

# *County of Santa Cruz Grand Jury*

## Final Report

### 2013 - 2014



Aerial photo by Alex Viera. All other photos by Richard Valdez



# County of Santa Cruz

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Grand Jury  
701 Ocean Street, Room 318-I  
Santa Cruz, Ca 95060  
(831) 454-2099

May 1, 2014

To the citizens and employees of Santa Cruz County,

The Santa Cruz County Civil Grand Jury, made up of nineteen of your fellow citizens, has spent thousands of hours over the past year on these reports. Unlike most California counties, Santa Cruz County grand jurors are primarily selected through a random process. We try to represent the County as closely as possible, both in our backgrounds and in the breadth of our investigations. We do not answer to any entity, which allows us to be independent. Our goal is to investigate and report on important issues in this county in order to improve the function of our local government.

As my second year as a grand juror comes to an end, I am impressed with the amount of hard work your Civil Grand Jury has done to produce these reports. I am lucky to have been able to work with such a talented and intelligent group of people. We have all become much more knowledgeable in county matters, and each of us has come to feel passionately about the topics we investigated. We have certainly grown to understand

how great a responsibility the Grand Jury has to the County's citizens and employees. We hope you feel that we have fulfilled that responsibility.

As Foreperson, I have enjoyed working with the county employees here at 701 Ocean Street. I am very grateful for all the help I have received. In particular, my thanks go to Supervising Judge Rebecca Connolly, Deputy County Counsel Rahn Garcia, Controller-Auditor Mary Jo Walker, and District Attorney Bob Lee. There are many others who have helped us on almost a daily basis, especially Peter Detlefs and Beau Hawksford in the County Administrator's Office and Shauna Soldate in the General Services Department. The entire Sheriff's Office staff has gone to great lengths to give us the information needed for several of our reports.

In the end, these reports will do no good unless they are both read and acted upon. Their Recommendations give the citizens and employees of Santa Cruz County an opportunity to improve our beautiful county. We sincerely hope that they will.

The Grand Jury dedicates these reports to the memory of Tom Davis.

Nell Griscom, Foreperson

Santa Cruz County Grand Jury 2013-2014

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## County of Santa Cruz Grand Jury 2013-2014



First row: Stacy Patyk, Ryan Zash, Steven Strasnick, Johanna Bowen, Nancy Woolf, Nell Griscom  
Second row: Joan Delfino, Colleen Gilmartin, Barbara Fishman, Sara Cordell, Susan Dykhuizen, Doug Moore  
Third row: Darren Davison, Wayne Hendrickson, Gigi Hartman, Patrick Dexter, Herman Echevarria  
Not pictured – Tom Davis, Patrick Dwire.

## **The Grand Jury and its Function**

The grand jury is one of the oldest civil institutions in the United States. The Santa Cruz County Civil Grand Jury consists of 19 private citizens solicited from the registry of voters. Interested citizens are interviewed and, if selected, empaneled by the supervising judge of the Superior Court. This investigative body serves for one year, with the option of serving a second year. Grand jury duties, powers, and qualifications, as well as the selection process, are set forth in the California Penal Code.

The grand jury is part of the judicial branch of government and has three functions:

- To examine all aspects of city and county governments and special districts by initiating its own investigations
- To serve as ombudsman for the citizens of the cities and county
- To publish its investigative findings and recommendations to improve governmental operations

### The Grand Jury Process

The grand jury, although a part of the judicial system, is an entirely independent body. The Presiding Judge of the Superior Court, the District Attorney, the County Counsel, and the State Attorney General act only as its advisors. They cannot prevent grand jury action unless that action violates the law.

The grand jury reviews and evaluates operations, procedures, methods, and systems used by governmental agencies to determine 1) whether they comply with the stated objectives of the agency and 2) if their operation can be made more efficient and effective. It may inquire into any aspect of county or city government, including special legislative districts and joint power agencies, to serve the best interest of Santa Cruz County residents.

The grand jury functions lawfully only as a group. No individual grand juror, acting alone, has any power or authority. Meetings of the grand jury are not open to the public. The law requires that all matters discussed before the grand jury and all votes taken are kept confidential. The end result of inquiries is released to the public in the form of a final report. This must be approved, prior to release, by the supervising judge of the Superior Court.

In general, the Penal Code requires the grand jury to:

- Inspect all detention facilities within Santa Cruz County each year
- Investigate as needed and report on the operations, accounts, records, and functions of any county or incorporated city department or special legislative district, including their officers and personnel

- Inquire as necessary into the willful or corrupt misconduct in office of public officers
- Release a final report of its findings and recommendations no later than the end of its term. Agencies to which these recommendations are directed are required to respond to the grand jury in writing after the final report is released

Citizens may submit complaints directly to the grand jury requesting it to investigate what they perceive as mistreatment by officials or suspicions of governmental misconduct or inefficiencies. The jury is not a consumer complaint agency but uses complaints to identify policies and procedures that might need improvement. While the grand jury cannot investigate every complaint, each one is considered carefully and treated confidentially. The ultimate goal of the grand jury is to improve government in the county and to make public officials responsive to the people.

#### Requirements to Become a Grand Juror

Grand juror candidates must meet all of the following qualifications:

- Be a citizen of the United States
- Be at least 18 years old
- Be a resident of Santa Cruz County for at least one year immediately prior to selection
- Exhibit intelligence, sound judgment, and good character
- Must not be serving as a trial juror in any California court
- Cannot have been discharged as a grand juror in any California court within one year of the beginning date of service
- Cannot have been convicted of malfeasance in office or any felony or other high crime
- Cannot be serving as an elected public official

#### Grand Jury Selection Process

Candidates for the 19 jury members are drawn randomly from the same pool from which regular trial jurors are selected. Potential grand jurors are given information about grand jury duties and the time commitment required. They are then invited to attend an orientation presented by the Jury Commissioner and members of the current grand jury. The supervising judge then selects 60 candidates to be interviewed, and on the basis of those interviews reduces the number to 30. The final selection is made by a random drawing of names. Upon approval by the court, up to 10 members of the previous grand jury may carry over to the following year. Members of the grand jury are intended to represent a cross-section of ages, occupations, ethnic groups and geographic regions of the county.

## Time Commitment and Reimbursement

The grand jury convenes July 1 and operates through June 30 of the following year. Jurors are expected to spend an average of 15 hours per week on their duties. Each juror is paid per diem (\$15 per day) for those days when the juror attends a meeting, with a maximum of \$30 per week. Jurors are provided free parking at the County Government Center. Mileage is reimbursed for travel between jurors' residences and the grand jury office in the County Government Center, and for travel on grand jury business.

Citizen complaint forms may be found either online or at the office of the grand jury, both in English and Spanish. The grand jury may be contacted using the information below:

Santa Cruz County Grand Jury  
701 Ocean Street, Room 318-I  
Santa Cruz, CA 95060  
831-454-2099

[grandjury@co.santa-cruz.ca.us](mailto:grandjury@co.santa-cruz.ca.us)

<http://www.co.santa-cruz.ca.us/default.aspx?tabid=895>

## Instructions for Respondents

California law PC § 933.05 requires that those responding to a Grand Jury report must provide a response for each individual finding and recommendation within a report, not a generalized response to the entire report. Explanations for disagreements and timeframes for further implementation or analysis must be provided. Please follow the format below when preparing your response.

### Response Format

1. Find the Responses Required table that appears near the end of the report. Look for the row with the name of the entity you represent and then respond to the Findings and/or Recommendations listed in that row using the custom form provided to you.
2. For Findings, indicate one of the following responses and provide the required additional information:
  - AGREE with the Finding,
  - PARTIALLY DISAGREE with the Finding and specify the portion of the Finding that is disputed and include an explanation of the reasons therefor, or
  - DISAGREE with the Finding and provide an explanation of the reasons therefor.
3. For Recommendations, select one of the following actions and provide the required additional information:
  - HAS BEEN IMPLEMENTED, with a summary regarding the implemented action,
  - HAS NOT YET BEEN IMPLEMENTED BUT WILL BE IMPLEMENTED IN THE FUTURE, with a timeframe or expected date for implementation,
  - REQUIRES FURTHER ANALYSIS, with an explanation and the scope and parameters of an analysis or study, and a timeframe for that analysis or study; this timeframe shall not exceed six months from the date of publication of the grand jury report,
  - WILL NOT BE IMPLEMENTED because it is not warranted or is not reasonable, with an explanation therefor.

If you have questions about the response report please contact the Grand Jury by calling 831-454-2099 or by sending an e-mail to [grandjury@co.santa-cruz.ca.us](mailto:grandjury@co.santa-cruz.ca.us).

### How and Where to Respond

1. Please download and fill out the electronic Adobe PDF Response Form provided to you for your responses. There is one form page for each Finding and Recommendation. Be sure to save any changes you make to the form.



2. Print and send a hard copy of the Adobe PDF Response Form to:  
The Honorable Judge Rebecca Connelly  
Santa Cruz Superior Court  
701 Ocean Street  
Santa Cruz, Ca 95060

3. Email the completed Adobe PDF Response Form, as an attachment, to the Grand Jury at [grandjury@co.santa-cruz.ca.us](mailto:grandjury@co.santa-cruz.ca.us).

**Due Dates**

Elected officials or administrators are required to respond within 60 days of the Grand Jury report's publication. Responses by the governing body of any public entity are required within 90 days.

## Penal Code § 933.05

1. For Purposes of subdivision (b) of § 933, as to each Grand Jury finding, the responding person or entity shall indicate one of the following:
  - a. the respondent agrees with the finding,
  - b. 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 therefor.
2. For purpose of subdivision (b) of § 933, as to each Grand Jury recommendation, the responding person shall report one of the following actions:
  - a. the recommendation has been implemented, with a summary regarding the implemented action,
  - b. the recommendation has not yet been implemented but will be implemented in the future, with a timeframe for implementation,
  - c. the recommendation requires further analysis, with an explanation and the scope and parameters of an analysis or study, and a timeframe for the matter to be prepared for discussion by the officer or director of the agency or department being investigated or reviewed, including the governing body of the public agency when applicable. This timeframe shall not exceed six months from the date of the publication of the Grand Jury report, or
  - d. the recommendation will not be implemented because it is not warranted or is not reasonable, with an explanation therefor.
3. However, if a finding or recommendation of the Grand Jury addresses budgetary or personnel matters of a County department headed by an elected officer, both the 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 department head shall address all aspects of the findings or recommendations affecting his or her department.
4. 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 the findings prior to their release.
5. 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 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.

**Five Deaths in Santa Cruz**  
An Investigation of In-Custody Deaths

2013-2014 Santa Cruz County Grand Jury

May 2014

## **Summary**

Between August 2012 and July 2013, five in-custody deaths occurred at the Santa Cruz County Main Jail. Many in the community were deeply concerned by this, and for some it was a very personal tragedy. Four of these deaths occurred after the private California Forensic Medical Group (CFMG) had assumed medical responsibility for the jail. People questioned whether the Sheriff's Office could conduct an impartial investigation into these deaths since they occurred at its facility and involved its personnel. In light of these issues, members of the Grand Jury conducted a thorough investigation of the five deaths. We worked with the Sheriff's Office and its Corrections Bureau, the Crisis Intervention Team (CIT) of the County Health Services Agency (HSA), and personnel from CFMG. Our goal was to determine how the environment at the Main Jail could be made safer for individuals in custody.

The Grand Jury learned that the health of inmates entering the Main Jail was often poor due to their existing medical and mental health conditions, such as chronic drug or alcohol abuse. All of the individuals who died in custody had medical problems, mental health problems, or both. In this high pressure environment, the process for classifying, monitoring, and treating high risk individuals needs to be carefully formulated and executed. People with the correct training and expertise must be active participants at each step in the process. In all of the in-custody death cases, we identified failures at critical points in the process. In some instances, individuals were incorrectly classified or not properly monitored. In others, inadequate treatments were applied.

Steps are now being taken at the Main Jail to improve inmate safety. New leadership is in place in all areas directly involved in inmate care, including the Corrections Bureau, CFMG, and CIT. New staff members have been hired, and protocols have been reviewed and upgraded. The different organizations now report a higher degree of cooperation with one another and an improved team focus. Corrections Bureau and CIT staff speak highly of the professionalism of CFMG. Yet, in spite of these improvements, we believe additional changes in protocols and procedures are needed for the protection of the mental and physical health of inmates.

## **Background**

The last two years have been turbulent for the Santa Cruz County Jail system. Because of the massive change in the California State Prison system, mandated by the 2011 Public Safety Realignment Act (AB 109), Santa Cruz County has seen a spike in its inmate population, especially among those serving longer sentences. Cutbacks in state mental health facilities have also led to a growing number of inmates with severe mental health problems in the county jails. Many of these inmates are awaiting transfer to state facilities when beds become available. The September 2012 transfer of medical care responsibilities in the three county jails from the County to CFMG introduced additional dynamics into an already challenging environment.

Against this backdrop, an unprecedented series of five in-custody deaths occurred at the Santa Cruz County (SCC) Main Jail over the course of 11 months, from August 2012 through July 2013. The deaths were tragic for the individuals and their families and friends. They were also traumatic for the corrections and medical staff at the jail and the community at large. The deaths were covered by the local media, with at least nine articles published in the *Santa Cruz Sentinel*.<sup>[1] [2] [3] [4] [5] [6] [7] [8] [9]</sup>

Members of the community expressed serious concerns regarding these deaths. Some called for an independent investigation by an outside agency. Others noted that all but one of these deaths occurred after CFMG had assumed responsibility for medical care at the jail. Because of the reported controversies and lawsuits surrounding CFMG,<sup>[10]</sup> the County Board of Supervisors' decision to outsource medical care came into question.

An April 6, 2013 protest march, organized by the Santa Cruz activist group Sin Barras, is an example of the community reaction to these deaths.<sup>[11]</sup> Other groups, such as the Good Samaritan Mobile Medics, the Santa Cruz 11, and the Homeless United for Friends and Freedom (HUFF) also participated in the march. After marching from the Town Clock tower to the Main Jail, multiple speakers spoke out against the in-custody deaths, conditions at the jail, and the CFMG outsourcing decision.

The following table summarizes the facts reported concerning the in-custody deaths.

***Santa Cruz Main Jail In-Custody Deaths 8/25/12 to 7/17/13***

<b><i>Name</i></b>	<b><i>Age</i></b>	<b><i>Date of Death</i></b>	<b><i>Time in Custody</i></b>	<b><i>Cause of Death</i></b>
Christy Sanders	27	8/25/12	12d, 4h	Lung collapse
Richard Prichard	59	10/06/12	5h	Heart attack
Brant Monnett	47	11/20/12	20h	Narcotic overdose
Bradley Dreher	47	1/13/13	1d, 12h	Asphyxiation by hanging
Amanda Sloan	30	7/17/13	8m, 4d	Asphyxiation by hanging

To help put this information in perspective, consider the statistics on 2011 nationwide local jail deaths compiled by the U.S. Department of Justice.<sup>[12]</sup>

- A total of 885 jail deaths occurred nationally in 2011. The vast majority of jails reported zero deaths; 13% reported a single death; 6% reported two or more deaths. Santa Cruz County recorded 5 deaths during an eleven month period spanning 2012-2013.



- More than a third (39%) of deaths nationally occurred within the first week of admission to a jail facility. 60% of the Santa Cruz jail deaths occurred within the first week of custody.
- Heart disease and suicide were listed as the leading causes of jail deaths nationally during this period, accounting for more than half of all jail deaths. 60% of the Santa Cruz jail deaths were due to heart attacks or suicides.
- The estimated Main Jail in-custody death rate for the period spanned by these deaths was over four times the national average for a single year. Roughly 10,000 people were booked into the SCC Main Jail in 2012.<sup>[13]</sup> Based on an average rate compiled for a multiple year period, approximately 10% of those booked were held in custody. Thus, about 1,000 individuals were held at the Main Jail in 2012. Using this estimate for the period covered by this investigation (August 2012 - July 2013), this means that the SCC Main Jail death rate was in the range of 5 for every 1,000 inmates, contrasted with the 2011 national death rate of 1.22 for every 1,000 inmates.

While some information concerning the inmate deaths in the Main Jail was released to the press, the majority of data obtained by the Sheriff's Office during its investigation would not normally be made public. Without a careful investigation by an independent group with access to this information, the community would always question whether the public received the whole truth.

## Scope

The Grand Jury conducted a comprehensive investigation of the events involved in the five in-custody deaths. In addition to sharing the community concern over the care and treatment of inmates, the Grand Jury has a legal mandate to inspect the County jails every year. Our focus was to identify ways in which the Main Jail could be a safer place for those in custody.

We sought the following information during our investigation:

1. Were there common factors contributing to the deaths?
2. Were adequate procedures, protocols, and resources in place that could have helped prevent such deaths?
3. To what extent were existing protocols and good practices followed?
4. What changes in practices and protocols have occurred since these events?
5. Are additional changes in practices and protocols needed?

For each jail death, the Grand Jury prepared a detailed timeline covering the decedent's time in custody because we believe the community deserves a thorough account of what transpired.

## **Investigation**

### **Investigation: Timelines**

#### ***Christy Sanders (August 2012)***

(Note: This death took place prior to CFMG assuming medical responsibility in the jail.)

*8/12/12:* Sanders was arrested for petty theft and a probation violation. Prior to booking, she complained of pain in her left side and was sent to the Dominican Hospital Emergency Room (ER). While at the hospital, she was examined and X-rayed before being returned to the Main Jail. ER staff reported to jail personnel that the results of the X-ray were normal and recorded that result in their Elysium electronic medical record system, which is accessible by Main Jail medical staff.

*8/13/12:* Sanders received several medical assessments and screenings for vital signs. She refused some medications, including those for opiate detoxification and deep vein thrombosis (DVT). She saw the doctor at the Main Jail clinic that afternoon, complaining of chest pain. On the same day, the Dominican Hospital radiologist revised the original ER X-ray diagnosis and indicated in a new Elysium medical record entry that “close follow up” was warranted.

*8/14/12:* Sanders returned to the Main Jail clinic still complaining of chest pain.

*8/17/12:* Sanders displayed heroin detox symptoms and was started on a detox protocol.

