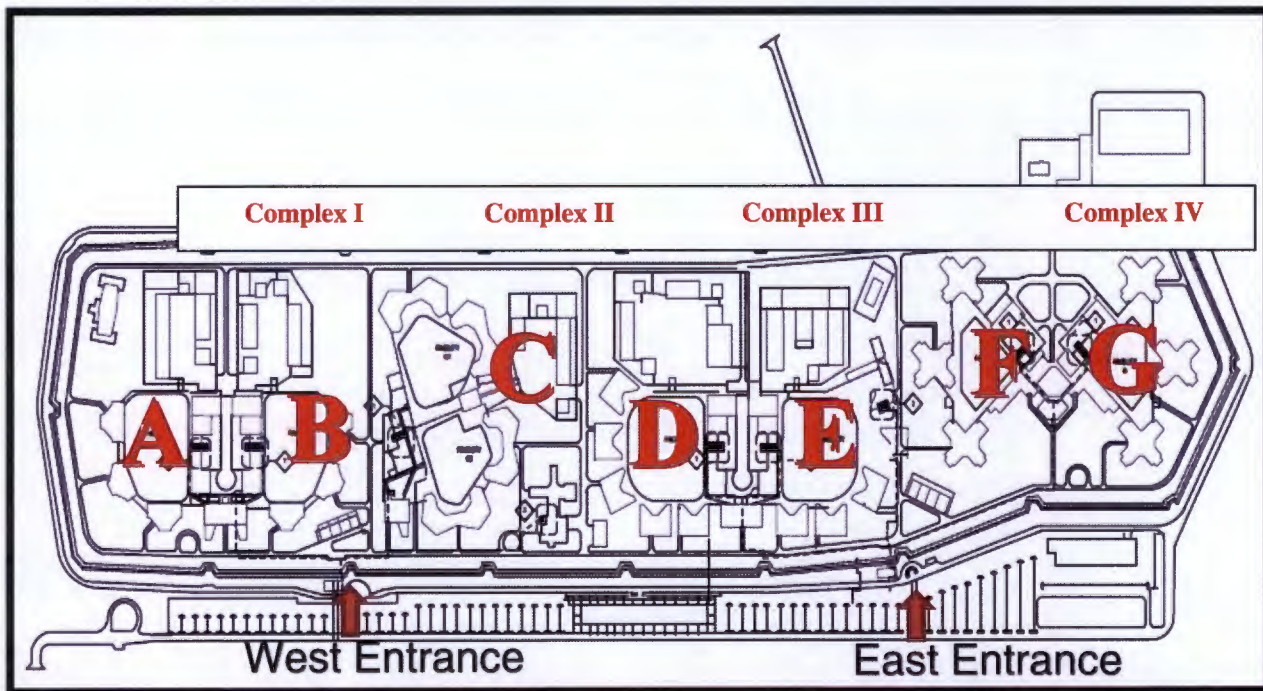
DISCUSSION

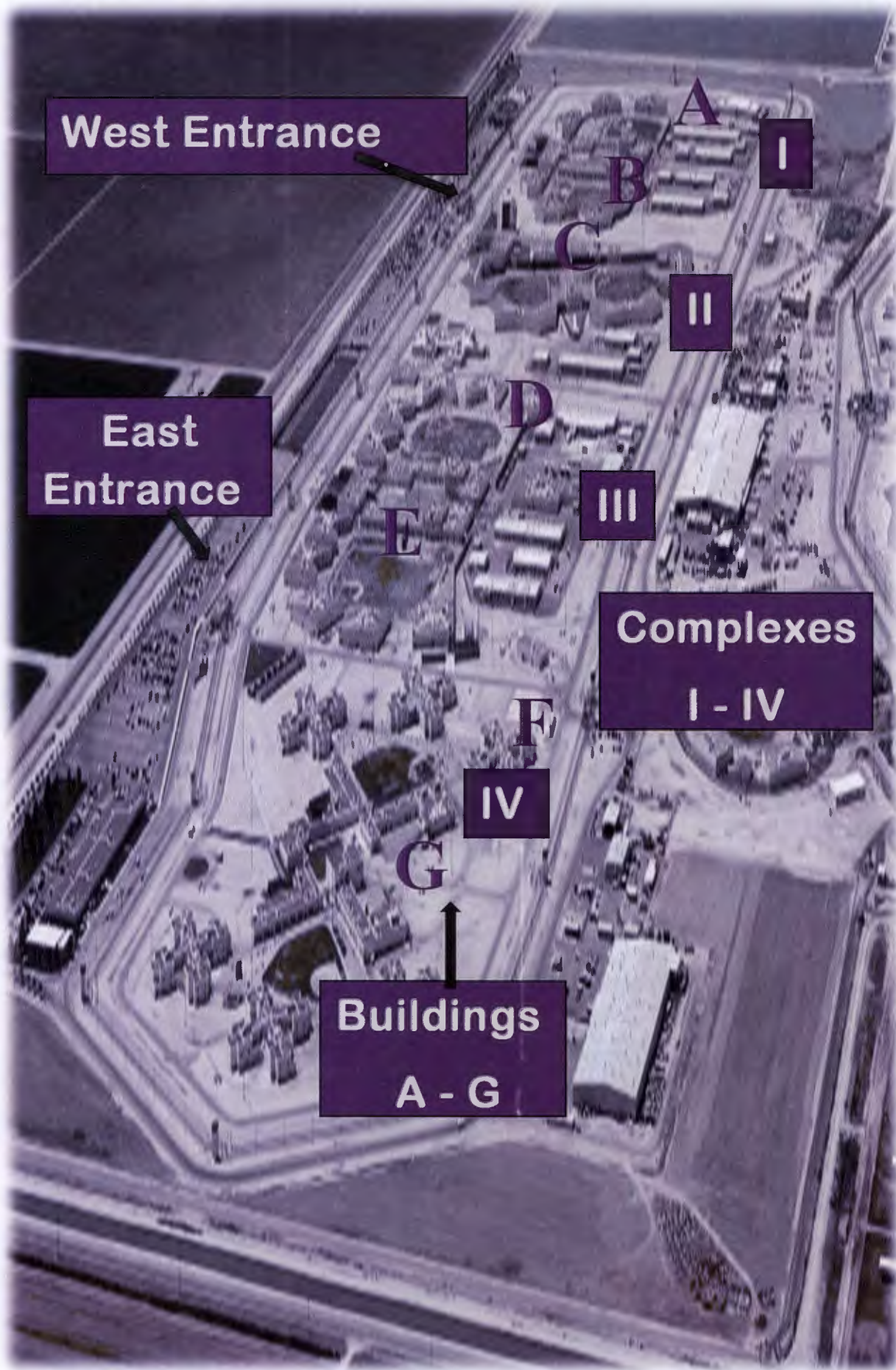
The Warden and the Public Information Officer gave the KCGJ a presentation, followed by a tour of the facility. At the end of the tour, there was a question and answer session. Member of the KCGJ made a follow-up visit to specific areas concerning walkways, with the Public Information Officer present providing additional information.

The following facilities, among others, cover SATF's 280 acres:

- **Level II housing**
(Complex I, Buildings A & B, and Complex IV, Buildings F & G)
- **Level III housing**
(Complex III, Buildings D & E)
- **Level IV housing**
(Complex II, Building C and Complex III, Building D)

Each facility utilizes culinary area, library, chapel, canteen, clothing room, visiting room, educational and vocational programs, as well as a medical clinic that all require correctional officers, teachers, nurses, and other essential employees to report to their assigned areas throughout the day.





West Entrance

East Entrance

I

B

II

C

III

D

Complexes
I - IV

E

IV

F

G

Buildings
A - G



West
Entrance

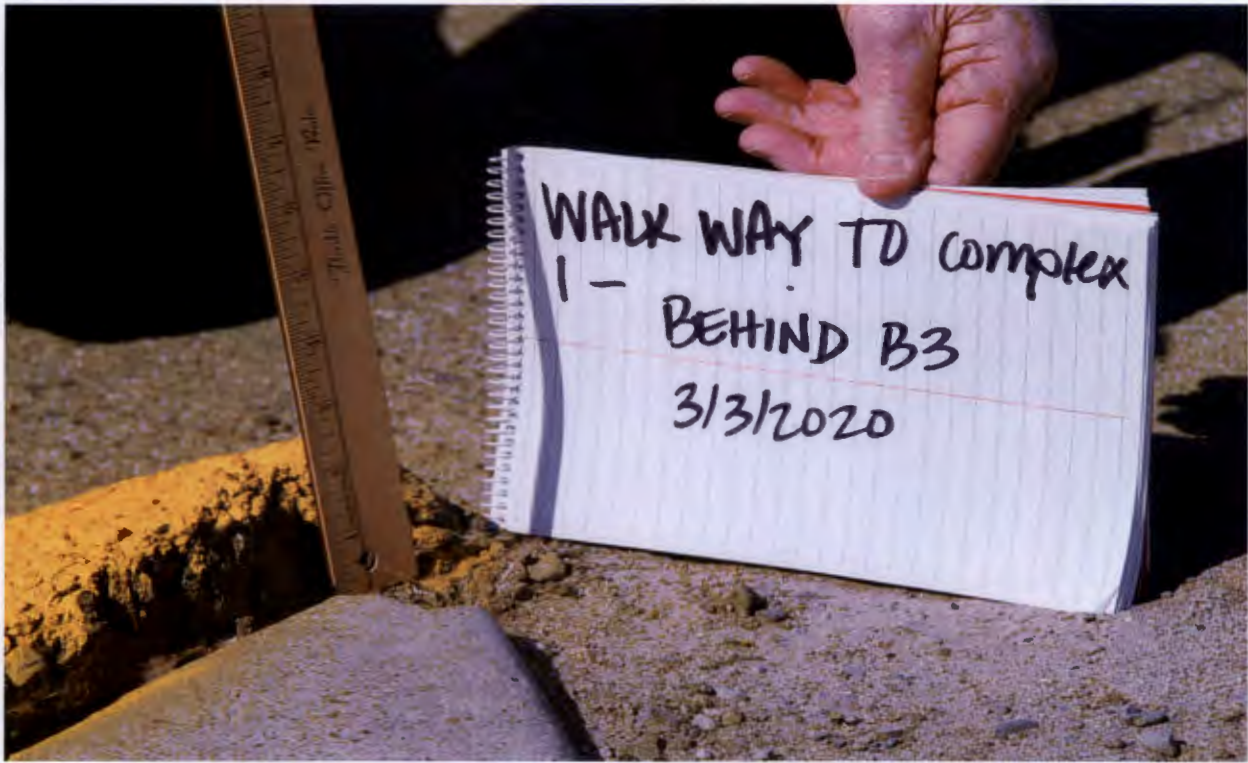


West Entrance -walking to Complex's I, II, and III 3/3/2020.
Effective 5/21/2020 repairs were completed.