*8/18/12:* Corrections Officers (COs) called medical staff when Sanders suffered a seizure and had difficulty breathing. After treatment by a nurse, Sanders requested to be sent back to Dominican Hospital, but her request was denied after the nurse consulted by phone with the jail doctor. She was then sent to the ‘O’ Unit for observation.

*8/20/12:* Sanders complained of shortness of breath and pain in her entire chest. She indicated that she did not trust the medical staff at the Main Jail or at Dominican Hospital. At the jail clinic she was assured that she was receiving appropriate treatment. From that time on, she was only seen sleeping in a cross-legged position, leaning forward with her forehead against the wall.

*8/23/12:* Sanders again requested to go to the hospital but was refused.

*8/24/12:* Sanders complained of a fever. She asked for medication, and when refused, threatened to kill herself. She was then transferred to a suicide watch cell. Later, she was returned to general housing after signing a “no harm” contract, which stated her agreement not to harm herself.

8/25/12: Sanders was again observed sleeping in a cross-legged sitting position with her forehead against the wall. At 8:47 a.m., an inmate noticed that Sanders was not breathing and called for help. COs responded, sounded a panic alarm (Code 3) and began cardiopulmonary resuscitation (CPR). When paramedics arrived, she was examined and then pronounced dead at 9:08 a.m.

*Coroner's Report:* The Sheriff-Coroner's Office reported<sup>[14]</sup> that both of Sanders' lungs had collapsed due to a large amount of pus present in the pleural cavity between her lungs and ribs (bilateral empyema). There were also abscesses in the upper lobe of her right lung. Her bilateral empyema and pulmonary abscesses had been developing over a period of weeks. She had Hepatitis C and DVT, and damage from these and from heroin abuse had been occurring for years. A toxicology report indicated the presence of methamphetamine ("meth") and amphetamine in her blood.

### ***Richard Prichard (October 2012)***

10/5/12: Just before midnight, an officer pulled Prichard over for erratic driving. Prichard then failed a Breathalyzer test showing a blood alcohol concentration of 0.17%, over twice the legal limit (0.08%).

10/6/12: Prichard arrived at the Main Jail at 1:52 a.m. and was placed in the open seating area prior to being booked. At 2:30 a.m., he was brought into the intake area where he answered "No" to all medical questions on the intake form, indicating he was not physically impaired, not using medication, and not under a doctor's care. He was then placed in Holding Room 1 in the Booking Section. At 5:52 a.m., he was fingerprinted and placed back in the open seating area after he complained of back pain from sitting on a bench in the holding room. At about 6:30 a.m., booking officers were told by an inmate that Prichard had urinated on himself. Officers responded but were unable to wake him and called a Code 3. A nurse and a CO then performed CPR and used an Automated External Defibrillator (AED) on Prichard. When Santa Cruz Fire Department medics arrived they continued treatment, but Prichard was pronounced dead at 7:14 a.m.

*Coroner's Report:* A subsequent autopsy<sup>[15]</sup> determined that Prichard suffered from coronary arteriosclerosis, hypertension, and arteriosclerotic cardiovascular disease. The Sheriff-Coroner's Office listed the cause of death as an acute thrombotic occlusion (blockage) of the left anterior descending coronary artery. This condition is colloquially known as a "Widow Maker" and is normally a lethal occurrence.

### ***Brant Monnett (November 2012)***

11/19/12: Monnett was arrested that evening for possession of a controlled substance, resisting arrest, and a probation violation. He advised the Main Jail staff that he would be detoxing from methadone and heroin. At 10:45 p.m. he was booked and held in Holding Room 1.

11/20/12: At around 6:00 a.m., nurses checked on him during his opiate/methadone withdrawal watch. COs observed that his speech was both slurred and confused and that his gait was unsteady. At 9:30 a.m. Monnett was placed on the CFMG opiate detoxification protocol. Between 1:45 p.m. and 4:00 p.m. officers noted that Monnett still appeared unsteady, shuffled his feet and had half-closed eyes. At 6:10 p.m., nurses found Monnett unresponsive in his bunk. Officers called a Code 3, but life-saving attempts failed. Monnett was pronounced dead at 6:42 p.m.

*Coroner's Report:* The Sheriff-Coroner's office reported<sup>[16]</sup> the cause of death as an unintentional overdose of both prescribed and illegal narcotics. The report listed the cause of death as cerebral and pulmonary edema due to cardiac arrhythmia and opiate and methamphetamine intoxication, noting the presence of THC, amphetamines, methadone, and their derivatives. Methadone had the highest concentration, with a reported half-life of between 15 and 55 hours.

### ***Bradley Dreher (January, 2013)***

1/11/13: Dreher was arrested on a felony charge of making criminal threats. The charges stemmed from a failed attempt to obtain prescription drugs from a Doctors on Duty medical clinic. Dreher, who was visiting from New York, was attempting to obtain prescriptions for Valium and Xanax. After evaluation by a nurse at the Main Jail, he was denied intake and sent to Dominican Hospital for further evaluation. Upon being returned to the Main Jail, he was given a Crisis Intervention Team (CIT) referral and kept in Holding Room 1. He was put in a locked single cell under Administrative Segregation because of statements he made about his inability to get along with other inmates.

1/13/13: At 5:13 a.m., during medication rounds, Dreher complained to the nurse that he was missing a couple of his normal medications. Additionally, he refused to take one of the medications, saying it would interfere with another he was taking. At 11:15 a.m., a CO saw Dreher in a sitting position by his bunk. Upon entering the cell, the officer found Dreher unconscious with a noose (fabricated from the bed sheet) around his neck and tied to his bed frame. Officers called a Code 3 and staff performed CPR. Dreher was pronounced dead at 11:40 a.m.

*Coroner's Report:* The Sheriff-Coroner's Office<sup>[17]</sup> determined the cause of death to be intentional asphyxiation due to hanging. It classified the death as a suicide. The toxicology report revealed the presence of multiple antidepressants and a Valium derivative in his blood.

### ***Amanda Sloan (December 2012 - July 2013)***

12/13/12: Sloan was booked into the Main Jail on multiple charges, including assault with a firearm on a peace officer, shooting at an inhabited dwelling, discharging a firearm from a vehicle, and reckless driving while evading a peace officer.

7/14/13: During a visit by a friend, Sloan learned that she was losing custody of her

children, became very upset and stormed out of the jail visiting area.

7/16/13: COs noted that Sloan was “very agitated and uptight.”

7/17/13: At 4:15 a.m., Sloan did not come down for her meds and soon after was found hanging in her cell. A Code 3 was called when she was found, but life-saving efforts failed and Sloan was pronounced dead at 4:25 a.m. Officers observed a large hole in the cell wall, exposing an interior pipe, to which she had tied a handmade noose. The hole had been hidden by a poster. She had also hidden a meth pipe and a razor blade behind other posters.

*Coroner’s Report:* The Sheriff-Coroner’s Office<sup>[18]</sup> determined the cause of death to be intentional asphyxiation due to hanging and classified the death a suicide.

### **Investigation: Analysis**

The following concerns and additional facts emerged during this investigation:

#### ***Concern A: Whether the Main Jail medical staff responded correctly to complications resulting from opiate detoxification.***

There were two opiate detox cases, Sanders and Monnett. County protocols were used in the Sanders case, while CFMG protocols were applied to Monnett.

#### *Sanders*

The official County protocols included the medications clonidine, Vistaril (hydroxyzine), and Imodium (loperamide). Sanders originally refused detox medications, but agreed to take them on 8/17/12.

Due to her refusal to take blood thinners, Sanders was at elevated risk for a pulmonary embolism, which is a known risk for intravenous opiate abusers. Basic standards of treatment indicated that she should have been closely monitored.<sup>[19]</sup>

Sanders also showed other danger signs that were witnessed by COs and inmates: a bluish tinge to her lips, escalating complaints of severe chest pain, and difficulty breathing, along with the seizure mentioned in the timeline.

California Correctional Health Care Services (CCHCS) is an organization mandated by the federal government to provide medical care within California prisons in response to a federal class action lawsuit.<sup>[20]</sup> It created a set of policies and procedures that “are designed to meet **the minimum level of care necessary to provide constitutionally adequate medical care** to patient-inmates in the State of California.” (emphasis added) While these protocols do not officially apply to county jails, they are indicative of basic standards of care. The Registered Nurse protocol for chest pain includes the following:

*“4. Pleuritic chest pain accompanied by fever, chills, cough, dyspnea on exertion, tachycardia, diminished breath sounds, crackles, wheezes.*



- a. Notify physician **STAT**.
- b. Administer O<sub>2</sub> at 2-6 L/minute via nasal cannula to maintain oxygen saturation ≥ 90%.
- c. Place patient in position of comfort.
- d. Start IV with large bore needle (16-18 gauge) and infuse normal saline at TKO.
- e. **Monitor and record vital signs and oxygen saturation every 15 minutes.** (emphasis added)
- f. Prepare to transfer patient to outside facility or admit to a facility capable of providing a higher level of care if indicated.
- g. Fax a copy of the relevant progress notes, physician orders, and emergency care flow sheet to the receiving facility.

5. Chest wall pain: For patients with chest wall tenderness whose symptoms can be entirely reproduced by applying pressure directly to the chest wall, **who are not dyspneic** (emphasis added), and have normal vital signs:

- a. Ibuprofen 200 mg 3 tabs P.O. QID PRN X 7 days.
- b. Naprosyn 500 mg P.O. BID PRN X 7 days.
- c. Alternating ice or heat to chest wall for 15 minutes QID PRN.
- d. No heavy lifting.
- e. Follow-up with a physician in one week or sooner if symptoms persist. <sup>#21</sup>

In the Sanders case, protocol #4 should have been adopted because of her seizure, complaints of feeling feverish, and on-going difficulties with breathing (dyspnea), especially since the presence of dyspnea is a key symptom in the diagnosis of pleuritic chest pain. The jail doctor did give Sanders pain relievers, a remedy appropriate for the less severe diagnosis of chest wall tenderness (#5).

### *Monnett*

The CFMG protocol for opiate withdrawal includes the medications clonidine, Benadryl (diphenhydramine), Lomotil (diphenoxylate/atropine), Phenergan (promethazine), and multivitamins. This protocol can be modified based on the patient's vital signs. Monnett was treated according to this protocol.

Monnett was not placed in the sobering cell for monitoring during intake, even though he advised COs that he would be detoxing from heroin and methadone. Nor was he housed in the 'O' Unit for treatment in spite of the fact that methadone is a drug whose peak respiratory depressant effects are known to occur much later than those of heroin.

According to the document "Emergency Department Management of Methadone Overdose" by the Center for Addiction and Mental Health:

***"Clinical features: Methadone acts for at least 24 hours, much longer than other opioids. Symptoms begin up to 10 hours after the overdose. Early***

*symptoms include nodding off, drowsiness, slurred speech and emotional lability. **Respiratory depression occurs later.** (emphasis added)  
**Monitoring:** Check frequently for vital signs, respiratory rate and O2 sat, and hold a brief conversation to assess alertness. ECG and cardiac monitoring are recommended ...”<sup>1221</sup>*

From New York State Office of Alcoholism and Substance Abuse Services comes this discussion:

***“Methadone’s peak respiratory depressant effects typically occur later, and persist longer than its peak analgesic effects. With repeated dosing, methadone may be retained in the liver and then slowly released, prolonging the duration of action despite low plasma concentrations. Steady state plasma levels are not usually attained until 3 to 5 days of dosing. Signs of methadone overdose include trouble breathing or shallow breathing; extreme tiredness or sleepiness; blurred vision; inability to think, talk or walk normally; and feeling faint, dizzy or confused. Patients require immediate medical attention if these signs occur.”***<sup>1231</sup> (Emphasis added)

At 6:00 a.m., roughly 7 hours after his arrest, Monnett had an unsteady gait and confused slurred speech, which are clinical features of early symptoms of methadone overdose. At this point, according to these standard protocols, he should have been either hospitalized or transferred to ‘O’ Unit for much closer monitoring.

**Concern B: Whether the Corrections Bureau had appropriate protocols for utilizing Main Jail medical staff in evaluating intoxicated individuals and deciding when to use the sobering cell.**

*Prichard*

The August 14, 2012 CFMG contract with the County, Section L, titled “Detoxification Treatment,” mandates the following procedures:

*“Inmates booked into the Santa Cruz County Correctional Facilities who are intoxicated will be placed in sobering cells and monitored by medical and custody staff in accordance with established written policies and procedures approved by the medical director and facility commander and in accordance with Title 15 and IMQ/CMA Standards. Inmates will be evaluated on an individual basis by medical staff to determine the need for medically supported detoxification during incarceration. Health services staff will assess inmates placed in sobering cells within one hour of placement and every four hours thereafter...”*<sup>1241</sup>

According to Corrections Bureau protocols, decisions about calling medical staff to intake and using the sobering cell for inebriated individuals are left to the judgement of COs. In the case of Prichard, officers, based on their assessment of his level of inebriation, chose not to call a nurse. Prichard was in the holding area for over 4 hours with no monitoring of his

heart rate or blood pressure, even though CFMG protocols maintain that medical staff should always participate in the evaluation of inebriated subjects. Current officer training materials, provided by CFMG, emphasize the necessity of calling a nurse to intake for any intoxicated individual.

COs also decided not to place Prichard in the sobering cell, a special padded room which requires frequent checks by COs. When this room is occupied, a timer goes off every 15 minutes at the booking desk to notify officers that it is time to check the room. The Grand Jury was told that on an extremely busy night these checks can disrupt officer routines. The potential disruption may influence their choice of holding rooms assignment. Since a nurse's participation in the assessment process was optional, nurses were often relieved that their late night medication preparation and distribution rounds were not interrupted by calls to the intake area or sobering cell. The discretionary nature of this process creates the possibility that staff judgements about inmate monitoring may not always give proper attention to inmates' health and safety.

***Concern C: Whether contraband/drug interception and screening protocols for individuals entering the Main Jail were successful.***

Preventing the influx of drugs and other contraband into jails has always been a serious challenge. This problem was made worse countywide by the prohibition of strip searches as a result of a lawsuit against the County. The prohibition was in force during most of the period covered by our investigation of in-custody deaths. Since the summer of 2013, strip searches have resumed subject to new guidelines.

Inmates entering the Main Jail from Drug Court pose a special risk. Often they are ordered by inmates already in the jail to bring drugs back with them or face serious reprisals. We were also told that there are no consistently enforced rules for screening visitors and attorneys entering the Main Jail.

*Sanders , Monnett, and Sloan*

Small amounts of methamphetamine were found in the post-mortem toxicology screenings for both Sanders and Monnett.<sup>[14] [16]</sup> Given its short elimination half-life, the meth was probably acquired in the jail. A meth pipe was found hidden in Sloan's cell after her death, though no evidence of recent meth use was found in her post-mortem toxicology screening.<sup>[18]</sup> The methadone found in Monnett's blood was likely ingested prior to his arrest.

***Concern D: Whether Corrections Bureau regulations regarding cell inspection and permitted materials in cells were effectively followed and enforced.***

*Sloan*

The Sheriff's Office has protocols, which are summarized here, concerning cell inspections and regulations for items permitted in cells:

1. Safety checks should be conducted at least once an hour. Officers should observe

the inmate through the cell window, making sure they see visible skin, and verify that the inmate is breathing. They should document their check using the Pipe Log.

2. Inmates are not allowed to place anything on the doors, windows, or walls of their cells. No items are to be thrown on the floor of the cell. No food may be stored.

The facts uncovered for the Sloan case showed that neither of these protocols was followed.

The signed Pipe Log for the CO assigned to Sloan's area for the night of 7/16/13 - 7/17/13 reported the officer as viewing Sloan at 22:21, 22:58, 00:14, 02:28, and 03:26. However, the video record for her unit shows that only the 22:21 safety check occurred. Contrary to the second protocol, Sloan had covered the window to her cell, except for a one-inch slot, with a poster. She also used a poster to hide a hole dug in the cell wall that exposed a pipe she used in her suicide. In addition, the cell's light switch cover had been removed and replaced with a poster.

California's Board of State and Community Corrections (BSCC) inspected the Main Jail on 3/12/13 - 3/13/13 and found the inmate safety check documentation to be out of compliance. On 8/2/13, the County sent a Corrective Action Response to BSCC. The documentation subsequently passed the re-inspection. Corrections Bureau management instituted new requirements for supervisors to review their officers' Pipe Logs on a daily basis and to accompany officers on some of their safety checks to improve performance.

During the Grand Jury inspection of the Main Jail on 1/27/14, jurors observed multiple instances of towels covering cell windows, posters on cell walls, and various items haphazardly spread around the cells and on the floor, including fruit, all in violation of Corrections Bureau regulations. Jurors did not notice inmate regulations posted anywhere in the housing unit.

The Grand Jury heard that staffing limitations and Main Jail configurations impact the ability of officers to conduct effective cell inspections. When the Grand Jury asked COs about enforcement issues, jurors were told that enforcement is often left to officers' discretion because they need to "pick their battles" to maintain good relations with inmates. Jurors also heard that there are no consistently applied disciplinary standards for rule violations, and that officers on different shifts sometimes have different approaches to inmate discipline.

According to the Sheriff's Office, steps are under way to create a uniform policy of enforcement, and to foster an atmosphere of greater accountability. Since the recent appointment of a Compliance Officer, the Grand Jury believes disciplinary practices at the Main Jail are improving. Disciplinary reports classify inmate infractions according to degree of severity and document what privileges are lost. Within the last six months, the number of these reports has almost doubled, possibly due to a higher degree of enforcement vigilance. During the calendar year 2013, the Main Jail staff, because of effective safety checks, successfully intervened in eight attempted suicides.

***Concern E: Whether procedures and resources for mental health screening,***

***monitoring, and suicide prevention were effective.***

Santa Cruz County Mental Health, a department under HSA, is responsible for the mental health of inmates in the jails. The CFMG contract (Section Z, Item 16) describes their suicide prevention responsibilities as follows:

*“The Santa Cruz County Mental Health representative will work collaboratively with the CFMG program manager and the facility manager to develop and implement a suicide prevention program. This plan will include the following elements: identification, training, assessment, monitoring, housing, referral, communication, intervention, notification, reporting, and review.”<sup>241</sup>*

In the two suicide cases, there is no evidence that either individual showed suicidal behavior in the period immediately preceding their deaths. Medical staff described both individuals as stable.

***Sloan***

While medical staff reported that Sloan appeared happy and unusually calm, COs noted that she was agitated on the day before her death. Sloan was known to be highly volatile and it was not unusual for her to be happy with one person and angry with another. Given this volatility, some in CIT believed that she would someday hurt herself. Although Sloan had been kept in the ‘O’ Unit for mental health observation during some of her confinement, she was returned to the general population six weeks before her suicide. Medical and CIT staff emphasized they did not have the authority to keep her indefinitely locked down against her will in the ‘O’ Unit. She had the right to be returned to the general population once she indicated that she was feeling better and showed an improved attitude.

The question of her rehousing was presented at the morning review sessions between CFMG, CIT, and Corrections Bureau staffs. The group regularly meets Monday through Friday at 8:15 a.m. to discuss all inmates housed in the ‘O’ Unit and all other inmates considered at risk. Sloan had been a frequent topic of discussion at these meetings. The consensus was that she was doing better. The decision to move her from the ‘O’ Unit back into the general population occurred during one of these meetings.

The Grand Jury found that the CIT staff is in the process of reviewing, modifying, and documenting its treatment protocols and record keeping requirements. In the past, record keeping requirements were lax and many procedures went undocumented. The CIT staff members said they were unable to provide information about their interactions with Sloan and Dreher because of inadequate record keeping. New staff members had to ask more experienced members for guidance in performing basic procedures. As part of its review process, CIT implemented a procedure for transitioning an inmate isolated for treatment in ‘O’ Unit back into the general population. The procedure is based upon an inmate’s behavior and medication compliance over several weeks. The inmate is first moved into a locked mental health transitioning unit (‘K’ Unit) and then ultimately back into the general



population.

### *Dreher*

Dreher had indicated at intake that he suffered from mental health issues and was given a CIT referral, but no CIT clinicians were on duty at the time of his intake. Dreher was then housed in a single cell because he indicated he was violent. He was not placed in a monitoring cell in the 'O' Unit or an isolation cell in the 'K' Unit, even though he was off his normal medication and threatened violence. CIT staff could not clarify for the Grand Jury whether it had knowledge of the severity of his alleged crime or of his other psychiatric conditions. According to the CIT staff, both of these factors should have been taken into account when determining an inmate's housing classification. Had CIT clinicians been available sooner to assess his condition, he might have been placed under tighter monitoring. CIT said that even though the Emeline complex HSA psychiatric staff is on call during the night shift, it is often unacquainted with the patients at the Main Jail, and not completely familiar with CIT and jail protocols.

***Concern F: Whether the Main Jail medical staff had access to necessary diagnostic information and facilities for proper identification and treatment of inmates with severe illnesses.***

### *Sanders*

In the Sanders case, County nurses, physicians, and physician assistants did not have all of the necessary information for correct diagnosis and treatment. The Dominican Hospital ER had cleared Sanders for return to the Main Jail. In spite of several visits by Sanders to the Main Jail medical clinic, and multiple stays in 'O' Unit, County nurses and physician assistants had relatively limited contact with Sanders, and physicians had even less contact. Only one CO is stationed in the 'O' Unit, which has 16 cells to monitor. Nurses make only limited visits to 'O' Unit during rounds. In addition, the cells in the 'O' Unit are not equipped for the proper treatment and monitoring of inmates under a medical watch. These cells do not contain hospital beds or medical monitoring equipment.

Medical personnel felt that they were providing Sanders appropriate medical care and told her so. They discounted the severity of her complaints, possibly because they had all been exposed in the past to inmates engaging in fraudulent, drug-seeking behaviors. This exposure created a dangerous presumption of inmate deceit that was hard to overcome in the Sanders case, given the initial inaccurate Dominican Hospital report. They told Sanders to "practice positioning for comfort" to help her cope with her painful breathing, and they refused all her requests to be sent to Dominican Hospital.

Because nurses and physicians had incomplete diagnostic information, there was also disagreement between medical and corrections staff about the severity of Sander's illness. Corrections staff described Sanders as "bouncing" back and forth between the 'O' Unit and general population. County medical staff told corrections staff that Sanders was a "medical management problem."

The Grand Jury found no indication that County physicians or physician assistants reviewed Sanders' Dominican Hospital medical records on the Elysium system during her visits to the Main Jail medical clinic. They were apparently unaware of the radiologist's subsequent report in Elysium which raised the severity of the original diagnosis and advised constant monitoring. Nor did the Grand Jury find any evidence that anyone from Dominican Hospital attempted to contact doctors at the Main Jail directly to correct their original report.

CFMG management described to jurors their procedure for coordinating with Dominican Hospital. If an inmate is seen at the Dominican Hospital ER, that inmate is scheduled for a doctor's visit at the Main Jail clinic the following day. During this visit, the doctor is required to review the latest Elysium records. This last step is very important. The Dominican Hospital ER typically calls the Main Jail when an inmate is released back to the jail and summarizes the result of the examination over the phone. Because of the widespread belief that if the inmate "is cleared by the hospital, that's good enough for us," medical staff might not be inclined to recheck the inmate's medical records.

While this procedure is an improvement over a more informal approach, it does not go far enough. Sometimes an inmate's diagnosis at Dominican Hospital may be updated by Dominican Hospital staff and posted in the Elysium records even after the jail clinic visit. In this situation CFMG staff in the Main Jail has no way of knowing that the Elysium records have been updated.

### **Investigation Summary: The Need for Collaboration**

The flow of accurate and timely information between the different organizations (the Corrections Bureau, CIT, the medical staff, now CFMG, and Dominican Hospital) providing care to the inmates at the Main Jail is of critical importance. Any breakdown in communication or lack of consultation among them endangers high risk individuals. Decisions about inmate monitoring and care need to be made by those with the right expertise and information. If there is a common factor involved in all these in-custody deaths, it is that poor decisions were made due to lack of expertise or inadequate information.

Much better relations now exist between the Corrections Bureau, CFMG, and CIT staffs. Members of these organizations speak highly of the quality and dedication of the other groups. They report a high degree of cooperation and teamwork. Cases of high risk individuals continue to be reviewed every weekday among the departments. A quarterly Quality Assurance Review Meeting looks at problem areas and investigates potential solutions.

With CFMG now responsible for medical services at the Main Jail, Corrections and CIT staff members report a high degree of confidence in the quality of inmate medical care. The Grand Jury determined that CFMG has extensive, detailed protocols as well as training programs for both medical and corrections personnel. Some CFMG nurses, who are former County employees, expressed their appreciation of the thoroughness of CFMG's treatment protocols. CFMG regularly commissions external audits of staff

compliance with these protocols.

The following table summarizes the impact of the six areas of concern about the five Jail deaths. It shows the extent to which these cases share common factors. A “?” indicates that the concern is relevant to the particular case but did not have a clearly negative impact. An “X” indicates that this concern increased the probability of a poor outcome.

***Areas of Concern in the In-Custody Deaths***

	<b><i>Detox Care</i></b>	<b><i>Alcohol Sobering</i></b>	<b><i>Drugs in Jail</i></b>	<b><i>Cell Inspection</i></b>	<b><i>Mental Health</i></b>	<b><i>Diagnostic Information</i></b>
Sanders	<b>X</b>		?			<b>X</b>
Prichard		<b>X</b>				
Monnett	<b>X</b>		?			
Dreher					<b>X</b>	
Sloan			?	<b>X</b>	<b>X</b>	

**Findings**

**F1.** County medical staff in 2012 at the Main Jail did not follow accepted standards of care in treating an inmate with complications arising from intravenous opiate abuse.

**F2.** There was inadequate communication between Dominican Hospital and the Main Jail medical staff regarding a critical change in diagnostic information.

**F3.** CFMG’s current procedures may fail to detect diagnostic updates by Dominican Hospital under certain situations.

**F4.** CFMG staff failed to identify and treat symptoms of methadone overdose.

**F5.** CFMG staff at the Main Jail has insufficient oversight and treatment facilities for inmates confined in ‘O’ Unit.

**F6.** Corrections Bureau and CFMG policies differ over when to call CFMG staff for intake screening of inebriated individuals at the Main Jail.

**F7.** Corrections Bureau staff at the Main Jail made incorrect judgements regarding the use of monitored housing for inebriated or impaired individuals.

**F8.** The availability of CIT staff is not adequate for the proper determination of an inmate’s needs for immediate mental health medication and monitoring during intake at the Main

Jail.

**F9.** During the period covered by our investigations, CIT had inadequately documented procedures and lax medical record keeping for the mental health care of inmates at the Main Jail.

**F10.** Corrections Bureau regulations for the frequency of cell inspections and the enforcement of rules governing items permitted in cells have not been consistently followed by Corrections Bureau staff at the Main Jail.

**F11.** During the period covered by our investigations, Corrections Bureau protocols and screening practices for individuals entering the Main Jail were insufficient for the interception of illegal drugs.

**F12.** CFMG has an extensive catalog of best practices based on decades of experience that are detailed in CFMG protocol manuals and maintained through regular training, review, and audits.

**F13.** The addition of a Compliance Officer to the Corrections Bureau staff, and a new regime of accountability, should result in an improvement in regulation compliance and enforcement at the Main Jail.

**F14.** CIT record keeping procedures and treatment protocols are undergoing a much needed process of review and improvement.

**F15.** CIT has established an improved protocol for gradually transitioning inmates under mental health watch in 'O' Unit back into the general population.

## **Recommendations**

**R1.** CFMG and Dominican Hospital should create a formal protocol by which a CFMG contact person at the Main Jail is directly notified of any changes to an inmate's medical record at Dominican Hospital. (F2, F3)

**R2.** CFMG should modify its detoxification protocols and training procedures to enable its staff to recognize and treat cases of methadone overdose. (F4)

**R3.** CFMG should maintain a higher level of monitoring in the Main Jail's 'O' Unit, which should contain at least one hospital bed with monitoring equipment and video/audio surveillance accessible by medical staff. (F5)

**R4.** Corrections Bureau policy should align with CFMG policy calling for CFMG staff to examine all inmates brought into the Main Jail who are inebriated or detoxing to any degree. (F6, F7)

**R5.** The Corrections Bureau should have regulations regarding inmate behavior posted in all Main Jail housing units and ensure that these regulations are consistently enforced by every CO. (F10)

**R6.** The Corrections Bureau should apply Main Jail screening protocols equally to all visitors. (F11)

**R7.** CIT staff at the Main Jail should be involved in the final determination of monitoring and housing requirements for inmates with mental health conditions. (F7)

**R8.** CIT staff should be available, in person or by phone, 24 hours a day at the Main Jail to participate in mental health screening, inmate classification decisions, and inmate treatment. (F7, F8)

**R9.** CIT should complete a comprehensive procedural manual of CIT protocols and practices to enable new staff members to perform their jobs without the need for excessive guidance. (F9)

**Commendations**

**C1.** We commend the CFMG staff and management for its high degree of dedication and professionalism. (F12)

**C2.** We commend the Corrections Bureau for its addition of a new Compliance Officer. (F13)

**C3.** We commend CIT management and staff for its efforts to improve and fully document its reporting and procedural protocols. (F14, F15)

**Responses Required**

<i><b>Respondent</b></i>	<i><b>Findings</b></i>	<i><b>Recommendations</b></i>	<i><b>Respond Within/ Respond By</b></i>
Santa Cruz County Sheriff-Coroner	F1-F7, F10, F11, F13	R1- R7	60 Days 7/20/14
County of Santa Cruz Health Services Agency, Crisis Intervention Team	F7-F9	R7-R9	90 Days 8/19/14

**Responses Requested**

<i><b>Respondent</b></i>	<i><b>Findings</b></i>	<i><b>Recommendations</b></i>	<i><b>Respond Within/ Respond By</b></i>
California Forensic Medical Group	F2-F5	R1-R4	90 Days 8/19/14
Dignity Health Dominican Hospital	F2, F3	R1	90 Days 8/19/14

## Definitions

### Correctional terms

- *AB 109*: A law enacted in 2011 in response to the U.S. Supreme Court's order to reduce the number of inmates in state prisons to 137.5% of the original design capacity by sending new low-level offenders to county jails.
- *Administrative Segregation*: When inmates are segregated from the general population due to an assessed risk of violent or disruptive behavior, either by them or directed against them.
- *Booking Area*: The location where the booking process occurs. Typically, this is where individuals are searched for contraband, photographed, and fingerprinted, and have their information and charges entered into a computer. They are then classified and are either assigned housing or released for later processing.
- *CO*: Corrections Officer.
- *Code 3*: The code called when a medical emergency occurs in the jail.
- *Drug Court*: An interagency program that provides drug offenders access to a host of outpatient services and treatment.
- *General Population*: The dormitory-style housing area containing bunk beds and open areas.
- *Half-life*: The time it takes for a substance to reach half of its original concentration in the bloodstream.
- *Holding Rooms*: Rooms where individuals are held prior to being put into jail housing units or evaluated for release following booking.
- *Holding Room 1*: The main holding room, with a capacity of 10 - 15 individuals. It has a television, a restroom, and telephones.
- *Intake Area*: The location where arrestees are first processed and questioned before being brought into the jail for booking. The individuals are also screened for any medical conditions that might require immediate treatment by filling out a medical questionnaire.
- *'K' Unit*: A unit with locked down cells that is now being used as a mental health transitioning facility, typically for inmates being transitioned from 'O' Unit back into the general population.
- *'O' Unit*: A unit with 16 locked down cells, most of which are under constant video surveillance by a central control room CO. These cells are used for treatment and monitoring of inmates with medical and mental health concerns.
- *Pipe Log*: The electronic management report of the times at which COs document their presence at each station on their rounds by swiping an electronic reader. The Main Jail uses the Guard I Plus computer-based security system.
- *Pronouncement of Death*: The legal pronouncement by a qualified person, usually a doctor, that further medical care is not appropriate and that the patient should be considered dead under the law. Paramedics must get a remote pronouncement by

a doctor if no doctor is present.

- *Racked Cell*: Another term for a cell whose door is locked the majority of the time.
- *Sobering Cell*: A holding room that has 15 minute monitoring requirements and is padded to prevent inmate injury.
- *Title 15*: The California Code of Regulations governing crime prevention and corrections.

### Organizations

- *CFMG*: California Forensic Medical Group, a privately owned company that provides contracted health care services to 65 facilities statewide in 27 counties.<sup>[25]</sup>
- *CIT*: Crisis Intervention Team, a division of HSA assigned to the Santa Cruz County Main Jail. Typically, on-site staff includes a supervisor, two clinicians, and a discharge planner, as well as several interns and scheduled visits from a nurse practitioner and psychiatrist.
- *Emeline Complex*: The main campus for HSA.
- *HSA*: The County of Santa Cruz Health Services Agency, which provides a variety of health services to the community, including psychiatric care.<sup>[26]</sup>

### Medical terms

- *Acute thrombotic occlusion*: A condition in which a blood clot forms in a vessel, impeding blood flow.
- *AED*: Automated External Defibrillator, a portable device that checks heart rhythm and applies electric shocks if necessary to restore normal rhythm.
- *Arteriosclerotic cardiovascular disease*: A condition in which the artery walls in the heart thicken, resulting in less blood flow to the heart muscle.
- *Benadryl (diphenhydramine)*: An antihistamine drug for treating allergic reactions.
- *Bilateral empyema*: Inflammatory fluid and debris in the pleural cavity around both lungs.
- *Cardiac arrhythmia*: A problem with the rate or rhythm of the heart.
- *Cerebral edema*: An excess accumulation of fluid in the spaces around the brain.
- *Clonidine*: A drug used to treat high blood pressure, anxiety and panic disorders.
- *Coronary arteriosclerosis*: Hardening of arteries of the heart.
- *CPR*: Cardiopulmonary resuscitation.
- *Detox protocol*: A set of treatments that enable patients to remove toxic substances from their systems safely.
- *DVT*: Deep vein thrombosis, a condition in which blood clots form in the deep veins, usually in the legs.
- *Dyspnea*: Difficulty in breathing.
- *Elysium EMR*: An electronic medical record (EMR) system used by Dominican Hospital, HSA CIT, and County medical staff at the jail, but not used by CFMG.
- *Hepatitis C*: An infectious disease affecting primarily the liver.
- *Hypertension*: High blood pressure.

- *Imodium (loperamide)*: A drug used to treat diarrhea.
- *IV*: Intravenous.
- *Left anterior descending coronary artery*: The artery that supplies blood to the left ventricle of the heart.
- *Lomotil (diphenoxylate/atropine)*: An opioid agonist used for the treatment of diarrhea.
- *Methadone*: A synthetic opioid often used to treat narcotic addiction.
- *Phenergan (promethazine)*: An antihistamine drug used to treat nausea and vomiting.
- *Pleural cavity*: The space within the ribcage.
- *Pulmonary abscess*: A pocket of pus within the lungs, usually caused by bacteria.
- *Pulmonary edema*: An accumulation of fluid within the lungs.
- *Respiratory depression*: When the rate of breathing falls below safe levels and fails to provide full ventilation of the lungs.
- *THC*: Tetrahydrocannabinol, the principal psychoactive ingredient of marijuana.
- *Vistaril (hydroxyzine)*: An antihistamine drug used to treat nausea and vomiting.

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## Site Visits

Santa Cruz County Main Jail on 1/27/14

# **Main Jail Inspection Report**

No Room at the Inn

2013-2014 Santa Cruz County Grand Jury

June 2014

## **Summary**

The 2013-2014 Grand Jury inspected the Santa Cruz County Main Jail, the Rountree Men's Facility, the Blaine Street Women's Facility, and Juvenile Hall.

Ensuring adequate health and safety in detention facilities is an ongoing challenge for the Sheriff's Office staff and medical personnel. The increasing number of inmates with mental health and drug-related concerns requires a heightened level of staff attention, while mandatory Corrections Officer (CO) furloughs and budget issues limit the number of staff in the Main Jail. In addition, overcrowded housing conditions and inconsistent disciplinary practices create safety risks, health problems, and increased demands on the Main Jail staff.