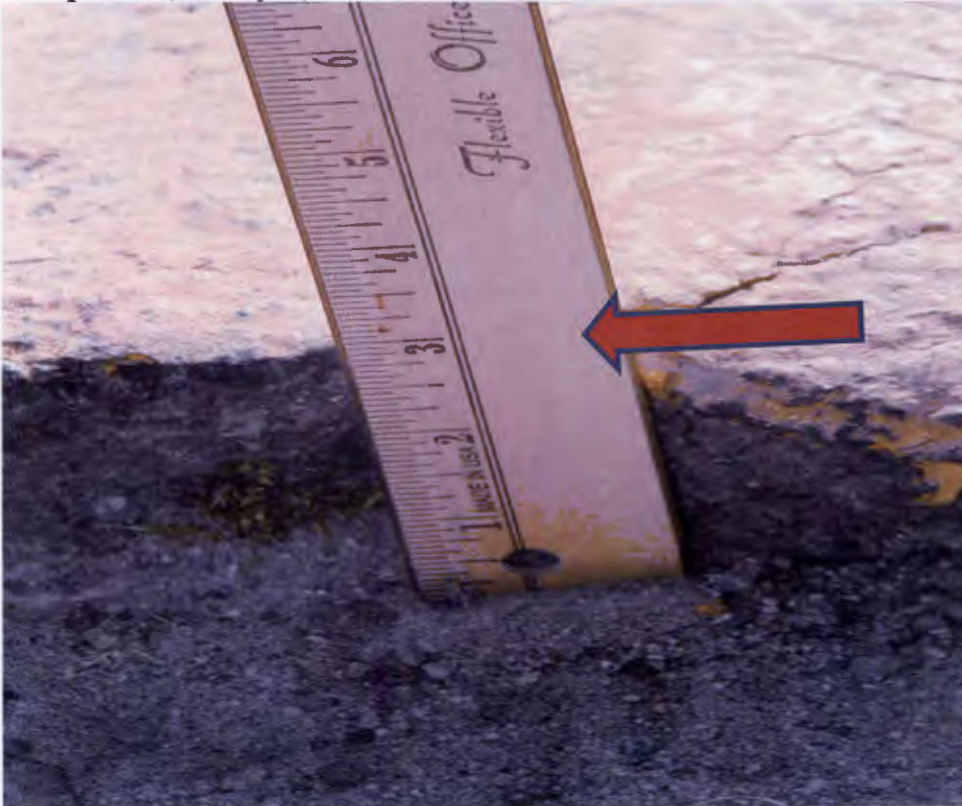
Complex I (Facilities A & B)



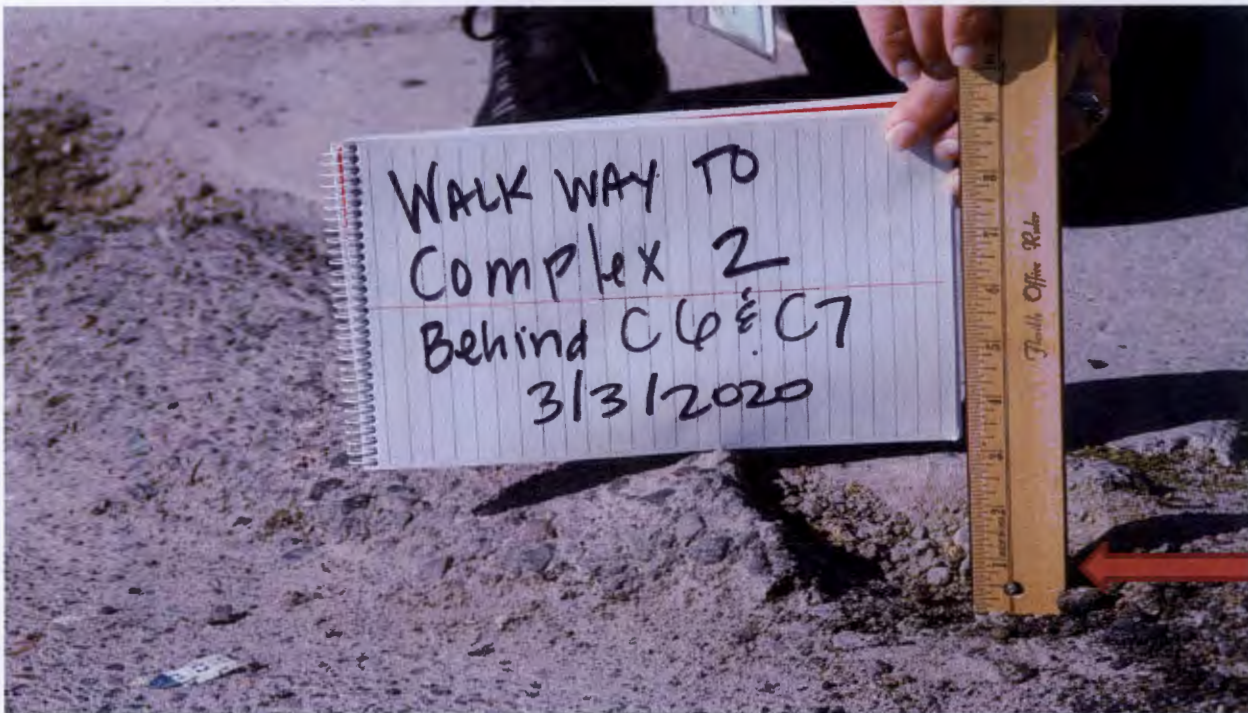
Walkway to Complex I and II 3/3/2020



Complex II (Facility C)



Walkway to complex II from West Entrance on 3/3/2020



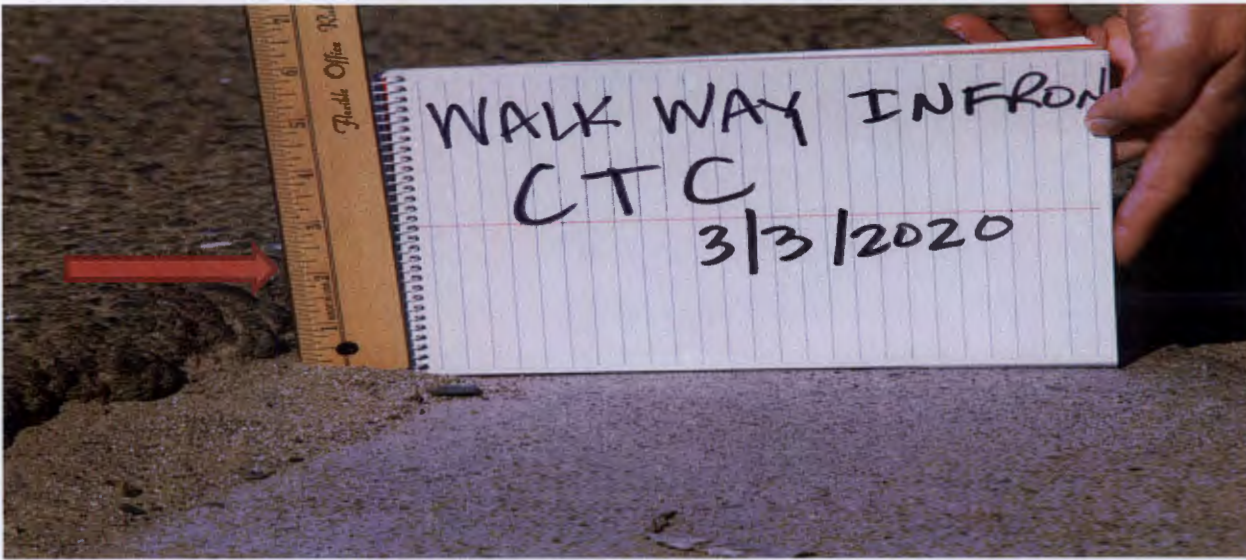
Effective 5/21/2020 repairs were completed.

Complex III (Facility D & E)



Main walkway to West Entrance from East Entrance in front of Complex III on 3/3/2020
Effective 5/21/2020 repairs were completed.

Central Treatment Center



In front of CTC on the main walkway that gets traffic from both East & West Entrances 3/3/2020 Effective 5/21/2020 repairs were completed.