Because the Main Jail is overcrowded and has seen an increase in the number of inmates with health and drug-related issues, we focused our attention on that facility. Our inspections and interviews revealed conditions that still need improvement as well as conditions that have been improved at the Main Jail. The conditions that need improvement include overcrowded housing, unsafe security conditions, and inadequate staffing. We also observed inmate violations of rules and regulations.

On the positive side, we learned during our inspection that jail management has recently appointed a new Compliance Officer to ensure staff adherence to protocols and procedures. In addition, the three primary agencies responsible for inmate care, the Sheriff's Office, California Forensic Medical Group (CFMG), and the Crisis Intervention Team (CIT), reported that they are working well together to improve conditions at the Main Jail.

## **Background**

The Grand Jury is required by statute to inspect correctional facilities in the county each year.

## **Scope**

The Grand Jury reviewed the Sheriff's Office, CFMG, and CIT policies and procedures designed to ensure the health and safety of inmates. We also conducted interviews with corrections staff, CFMG, and CIT staff members. In addition, we made several site visits as listed in the following table.

### ***Jail Inspections***

<b><i>Facility</i></b>	<b><i>Address</i></b>	<b><i>Visit Date(s)</i></b>
Santa Cruz County Main Jail	259 Water Street Santa Cruz, CA 95060	8/29/13, 1/27/14
Blaine Street Women's Facility	141 Blaine Street Santa Cruz, CA 95060	10/10/13
Rountree Men's Medium Facility	90 Rountree Lane Watsonville, CA 95076	10/17/13
Santa Cruz County Juvenile Hall	3650 Graham Hill Road Felton, CA 95018	9/25/13, 12/11/13

### **Investigation**

The Main Jail has 16 housing units with a total rated capacity of 311 inmates. The inmates are classified as minimum, medium, or maximum security risks. Additionally, the inmates are segregated by gender, gang affiliation, disciplinary requirements, medical issues, and protective custody needs.

### **Facility Inspection**

During our inspection, we noted that the exterior concrete walls at the rear of the Main Jail were extremely dirty. We also noticed a ceiling vent encrusted with dust in the medical clinic which could pose a health risk to the medical staff and inmates. Aside from these issues, the jail appeared clean and inmates were observed mopping floors during our inspection.

We also noted that the view from the camera in the booking area was partially obstructed by a metal detector. In addition, there was no remote video camera in the medical clinic that would enable corrections officers to monitor inmates in the clinic.

An inspection of the kitchen revealed a clean, well-managed meal preparation area. Though the kitchen was originally designed to feed only 92 inmates, the Sheriff's Office remodeled it and made protocol adjustments to enable the cooks to prepare meals for the higher numbers of inmates now being housed. Food service personnel have been able to keep food costs low. They report an average cost per tray of \$1.56, and they buy food locally whenever possible.

### **Overcrowding Issues**

During our inspections, we noted that the housing unit for short-term, minimum security inmates and inmates awaiting arraignment was disproportionately overcrowded compared

to other housing units. In 2013, the Main Jail's monthly number of inmates was always over capacity, ranging from a low of 29 to a high of 100 inmates. The Sheriff's Office is currently developing plans to expand the Rountree Facility to help alleviate overcrowded conditions at the Main Jail. Many public and private agencies have published research indicating that overcrowding increases stress on inmates, as well as on the corrections staff, and contributes to both violent inmate behavior and general health concerns.<sup>[1] [2] [3] [4]</sup>

### **Inmate Classification System**

Inmates are classified at intake according to the severity of the charges against them and their responses to an intake questionnaire. The inmate classification system sometimes results in an uneven distribution of the jail population, causing overcrowding in some housing units and underuse of others. Unless inmates have gang affiliations, mental illness, or ethnic or racial biases, they are housed in the general population until arraignment. During one visit, we observed that a general population housing unit designed for 18 inmates contained 40 inmates, some of whom were sleeping on the day room floor in temporary plastic beds referred to as "boats." In contrast, we found that a unit used for Administrative Segregation originally designed for 14 held only 10 inmates.

### **Custody Alternatives Program**

California AB 109 is a law enacted in 2011 in response to the U.S. Supreme Court's order to reduce the number of inmates in state prisons by sending new low-level offenders to county jails. In 2013 the Santa Cruz Sentinel reported that the Custody Alternatives Program (CAP), run by the Sheriff's Office, received a Merit Award from the California State Association of Counties. It was one of several AB 109 related programs around the state that received an award. In response to the award Sheriff Wowak said, "The CAP program was implemented to address the redistribution of offenders in state prison to their local jurisdiction while still maintaining high standards of public safety. We were very pleased to be honored." David Liebler, California State Association of Counties deputy director for public affairs, said of the award, "Essentially it was created to recognize the most innovative programs that counties organize and develop. They really look at how replicable a program could be."<sup>[5]</sup>

The CAP program provides work release and electronic monitoring alternatives for both AB 109 inmates and other non-violent offenders who pose a minimal risk to the community. According to the Sheriff's Office, the Electronic Monitoring Program is appropriate for offenders who have special situations or needs that are better handled in their home environment. Participants are allowed to work, and to go to school, counseling, and other necessary appointments, while under close supervision by corrections personnel.

Data provided by the Sheriff's Office indicate there were a total of 392 CAP participants in 2013. The CAP program saved a total of 18,641 days during which offenders were not incarcerated at the Main Jail. At an estimated cost of incarceration of \$82 per day per inmate, CAP officials estimated the 2013 cost saving to the Sheriff's Office to be more than \$1.5 million.

## **Staffing**

In the South wing of the Main Jail, there are four housing units arranged around a workstation staffed by one CO. During our visit, when that CO went into one of the four housing units to perform the mandatory hourly safety check, he notified Central Control (CC) and left the workstation unattended. While in the housing unit, the CO was greatly outnumbered by inmates and did not have a back-up CO in the entire wing.

Central Control monitors most of the jail by video surveillance and also controls all entries and exits. We visited CC twice during the day shift and on one of those occasions, we noted that only one CO was staffing it.

Corrections Officers are also required to accompany inmates on court appearances. This is a time-consuming process. The Sheriff's Office is now exploring the use of video conferencing from the jail for routine court appearances.

Another consequence of limited staffing is that COs who escort inmates to the medical clinic can't always remain there with the inmate. The medical staff reported safety concerns when some inmates are in the medical clinic without a CO present.

COs reported that staff morale at the Main Jail is low. Multiple factors have contributed to their low morale, including mandatory furloughs and overtime as well as the continuing absence of a new labor contract. All these factors have resulted at least in part from decisions made by the Board of Supervisors. Another problem that has affected morale is the increase in stress on COs caused by the erratic behavior of increasing numbers of inmates with mental health and substance abuse issues.

## **Safety Checks and Contraband**

The Sheriff's Office policies and protocols concerning cell inspections and items permitted in cells are summarized below:

1. Safety checks should be conducted at least once an hour. Officers should observe the inmate through the cell window, see visible skin, and verify that the inmate is breathing. COs should document their check using the Pipe Log, an electronic reader that is swiped at stations located throughout the jail.
2. Inmates are not allowed to place anything on doors, windows, or walls in their cells. No items are to be thrown on the floor of the cell. No food may be stored in a cell.

The Board of State and Community Corrections (BSCC) 2012-2014 biennial inspection found that the Main Jail was not in compliance with the section on safety checks and required a corrective action plan to correct safety check deficiencies. Staffing also was not compliant with the section regarding number of personnel. On 10/16/13, a BSCC team re-examined the Main Jail's safety check documentation and wrote, "While improvement is still needed, the safety check documentation that we examined does not rise to the level of non-compliance."<sup>[6]</sup>

The Grand Jury confirmed that current CO supervisors and management at the Main Jail

have increased their focus on the importance of safety check compliance. Management has instituted a daily review of the Pipe Logs. CO supervisors are required to accompany the on-duty housing CO once daily in at least one housing unit safety check.

While safety check compliance has improved, COs and management have not applied the same enforcement to the policy prohibiting certain items on cell walls and windows or in cells. During one of our visits, we observed posters on cell walls, towels blocking cell door windows, and food and empty food containers in cells, all against jail policy. Posters and towels can be used to hide prohibited materials. COs stated that they sometimes have to “pick their battles” when dealing with policy violators. During one visit, a CO ordered inmates to remove posters from their cell walls and then told us that the inmates would simply put them back up when we were gone.

**Orientation and Discipline of Inmates**

During our inspections, we did not see any posted rules or regulations for inmates in the housing units we toured. When we questioned COs and administrators regarding the orientation material available to inmates, we received conflicting accounts. We were told there was an orientation pamphlet, yet we also were told there was no written material. An orientation video on inmate rules and regulations was provided to the Grand Jury. According to COs, this video is broadcast daily at 3pm on the Main Jail televisions. Corrections Bureau management reported that plans are underway to create a posting area for written rules and regulations in each unit.

When inmates are found in violation of the rules, COs take disciplinary actions. The following table indicates a sharp rise in the number of recorded incidents for the months of January and February 2014. A new Compliance Officer was appointed in December 2013 but it is unclear if the upswing in reported incidents is related to the creation of this position.

***Incidents and Selected Disciplinary Sanctions***

<b><i>Month</i></b>	<b><i>Total Incidents</i></b>	<b><i>Warnings</i></b>	<b><i>Loss of commissary</i></b>	<b><i>Loss of visits</i></b>	<b><i>Billed for actions</i></b>
Jan 2013	69	10	5	8	22
Feb 2013	114	14	14	3	30
Oct 2013	147	44	82	8	8
Jan 2014	225	66	78	45	26
Feb 2014	287	73	63	60	76



## **Crisis Intervention Team**

With an increase in the number of inmates with mental health issues, mental health services at the jail have become even more critical. The Crisis Intervention Team (CIT), a unit within the Santa Cruz County Health Services Agency (HSA), provides mental health services to inmates who are a risk to themselves or others, or have other psychiatric symptoms. The personnel we spoke with at CIT, as well as Corrections and CFMG staff, estimate that 25% of all inmates held at the Main Jail suffer from a mental illness for which they receive psychotropic medication.

CIT staff members respond to requests from CFMG personnel and COs to assess inmates who may be in need of their services. They also provide a one hour orientation session for new COs and an annual two hour training session for continuing COs. In an effort to assist inmates, Crisis Intervention Specialists and interns have established inmate support and activity groups.

The Santa Cruz County HSA inspection of Main Jail CIT took place in December 2013. This was the first time since January 2010 that this mandatory annual inspection had been performed. Section 1210 of the inspection report addresses individual treatment plans and reads, "Treatment staff develops a written individualized plan for each inmate treated by medical and/or mental health staff." The HSA inspector marked "No" and commented "In development." Section 1219 covers the Suicide Prevention Program. Inspectors check to see if "there is a written suicide prevention plan designed to identify, monitor, and provide treatment for those inmates who present a suicide risk." The inspector marked "No" and commented, "Under development; utilizing a risk assessment tool."<sup>[7]</sup>

CIT staff members are currently developing a manual to provide specific instructions regarding medical protocols and documentation guidelines. They are also improving their log and record keeping procedures. HSA has only budgeted for a half-time supervisor position to oversee daily CIT operations. CIT is limited in the amount of counseling time it can provide for inmates with only a half-time supervisor and minimal clerical support at the Main Jail.

## **Findings**

- F1.** Overcrowded conditions in Main Jail housing units make it difficult for COs to follow their policies and to monitor inmate safety.
- F2.** Staff furloughs, mandatory overtime, and the impasse in CO labor contract negotiations have lowered CO morale.
- F3.** The lack of consistent enforcement of rules and regulations by COs at the Main Jail creates opportunities for inmates to hide prohibited materials.
- F4.** Medical staff members are vulnerable when COs do not remain in the medical clinic with inmates.

**F5.** An air vent in the Main Jail medical clinic is excessively dirty and in need of immediate maintenance.

**F6.** Record keeping tasks and on-going clerical work decrease CIT's counseling time with inmates.

**F7.** Inmate safety has been at risk because CIT has not had a comprehensive protocol manual or individualized inmate treatment plans at the Main Jail.

**F8.** There is no adequate process in place at the Main Jail to communicate jail rules to inmates and verify that they are aware of them.

**F9.** Video surveillance is inadequate for the booking area and the medical clinic in the Main Jail.

## **Recommendations**

**R1.** The Sheriff's Office should expand the Custody Alternatives Program (CAP) to relieve jail overcrowding. (F1)

**R2.** The Board of Supervisors should eliminate furloughs and mandatory overtime for Corrections Officers in order to improve their morale. (F2)

**R3.** The Board of Supervisors should negotiate a new contract with the Corrections Officers union by the end of 2014. (F2)

**R4.** The Sheriff's Office should ensure that Main Jail CO supervisors and their management consistently enforce inmate rules. (F3)

**R5.** The Sheriff's Office should require a CO to remain in the Main Jail medical clinic while inmates are being treated unless the CO is released by the medical staff. (F4)

**R6.** The Sheriff's Office should ensure that the air vent in the Main Jail medical clinic is cleaned and maintained. (F5)

**R7.** HSA should increase hours for the CIT supervisor at the Main Jail and increase clerical support for CIT staff. (F6)

**R8.** CIT should complete a protocol manual and develop individualized treatment plans for inmates at the Main Jail. (F7)

**R9.** The Sheriff's Office should provide inmates with written jail rules at intake and document that inmates have received them. (F8)

**R10.** The Sheriff's Office should install video surveillance in the medical clinic and correct the obstructed video surveillance of the open seating booking area. (F9)

## Commendations

**C1.** We commend the Sheriff's Office for evaluating the feasibility of using video conferencing for routine court appearances to reduce the need for CO escorts.

**C2.** We commend the Sheriff's Office for its plan to expand and improve the Rountree Facility to help alleviate overcrowded conditions at the Main Jail.

**C3.** We commend the Main Jail kitchen staff for their well managed food service program.

## Responses Required

<i>Respondent</i>	<i>Findings</i>	<i>Recommendations</i>	<i>Respond Within/ Respond By</i>
Santa Cruz County Sheriff-Coroner	F1-5, F8, F9	R1, R4-6, R9, R10	60 Days 8/18/14
Santa Cruz County Health Services Agency	F6, F7	R7, R8	90 Days 9/15/14
Santa Cruz County Board of Supervisors	F1, F2	R2, R3	90 Days 9/15/14

## Definitions

- *AB 109:* A law enacted in 2011 in response to the U.S. Supreme Court's order to reduce the number of inmates in state prisons to 137.5% of the original design capacity by sending new low-level offenders to county jails.
- *Administrative Segregation:* When inmates are segregated from the general population due to an assessed risk of violent or disruptive behavior, either by them or directed against them.
- *Boats:* Temporary beds used for inmates when the population exceeds the maximum capacity of the facility. The boat-shaped plastic bed sits directly on the floor within a cell block.
- *Booking area:* The location where the booking process occurs. Typically this is where individuals are searched for contraband, photographed, fingerprinted and have their information and charges entered into a computer. They are then classified and are either assigned housing or released for later processing.
- *CAP:* Custody Alternative Program. The CAP program provides work release and electronic monitoring alternatives for both AB 109 inmates and other non-violent offenders who pose a minimal risk to the community.
- *CC:* Central Control. The central communication and monitoring area in the Main Jail from which COs control access for all locked doors, maintain communications with other COs, and monitor video feeds from areas throughout the jail.

- CO: Corrections Officer.
- *Commissary*: A store that sells food and basic supplies in a jail or prison.
- *Day Room Floor*: A central recreation area in each housing unit.
- *Pipe Log*: The electronic management report of the times at which COs document their presence at each station on their rounds by swiping an electronic reader.

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### Site Visits

Santa Cruz County Main Jail	8/29/13, 1/27/14
Blaine Street Women's Facility	10/10/13
Rountree Men's Medium Facility	10/17/13
Santa Cruz County Juvenile Hall	9/25/13, 12/11/13

**The Juvenile Hall Meal Preparation Program**  
Good Food Equals Love, Concern, and Support

2013-2014 Santa Cruz County Grand Jury

May 2014

## **Summary**

An often overlooked and undervalued aspect of the Santa Cruz County Juvenile Hall rehabilitation plan is the fresh-cooked meal preparation. The Grand Jury discovered it is an important part of a program that creates a safe and nurturing place for youth who are in custody in our county. As one staff member said, “Good food equals love, concern, and support.”

A Sheriff’s Office study<sup>[1]</sup> explored the possibility of moving its Main Jail kitchen processes to the Rountree Medium Security site. Meals for all in-custody county facilities would then be prepared at the Rountree facility and transported to the other county jail sites. The Sheriff’s Office Corrections Bureau says that at one time the study had included the Juvenile Hall meals.

The Grand Jury finds that the cooks at the Juvenile Hall are doing a good job in providing fresh, nutritious, family style meals to the residents and staff. This creates healthier, happier residents, who in turn perform at a higher academic level and are less prone to engage in violent or disruptive behaviors. Family style meals are also an important time for staff to interact with and mentor the juvenile residents.

In our opinion, it is vital that Santa Cruz County continue to support the meal preparation program at the Juvenile Hall.

## **Background**

As part of its required annual inspection, the Grand Jury toured the Juvenile Hall, which is managed by the Probation Department rather than the Sheriff’s Office. Administrators and staff said that a study initiated by the Sheriff’s Office regarding consolidating jail meal preparation might include the Juvenile Hall food program. Juvenile Hall staff expressed serious reservations about the possibility of such a change.

## **Scope**

We reviewed available documentation, conducted interviews with administrators and staff, and inspected all County jail kitchens to evaluate the alternatives.

## **Investigation**

We looked into four main areas: mentoring components, facilities and costs, juvenile nutritional requirements, and the Sheriff’s Office “Report on Centralizing Kitchen Operations to the Rountree Facility.”<sup>[1]</sup>

## **Mentoring Components**

Juvenile Hall staff often cite mentoring as an important element of the in-house meal preparation program. The kitchen staff talk to the residents as they are choosing their meals, and they know each resident by name. It is common practice for staff members to eat family style meals with the residents. Chatting together during meal time creates an

environment for residents and staff to talk frankly about issues that might not otherwise be discussed.

The importance of positive adult interaction with residents was highlighted in the 2013 Santa Cruz County Criminal Justice Council's *Status on Youth Violence Report*,<sup>[2]</sup> which states "...youth's beliefs about themselves and their abilities are shaped by the extent to which they perceive that the adults in their lives care about them and are involved in their lives." A Centers for Disease Control (CDC) report from 2009 also stated that mentoring creates a "close, developmental relationship between an older, more experienced individual and a younger person, usually sustained over a period of time and involving mutual commitment, respect, and loyalty."<sup>[3]</sup>

Employees of the Juvenile Hall shared anecdotes involving casual, but significant conversations with residents during meal time. Some of the conversations with residents were as simple as discussing proper table manners and the use of inoffensive language.

Staff spoke about a cook who came to work on Thanksgiving, his day off, to help prepare a traditional Thanksgiving dinner for the residents. Another story involves a hunger strike planned by residents which was averted when they learned a favorite dish was being prepared for the meal.

Years ago, residents were selected to do KP (Kitchen Patrol) duty in the kitchen. However, reduced staffing levels and schedule conflicts eliminated the program. Employees commented that KP had allowed cooks more time to plan meals and handle administrative chores. Residents said they enjoyed KP because they would often be rewarded with a snack. The KP mentoring opportunity is now gone.

The meal program and guidelines are explained in the *Santa Cruz County Juvenile Hall Resident's Orientation Booklet*.<sup>[4]</sup>

*"The meals you receive will be a well balanced diet based on nutritional standards approved by the State of California. Food is prepared in compliance with health and sanitation regulations. Medical diets or diets which address special religious restrictions are available for youth with special meal requirements.... Before each meal, staff will explain the expectations and give you directions about meal service. Please listen carefully and follow staff's directions. Appropriate table manners and behavior is required.... Failure to obey the rules will result in you being excused from the meal to eat in your room."*

Residents receive three meals per day plus an evening snack in the dining area. In contrast to the Juvenile Hall, the Main Jail cooks prepare meals which are then transported to the various cell areas.

## **Facilities and Numbers**

An inspection of the Juvenile Hall kitchen and cafeteria revealed that while much of the

equipment is old, it is clean and operational. The kitchen was designed to feed far more than its current average of around 24 residents; its two ovens have eight range burners and there is one convection oven. Jurors noted that tile was peeling up under the dishwasher, and the poorly insulated walk-in freezer was causing a mold problem on the hallway wall. Budget cuts had eliminated preventative maintenance previously handled by the County General Services Office. There is no current preventative maintenance plan.

According to the approved County of Santa Cruz Detail of Financing Sources And Uses, Governmental Funds, Fiscal Year 2013-14,<sup>[5]</sup> the Juvenile Hall food budget line item is \$79,591 (this does not include labor and non-food item costs). Employee contracts stipulate a meal for those Juvenile Hall employees whose positions require that they remain in the facility during meal times. Staff who can leave during meal time may eat with the residents but are charged for the meal.

The number of residents fluctuates, but based on 30 trays per meal the cost per individual serving is \$2.42. This figure does not include the Federal Surplus Food Program (also known as the School Lunch Program) reimbursement. When this is included, the cost per serving is \$1.48/food tray. In comparison, the Sheriff's Office staff estimate their meal cost for the three jails is about \$1.56/food tray.

### **Juvenile Nutritional Needs**

According to the US Department of Agriculture<sup>[6]</sup> and the CDC,<sup>[7]</sup> proper nutrition for young people reaps many benefits:

1. Proper nutrition promotes the optimal growth and development of children.
2. Healthy eating helps prevent high cholesterol and high blood pressure and helps reduce the risk of developing chronic diseases such as cardiovascular disease, cancer, and diabetes.
3. Healthy eating helps reduce the risk of developing obesity, osteoporosis, iron deficiency, and dental caries (cavities).

The Santa Cruz Juvenile Hall is also a school (Hartman High School) and has several classrooms. The school is overseen by the Santa Cruz County Office of Education. The Juvenile Hall qualifies for the National School Lunch Program by meeting required and monitored nutritional guidelines, and receives financial reimbursement. The budgeted reimbursement for 2013-14 is \$30,855.

On its website, the California State Department of Education offers the following benefits of the program.

*“For children, the National School Lunch Program provides a nutritious meal that contains one-third of the recommended dietary allowance of necessary nutrients. For parents, the program offers a convenient method of providing a nutritionally balanced lunch at the lowest possible price. For schools, the program enhances children’s learning abilities by contributing to their physical and mental well being. Studies have shown that children*



*whose nutritional needs are met have fewer attendance and discipline problems and are more attentive in class.*<sup>[9]</sup>

A five-year study took place from 1997 to 2002 at Appleton, Wisconsin, Central Alternative High School.<sup>[9]</sup> A new meal plan was implemented that replaced fast food and soda drinks with healthy fresh food and low sugar drinks. Some of the findings were as follows:

1. Prior to the meal change, the school had so many problems with discipline and weapons violations that a police officer was added to the staff.
2. After the change teachers reported class disruptions and behavioral problems were greatly diminished.
3. Students commented that the food was fresh and tasted good
4. Adults at the school were able to function more as role models, and less as disciplinarians.
5. Academic performance improved.

The Santa Cruz Juvenile Hall serves meals that reflect the findings of the Wisconsin study. Juvenile Hall attempts to buy its food from local sources and cooks all its meals from scratch, free from additives associated with pre-packaged foods and supplements.

In order to be reimbursed by the School Lunch Program, the Juvenile Hall meals would need to be prepared separately from the meals for the other jails if the kitchens were consolidated. In addition, on-site meal preparation allows cooks the flexibility to create individual meals to meet any special dietary needs of residents, including vegetarian meals.

### **Report on Centralizing Kitchen Operations to the Rountree Facility**

On October 9, 2013, the *County of Santa Cruz Sheriff's Office Inter-Office Correspondence: Report on Centralizing Kitchen Operations to the Rountree Facility* was filed with its administrators. The study grew out of a need to expand the Main Jail's kitchen facilities. Originally designed to feed 92 inmates, the small kitchen now feeds roughly 500 people. Additionally, the aging kitchen is in need of maintenance and replacement. The Rountree Medium Security Jail has a larger and newer kitchen that is able to produce meals for approximately 1000 people per sitting.

The study initially considered including Juvenile Hall in the consolidation. Although Juvenile Hall is not mentioned in the final report, Sheriff's Office staff acknowledged that the Juvenile Hall kitchen was visited as part of their research. Those involved in the study say they envisioned transitioning to a new meal preparation and delivery system for the jails in approximately 10 years.

The study focused on problems facing the Main Jail facility. While the study points out the need for a long-term solution, it also recognizes that using Rountree poses its own logistical problems:

1. Though it is newer, the Rountree Facility kitchen is in need of structural repairs. Remodeling is needed if a new consolidated food delivery system is implemented (such as larger freezers, etc.).
2. Transporting food from Rountree to the other jail facilities in Santa Cruz County creates the potential for trucks to be delayed in traffic. This could pose a problem for Juvenile Hall in particular because it maintains rigid school, counseling, and meal schedules for its residents, and because it is farthest from Rountree.
3. Meals will have to be prepared earlier, and will require more inmates on the kitchen crew. This also will require more Corrections Officers to assist cooks in supervision of inmates.
4. Many residents at Juvenile Hall (as well as the Main Jail and Blaine Street facilities) have special dietary needs. With the constantly changing daily population, satisfying these needs is a significant issue.
5. Because of the various transportation issues, hot food will be held much longer, potentially extending the time between meal preparation and consumption beyond four hours.

A partial summary within the study reads, “This plan has considerable start up equipment costs and food cost per meal will rise, but the resultant operation will be safe and reliable. The Achilles heel will be the direct, daily reliance on inmate labor and the loss of food quality with the extended holding times.”<sup>[1]</sup>

## **Findings**

**F1.** The family style meal system is a major part of mentoring Juvenile Hall residents and is an important educational function.

**F2.** Freshly prepared, nutritious meals have been shown to decrease youth violence in schools, develop healthy bodies, and enhance academic achievement.

**F3.** The Juvenile Hall kitchen is currently in need of maintenance as well as a preventative maintenance plan.

**F4.** The cost per food tray at Juvenile Hall is comparable to the cost at the three adult jails.

**F5.** Juvenile Hall no longer uses residents in the kitchen for KP duty. This has resulted in an increased workload for the cooks and missed mentoring opportunities for the residents.

**F6.** The Sheriff’s Office Kitchen Centralization Study revealed many logistical problems that require further research before implementation.

## **Recommendations**

**R1.** The Sheriff’s Office Corrections Bureau should exclude the Juvenile Hall from its kitchen consolidation. (F1, F2, F4, F6)

**R2.** Juvenile Hall administrators should work with General Services to respond to current

maintenance needs and develop a preventative maintenance plan. (F3)

**R3.** Juvenile Hall administration should reinstate the KP duty schedule. (F1, F5)

## Commendation

The Santa Cruz County Grand Jury would like to commend the Juvenile Hall administrators and staff (particularly the cooks) for their dedication to our County's young people. The three main cooks have over 30 years experience in the kitchen, and the many anecdotes not mentioned in this investigative report make it clear that they do not take their jobs, or the lives of the residents, for granted. The comment by the staff person who said "Good food equals love, concern, and support" echoed the sentiments of all the Juvenile Hall staff with whom we spoke.

## Responses Required

<i>Respondent</i>	<i>Findings</i>	<i>Recommendations</i>	<i>Respond Within/ Respond By</i>
Santa Cruz County Sheriff-Coroner	F4, F6	R1	60 Days 7/15/14
Superintendent, Santa Cruz County Juvenile Hall	F1, F2, F3, F5	R1 - R3	90 Days 8/14/14
Probation Chief , Santa Cruz County Probation Department	F1, F2, F3, F5	R1 - R3	90 Days 8/14/14
Santa Cruz County Board of Supervisors	F3	R2	90 Days 8/14/14

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## **Resources**

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## **Site Visits**

The Grand Jury inspected the Juvenile Hall kitchen and dining hall. Members also inspected the Main Jail kitchen and observed the food delivery process.

# **Transparent, Fair, and Cost Effective?**

## **A Review of Contracting Practices in Santa Cruz County Government**

2013-2014 Santa Cruz County Grand Jury

June 2014

## Summary

These are difficult financial times, and the Santa Cruz County government owes it to its citizens to be fiscally responsible. It is the duty of the County government to engage in open, fair, and transparent contracting practices to ensure that the most qualified and cost effective service providers are hired.

The County Administrative Office (CAO) oversees Santa Cruz County's \$457,000,000 budget.<sup>[1]</sup> The CAO has policies and procedures to ensure that these revenues are spent wisely. New contracts that exceed \$15,000 appear as individual items on the Board of Supervisor (BoS) agenda. The CAO prepares the Continuing Agreements List (CAL), which includes approximately 400 continuing contracts and makes up \$73,000,000 (16%) of the budget. The CAO presents the CAL to the BoS for consideration and approval. The BoS depends on the CAO's recommendations and the accuracy of its budgetary information.

Unfortunately, an inconsistent contract awarding process, loopholes, and a culture of "business as usual" have allowed many professional service contracts to be continually renewed with little or no scrutiny. The Grand Jury found three major areas of concern in the way the County awards its contracts:

- An exceptions provision was used instead of competitive bidding for some contracts.
- The CAL categorization system allows annual contract expenditure increases of up to 10% without BoS review.
- Some contracts were incorrectly categorized on the CAL and as a result were not reviewed.

We questioned the reasoning in continuing the practice of allowing up to 10% annual spending increases on multi-year and continuing contracts. This percentage is not tied to an inflationary indicator, such as the Consumer Price Index (CPI), which was 2.6% in 2013.

Our investigation revealed that the County contracting system lacks vital oversight by the BoS. Contracts were continued without bidding or were incorrectly categorized. This has led to unnecessary costs to the County and its citizens.

We found it difficult to find most professional service contracts on the County website. There is no easily accessible central repository on the website containing all professional service contracts.

## Background

Santa Cruz County employees have experienced increased workload, furloughs, and pay cuts, and there have been significant reductions in County programs during the recent economic downturn. For this reason the Grand Jury believes there is a need for increased budgetary vigilance. We learned that some professional service contracts were awarded

without competitive bidding. We decided to investigate the process by which contracts are selected and managed.

When a department within the County government needs to obtain a professional service that cannot be fulfilled in-house, a Request for Proposal (RFP) is generally used to select a provider for the service. RFPs give potential suppliers of a service an opportunity to bid on a proposed contract within the County. The RFP process helps to guarantee that the County obtains high quality services for a reasonable cost. It also encourages transparency to minimize any potential for favoritism or impropriety. The County currently holds many professional service contracts with a variety of outside providers. In Santa Cruz County, all new contracts for services that exceed \$50,000 are required to follow the RFP process.<sup>[2]</sup>

The policies and procedures of the RFP process are well-defined by the General Services Department (GSD). There are RFP templates in their internal Purchasing Policy Manual (PPM) that further assist departments in properly executing the process.

Although existing policy requires contracts over \$50,000 to use the RFP process, contracts can also be awarded using the Exceptions to the Competitive Process.<sup>[3]</sup> This exception process bypasses the RFP requirement for new and continuing contracts, which the Grand Jury feels is a questionable business practice. There is no requirement to ensure that such a contract's cost is comparable to that of other potential bidders.

It is the duty of the County to maximize public funds when procuring services. This Grand Jury review offers a fresh look at budgetary practices currently in place and their fiscal impact on County residents.

## **Scope**

The Grand Jury examined procedures currently used to award new contracts and to manage on-going contracts, with a focus on fairness, transparency, efficiency, and cost savings to the residents of the County.

We conducted interviews with County employees from several departments. Documents were examined from a variety of County agencies. These included the County Purchasing Policy Manual (PPM), several County approved and proposed budgets, lists identifying contracts held with the County, actual contracts held with the County, and prior Grand Jury reports. We compiled and analyzed data relating to contracts from both the County's website and websites of other jurisdictions.

## **Investigation**

The Grand Jury found three major areas of concern in the way the County awards its contracts:

- There was a lack of competitive bidding for some contracts.
- The CAL categorization system allows annual contract expenditure increases of up to 10% without adequate BoS review.

- Some contracts were incorrectly categorized on the CAL and as a result were not reviewed.

### **Lack of Competitive Process**

We discovered that several contracts have been in place for many years without competitive bidding. Instead of following the RFP process, these professional service contracts were awarded using either the Exceptions to the Competitive Process or the Sole Source Request policy.<sup>[4]</sup> The exceptions clause specifically states that competitive bidding is not required for many types of services, including physicians, social service consultants, labor consultants, investigators, and attorneys (see Appendix D). The sole source clause states that some circumstances require services to be obtained from a unique source. Under the sole source provision, the CAO has specific guidelines whereby goods and services that are obtained from a sole source “...may require price/cost analyses by Purchasing in order to determine price reasonableness.”<sup>[4]</sup> In addition, the County’s “Justification for Sole Source, Sole Brand, or Standardization” form (see Appendix C) specifically identifies factors that should be applied when determining justification for a unique source.

The following chart shows some long term professional service contracts that continue without using the RFP process.

#### ***Contracts Continuing Without An RFP***

<b><i>Contract Name</i></b>	<b><i>Business Type</i></b>	<b><i>Contract Origination Date</i></b>	<b><i>Last Approved/ Amended Date</i></b>
Hyas Group	Investment Consulting	9/23/08	9/25/12
Rutan & Tucker	Business Litigation	4/17/90	6/26/07
Elinor Hall	Public Health Consultant	4/17/01	9/13/11
Central Coast Alliance for Health	Health Care	7/1/04	7/1/13
Richard T Mason, MD	Pathologist	7/1/80	6/24/08
Biggam Christensen & Minsloff	Public Defender	7/1/92 *	6/28/12
Wallraff & Associates	Alternate Public Defender	9/19/89	8/24/10
Page, Salisbury & Associates	Alternate Public Defender	7/1/91	8/24/10
Hinderliter De Llamas	Sales Tax Consultants	4/2/92	4/2/02

*\* Oldest recorded contract on file with Auditor Controller; contract actually goes back to 1975.*

One County contract in particular that has been the subject of grand jury reports in the past is the Public Defender’s contract. The most recent report, [Forever Gr\\$\\$n, But Not Transparent](#) (2008-2009), highlights some of the same concerns found by this year’s