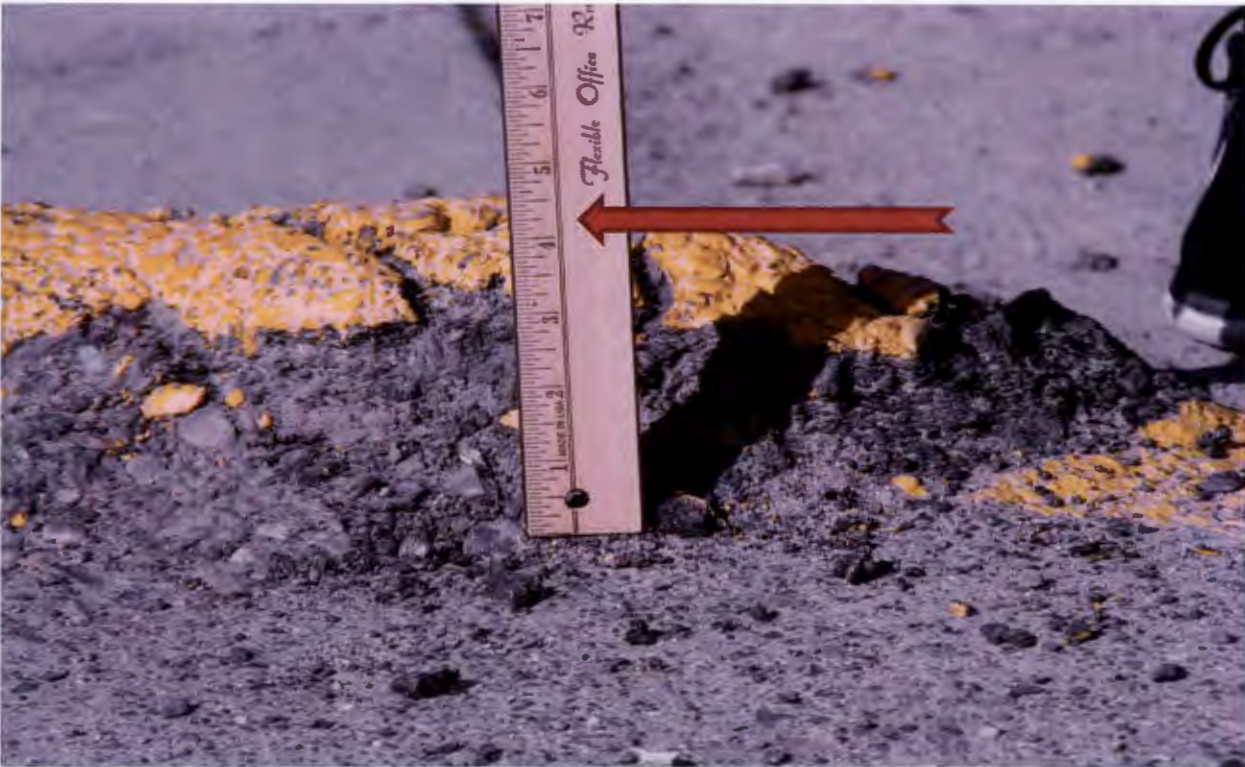


Effective 5/21/2020 repairs were completed.

Complex IV (Facility F & G)



In front of Complex IV on 3/3/2020. This is the main and only walkway to Facility F and G.



In front of Complex IV on 3/3/2020. This is the main and only walkway to Facility F and G.



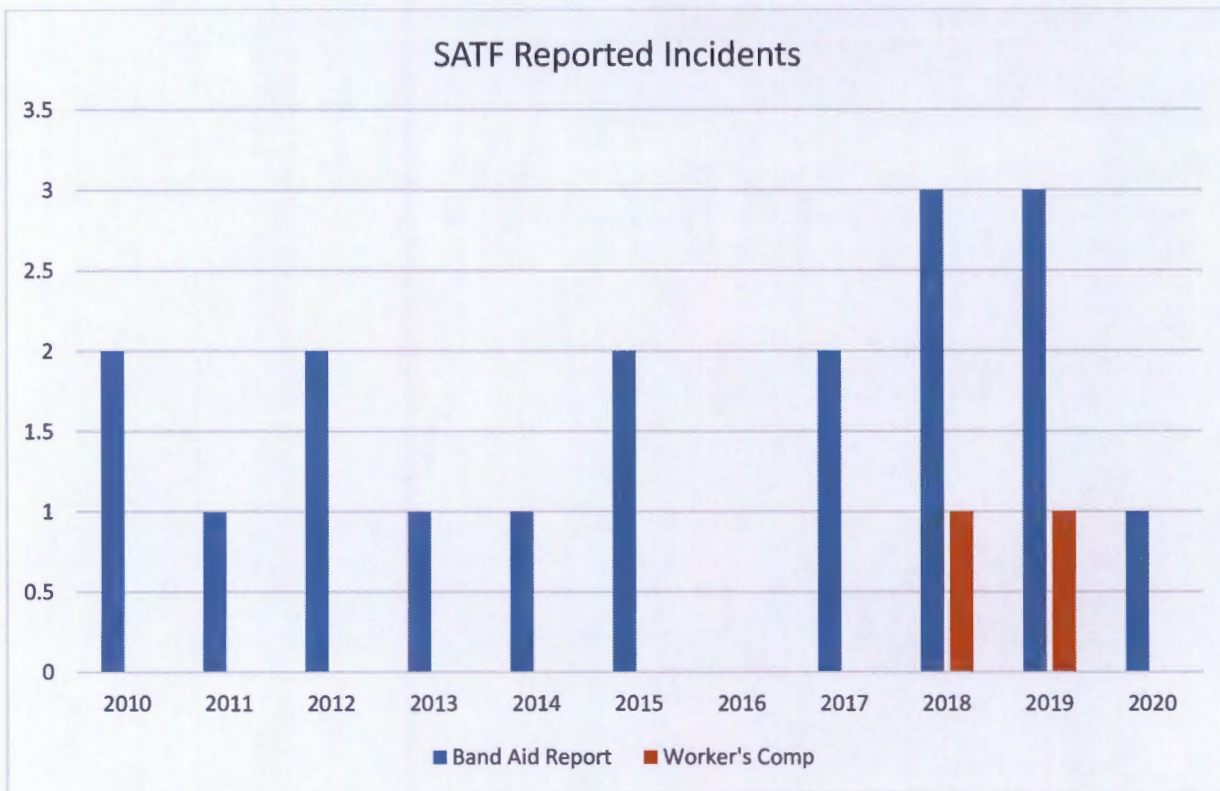
Main walkway from Complex IV going to East Entrance. 3/3/2020





Main walkway from Complex IV going to East Entrance. 3/3/2020
Effective 5/21/2020 repairs were completed.

The KCGJ conducted a third visit on 5/21/2020. On that visit, it was noted that repairs were made to the affected areas that could be repaired with the equipment that supported those repairs. They are currently waiting for a larger machine to complete the remaining repairs.



- Incidents Reported
 - Tripping
 - Falling

- Injuries Reported
 - Left cheek, Right Knee, Left Wrist
 - Hands, Knees and Elbows
 - Hurt Right Side
 - Ankles
 - Ribs
 - Swelling and Bruising of Knees
 - Foot
 - Right Knee, Elbow and Head
 - Left Ankle and Thigh, Right Knee and Leg, Both Hands
 - Right Heel and Ankle

FINDINGS AND RECOMMENDATIONS

Finding 1

The Grand Jury found that SATF failed to effectively address tripping hazards along main, heavily traveled foot traffic areas that have not been maintained in a manner conducive to staff and public safety.

Recommendations 1

We recommend that SATF continue repairs and safety marking of all walkways with raised asphalt causing a tripping hazard.

Finding 2

The Plant Operations department does not provide a line-item budget for walkway maintenance and repair.

Recommendation 2

The Plant Operations department should include line items in their budget for walkway maintenance and repairs.

Finding 3

Failure to complete the location of injury on required Form 3066 and follow-up to insure the cause of the issue is corrected.

Recommendation 3

Training for the employees on how to properly fill out Form 3066 regarding the work area, including the specific location and alert the Plant Operations Department per policy and procedures.

REQUIRED RESPONSES

California Penal Code §933 (c), provides in part: "No later than 90 days after the grand jury submits a final report on the operations of any public agency subject to its reviewing authority, the governing body of the public agency shall comment to the presiding judge of the superior court on the findings and recommendations pertaining to matters under the control of the governing body, and every elected county officer or agency head for which the grand jury has responsibility pursuant to Section 914.1 shall comment within 60 days to the presiding judge of the superior court...."

California Substance Abuse Facility Warden

INVITED RESPONSE

California Substance Abuse Facility Public Information Officer

SEND FINAL REPORT RESPONSE TO:

Original to:

Donna Tarter, Presiding Judge c/o Randy Edwards, Advising Judge
Kings County Superior Court,
640 Kings County Drive,
Hanford CA, 93230

Copy to:

Kings County Grand Jury,
PO Box 1562,
Hanford, CA, 93232

APPENDIX

Attachment 1

Attachment 4

STATE OF CALIFORNIA
EMPLOYEE REPORT TO SUPERVISOR OF INJURY/ILLNESS
 CDCR 3066 (06/15)

DEPARTMENT OF CORRECTIONS AND REHABILITATION

EMPLOYEE REPORT TO SUPERVISOR OF INJURY/ILLNESS

Employee: Use this form to document a non-reportable work related injury or illness, defined as that which does not result in lost time beyond your regular shift, or require medical treatment beyond first aid.

COMPLETION OF THIS FORM DOES NOT RESULT IN THE FILING OF A WORKERS' COMPENSATION CLAIM

EMPLOYEE'S NAME AND CLASSIFICATION (Please Print)			AGENCY CODE	DIV./LOCATION CODE
EMPLOYEE'S WORK HOURS	PERSONNEL NUMBER	LAST 4 DIGITS OF EMPLOYEE'S SSN	DATE	
SUPERVISOR'S NAME AND CLASSIFICATION (Please Print)			TELEPHONE NUMBER	

Employee: Please provide a detailed description of how the incident or illness occurred as directed below.

DATE OF INCIDENT (mm/dd/yy)	TIME INCIDENT OCCURRED ____ A.M. ____ P.M.	LOCATION WHERE THE INCIDENT OCCURRED
WHAT JOB DUTIES WERE YOU PERFORMING WHEN THE INCIDENT OCCURRED?		HOW DID THE INCIDENT OCCUR?
DESCRIBE THE INJURY/ILLNESS AND BODY PART(S) AFFECTED		WHAT EQUIPMENT, MATERIALS, OR OBJECTS WERE YOU USING, OR AFFECTED BY, WHEN THE INCIDENT OCCURRED?

LIST ANY WITNESSES

Employee: Read carefully and certify that this incident is characterized by the definition below.

- This is a minor injury/illness that has not caused me to lose time from work beyond my regular shift, or seek medical treatment beyond first aid. If any complications should develop as a result of this injury/illness, I understand that I will need to report this to my supervisor immediately. Should I later choose to file a workers' compensation claim, I understand that I have one year from the date of injury to do so, per Labor Code §5405.

EMPLOYEE'S SIGNATURE	DATE	SUPERVISOR'S SIGNATURE	DATE
----------------------	------	------------------------	------

Supervisor: Please sign this form to acknowledge receipt, and provide a copy to the employee. Submit this original form to your Return To Work Coordinator. Do not offer the employee an e3301 form or complete an e3067 form.

DISTRIBUTION Original: Return to Work Coordinator's 3066 File Copy: Employee

EMPLOYEE'S REPORT OF JOB RELATED INJURY/ILLNESS TO SUPERVISOR

TO BE COMPLETED BY EMPLOYEE AND DELIVERED TO SUPERVISOR, IMMEDIATELY FOLLOWING A JOB-RELATED INJURY, OR IMMEDIATELY FOLLOWING DIAGNOSIS OF A JOB-RELATED ILLNESS, OR SUSPECTED EXPOSURE TO INFECTIOUS DISEASE

EMPLOYEE'S NAME [REDACTED] JOB CLASS CSC PHONE or EXT # 7129

LAST 4 OF SSN [REDACTED] SUPVR NAME/TITLE [REDACTED]

This is to inform my supervisor that I suffered a job-related illness or injury, or suspect that I have been exposed to an infectious disease, as noted below: - **COMPLETE ALL SECTIONS IN DETAIL**

DATE 3-04-20 TIME 06:25 A.M. or P.M. WORK AREA Sidewalk

What were you doing when injured? Walking

How did the accident or exposure occur? Stepped on uneven raised asphalt

What object of substance directly injured you? Raised asphalt

Describe injury/illness: Right Sharp Pain Part of body affected: Right Bottom heel and ankle

READ CAREFULLY, THEN CHECK ONE BELOW:

1. "NON-REPORTABLE" INJURY

This is a minor injury. I have not lost any work time as a result of this injury, and do not expect to need any medical treatment, other than the First Aid I may have received already. I understand that if any complications should develop as a result of this injury, I will need to report this to my supervisor immediately, and that if at a later date I will need to seek outside medical treatment, I need to contact the Return To Work Coordinator (or Watch Commander) for referral.

2. "REPORTABLE" INJURY *

I believe I will need to seek Medical attention for this injury, other than in the institution clinic, and/or I believe I will miss work time (other than on the day of injury) because of this injury. I understand that if I need to seek outside medical treatment, I will need to contact the Return To Work Coordinator (or Watch Commander) for referral.

3. SUSPECTED EXPOSURE *

I believe I may have been exposed to an infectious disease as described above. I understand that it is imperative that evaluation and/or treatment is obtained within 24 hours of the exposure incident.

4. DIAGNOSED ILLNESS *

I believe my diagnosed illness, described above, is job-related. I understand that it is my responsibility to report this to the Infection Control Nurse in the institution Medical Department immediately.

* PERSONAL INFORMATION NEEDED ONLY IF YOU CHECKED 2, 3, OR 4 ABOVE

Social Security Number _____ Date of Birth _____ Home Address _____

Home Phone Number _____ Monthly Salary _____ Date Hired at CSP/Corcoran _____

DATE 3-04-20 EMPLOYEE'S SIGNATURE [REDACTED] DATE 3-04-20 SUPERVISOR'S SIGNATURE [REDACTED]

INSTRUCTIONS TO SUPERVISOR/SECOND LEVEL SUPERVISOR

No later than the end of your shift or workday, be certain to sign this report and acknowledge receipt and give the employee a copy. If you dispute the employee's report, attach a memorandum to the Return To Work Coordinator stating the facts. Depending upon which box the employee checked, take the following action:

1. **NON-REPORTABLE INJURY.** Deliver original of this form to the Return To Work Office, within 24 hours. Attach copy of 7219, if applicable. **DO NOT** issue a SCIF 3301 or complete a SCIF 3067. If claim is for "stress" or similar ailment, or a cumulative type injury, process as a Reportable Injury.
 2. **REPORTABLE INJURY.** If during business hours, call the Return To Work Office **IMMEDIATELY** at extension 5082 to report the injury. In all cases, within 24 hours you must, by law, issue the employee a claim form (SCIF 3301) AND complete both sides of the SCIF 3067. **Hand-deliver** all originals to the Second Level Supervisor for forwarding to the Return To Work Office, marked "CONFIDENTIAL." Include copies of CDC 7219 and Incident Report if applicable. Also, attach memo recommending Enhanced Industrial Disability Leave benefits, if applicable (see BU Agreement).
 3. **SUSPECTED EXPOSURE.** For suspected Bloodborne Pathogen exposure, refer employee to Emergency Room in Acute Care Hospital, as outlined in the Exposure Control Plan. If medical staff determines a true exposure has occurred, issue SCIF 3301 and complete SCIF 3067. Attach CDC 7345. If determined not to be a true exposure handle as a "Non-Reportable" injury. For any other suspected exposures, such as Tuberculosis, issue SCIF 3301 and complete SCIF 3067, attaching any related documentation. Physical injuries (such as puncture wounds) and emotional reactions to "gassing" or other types of exposure incidents are to be handled separately from the suspected exposure (follow instructions under Reportable/Non-Reportable), although they should be noted on the same form. Be specific. Forward SCIF Form 3067 and attachments to Second Level Supervisor.
 4. **DIAGNOSED ILLNESS.** Refer employee to Infection Control Nurse in Medical Department. Issue the employee a SCIF 3301 within 24 hours, complete the SCIF 3067 and forward to Second Level Supervisor.
- SECOND LEVEL SUPERVISORS.** If a SCIF Form 3067 has been prepared, complete the "Manager's Review" section on reverse and **hand-deliver** with all attachments to Return To Work Office immediately (within 24 hours of injury or knowledge of injury). Typing of forms is not required. Do not delay submission of forms to Return To Work Office.

FOR MORE INFORMATION, SEE OPERATIONAL PROCEDURE #822

CBATF/SP -CORCORAN FORM 3086/REVISED 2/99

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Home Garden Community Service District 2019-2020

SUMMARY

The Home Garden Community Service District (HGCSO) applied for a \$1,974,254 California Parks and Recreation (CDPR) State Grant (Grant) to build a community park within the district, which was awarded in 2011-2012. When HGCSO applied for the Grant, the district was in financial hardship. The State approved the Grant and the district moved forward with the project. The park was completed in 2017. The CDPR audited the Grant in October 2019, which resulted in the HGCSO being required to reimburse the State for approximately 95 percent (95%) of the Grant. The disallowed costs were associated with the HGCSO contract with Community Service and Employment Training, Inc. (CSET) to construct a park. The HGCSO and the CDPR are currently in negotiations attempting to rectify the audit discrepancies. Following its investigation, the Kings County Grand Jury is concerned that the HGCSO does not have the financial resources to satisfy any State-required reimbursement resulting from the audit.

GLOSSARY

Home Garden Community Services District (HGCSO)
Kings County Grand Jury (KCGJ)
California Department of Parks and Recreation (CDPR)
Community Services and Employment Training, Inc. (CSET)
Local Agency Formation Commission (LAFCO)

BACKGROUND

The Home Garden Community Service District (HGCSO) is a 395-acre non-incorporated community about 1.5 miles south of the city of Hanford, California. HGCSO provides water, street lighting, sewer service, and refuse collection for the community. As of the 2010 census, there were 1761 residents living in Home Garden. At the time of this report, HGCSO reports that there are approximately 461 households being serviced by the District. The Board of Directors for HGCSO consists of five members who govern the services to the approximately 461 homes. The members of the Board of Directors are sworn elected officials who serve four-year, staggered terms. The President and Vice President of the Board are elected annually at the first regular meeting of each calendar year pursuant to their bylaws.

In response to the CDPR audit, HGCSO provided a letter dated November 7, 2019 which outlined the actions taken by the HGCSO Board to address the Grant deficiencies. Further KCGJ investigation into the audit process discovered no independent audits of the district's finances have been performed since June 30, 2013. Reviewing the 2017-2018 and 2018-2019 budgets revealed that the district has not budgeted for audits of its finances. When questioned, the district manager and Board members brought to light that the district does not have adequate funds to conduct such audits.

METHODOLOGY

The Kings County Grand Jury (KCGJ) reviewed the grant specifications. Members of the KCGJ also attended HGCSO board meetings. Interviews were conducted with HGCSO district manager and Board members, a member from the Kings County Board of Supervisors and the Local Agency Formation Commissions (LAFCO)

director. The KCGJ tried to contact the Grant writers with no results. KCGJ members researched and compared other special districts via websites that were or had been in similar situations.

DISCUSSION

A member of the KCGJ was in attendance when the letter from CDPR regarding its audit results was discussed at the Kings County Board of Supervisors meeting on October 22, 2019. The State, at that time, had completed an audit of the Grant which concluded that the district must refund 95 percent (\$1,744,483.83) of the CDPR Project No. SW-16-002, Home Garden Community Park Grant Contract No. C6905053.