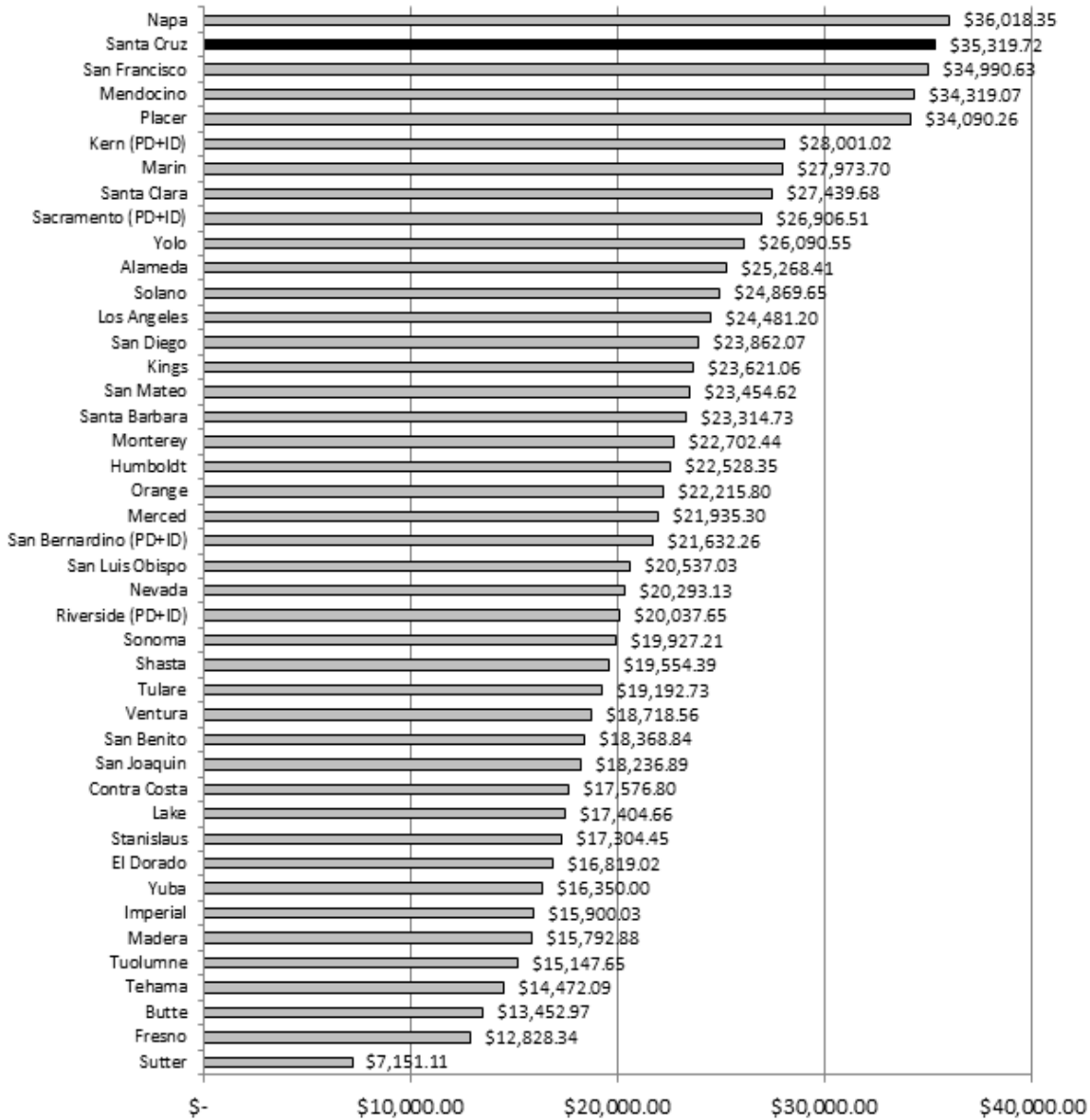
Grand Jury. The Public Defender's contract was originally awarded through the RFP process almost forty years ago in 1975 and has not been put out for bid since. The contract was awarded to the Biggam Christensen & Minsloff law firm, which has been the sole beneficiary to date. When we interviewed the parties involved with this contract and inquired as to why it has not gone out to bid in 39 years, we were given answers similar to those given to the 2008-2009 Grand Jury:

- "We are satisfied that the contract is cost-effective."
- "We know that they favorably benchmark."
- "The judges are satisfied that the system is operating effectively."
- The Public Defender's contract is a "reasonable cost."

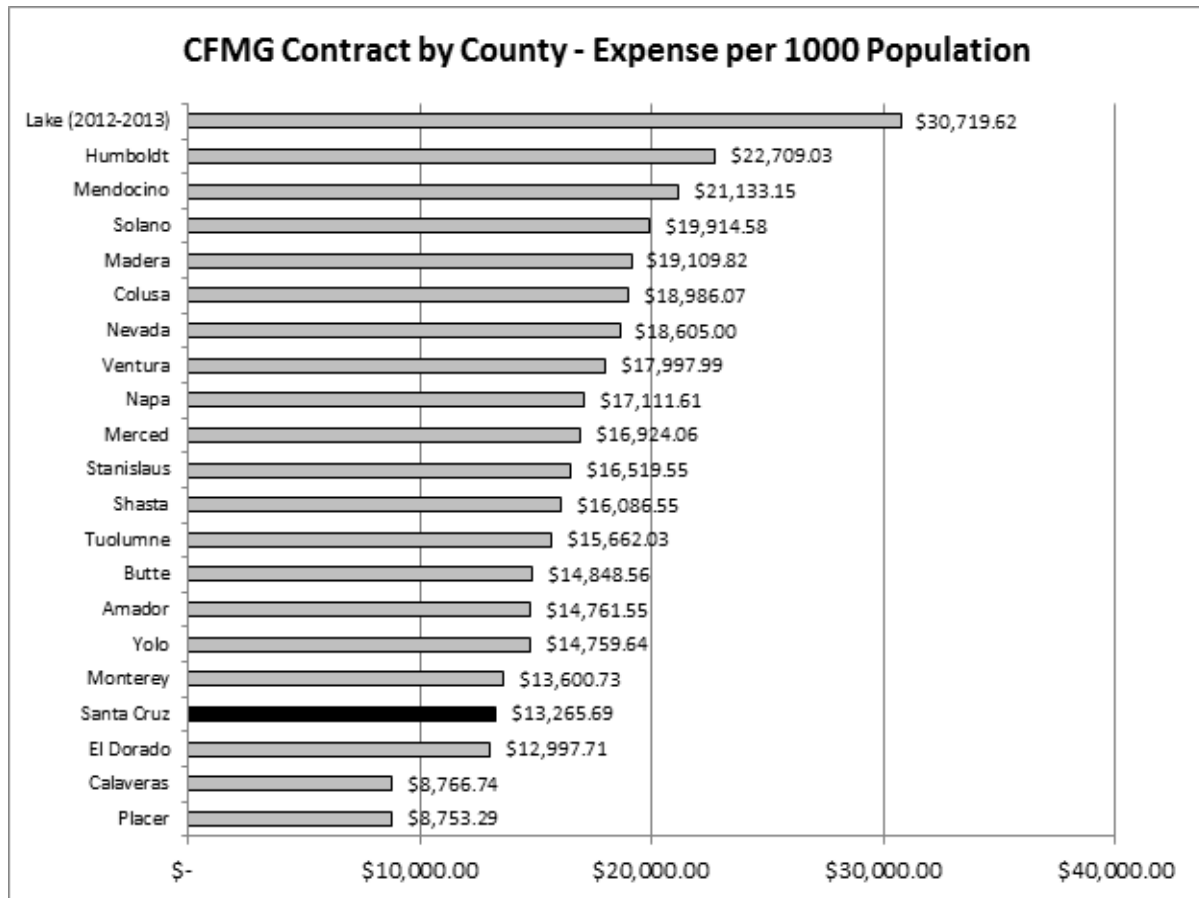
During the course of our investigation we learned that the Public Defender's contract, scheduled to expire in 2013, had just been renewed in 2012 for an additional 6 years. We inquired how the determination was made that the cost of the new contract was "reasonable." We were supplied with a draft version of a comparability model dated October 2013, 15 months *after* the current contract was signed. We were also supplied with comparisons of arrest data with five other counties. Neither of these documents satisfied Santa Cruz County's own criteria for determining sole source justification.

The Grand Jury compiled its own cost per capita comparison of current Public Defender expenses with 43 other counties in California (see Appendix A). Santa Cruz County ranks second highest (see graph). Of the 43 counties compared, 12 counties, including Santa Cruz, contract out their Public Defender services rather than use attorneys who are county employees. Santa Cruz County ranked highest in cost of these 12 counties. A key purpose of outsourcing professional services is to be more cost effective. Given the cost comparison shown below, we question whether the current Public Defender contract<sup>[5]</sup> is a "reasonable cost."

## Public Defender Expenditures per 1000 population



In contrast, the Main Jail medical services contract was recently awarded to California Forensic Medical Group (CFMG) through the competitive process. When compared to the cost per capita of CFMG contracts in 21 other counties (see Appendix B), Santa Cruz ranked in the bottom quartile (18th) in expenditures per population.



## Section Categorization System and the 10% Allowance

Another way a contract can bypass the RFP process is for it to be placed on the Continuing Agreements List (CAL), which is defined in the *County Policy and Procedure Manual*.<sup>[6]</sup> The CAL is a list of multi-year and renewal contracts. Each year this list is submitted by the CAO as part of the budget for BoS approval. Contracts on the CAL are grouped into four sections depending on the dollar amount and the terms and conditions of the agreement.<sup>[7]</sup>

- Section I: "... which, BY THEIR ORIGINAL TERMS are multiyear or continuous and require no changes from the original terms. These contracts will not return to the Board for any future action,..."
- Section II: "...which...include NO program changes and any contract changes do not exceed 10% of the expenditures incurred in the old year...."
- Section III: "...which are not eligible to be in the Section I or II above. All section III contracts must be submitted as individual items on the Board's agenda during the new year..."
- Section IV: "Revenue Agreements, such as grant awards and State financing

agreements...”

Section II contracts are allowed an increase of up to 10% each year. Considering that the Consumer Price Index (CPI) average annual increase since 2003 has been only 2.3%,<sup>[8]</sup> we were interested in finding the reason for the Section II “not to exceed 10%” allowance in the County. The earliest document provided was a 1992 CAO letter to the BoS. This letter states contracts are allowed a 10% increase if:<sup>[9]</sup>

*“... there are no program changes and only minimal increases in the total contract amount. (Minimal means increases in total contract payments not exceeding 10% of the old year payments.)”*

In addition, several long-term County employees directed us to California Public Contract Code<sup>[10]</sup> and to County policy<sup>[11]</sup> as the possible sources. However, both documents are specific to **Public Works construction contracts only**, and do not extend to professional service contracts.

The 10% allowance is still in effect although inflation is approximately 2.0%.<sup>[8]</sup> This 10% allowance does not mirror the CPI nor other inflationary indicators. Over time, these cost increases can be significant. The following table represents the percentage change of six long-term contracts over the four-year period of FY 2009-10 thru FY 2013-14.<sup>[12][13][14][15][16]</sup> The cumulative CPI for this four year period was 8.9%.

#### **Percent Change of Long Term Contract Costs Over 4 Years**

<b>Contractor Name</b>	<b>Contract Number</b>	<b>Cost 2009-2010</b>	<b>Cost 2010-2011</b>	<b>Cost 2011-2012</b>	<b>Cost 2012-2013</b>	<b>Cost 2013-2014</b>	<b>Percent Change Over 4 Years</b>
Hyas Group	3740-01	\$17,000	\$20,000	\$20,000	\$20,000	\$20,000	17.65%
Elinor Hall	2383-01	\$15,000	\$15,000	\$15,000	\$15,000	\$40,000	166.67%
Central Coast Alliance for Health	3223-01	\$600,000	\$1,040,000	\$1,100,000	\$1,040,000	\$875,000	45.83%
Richard T Mason, MD (Old Contract number - 3690-01)	0120-01	\$203,499	\$223,868	\$223,848	\$223,848	\$223,848	10.01%
Wallraff & Associates	0023-03	\$905,441	\$938,942	\$905,441	\$938,940	\$988,746	9.20%
Page, Salisbury & Associates	0616-01	\$905,441	\$938,942	\$905,441	\$938,940	988,746	9.20%

#### **Errors Discovered in Contract Categorization**

The Grand Jury compared 406 contracts which were included on both the FY 2012-2013 CAL<sup>[15]</sup> and FY 2013-2014 CAL.<sup>[16]</sup> Approximately 30% of these contracts were incorrectly categorized, as follows:

- 41 contracts which had funding increases up to 10% were incorrectly listed as

Section I when they should have been categorized as Section II.

- 78 contracts which had funding increases greater than 10% were incorrectly listed as Section II. They should have been categorized as Section III, requiring individual review by the BoS.

We compared 431 contracts which were included on both the FY 2011-2012 CAL<sup>[14]</sup> and FY 2012-2013 CAL.<sup>[15]</sup> We found approximately 14% of these contracts were incorrectly categorized:

- 38 contracts which had funding increases up to 10% were incorrectly listed as Section I when they should have been categorized as Section II.
- 23 contracts which had funding increases greater than 10% were incorrectly listed as Section II. They should have been categorized as Section III, requiring individual review by the BoS.

As noted above, Section III agreements require individual review by the BoS. Section I and II agreements do not. Many contracts on the CAL were incorrectly categorized and did not receive the individual attention that the process was designed to ensure. During FY 2013-2014, **78 contracts** were incorrectly listed as Section II instead of Section III, and as a result, increases were granted without BoS discussion. Any contract dollar increase means less money in the General Fund for other programs.

In summary, our investigation revealed that the County contracting system lacks vital oversight by the BoS. Contracts were continued without bidding or were incorrectly categorized. This has led to unnecessary costs to the County and its citizens.

## Findings

**F1.** The loopholes in Santa Cruz County procurement policies such as the Exceptions to the Competitive Process and Sole Source Requests in the PPM allow some professional service contracts to originate, or to be continually renewed, without competition.

**F2.** Based on the documentation that we were provided, the Grand Jury could not determine that the sole source provision was correctly applied.

**F3.** As the result of errors in the CAL categorization, numerous contracts did not receive appropriate Board of Supervisors review.

**F4.** The CAL Section II allowable percentage increase has not been changed in more than 20 years. It remains at 10%, a much higher rate than the CPI.

**F5.** It is difficult for the general public to access professional service contracts on the Santa Cruz County website because the website is neither intuitive nor complete.

## Recommendations

**R1.** The General Services Department should exclude expert and professional services

from the Exceptions to the Competitive Process clause of the PPM. (F1)

**R2.** The policies and procedures manuals of the County Administrative Office should require an RFP process for the renewal of all multi-year professional service contracts. (F1)

**R3.** In the event of a sole source request for a professional service, the County Administrative Office should ensure that criteria identified in the “Justification for Sole Source, Sole Brand, or Standardization” form are strictly applied. (F1, F2)

**R4.** The County Administrative Office should list the dollar amount and the percentage change from the prior year for each contract in the CAL. This list should be ranked based on the percentage change. (F3)

**R5.** The County Administrative Office should modify Section II of the CAL to use an inflationary index set by the BoS instead of the current 10% allowance. (F4)

**R6.** The Board of Supervisors should set an inflationary index such as the CPI + 3% as the threshold for annual contract review in Section II of the CAL. (F4)

**R7.** The County Administrative Office should create a central repository containing all County professional service contracts on the Santa Cruz County website that can be easily located and searched by the general public. (F5)

## Responses Required

<i>Respondent</i>	<i>Findings</i>	<i>Recommendations</i>	<i>Respond Within/ Respond By</i>
County Administrative Office	F1-F5	R1-R7	90 Days 9/15/14
Santa Cruz County Auditor-Controller	F1, F3, F4	R3-R5	60 Days 8/18/14
Santa Cruz County Board of Supervisors	F1- F5	R1-R7	90 Days 9/15/14

## Definitions

- *Agreements:* An agreement between parties doing business together in which a product and/or service is sold. For the purposes of this document, contracts and agreements are synonymous.
- *BoS:* Board of Supervisors. The executive and legislative governing body of the County of Santa Cruz.
- *CAL:* Continuing Agreements List. Identifies agreements (or contracts) which will extend into the next fiscal year.
- *CAO:* County Administrative Office. The branch of local government responsible for

- supervision of the County's budget and for administration of all County contracts.
- *Exceptions to the Competitive Process*: Certain expert and professional services for which competitive bidding is not required.
  - *GSD*: General Services Department. A department within the County responsible for providing a variety of services, including purchasing services.
  - *PPM*: Purchasing Policy Manual. An internal General Services Department document governing the purchasing of goods and services for the County.
  - *RFP*: Request for Proposal. A process by which a solicitation is made to the public for procurement of goods or services, providing potential offerors an opportunity to bid on a proposed contract.
  - *Sole Source Provider*: A company or agent that is the only feasible source of a service.

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## **Resources**

RFP Design Services REV08/09 by David Brick, Esq.

## **Notice**

One Grand Juror did not participate in the preparation of this report.



## Appendix A

### *Public Defender Expenditures per Capita*

<b>County</b>	<b>Population</b>	<b>Contract *</b>	<b>2013/2014 Budget</b>	<b>Expense per 1000 Population</b>
Napa	138,383		\$4,984,327	\$36,018
<b>Santa Cruz</b>	<b>266,662</b>	<b>YES</b>	<b>\$9,418,426</b>	<b>\$35,319</b>
San Francisco	825,111		\$28,871,157	\$34,990
Mendocino	88,291		\$3,030,065	\$34,319
Placer	357,463	YES	\$12,186,006	\$34,090
Kern (PD+ID)	857,882		\$24,021,568	\$28,001
Marin	254,007		\$7,105,515	\$27,973
Santa Clara	1,842,254		\$50,550,855	\$27,439
Sacramento (PD+ID)	1,445,806		\$38,901,600	\$26,906
Yolo	205,999		\$5,374,627	\$26,090
Alameda	1,548,681		\$39,132,702	\$25,268
Solano	418,387		\$10,405,139	\$24,869
Los Angeles	9,958,091		\$243,786,000	\$24,481
San Diego	3,150,178		\$75,169,778	\$23,862
Kings	152,007	YES	\$3,590,567	\$23,621
San Mateo	735,678	YES	\$17,255,048	\$23,454
Santa Barbara	429,200		\$10,006,680	\$23,314
Monterey	421,494		\$9,568,943	\$22,702
Humboldt	135,209		\$3,046,036	\$22,528
Orange	3,081,804		\$68,464,735	\$22,215
Merced	262,478		\$5,757,534	\$21,935
San Bernardino (PD+ID)	2,076,274		\$44,914,506	\$21,632
San Luis Obispo	272,177	YES	\$5,589,706	\$20,537
Nevada	97,019		\$1,968,819	\$20,293
Riverside (PD+ID)	2,255,059		\$45,186,080	\$20,037
Sonoma	490,423		\$9,772,761	\$19,927
Shasta	178,601		\$3,492,433	\$19,554
Tulare	455,599		\$8,744,189	\$19,192
Ventura	835,436		\$15,638,160	\$18,718
San Benito	56,669	YES	\$1,040,944	\$18,368
San Joaquin	698,414		\$12,736,901	\$18,236
Contra Costa	1,074,702		\$18,889,824	\$17,576
Lake	64,531	YES	\$1,123,140	\$17,404
Stanislaus	524,124		\$9,069,680	\$17,304
El Dorado	182,286		\$3,065,871	\$16,819
Yuba	73,439	YES	\$1,200,728	\$16,350

Imperial	180,061		\$2,862,976	\$15,900
Madera	152,711	YES	\$2,411,746	\$15,792
Tuolumne	54,360		\$823,426	\$15,147
Tehama	63,772	YES	\$922,914	\$14,472
Butte	221,485	YES	\$2,979,631	\$13,452
Fresno	952,166		\$12,214,709	\$12,828
Sutter	95,851	YES	\$685,441	\$ 7,151

\* **Contract:** YES = PD service is contracted out; otherwise PD service is provided by a department within the county government

**Sources for California County Budget Websites for Public Defender Expenses** – all accessed 2/28/14.

Alameda:

<http://www.acgov.org/government/documents/budgets/2013-14FinalBudgetBook.pdf>

Butte:

<http://www.buttecounty.net/Portals/1/FY13-14AdoptedBudget/31-Non-departmental.pdf>

Contra Costa:

<http://www.contracosta.ca.gov/DocumentCenter/View/28701>

Fresno:

<http://www.co.fresno.ca.us/ViewDocument.aspx?id=54955>

Humboldt:

[http://co.humboldt.ca.us/portal/budget/2013-14/c\\_lawjustice.pdf](http://co.humboldt.ca.us/portal/budget/2013-14/c_lawjustice.pdf)

Imperial:

<http://www.co.imperial.ca.us/Budget/Budget2013-2014/2013-2014FINALADOPTEDBUDGET09-17-2013.pdf>

Kern (PD+ID):

<http://www.co.kern.ca.us/cao/budget/fy1314/adopt/finalbudget.pdf>

Kings:

<http://www.countyofkings.com/admin/budgets/13-14/Final%20Budget%202013-2014%20Volume%20I.pdf>

Lake: <http://www.co.lake.ca.us/Assets/Auditor/Financial+Reporting/2014+Budget.pdf>

Los Angeles:

<http://ceo.lacounty.gov/pdf/portal/2013-14%20Final%20Budget%20112713.pdf>

Madera: <http://www.madera-county.com/index.php/i-want-to/view/this-years-budget-2>

Marin:

[http://www.marincounty.org/depts/ad/divisions/management-and-budget/~/\\_media/Files/De](http://www.marincounty.org/depts/ad/divisions/management-and-budget/~/_media/Files/De)

[partments/DF/1314WebFinal.pdf](#)

Mendocino: <http://www.co.mendocino.ca.us/administration/13-14%20FinalBudget.htm>

Merced: <https://www.co.merced.ca.us/ArchiveCenter/ViewFile/Item/455>

Modoc (PD+ID): <http://www.co.modoc.ca.us/public-resources/budget-master-detail-FY13-14-expenditures.xlsx>

Monterey:

<http://www.co.monterey.ca.us/admin/badivision/pdf/Recommended%20Budget%20Info/2013-2014%20Recommended%20Budget%20Book.pdf>

Napa: <http://www.countyofnapa.org/WorkArea/DownloadAsset.aspx?=4294980709>

Nevada:

<https://secure.mynevadacounty.com/nc/ceo/docs/Budget%20Analysis/2013-14%20Budget%20Packet%20Documents/13-14FinalBudget/20%20Public%20Defender.pdf>

Orange: [http://bos.ocgov.com/finance/2014WB/p1\\_frm.htm](http://bos.ocgov.com/finance/2014WB/p1_frm.htm)

Placer:

[http://www.placer.ca.gov/upload/bos/cob/documents/sumarchv/120508AA/boss\\_120508.htm](http://www.placer.ca.gov/upload/bos/cob/documents/sumarchv/120508AA/boss_120508.htm)

Riverside (PD+ID):

[http://www.countyofriverside.us/Portals/0/Government/Budget%20Information/2013-2014%20Recommended%20Docs/FY14\\_OperatingBudgetDetail.pdf](http://www.countyofriverside.us/Portals/0/Government/Budget%20Information/2013-2014%20Recommended%20Docs/FY14_OperatingBudgetDetail.pdf)

Sacramento (PD+ID):

<http://www.ofm.saccounty.net/FY201314BudgetInformation/Documents/G-Web%20CSA.pdf>

San Benito:

<http://cosb.us/wp-content/uploads/FY2013-2014-RECOMMENDED-BUDGET.pdf>

San Bernardino (PD+ID):

<http://www.sbcounty.gov/Uploads/CAO/Budget/2013-2014-0/County/Adopted/2013-2014-0-CountyAdopted.pdf>

San Diego:

[http://www.sdcounty.ca.gov/auditor/pdf/adoptedplan\\_13-15\\_psg.pdf](http://www.sdcounty.ca.gov/auditor/pdf/adoptedplan_13-15_psg.pdf)

San Francisco:

<http://www.sfbos.org/Modules/ShowDocument.aspx?documentid=45806>

San Joaquin: <http://www.sjgov.org/WorkArea/DownloadAsset.aspx?=16369>

San Luis Obispo:

<http://www.slocounty.ca.gov/Assets/AD/2013-14+Public+Protection+Functional+Area.pdf>

San Mateo:

<http://www.co.sanmateo.ca.us/Attachments/cmo/pdfs/SMC%20Budget%20Central/2014/Adopted%20Budget%20FY2013-15.pdf>

Santa Barbara:

[https://www.countyofsb.org/ceo/budgetresearch/documents/budgethearing1314/Section\\_D\\_8-Public\\_Defender.pdf](https://www.countyofsb.org/ceo/budgetresearch/documents/budgethearing1314/Section_D_8-Public_Defender.pdf)

Santa Clara:

[http://www.sccgov.org/sites/scc/countygovernment/Documents/FY2014-Final\\_Budget-20131007.pdf](http://www.sccgov.org/sites/scc/countygovernment/Documents/FY2014-Final_Budget-20131007.pdf)

Santa Cruz:

<http://sccounty01.co.santa-cruz.ca.us/AuditorBudget/2013-2014/105.pdf>

Shasta:

[http://www.co.shasta.ca.us/CAO/2013-14\\_Adopted\\_Budget/PublicProtection1.sflb.ashx](http://www.co.shasta.ca.us/CAO/2013-14_Adopted_Budget/PublicProtection1.sflb.ashx)

Solano:

<http://www.co.solano.ca.us/civicax/filebank/blobdload.aspx?BlobID=15487>

Sonoma:

[http://www.sonoma-county.org/auditor/pdf/fy\\_2013-2014\\_adopted\\_budget.pdf](http://www.sonoma-county.org/auditor/pdf/fy_2013-2014_adopted_budget.pdf)

Stanislaus:

<http://www.stancounty.com/budget/fy2013-2014/a-safe-community.pdf>

Sutter:

[https://www.co.sutter.ca.us/pdf/bos/proposed\\_budget/2013%202014%20Adopted%20Budget.pdf](https://www.co.sutter.ca.us/pdf/bos/proposed_budget/2013%202014%20Adopted%20Budget.pdf)

Tehama:

[http://co.tehama.ca.us/images/stories/tcadmin/Budget/13-14\\_Budgetrev.pdf](http://co.tehama.ca.us/images/stories/tcadmin/Budget/13-14_Budgetrev.pdf)

Tulare:

<http://www.tularecounty.ca.gov/cao/index.cfm/budget/fiscal-year-2013-14/>

Tuolumne:

<http://www.tuolumnecounty.ca.gov/DocumentCenter/View/2265>

Ventura:

[http://portal.countyofventura.org/portal/page/portal/ceo/publications/FY2013-14\\_Preliminary\\_Budget.pdf](http://portal.countyofventura.org/portal/page/portal/ceo/publications/FY2013-14_Preliminary_Budget.pdf)

Yolo:

<http://www.yolocounty.org/Modules/Showdocument.aspx?documentid=22839>

Yuba:

<http://www.co.yuba.ca.us/departments/BOS/documents/minutes/2013/091713%20Final%20Budget%20Hrgs.pdf>

## Appendix B

### *CFMG Expenditures per Capita*

<b>County</b>	<b>Population</b>	<b>2013/2014 Budget</b>	<b>Expense per 1000 Population</b>
Lake (2012-2013)	64,531	\$1,982,367	\$30,719
Humboldt	135,209	\$3,070,465	\$22,709
Mendocino	88,291	\$1,865,867	\$21,133
Solano	418,387	\$8,332,000	\$19,914
Madera	152,711	\$2,918,280	\$19,109
Colusa	21,674	\$411,504	\$18,986
Nevada	97,019	\$1,805,038	\$18,605
Ventura	835,436	\$15,036,168	\$17,997
Napa	138,383	\$2,367,956	\$17,111
Merced	262,478	\$4,442,194	\$16,924
Stanislaus	524,124	\$8,658,291	\$16,519
Shasta	178,601	\$2,873,073	\$16,086
Tuolumne	54,360	\$851,388	\$15,662
Butte	221,485	\$3,288,734	\$14,848
Amador	36,741	\$542,354	\$14,761
Yolo	205,999	\$3,040,471	\$14,759
Monterey	421,494	\$5,732,625	\$13,600
<b>Santa Cruz</b>	<b>266,662</b>	<b>\$3,537,456</b>	<b>\$13,265</b>
El Dorado	182,286	\$2,369,300	\$12,997
Calaveras	44,932	\$393,907	\$ 8,766
Placer	357,463	\$3,128,977	\$ 8,753

**Sources for California County Budget Websites for California Forensic Medical Group Contract Expenses** - all accessed 4/25/14.

Amador County: <http://www.co.amador.ca.us/home/showdocument?id=14693>

Butte County: <http://www.buttecounty.net/Portals/1/FY13-14AdoptedBudget/28-Sheriff.pdf>

Calaveras County:

[http://bos.calaverasgov.us/Portals/bos/Docs/BOS\\_Archives/BoardPacket/2013/20130723bd/20130723bd06.pdf](http://bos.calaverasgov.us/Portals/bos/Docs/BOS_Archives/BoardPacket/2013/20130723bd/20130723bd06.pdf)

Colusa County: <http://countyofcolusa.org/DocumentCenter/View/3550>

El Dorado County:

[http://www.google.com/url?sa=t&rct=j&q=el%20dorado%20cfmg%20contract&source=web&cd=10&ved=0CHEQFjAJ&url=https%3A%2F%2Fwww.edcgov.us%2FGovernment%2FCAO%2F2013-2014\\_Budget\\_Documents%2FChief\\_Budget\\_Officer\\_Report\\_to\\_the\\_Boa](http://www.google.com/url?sa=t&rct=j&q=el%20dorado%20cfmg%20contract&source=web&cd=10&ved=0CHEQFjAJ&url=https%3A%2F%2Fwww.edcgov.us%2FGovernment%2FCAO%2F2013-2014_Budget_Documents%2FChief_Budget_Officer_Report_to_the_Boa)

[rd\\_of\\_Supervisors.aspx&ei=E1hZU\\_SBBsuVyAS0x4CoBQ&usg=AFQjCNGJDRPiGYZje  
weLudv2rHwnAQTrLw&sig2=fFhwC0g5z4WkgEWdsyAyYw&bvm=bv.65397613.d.aWw](http://www.humboldt.ca.us/portal/budget/2013-14/00_fullbudget.pdf)

Humboldt County: [http://co.humboldt.ca.us/portal/budget/2013-14/00\\_fullbudget.pdf](http://co.humboldt.ca.us/portal/budget/2013-14/00_fullbudget.pdf)

Lake County:

[http://www.co.lake.ca.us/Assets/BOS/Minutes/2012+Minutes/May+22\\$!2c+2012.pdf](http://www.co.lake.ca.us/Assets/BOS/Minutes/2012+Minutes/May+22$!2c+2012.pdf)

Madera County:

<http://www.madera-county.com/index.php/i-want-to/view/this-years-budget-2?download=4753:2013-14-recommended-proposed-budget>

Mendocino County:

[http://www.co.mendocino.ca.us/administration/pdf/Fy13-14\\_Final\\_-BU\\_2510\\_-\\_Jail\\_Rehabilitation\\_Center.pdf](http://www.co.mendocino.ca.us/administration/pdf/Fy13-14_Final_-BU_2510_-_Jail_Rehabilitation_Center.pdf)

Merced County:

[http://www.co.merced.ca.us/BoardAgenda/2013/MG184202/AS184235/AS184241/AI184320/DO184139/all\\_pages.pdf](http://www.co.merced.ca.us/BoardAgenda/2013/MG184202/AS184235/AS184241/AI184320/DO184139/all_pages.pdf)

Monterey County:

<http://www.co.monterey.ca.us/admin/badivision/pdf/Recommended%20Budget%20Info/2013-2014%20Recommended%20Budget%20Book.pdf>

Napa County:

<http://services.countyofnapa.org/AgendaNetDocs/Agendas/BOS/11-8-2011/10A.pdf>

Nevada County:

<http://www.mynevadacounty.com/nc/bos/cob/docs/Board%20of%20Supervisors%20Supporting%20Documents/2013%20Supporting%20Documents/06-18-2013/25%20Amendment%20to%20contract%20with%20California%20Forensic%20Medical%20Group%20Inc.pdf>

Placer County:

<http://www.placer.ca.gov/upload/bos/cob/documents/sumarchv/2013/130924A/06a.pdf>

Santa Cruz County:

<http://sccounty01.co.santa-cruz.ca.us/AuditorBudget/2013-2014/116-123.pdf>

Shasta County:

[http://apps.co.shasta.ca.us/BOS\\_Agenda/MG67593/AS67650/AS67682/AI67766/DO67780/1.PDF](http://apps.co.shasta.ca.us/BOS_Agenda/MG67593/AS67650/AS67682/AI67766/DO67780/1.PDF)

Solano County: <http://www.co.solano.ca.us/civicax/filebank/blobdload.aspx?BlobID=15487>

Stanislaus County: <http://www.stancounty.com/bos/agenda/2013/20130115/B05.pdf>

Tuolumne County:

[http://tuolumneco.granicus.com/DocumentViewer.php?file=tuolumneco\\_e3a68cce-102d-4](http://tuolumneco.granicus.com/DocumentViewer.php?file=tuolumneco_e3a68cce-102d-4)

[918-8b99-322faac70257.pdf](#)

Ventura County:

<http://bosagenda.countyofventura.org/sirepub/cache/2/bbh0bw45nsrdoq45u5wgkimd/55766504182014015052268.PDF>

Yolo County:

[http://yoloagenda.yolocounty.org/agenda\\_publish.cfm?id=0&mt=ALL&get\\_month=12&get\\_year=2013&dsp=agm&seq=151&rev=0&ag=21&ln=3558&nseq=&nrev=&pseq=&prev=#ReturnTo3558](http://yoloagenda.yolocounty.org/agenda_publish.cfm?id=0&mt=ALL&get_month=12&get_year=2013&dsp=agm&seq=151&rev=0&ag=21&ln=3558&nseq=&nrev=&pseq=&prev=#ReturnTo3558)



# Appendix C

## County of Santa Cruz

### Justification for Sole Source, Sole Brand, or Standardization

Source Name \_\_\_\_\_

Address \_\_\_\_\_  
(PO Box or street address) \_\_\_\_\_ City, State, Zip)

Item or Service Required \_\_\_\_\_

**Check all that apply:**

- ( ) Sole Source: This item/service is available from only one source. Item is unique and not sold through distributors (i.e., manufacturer is a sole distributor.)
- ( ) Sole Brand: Various vendors can supply the specified model and brand. Competitive bids will be solicited for the brand requested only.
- ( ) Standardization Annual expenditures over \$15,000 should be approved by the Board
- ( ) Exceptions: Services cannot be easily transferred from one supplier to another as detailed in 2.4 of the Purchasing Manual.

**Check all that apply:**

- Expert professional services
- Election supplies
- Legal printing
- Services for DA, County Counsel or Sheriffs
- Appraiser services
- Consultants of Board of Supervisors
- Insurance
- Existing Contract
- Law fixes price
- Other, define below

**NOTE: When completing the justification section refer to the criteria listed on the next page.**

JUSTIFICATION (attach additional sheets if required)

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**CERTIFICATION**

I am aware of Santa Cruz County Procedures, Sections 2.4 and 3.4 of the Purchasing Manual (Title III, Section 100) concerning purchasing procedures and requisitioning. As an approved department representative, I have gathered technical information and have made a concentrated effort to review comparable/equal equipment. This is documented in this justification. I hereby certify as to the validity of the information and feel confident this justification for sole source/sole brand is accurate and appropriate for this acquisition.

This form was completed by:

\_\_\_\_\_  
Name of Requester                      Department Approval                      Director or Authorized Person                      Date

\_\_\_\_\_  
Date                      Purchasing Approval                      Procurement Manager                      Date

## County of Santa Cruz

### CRITERIA FOR SOLE SOURCE/SOLE BRAND

#### A. Factors That May Apply

Respond specifically to each question below in preparing a justification.

1. If the product requested is one-of-a-kind item, provide background information on how this was determined.
2. Provide information on why a particular product and/or vendor were chosen.
3. Provide information on other vendors that were contacted and why they cannot provide the requested product. Is the selected vendor also the manufacturer?
4. If unique features are required to successfully perform the required function, identify what those features are and why they are required. (Be specific)
5. Provide information on other models available and why they were rejected. Provide brand name, model, vendor name, date and name of each person contacted.
6. To "exactly match existing equipment" or to "inter-member (connect) with existing equipment" is not normally an acceptable justification for sole brand. When you determine this is a justified factor that should be considered; the quantity, manufacturer, brand, model, property number of the existing equipment, and necessity for "interfacing" must be provided.

#### B. Factors That Do Not Apply

The following factors should not be included in your sole source/sole brand justification. They will not be considered and only confuse the evaluation process.

1. Personal preference for a produce or vendor.
2. Cost, vendor performance, local service, maintenance, and delivery are award factors in competitive bidding, not sole source justifications.
3. Features that exceed the minimum department requirement, e.g., heavy duty and quality.
4. Explanation for the actual need and basic use for the equipment, unless the information relates to a request for "unique features."
5. The statement "no substitutions" will not be considered without completion of the "Justification for Sole Source/Sole Brand" form.

If you need guidance in completing this justification form, please call Purchasing.