The "recommendation [for reimbursement to the State] is based, in part, on \$1,716,471.98 in disallowed costs associated with the HGCSO contract with the Community Services and Employment Training, Inc. (CSET)." California Department of Parks and Recreation (CDPR) auditors found that invoices issued pursuant to this contract did not adequately itemize costs. CDPR auditors were unable to identify costs incurred on specific scope items. Further, some indirect costs were charged to the Grant, i.e. labor costs and labor compliance costs are ineligible for reimbursement.

The California Special Districts Association Guide to Special District Laws and Related Codes states that special districts are required to have annual, independent audits conducted by the county auditor or a certified public accountant. This information is filed with the State Controller's Office. The annual audit can be changed to a bi-annual audit if approved unanimously by the district board and, in this case, the Kings County Board of Supervisors, under certain restrictions. The KCGJ found no evidence that the HGCSO had been audited since at least 2013, which is in violation of the California Government Code §26909.

After reviewing the two most recent years available of HGCSO budgets, it was found that no line item reflected an allocation for audit expenses (see attachment 3). The budgets for 2017-2018 and 2018-2019 were in the negative.

Review of the June 30, 2012 audit revealed a net loss of \$1,051,429 (see attachment 1). Review of the June 30, 2013 audit revealed a net loss of \$27,573 (see attachment 2). This apparent structural budget deficit should have been a concern prior to applying for the Grant for the park.

FINDINGS AND RECOMMENDATIONS

Finding 1

The Kings County Grand Jury noted the absence of a line item in the budget for the district's annual audits on the HGCSO budget spreadsheet.

Recommendation 1

To foster government transparency and accountability, HGCSO board members should include a line item in the budget for the district's annual audits.

Finding 2

HGCSO has failed to conduct required annual audits since 2013.

Recommendation 2

To foster public confidence in the agencies that serve them, HGCSO must conduct required annual audits.

REQUIRED RESPONSES

California Penal Code §933 (c), provides in part: “No later than 90 days after the grand jury submits a final report on the operations of any public agency subject to its reviewing authority, the governing body of the public agency shall comment to the presiding judge of the superior court on the findings and recommendations pertaining to matters under the control of the governing body, and every elected county officer or agency head for which the grand jury has responsibility pursuant to Section 914.1 shall comment within 60 days to the presiding judge of the superior court....”

- Home Garden Community Service District Board

INVITED RESPONSES

- Local Agency Formation Commissions (LAFCO) Board
- Kings County Board of Supervisors

Send Final Report Response to:

Original to:

Donna Tarter, Presiding Judge c/o Randy Edwards, Advising Judge
Kings County Superior Court,
640 Kings County Drive,
Hanford CA, 93230

Copy to:

Kings County Grand Jury,
PO Box 1562,
Hanford, CA, 93232

APPENDIX

Attachment 1

HOME GARDEN COMMUNITY SERVICES DISTRICT MANAGEMENT'S DISCUSSION & ANALYSIS JUNE 30, 2012

This portion of the District's annual financial report presents its discussion and analysis of the District's financial performance during the fiscal year that ended on June 30, 2012. This report becoming part of the District's financial statements. For complete financial information, please read this discussion in conjunction with the financial statements.

FINANCIAL HIGHLIGHTS

- The District's total net assets were \$3,752,796 at June 30, 2012 which was a \$124,853 decrease over the previous year.
- During the year, the District's expenses including depreciation were more than the revenues generated.
- The District issued no new debt during the year ended June 30, 2012.

OVERVIEW OF FINANCIAL STATEMENTS

Financial statements presented in this annual report include the activities of **HOME GARDEN COMMUNITY SERVICES DISTRICT** using the reporting model as prescribed by Government Auditing Standards Board Number 34 (GASB 34). The report consists of three parts a) Management Discussion and Analysis, b) the basic financial statements, and c) the required supplementary information, if any. In addition, I have included other supplementary information pertinent to these financial statements. The basic financial statements also include notes that further explain some of the information presented in the financial statements.

CHANGES IN NET ASSETS

	2012	2011	\$ Change
Revenues:			
Consumer services	480,482	474,119	6,363
Interest	5,594	7,334	(1,740)
Taxes	14,124	13,991	133
Other general revenue	<u>11,554</u>	<u>905,735</u>	<u>(894,181)</u>
Total Revenue	511,754	1,401,179	(889,425)
Expenses:			
Operation Expenses	368,368	382,040	(13,672)
General administration	74,779	66,863	7,916
Maintenance & Operations	19,901	1,624	18,277
Depreciation	<u>179,346</u>	<u>29,863</u>	<u>149,483</u>
Total Expenses	642,394	480,390	162,004
Net Income (Loss)	(130,641)	920,789	(1,051,429)

**HOME GARDEN COMMUNITY SERVICES DISTRICT
MANAGEMENT'S DISCUSSION & ANALYSIS
JUNE 30, 2013**

This portion of the District's annual financial report presents its discussion and analysis of the District's financial performance during the fiscal year that ended on June 30, 2013. This report becoming part of the District's financial statements. For complete financial information, please read this discussion in conjunction with the financial statements.

FINANCIAL HIGHLIGHTS

- The District's total net assets were \$3,594,582 at June 30, 2013 which was a \$158,214 decrease over the previous year.
- During the year, the District's expenses including depreciation were more than the revenues generated.
- The District issued no new debt during the year ended June 30, 2013.

OVERVIEW OF FINANCIAL STATEMENTS

Financial statements presented in this annual report include the activities of **HOME GARDEN COMMUNITY SERVICES DISTRICT** using the reporting model as prescribed by Government Auditing Standards Board Number 34 (GASB 34). The report consists of three parts a) Management Discussion and Analysis, b) the basic financial statements, and c) the required supplementary information, if any. In addition, I have included other supplementary information pertinent to these financial statements. The basic financial statements also include notes that further explain some of the information presented in the financial statements.

CHANGES IN NET ASSETS

	2013	2012	\$ Change
Revenues:			
Consumer services	480,709	480,482	227
Interest	3,924	5,594	(1,670)
Taxes	13,088	14,124	(1,036)
Other general revenue	<u>12,564</u>	<u>11,554</u>	<u>1,010</u>
Total Revenue	510,285	511,754	(1,469)
Expenses:			
Operation Expenses	399,891	368,368	31,523
General administration	64,394	74,779	(10,385)
Maintenance & Operations	17,469	19,901	(2,432)
Depreciation	<u>186,747</u>	<u>179,346</u>	<u>7,401</u>
Total Expenses	668,501	642,394	26,107
Net Income (Loss)	(158,214)	(130,641)	(27,573)

Attachment 3

Expenses

2017-18 2018-19 2018-2019 budget has a 3% increase

Board of Directors

Board Fees	\$ 6,250.00	\$ 7,500.00
	<u>\$ 6,250.00</u>	<u>\$ 7,500.00</u>

Staff

General Manager	\$ 23,926.03	\$ 31,668.00
Office/Billing Clerk	\$ 16,800.00	\$ 8,450.00
Plant Maintenance	\$ 15,734.00	\$ 18,200.00
Temporary Employees	\$ 50.00	\$ 357.50
	<u>\$ 56,610.03</u>	<u>\$ 58,675.50</u>

Plant

Plant Contractor - Mountain Valley	\$ 46,465.13	\$ 51,686.40	* Lab services are now included in Mountain Valley's fees
Chemicals	\$ 22,967.10	\$ 23,676.11	
Equipment Depreciation	\$ -	\$ -	
Fire Hazard Abatement	\$ 85.16	\$ 90.00	
Lab Services	\$ 1,656.03	\$ -	* Lab services are now included in Mountain Valley's fees
Maintenance - Arsenic Treatment	\$ 3,961.93	\$ 4,300.79	
Maintenance - Equipment	\$ 1,718.93	\$ 1,770.50	
Maintenance - Generator	\$ 1,364.64	\$ 1,405.58	
Major Repair - Water	\$ -	\$ -	
Miscellaneous Plant Expense	\$ 432.72	\$ 445.70	
Registration/Enforcement Fee	\$ 3,888.56	\$ 4,005.22	
Rental & Leases - Equipment	\$ -	\$ -	
Sludge Removal	\$ 4,429.25	\$ 4,562.13	
Small Tools & Instruments	\$ -	\$ -	
Utilities Water	\$ 38,625.57	\$ 39,681.34	
Water Line Field Repairs	\$ 2,415.12	\$ 2,487.57	
Weed Control	\$ -	\$ -	
	<u>\$ 127,610.34</u>	<u>\$ 133,911.34</u>	

Vehicle

Fuel and Oil	\$ 762.82	\$ 785.70
Maintenance - Vehicle	\$ -	\$ 200.00
	<u>\$ 762.82</u>	<u>\$ 985.70</u>

Park

Park	\$ 50,454.91	\$ 51,000.00
	<u>\$ 50,454.91</u>	<u>\$ 51,000.00</u>

Attachment 3 cont.

Office

Auditing & Accounting	\$ 50.00	\$ 500.00	* This amount is subject to change due to the number of audits needed.
Books & periodicals	\$ -	\$ -	
Building Depreciation	\$ -	\$ -	
Computer Software Expense	\$ 1,010.00	\$ 1,010.00	
Custom forms	\$ -	\$ -	
Deposit Returns	\$ 2,255.17	\$ 2,300.00	* This amount is based off a move out increase of 3%.
Drug Testing	\$ -	\$ -	
Educational Reimbursement	\$ -	\$ -	
Educational Services	\$ -	\$ -	
Employee Benefits	\$ -	\$ -	
In-Service Training	\$ 40.00	\$ 100.00	
Insurance	\$ 10,237.10	\$ 10,544.21	
Internet	\$ 2,638.77	\$ 3,313.80	*Comcast bill includes Internet, phones, and fax line for PLC
Maintenance - Building	\$ -	\$ -	
Maintenance - Office Equipment	\$ -	\$ -	
Maintenance Network Equipment	\$ -	\$ -	
Memberships	\$ -	\$ -	
Miscellaneous - Office Expense	\$ 1,611.20	\$ -	* Checks were issued manually for one pay period
Office Automation Software	\$ -	\$ -	
Office Equipment	\$ -	\$ -	
Office Expense	\$ 2,060.39	\$ 2,122.20	
Office Supplies	\$ 5,826.49	\$ 6,001.28	
Offsite Printing/Stores	\$ 115.50	\$ 175.00	
Pest control	\$ 544.00	\$ 544.00	* This amount includes services for the Park(\$272).
Postage and Freight	\$ 2,720.00	\$ 2,720.00	
Record Storage Charges	\$ -	\$ -	
Rents & Leases - Software	\$ -	\$ -	
Social Security - Medicare	\$ -	\$ -	
Telephone Expense	\$ 578.51	\$ -	*Included in Internet line with Comcast bill
Travel and Expense	\$ -	\$ -	
Unemployment Insurance	\$ -	\$ -	
Utilities Office	\$ 962.89	\$ 991.78	
Workman's Comp Insurance	\$ 1,562.66	\$ 1,609.54	
	<u>\$ 32,212.68</u>	<u>\$ 31,881.81</u>	

Professional Services

Engineering Services	\$ 16,557.74	\$ 18,000.00	
Legal Expense	\$ 41,151.21	\$ 36,000.00	
Miscellaneous Consultant Expense	\$ -	\$ -	
			*This account was used to move all payroll amounts. This amount also included payment to Jim Christian for about 6 months. In the future it will only be used to pay for Psychex services.
Payroll	\$ 64,410.03	\$ 2,712.12	
Prof & Spec Services	\$ 249.76	\$ 249.76	
Publications & Legal Notices	\$ 98.05	\$ 100.00	
Translator Services	\$ -	\$ -	
	<u>\$ 122,466.79</u>	<u>\$ 37,061.88</u>	

Utility Contracts

Street Lights	\$ 6,394.34	\$ 6,586.17	
Sewer Contract	\$ 90,013.14	\$ 92,713.53	
Disposal Contract	\$ 76,885.68	\$ 79,192.25	
Miscellaneous Disposal Expense	\$ -	\$ -	
Miscellaneous Contractual Services	\$ -	\$ -	
	<u>\$ 173,293.16</u>	<u>\$ 178,491.95</u>	

Total \$ 513,890.50 \$ 519,858.18

Revenue

2017-18 2018-19 2018-2019 budget has a 3% increase

6001 Funds

81519000 Homeowner Prop Tax Relief	\$	139.13	\$	143.30
81550050 Intergovtl Rev-State Grant			\$	-
81400000 Interest On Current DEPST	\$	907.58	\$	934.81
81140000 Prop Tax - Curr SB813 Sup	\$	187.28	\$	192.90
81100000 Prop Tax - Curr Secured	\$	12,952.22	\$	13,340.79
81110000 Prop Tax - Curr Unsecured	\$	526.39	\$	542.18
81120000 Prop Tax - Prior Secured	\$	205.82	\$	211.99
81810000 Revenue Transfer In	\$	-	\$	-
81522003 St Aid Housg Auth In-Lieu	\$	13.47	\$	13.87
81503020 ST AID -HWY Property RNT	\$	0.20	\$	0.21
81130000 Prop Tax - Prior Unsecurd	\$	7.00	\$	7.21
81150000 Prop Tax- Prior Supl SB813	\$	18.98	\$	26.76

7006 Revenue

81620020 After Hours Fee			\$	200.00
81620025 Billed Repairs	\$	82.80	\$	85.28
81627010 Connection Fee	\$	880.00	\$	880.00
81615010 Garbage 1	\$	119,933.54	\$	123,531.55
81615015 Garbage 2				
81615020 Garbage 3				
81615025 Garbage 3 yard bin				
81615030 Garbage 4 yard bin				
81400000 Interest On Current Customer DEPST	\$	1,517.12	\$	1,562.63
81615055 Late Fees	\$	4,148.46	\$	4,272.91
81700000 Open 5				
81700020 Park Assessment				
81627380 Park Arbor Deposits	\$	155.00	\$	402.00
81626020 Park Arbor Reservations	\$	390.00	\$	402.00
81550035 Park Donations	\$	185.00		
81614035 Service Deposits	\$	6,272.23	\$	6,460.40
81615005 Sewer	\$	103,441.28	\$	106,544.52
81615050 Street Lights	\$	7,400.26	\$	7,622.27
81810010 Transfer In/Out				
81615065 Turn Off Fees	\$	175.08	\$	180.33
81620015 Turn On Fees	\$	457.64	\$	471.37
81615000 Water	\$	215,980.21	\$	225,703.21

* December 2018 water rates raise by \$3.50

Totals	\$	475,976.69	\$	493,732.49
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Projected Shortage

The total revenue for 2017-2018 fiscal year was \$475,976.69 and the total expenses were \$513,350.50 meaning the District spent \$50,454.91 more than what it brought in. This difference is attributed to the expenses of the Park. Without the new expense of the Park, the expenses for this fiscal year were \$462,895.59

The projected revenue for the 2018-2019 fiscal year is \$493,732.49. This includes the December 2018 water rate increase of \$3.50. The projected expenses for the 2018-2019 fiscal year are \$519,558.18 which will again mean the District will spend about \$51,000 more than what it will bring in. This difference can also be attributed to the expenses of the Park. Without the Park expenses the projected expenses will total \$468,558.18 for the

**** Please note the 2018-2019 expenses and revenues are projected at a 3% increase and are subject to change. The surplus amount is based off of this 3% increase and is subject to change depending on how much revenue is actually received.***

As previously stated, the District is now operating at a lost of about \$50,727.46 yearly with the opening of the Park. To circumvent this deficit, the District needs to develop a revenue for the Park. I would suggest holding another 218 hearing to create a Lighting and Landscaping Assessment District. I know the District has recently gone through this process and did not get the votes required, but I feel if more canvassing was done this would have a chance of passing. There was also a suggestion by our Area Supervisor to ask Adventist Health to fund the cost of the Park yearly since they have a clinic located in our District.

I am asking for any and all ideas to help develop a steady revenue for the Park. I would like to suggest forming a committee to specifically deal with this issue that would, along with myself, be involved in meeting with possible donors and develop a plan to remedy this issue by January of 2019.

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**Lemoore Finance Department
2019-2020**

SUMMARY

The City of Lemoore (“City”) Finance Department provides financial services to all City departments, including cash management, preparations of financial reports, budget preparation and control, revenue and expenditure controls, accounts receivable, payroll, purchasing, business licenses, general accounting, and financial advice. In the conduct of their responsibilities, a key expectation is that customer service is at the forefront of the Finance Department. An expected goal is to provide necessary training of all employees to satisfy the needs of the general public they serve. To fulfill that expectation, updated policies and procedures should be used to guide the department.

BACKGROUND

A citizen’s complaint was submitted concerning the policies, procedures, and training within the City Finance Department. Pursuant to California Penal Code §925a, “The grand jury may at any time examine the books and records of any incorporated city or joint powers agency located in the county. In addition to any other investigatory powers granted by this chapter, the grand jury may investigate and report upon the operations, accounts, and records of the officers, departments, functions, and the method or system of performing the duties of any such city or joint powers agency and make such recommendations as it may deem proper and fit.”

METHODOLOGY

In the public interest of investigating and advising on the complaint received, the 2019-2020 Kings County Grand Jury reviewed and evaluated the City Finance Department. The investigation included a review of existing policies and procedures within the organization. During the course of the investigation, interviews were conducted with numerous current and former City employees and other witnesses with information relevant to the inquiry.

The Grand Jury researched online and through interviews the procedures of several Kings County city finance departments. The Grand Jury interviewed the finance directors of Corcoran, Lemoore, and Hanford about their cash-handling policies and procedures as well as their departmental training. The Grand Jury also interviewed account clerks from Lemoore. Additionally, members of the Grand Jury conducted onsite visits to the City Finance Department.

DISCUSSION

The Grand Jury studied issues of outdated and lack of policies and practices governing the management of the City Finance Department. The staffing consists of a finance director, finance manager, an accountant and four account clerks.

The Kings County Grand Jury reviewed the training processes of the Finance Department, specifically the finance account clerks and their immediate supervisors, manager and director. The investigation revealed areas of concern in training as well as in policies and procedures. Initial training of account clerks is conducted by various other account clerks which does not support a uniform practice of standard operating procedures. It has been discovered that as of May 15th, 2020, the City Finance Department has implemented a practice that the accountant conducts all training of newly hired account clerks.

Current practices are not in line with the department's published "Cash Handling Procedures, dated April 2018, that govern how the account clerks handle money on a daily basis. In addition, according to the Cash Handling Procedures, "Keys to lock boxes must be kept in a secure area." In interviewing staff, it was revealed that those procedures were not always adhered to. The finance director and finance manager were not fully conversant with those established procedures. For example, the Cash Handling Procedures manual states that random surprise cash counts should be conducted to ensure the accuracy of collections. According to interviews, that process was not consistently utilized.

As a result of the Grand Jury's inquiry, the City Finance Department has identified concerns regarding its cash-handling procedures and is in the process of addressing those issues. The Grand Jury understands that some revisions of policies and manuals have been approved, while others are still in the draft stages of implementation.

FINDINGS & RECOMMENDATIONS

Finding 1

Lack of updated policies and procedures. Although policy and procedure manuals were available to the Grand Jury, most are outdated and require management updates. The procedural manual, Cash Handling Procedures, dated April 2018, was available. After investigating, it appeared to not have been a requirement for account clerks to familiarize themselves with the manual.

Recommendation 1

All outdated policies and procedures manuals should be updated by January 15th, 2021. Review policies and procedures manual annually or when significant changes are mandated.

Finding 2

Lack of internal and external training. The Grand Jury found that there was no documented formal internal or external training available to newly hired employees or management.

Recommendation 2

Although it is noted that the Finance Department does conduct initial on-the-job training, it is recommended that the finance manager and director create a new employee training manual. Create internal training that covers departmental updates as needed as well as internal cross training. Make external training available, if feasible, within departmental annual budget constraints.

Finding 3

Inconsistent employee use of operational procedures. It was evident that not all employees had a concise understanding of cash handling procedures. Furthermore, account clerks' knowledge of how and why certain transactions were processed varied based on longevity and experience in the position.

Recommendation 3

Require all employees to sign a certificate of training for cash handling procedures and other training as provided. During annual performance reviews address any updates to policies and procedures.

COMMENTS

Throughout the investigation, the City of Lemoore Finance Department has been proactive in identifying procedural issues within the department and making improvements. The department is commended.

REQUIRED RESPONSES

California Penal Code §933(c), provides in part: "No later than 90 days after the grand jury submits a final report on the operations of any public agency subject to its reviewing authority, the governing body of the public agency shall comment to the presiding judge of the superior court on the findings and recommendations pertaining to matters under the control of the governing body, and every elected county officer or agency head for which the grand jury has responsibility pursuant to Section 914.1 shall comment within 60 days to the presiding judge of the superior court..."

Lemoore City Manager

INVITED RESPONSES

Lemoore City Finance Department
Lemoore City Council

SEND FINAL REPORT RESPONSE TO:

Original to:
Donna Tarter, Presiding Judge c/o Randy Edwards, Advising Judge
Kings County Superior Court,
640 Kings County Drive,
Hanford CA, 93230

Copy to:
Kings County Grand Jury,
PO Box 1562,
Hanford, CA, 93232

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LETTERS

Avenal State Prison

Kings County Local Agency Formation Commission (LAFCO)

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COUNTY OF KINGS
GRAND JURY
P.O. Box 1562
Hanford, CA 93232
Office: 449 C Street
Lemoore, CA 93245
grand.jury@co.kings.ca.us
(559) 852-2892

November 12, 2019

Rosemary Ndoh, Warden
Avenal State Prison
1 Kings Way
P.O. Box 8
Avenal, CA 93204

Dear Warden Ndoh

On behalf of the 2019-2020 Kings County Grand Jury, we sincerely thank you and your staff for the tour of Avenal State Prison facility. We found the number of programs offered to inmate population impressive. The Grand Jury was most impressed with the explanation by the Warden of the Actor's Gang Program.

The Grand Jury thanks Warden Ndoh for the mindset of a rehabilitation facility. The Grand Jury appreciates the aspirations and collaborations of Avenal State Prison's Warden and staff, and wishes continued success.

Sincerely,

Anita Lizotte
Foreperson

COUNTY OF KINGS



GRAND JURY
P.O. Box 1562
Hanford, CA 93232
Office: 449 C Street
Lemoore, CA 93245
grand.jury@co.kings.ca.us
(559) 852-2892

May 13, 2020

Kings County Local Agency Formation Commission (LAFCO)
1400 W. Lacey Blvd
Hanford, CA 93230

Attn: Greg Gatzka, Executive Director

Dear LAFCO Commissioners,

Members of the 2019-2020 Kings County Grand Jury have attended the Home Garden Community Services District (HGCSO) recent board meetings. We have requested and received budget information from HGCSO for the years of 2017-2018 and 2018-2019. Information provided to us indicates that HGCSO is operating in a deficit of over \$50,000 per year due to the maintenance of the new park. Any ongoing structural deficit of a public agency is cause for serious concern and review.

Further, at a Kings County Board of Supervisors meeting on October 22, 2019, Supervisor Valle, who represents that district, announced that HGCSO was being asked to return approximately 95 percent (\$1.7 million dollars) of a State of California Community Grant Fund. This fund was provided for the construction of a part within the district. We understand that the district is currently working with the State to lower its refund demand, but it is concerning that – given the annual, structural budget deficit – the HGCSO will have no ability to pay back any amount of money to be returned.

Our question to you is: Do you anticipate this special district surviving in light of the annual budget deficit and the potential reimbursement to the State grant fund? We as the Grand Jury request LAFCO investigate the financial sustainability of Home Garden Community Services District.

Sincerely,

Anita Lizotte
Grand Jury Foreperson

Local Agency Formation Commission OF KINGS COUNTY

GREGORY R. GATZKA, EXECUTIVE OFFICER
MAILING ADDRESS: 1400 W. LACEY BLVD., HANFORD, CA 93230
OFFICES AT: ENGINEERING BUILDING, KINGS COUNTY GOVERNMENT CENTER, HANFORD
(559) 852-2670 • FAX: (559) 584-8989 • WWW.KINGSLAFCO.COM

June 4, 2020

RECEIVED
JUN 08 2020

County of Kings Grand Jury
P.O. Box 1562
Hanford, CA 93245

SUBJECT: Request to Investigate Home Garden Community Services District Financials

Dear Grand Jury Members,

We received your letter dated May 13, 2020, and presented it to our LAFCO Commission at the May 27, 2020 Commission meeting.

LAFCO recognizes the difficult challenge for any organization to fully evaluate the financial sustainability of a special district. In your letter, a specific request was made for LAFCO to investigate the financial sustainability of the Home Garden Community Services District. Unfortunately, LAFCO of Kings County is not in a position to initiate an investigation into the District's financial status absent any State required triggers authorized pursuant to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 that establishes LAFCO's legal authorities and responsibilities.

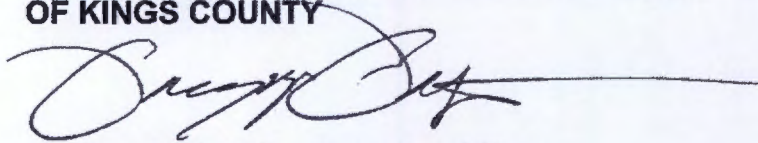
In relation to LAFCO conducting any financial analysis or findings related to a District, LAFCO's powers and duties are established under Government Code Section 56375 for activities that may trigger a financial analysis but are not applicable to the District's current situation.

1. Government Code Section 56375 - proceedings that may require financial analysis for the Commission to consider include District Consolidation, Dissolution, Formation, Merger, Reorganization, and Latent Powers establishment.
2. Government Code Section 56430 - requires LAFCO to address "Financial ability of agencies to provide services" when a Municipal Service Review is needed for LAFCO to consider a District Sphere of Influence expansion.
3. Government Code Section 56668.3 - requires LAFCO to consider financial concerns related to district services when expressed in a protest hearing.
4. Government Code Section 56857(b) - requires LAFCO to provide written findings supported by substantial evidence when a district terminates an annexation request when justified by financial or service concerns.
5. Government Code Section 56879 - requires the commission to initiate dissolution of a district when the State Controller notifies LAFCO of an "inactive district".

As none of the above referenced district activities are triggered, LAFCO has no established authority to initiate an independent financial analysis of the district. Should the district falter in its financial sustainability and be rendered an "inactive district" by the State Controller, LAFCO would be notified by the State and then required to initiate a dissolution. Additionally, should the district demonstrate that it consistently fails to provide adequate drinking water supply, the State Water Resources Control Board empowered under Senate Bill 88 has the authority to order the consolidation of water systems. If this were to occur, the Home Garden CSD would likely be forced to consolidate with the City of Hanford system and handled by the State process and not LAFCO.

If you have any questions, feel free to contact me at (559) 852-2682.

Sincerely,
**LOCAL AGENCY FORMATION COMMISSION
OF KINGS COUNTY**



Gregory R. Gatzka, Executive Officer

Cc: LAFCO Commission

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**RESPONSES TO 2018-2019
FINAL REPORT**

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RECEIVED JUL 15 2019

711 West Cinnamon Drive • Lemoore, California 93245 • (559) 924-6744 • Fax (559) 924-6708

June 27, 2019

Honorable Donna Tarter, Presiding Judge
Kings County Superior Court
1640 Kings Court Drive
Hanford, CA 93230

Re: City of Lemoore's Response to Grand Jury Report Dated May 28, 2019

Dear Judge Tarter:

The City of Lemoore has received the Grand Jury Report dated May 28, 2019, and entitled "Lemoore City Council.". As requested, we are providing the following comments to the recommendations contained in the report. While the City understands the Grand Jury has almost unfettered discretion to investigate and issue findings and recommendations on those investigations, the City is disappointed that the Grand Jury has issued this report in a manner that seems to attack two specific individuals. Additionally, despite the requirement of the Grand Jury to maintain confidentiality (Penal Code section 924.1), the Grand Jury chose to cite to the interviews and comments of these two individuals in an effort to support its allegations that they engaged in misconduct, a claim for which the Grand Jury has provided no facts or evidence in support of the inaccurate allegations.

Finding 1

It was discovered during the interview process that not all City Council members attended the local training where the Rules of Procedures would have been discussed. Some members chose not to attend, nor was it apparent that the Rules of Procedures were discussed.

Recommendation 1

The recommendation is that all City Council members are highly recommended to attend the League of California Cities annual conference which includes Brown Act training as well as other responsibilities of the City Council. Any members not attending the annual conference training are encouraged to attend the City Attorney training session that is offered. Training should be conducted by the City Attorney with specific emphasis on the Lemoore City Council Rules of Procedures and Brown Act.

City Response:

The City disagrees with the Finding 1. The City has provided training for Council on a regular basis, and the Council Members have attended same. Specifically, the current sitting members of the Council have attended the following trainings at the League of Cities:

- Blair and Brown
League of California Cities New Council training 1/18 – 1/20/17
- Blair and Neal
League of California Cities Annual training 9/13-9/15/17
- Brown and Neal
League of California Cities Annual training 9/12-9/14/18
- Lyons
League of California Cities Annual training 6/19-6/20/19

As part of an introduction to their position as council members, the City Attorney has also provided training to each of the Council Member Elects after confirmation of their appointment to the City Council on the following topics: Council Rules, the Brown Act, conflict of interest and other matters related to their roles as Council Members.

In addition to the above, the City Attorney has provided Council Trainings for Council Members. The List of City Attorney Trainings since 2015 are as follows:

- January 28, 2015 – Ethics & Public Service – Biennial Training;
- January 28, 2015 – Sexual Harassment Prevention Training;
- February 2017 – Council/Commission Governance, Ethics & Public Service: Biennial Training;
- September 7, 2017 – City Council Retreat Role of City Council, City Manager, City Staff and City Attorney;
- April and May 2018 - Preventing Sexual Harassment and Abusive Conduct in the Workplace; and
- December 5, 2018 – Ethics & Public Service: Biennial Training
May and June 2019- Ethics, Whistleblowing, Brown Act & Public Service

(Copies of the Training Materials are attached as Exhibit 1-A.)

As to the Grand Jury's statement that "Some members chose not to attend, nor was it apparent that the Rules of Procedures were discussed", this statement is wholly inaccurate.

First the Council Rules of Procedure were adopted by the City Council in early 2018, prior to the election of current Council Members Billingsley and Lyons, who were seated on December 18, 2018. Staff drafted and brought to Council at a Study Session in an agendaized regular meeting on March 20, 2018, proposed rules of procedure for the City Council, where such rules were introduced and discussed. Present at the meeting were Council Members, Blair, Brown, Neal and Madrigal. The Matter was again discussed at a Special Meeting on April 10, 2018, and specific

direction from the Council was provided to Staff. Finally, the Council Rules of Procedure were adopted at a Regular Council Meeting on April 17, 2018, on a vote of 3-1-1 (Ayes – Brown, Madrigal, Chedester; Noes – Blair, Absent – Neal) While Council Member Neal was absent for the vote, he had been present at the previous two meetings. Therefore, all members of the City Council at the time of the adoption of the Council Rules of Procedure reviewed and discussed the rules. (See Minutes of Meetings attached as Exhibit 1-B.)

Additionally, the Grand Jury's recommendation, if accepted as written, could require the City to expend public funds. The City may not be in a position financially to expend the funds for travel to the League of Cities for all Council Members annually. Therefore, the City cannot agree with the recommendation. While the City disagrees with the Grand Juries Finding 1, the City will continue to provide opportunities for training as required by law and as allowed by the City budget.

Finding 2

The Mayor has demonstrated his inexperience in the position of Mayor which is not uncommon for a first-time mayor. He has not had time to become familiar with the duties and responsibilities of his position which has led to his inability to 'control' either the meeting or the City Council.

Recommendation 2

The recommendation is for the Mayor to attend all training sessions which include those offered by the League of California Cities and local training provided by the City Attorney. The content of this training should include specific issues of the City.

City Response:

The City disagrees with Finding 2. This finding provides no specific facts or circumstances as a basis for the opinion provided. Even though no specific basis exists, the City responds as follows:

The current Mayor of Lemoore has been a Council Member since December of 2012. During his time as a Council Member he has seen several changes in the Council and experienced discord among members of previous Councils. However, the current situation which the City Council has faced is both unique and unusual.

The Mayor is responsible for implementing the parliamentary procedures of the meeting and has attempted to do so in a fair, legal and judicious process. Often times he is confronted with unanticipated interruptions or unpredictable conduct by other individuals. When these incidents occur, the Mayor has tried to maintain order by using those methods legally available to him including taking a recess, requesting that members get back on topic or wait to provide their comments, or admonishing the speaker.

Further, as established by the Lemoore City Council Rules of Procedure in Chapter 3 section 2, it is the City Council as a whole who is responsible for taking action against a council member who does not follow the expectations outlined in the rules, which this Council has attempted to do as a body. Additionally, please see the response to Finding 1 above.

Finding 3

The City Attorney expressed her opinion that enforcement of the Rules of Procedures is the responsibility of the City Council. Due to the Mayor's lack of experience there is no one providing leadership to the City Council. The hands-off approach of the current City Attorney appears to contribute to this void in leadership.

Recommendation 3

The Grand Jury recommends that the City Council utilize an attorney with a more hands-on approach to the enforcement to the City Council Rules of Procedures. This was demonstrated with the substitute attorney's active participation during the meeting of March 5, 2019. The substitute attorney played an active role in the enforcement of the Brown Act and Rosenberg Rules of Order violations during an open session meeting.

City Response:

The City disagrees with Finding 3. Other than the one opinion expressed regarding the meeting of March 5, 2019, the Grand Jury has provided no legal or factual basis for this opinion. The City also disagrees with Recommendation 3. The Grand Jury does not have the right or ability to direct the City Council on hiring choices. The Grand Juries authority is limited to procedural matters and not substantive policy concerns. (78 Ops.Cal.Atty.Gen. 290 (1995).) The Council has the ability to select the individuals they feel are the best for the City. Their choice of legal council is their choice and theirs alone.

Additionally, and understandably, it is apparent that the Grand Jury does not fully comprehend the roles of the individuals in the City. The City of Lemoore is a Charter City. Under both the Government code beginning at section 34450 and the City's Charter, the City Council has the right to determine its own rules and order of business. This same rule is the first sentence of the Lemoore City Council Rules of Procedure. These rules, the state code and the Lemoore Municipal Code all establish that the City is governed by the City Council as a collective body and policy maker for the City. The City Council directly hires both the City Manager and the City Attorney. The City Manager is in charge of the day to day operations of the City as directed by Council. The City Attorney is the legal advisor to the City and is obligated to follow all lawful directives provided to her by the City Council as a body.

As legal advisor, the City Attorney has an attorney-client relationship with the City. As such the City Attorney, who is bound by ethical rules and laws, owes an undivided duty of loyalty to the City and not any one individual member, the same as in any attorney client relationship. (California Rules of Professional Conduct 3-600.) It is the City Attorney's job to provide legal

guidance and advice to the City, not to make the decisions or policy for the City. The City Attorney, by law, must not act as a policy maker, which is the job of the Council, for to do so could be considered illegal. In the 9th Circuit case of *Biggs v. Best, Best & Krieger*, 189 F.3d 989, the Court held that a contract city attorney firm could be terminated because of political activity related to the city since she acted as a policymaker. (See also *Oasis West Realty, LLC v. Goldman* (2011) 51 Cal.4th 811.) Further, as the legal advisor, the City Attorney is prohibited from disclosing confidential information to anyone without the client's consent. (California Rules of Professional Conduct 3-600.) The City understands the assertion of this privilege was a position asserted by the City Attorney in this investigation.

Further, as established by the Lemoore City Council Rules of Procedure in Chapter 3 section 2, it is the City Council as a whole who is responsible for the conduct of individual Council Members.

The Grand Jury has alleged that the City Attorney is "hands off". While it is understandable that a lay person may view the City Attorney's actions or inaction as "hands off", inevitably there are multiple factors at play which will determine how a City Attorney interacts with the City Council and the public in specific circumstances. Often times the City Attorney is prohibited from making statements or taking actions that would exceed her authority, disclose privileged information, or create the appearance of liability on behalf of her client, the City. So while the public may view this as inaction, in reality the City Attorney is performing her function of protecting the legal interests of the City within the bounds proscribed by the City Council and the law.

Finding 4

There are additional remedies to City Council member violations in Chapter 3 section 2 of the Rules of Procedures under 'Norms and Expectations'. This section includes but is not limited to public censure.

Recommendation 4

It is the recommendation of the Grand Jury that a copy of these Rules be distributed to and then reviewed with the City Council. There should be enforcement of violations of these rules.

City Response:

The City disagrees with the Finding 4. Further the recommendation is unnecessary and simply a restatement of the actions already taken by the Lemoore City Council.

Please see the information in Response to Finding 1 above regarding the review and adoption of the Lemoore City Council Rules of Procedure.

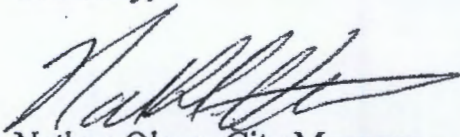
As to enforcement for violations of the rules, the City has done everything in its power to control the conduct of its members. The City would note that the findings do not appear to be related to

Honorable Donna Tater, Presiding Judge
June 18, 2019
Page 6

one particular individual or circumstance. Despite this lack of clarity, the City in recent history has publicly admonished a member for not following the rules. When that did not work, the City publicly censured the member. When that did not work, the City Attorney sent a cease and desist letter. Ultimately when nothing else seemed to work the City filed a lawsuit in Kings County Superior Court, which was ultimately settled in a manner which to date, has corrected the conduct.

The City, the Council Members, and Staff have all addressed the issues as they have arisen and will continue to do so in a professional, legal and fair manner.

Sincerely,



Nathan Olson, City Manager
On Behalf of City Council
For City of Lemoore

Enclosures: Exhibit 1-A – Training Materials
Exhibit 1-B – Minutes

cc: Kings County Grand Jury
Post Office Box 1562
Hanford, CA 93232

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Exhibit 1 -A — Training Materials, Exhibit I-B, and Minutes available for review on City of Lemoore website.