**Please note this new easier procedure:**

Purchasing will keep an e-copy of each justification form. It will be filed by Source (Supplier/Vendor) Name, then Item or Service provided. Each Source/Item justification will remain valid for one year. After that, you will have to renew it. Additionally, you will no longer be required to submit a new justification form with each requisition for the same source/item. You are also encouraged to submit your justification forms to the Purchasing Manager electronically.

## **Appendix D**

### **Purchasing Policy Manual<sup>[3]</sup>**

#### **2.4 Exceptions to the Competitive Process**

Except as otherwise directed by law, or as directed by the Board of Supervisors, competitive bidding is not required for the following purchases:

(a) Expert and professional services which involve extended analysis; the exercise of discretion and independent judgment in their performance; and an advanced, specialized type of knowledge, expertise, or training customarily acquired either by a prolonged course of study or equivalent experience such as accountants, physicians, social service consultants, labor consultants, investigators, attorneys, architects, landscape architects, surveyors, engineers construction management services, and environmental services (Govt. Code § 4526).

# **Evaluation of the Serial Inebriate Program**

Why is it at risk?

2013-2014 Santa Cruz County Grand Jury

June 2014

## Summary

Public drunkenness is a serious public safety, health, and nuisance problem in Santa Cruz County. It puts a substantial drain on police, ambulance, and emergency room services. Treatment as an alternative to incarceration has been proven to be an effective method of addressing these issues. Three of the key goals of the Santa Cruz County Serial Inebriate Program (SIP) are to:

1. Reduce the revolving door of arrest and release of serial inebriates.
2. Reduce the public cost of police, jail, ambulance, and emergency room services for these offenders.
3. Identify chronic inebriates and ensure that they are provided an opportunity to get treatment for alcoholism as an alternative to incarceration.

The Grand Jury finds that SIP has proven cost-effective in providing treatment alternatives for serial inebriates. Unfortunately the SIP in Santa Cruz County is threatened, primarily by the lack of jail capacity at the Santa Cruz County Main Jail. At present, the Main Jail does not have enough room to hold SIP-eligible offenders (SIP clients) for assessment and adjudication into the program. Because of this, the County is returning to the practice of arresting and releasing chronic public inebriates.

The Grand Jury recognizes SIP's success here and elsewhere in addressing the serious safety and health problems of public inebriation. However, we think there are improvements that would directly address the challenge of jail capacity and also continue and expand the program.

## Background

### The Problem

Serial inebriates are a significant and disproportionate drain on public resources. The Santa Cruz community's ongoing concern about increases in crime and homelessness and a deterioration in the overall quality of life led to the establishment in 2013 of the Public Safety Citizen Task Force. Its report<sup>[1]</sup> noted many common features also found by this Grand Jury investigation. Serial inebriates are responsible for an excessive number of arrests, and the SIP is a successful model for treatment. In Santa Cruz, however, SIP remains underfunded, yielding mixed results.

In Anchorage, Alaska, a 2005 study showed that a mere 155 individuals accounted for nearly 60% of the more than 15,000 average per year visits to the Public Inebriate Transfer Station.<sup>[2]</sup> A study in San Diego, California, showed similar results.<sup>[3]</sup> Episodic emergency care demands from a small number of chronic inebriates had a significant impact on the community's safety-response system. This was due to emergency room overcrowding, ambulance diversion, and a shortage of available bed space.

Santa Cruz County data also reveal the disproportionate impact of chronic inebriates. In 2007-2008, there were 4,105 arrests for public drunkenness, an average of 342 per month,

or 85 per week. In all, only 118 individuals accounted for 1,170 or 29% of those arrests. Each of these 118 individuals was arrested an average of nearly 10 times over the course of the year. Serial inebriates, with 5 or more 647(f) (drunk in public) arrests in 6 months, are the target group of the Santa Cruz County SIP effort.

### **Santa Cruz County SIP**

A SIP pilot project was initiated in Santa Cruz County in 2004. Although successful, it was suspended during a fiscal cutback in 2008. It was reinstated in 2010. According to county officials, "The earlier program worked... During its first year, the 31 people who went through it had far fewer arrests for public drunkenness, down from a total 338 a year earlier to 125, records show."<sup>41</sup>

Offenders become eligible for SIP after being arrested five or more times within a six month period for a California Penal Code 647(f) violation. The program requires that SIP-eligible offenders be retained in jail on a no-release basis until the District Attorney files charges for multiple 647(f) violations. After charges are filed and an assessment is made by SIP staff, the serial inebriate is brought before a judge. Usually he or she is offered an alternative between a set number of days in a residential substance abuse treatment facility or an equal number of days in jail.

There are three phases of SIP:

- Phase I. Once adjudicated into SIP, the offender is offered a choice of 30 days of treatment or 30 days in jail.
- Phase II. If the offender is arrested again for a 647(f) violation, the mandatory sentence is 60 days of treatment plus 30 days of optional clean and sober housing, or 60 days in jail.
- Phase III. If the offender is arrested once again, the sentence is increased to 90 days of treatment plus an optional 30 days of clean and sober housing, or 90 days in jail.

A half-time case manager assesses SIP-eligible clients while in custody. The case manager explains the terms of the program, arranges for treatment services, and monitors and supports the progress of SIP clients in treatment. The Alcohol and Drug Program within the Health Services Agency (HSA) of the County of Santa Cruz serves as the lead agency for SIP. It provides assessment, referral, and case management services to clients. It also administers funds for the contracted community-based treatment services and coordinates the SIP Steering Committee. The committee is made up of representatives from law enforcement, HSA program staff, Janus (a drug and alcohol rehabilitation center), a Board of Supervisors representative, and County officials who meet regularly to oversee and make recommendations for SIP.

### **Comparison with SIP in Other Locales**

Studies in professional journals and evaluations of SIP programs in other jurisdictions frequently highlight an article by Malcolm Gladwell published in the *The New Yorker*

magazine on February 13, 2006 entitled “*Million Dollar Murray*.”<sup>[5]</sup> The article profiles a chronic inebriate in Reno, Nevada, named Murray Barr. Over the course of more than ten years of homelessness and chronic public drunkenness, requiring repeated hospitalizations, it was estimated that Mr. Barr cost Reno taxpayers in excess of one million dollars.

### ***San Diego SIP***

The City of San Diego found that 15 randomly selected chronic inebriates cost that city a total of \$1.5 million for ambulance service and emergency room care over an 18-month period.<sup>[6]</sup> In 2000, San Diego instituted a Serial Inebriate Program which gained national attention as a model for programs aimed at reducing public inebriation. Public inebriates are initially transported to a sobering center, usually without being placed under arrest for a 647(f) violation, provided the public inebriate is medically stable and can stand up without assistance. If these conditions are not met, the inebriate is transported to a medical facility. The sobering center is operated by a nonprofit service organization, is not a locked-down facility, and is not staffed with medical professionals. After five transports to the sobering center within 30 days, the inebriate is considered chronic, and he or she is rejected for further admission to the sobering center and is taken to jail for entry into SIP.

The sentencing requirements of the San Diego SIP differ from the Santa Cruz SIP in a significant way. In San Diego, judges issue progressively lengthy sentences based on the number of convictions for 647(f) violations. They are as follows:

“Upon each successive conviction, custody is imposed in increments, beginning with credit for time served for a first offense, 30 days custody for a second offense, 60 days for a third offense, and so on up to the maximum of 180 days of custody with no probation, the maximum allowable custody imposition for this offense.”<sup>[7]</sup>

In San Diego, judges can exercise an option of offering an intense 180 day outpatient clinical intervention program in lieu of incarceration. The chronic inebriate is housed in a Sober Living Environment (SLE), a group residential treatment facility participating in SIP. In contrast, the Santa Cruz SIP sentencing choices are set at 30, 60, or 90 days in a residential treatment facility, depending on the number of arrests.

An analysis of 155 chronic inebriates who chose the 180 day treatment program in San Diego revealed a 50% decline in the use of ambulance, emergency room, and inpatient services compared to a control group of 112 chronic inebriates who elected not to enter treatment. This reduction in the use of medical resources for emergency room, ambulance and inpatient services had an estimated savings of \$73,352 per month for these 155 individuals. This does not include the cost savings for police services, booking fees, and incarceration.<sup>[7] [8]</sup>

## **Sacramento SIP**

In Sacramento, SIP was initiated in 2006, and is part of a city and county funded Comprehensive Alcohol Treatment Center (CATC). This center combines a mandatory locked-down short-term detox center with a SIP for chronic inebriates. Referred to as the Detox Program, CATC is an 80-bed facility that includes in-house medical staff, operated by the Volunteers of America (VOA), a nonprofit organization. Offenders are detained in the Detox Program for a minimum of 72 hours. They are released before the mandatory 72 hour holding period only if it is verified that they have a job or a residence. Serial inebriates who have been booked into Sacramento County Jail or the Detox Program 25 times within the previous twelve months are court-ordered into a 90 day treatment program at the CATC facility, which reserves ten beds for SIP.

The results of Sacramento's SIP are impressive. A sample of 153 men and women who graduated from its SIP treatment show 647(f) arrests of those individuals dropped by 94%, saving the county an estimated \$38,401 per inebriate per year in arrest and ER costs.

The key differences with Santa Cruz are Sacramento's stand-alone drug and alcohol detention facility and treatment center, and the active involvement of a business owners program called the Downtown Sacramento Partnership (DSP). The emphasis by the Sacramento DSP on helping SIP graduates find permanent housing plays a big part in this reduction of arrests for public drunkenness.<sup>[9]</sup>

## **Scope**

The Grand Jury evaluated obstacles to SIP effectiveness, the relationship with homelessness, and the availability of placements in residential substance abuse treatment centers in Santa Cruz County. We also investigated funding and cost effectiveness.

## **Investigation**

### **SIP Data**

We began with an analysis of currently available SIP enrollment data. The Santa Cruz County Sheriff's Corrections Bureau shows that in 2013 there were 2,794 arrests and bookings for 647(f) violations. These arrests involved 1,668 individuals, with 82 people making up fully 30% of the arrests. Of the 82 who were eligible to enter SIP, only 23 were adjudicated into SIP. The others were turned away due to overcrowding at the Main Jail. Many were released from custody before charges could be filed by the District Attorney for a court hearing or before a SIP assessment was completed.

SIP records show 24 of 91 chronic inebriates (26%) who entered SIP between July 2010 and March 2014 had not been re-arrested for a 647(f) violation by March 2014. SIP-affiliated residential treatment facilities reported that approximately 25% to 30% of SIP clients who complete the treatment programs seemed to be able to sustain sobriety after treatment.



SIP enrollment and outcome data between July 2010 and March 2014 are summarized as follows:

1. Of 91 enrolled SIP clients
  - a. 65 (71%) opted for treatment
  - b. 26 (29%) declined treatment and went to jail
2. 24 (26%) had no new bookings into jail since enrollment
3. SIP clients by most recent phase assigned (as of March 2014)
  - a. Phase I: 39 (43%)
  - b. Phase II: 19 (21%)
  - c. Phase III: 33 (36%)

Due to privacy reasons, the above percentages do not distinguish between those who completed treatment and those who did not. The Grand Jury noted the high rate of re-arrest (74%) of SIP clients after entry into SIP. We also found that there was a high number of SIP clients who cycled upward with continued arrests to Phase III of the program. As was made clear to us from interviews and published research, the Santa Cruz program has relatively short treatment times compared to more successful SIP programs in other cities.

### **Relationship of Jail Capacity to SIP**

To meet the requirements of SIP, a person arrested for five or more 647(f) violations must be booked and held in custody until sober. The half-time SIP case manager must then meet with him or her for assessment. The arrestee is brought before a judge and is offered the choice of treatment as an alternative to jail sentencing. When jail space is unavailable, this sequence of events becomes impossible and the offender is either not arrested or merely brought to the jail long enough to sober up and then sent back out into the community.

Since the passage of AB 109 (Public Safety Realignment), incarceration of non-violent, non-serious, and non-sex offenders has moved from state prisons to the county jails. This has contributed to constant overcrowding in the Main Jail and has left virtually no space for serial inebriates. Beds are rarely available to retain 647(f) offenders for inclusion in SIP.<sup>[10]</sup>

Typical inmate population figures were detailed in a Santa Cruz Sentinel article on 10/8/13. The rated capacity for the Santa Cruz Main Jail is 311. However, between January and July 2013 the average daily population was 352, and on 10/7/13, the population was 420. As the article pointed out: "The county's main jail on Water Street consistently has housed more inmates than its rated capacity even before California's state prison overhaul in 2011."<sup>[11]</sup>

Grand jurors were told that with the current overcrowding at the Main Jail, only a call from the arresting officer begging for jail space for an egregious 647(f) violator could have the person retained long enough to be assessed for SIP. Jail overcrowding is the primary hindrance to SIP entry and has been for more than three years. Data made available at SIP

Steering Committee meetings shows that only four SIP clients were entered from the 45 eligible 647(f) violators in the 13 months from 9/1/12 to 11/15/13.

There is a plan to expand the Santa Cruz County jail capacity using its Rountree facility, but the start date is at least three years away. SIP requires jail bed space for in-custody assessment of all potential SIP clients. Without Main Jail beds or non-jail housing such as modular buildings, it is impossible to adjudicate offenders into SIP, and thus provide the legal option of mandatory jail or treatment alternatives.

Furthermore, since the SIP Case Manager is only half-time, it is difficult for him to make the assessment in the short time after an offender becomes sober and before being released from jail. The Grand Jury was told that until the individual is sober, "you are talking to the alcohol, not the person." Even if the Main Jail has an initial space for the inebriate, subsequent overcrowding can lead to release without proper SIP assessment.

The SIP Steering Committee is charged with cooperative implementation of the SIP agreement. Committee discussions about the lack of jail space, particularly since AB 109, have not resulted in solutions sufficient to allow all SIP-eligible violators to be entered into SIP.

### **SIP and Homelessness**

Public inebriation often overlaps with homelessness, drug abuse, and untreated mental illness. SIP data from October 2011 reported that 90% of SIP clients were homeless. One treatment professional reported that as many as 90% of SIP clients also suffered from serious to severe mental health issues.

Seattle, Washington has a program called "Housing First" that provides housing and support services for homeless alcoholics. A study finds that this type of support costs taxpayers less than leaving them on the streets where they can incur huge bills for police and emergency health care.<sup>[12]</sup>

Throughout our investigation, we were repeatedly informed by treatment professionals that 30, 60, and even 90 day residential treatment will not work alone. Without long-term residential support and outpatient therapy, residential treatment will not reverse the effects of chronic alcohol abuse coupled with homelessness.<sup>[13]</sup> We were told that relapses back into the disease of alcoholism are the norm rather than the exception. This is true even after extended periods of sobriety, and even with stable living environments and family support, both of which SIP clients usually lack.

Several service providers indicated that two or three cycles through residential treatment facilities is not at all uncommon before a chronic alcoholic will be able to maintain relatively long periods of sobriety. One county professional suggested that six months between relapses may be considered a reasonable measure of success and indicated there is no known cure for the disease of alcoholism, only continual treatment.

Alcoholism is a chronic and progressive disease that is difficult to treat. Studies of best practices for treating chronic alcoholism indicate that long-term support for stable housing is critical to preventing a return to substance abuse and homelessness.<sup>[14]</sup> Given this information, we reached the conclusion that longer treatment programs in Santa Cruz County and longer residential support in SLE would produce better outcomes.

### **SIP Funding**

SIP provides \$200 per person per day for residential treatment. However, these same treatment beds are paid for at a higher rate by insurance companies and by private pay individuals. This places SIP at a disadvantage in finding treatment spaces since the treatment centers prefer higher reimbursement. SIP clients face longer wait times for placement in part because of this price disadvantage.

The SIP budget of \$230,000 per year funds all treatment and SLE housing. In the past, when jail space was not an issue, these funds ran out in less than 12 months. With jail space now reduced, there are fewer opportunities for enrollment of serial inebriates into SIP. Since fewer chronic inebriates can be reached for initial placement, a higher percentage of the funding has been used for extended SLE housing. If jail space is increased (as it should be in three years), SIP will need additional funding because more clients will be able to enter the program. If the length of treatment is also increased, even more money will be required.

### **Cost-benefit Analysis**

A client outcome study of 25 people adjudicated into SIP between February 28, 2012 and July 29, 2013 provides a rough estimate of the money saved. It compares the public cost of these clients six months prior to entering the program and six months after entering the program. The data and estimated costs on key events such as jail bookings, jailed days, ambulance runs, and visits to the Dominican Hospital Emergency Room are as follows:

**Outcome Study for 25 Clients Adjudicated\*\*\* into SIP 2/28/12-7/29/13**

<b><i>Pre SIP</i></b>	<b><i>Total Events</i></b>	<b><i>Average per person</i></b>	<b><i>Average cost per event</i></b>	<b><i>Total Cost</i></b>
Bookings	210	8.4	\$348.06*	\$73,093
Jail days	732	29.3	\$77.17	\$56,488
Ambulance runs	72	2.9	\$500.00	\$36,000
ER visits	71	2.8	\$1,000.00	\$71,000
Totals	1085			\$236,581
<b><i>Post SIP</i></b>				
<b><i>Post SIP</i></b>	<b><i>Total Events</i></b>	<b><i>Average per person</i></b>	<b><i>Average cost per event</i></b>	<b><i>Total Cost</i></b>
Bookings	50	2	\$348.06	\$17,403
Jail days	241	9.6	\$77.17	\$18,598
Ambulance runs	44	1.8	\$500.00	\$22,000
ER visits	43	1.7	\$1,000.00	\$43,000
Totals	378			\$101,001
<b><i>Pre SIP vs Post SIP</i></b>				
<b><i>Pre SIP vs Post SIP</i></b>	<b><i>Event % Change</i></b>			<b><i>Event Cost Savings</i></b>
Bookings	-76.2%			\$55,690
Jail days	-67.1%			\$37,890
Ambulance runs	-38.9%			\$14,000
ER visits	-39.4%			\$28,000
Totals	-65.2%			\$135,580

\* Cost includes \$251.48 Sheriff Jail Access Fee and \$96.58 S.C.P.D. officer time per arrest/booking.

\*\*Based on fact that 98.5% of ambulance runs for SIP clients result in Emergency Room visit; est. ER visit cost of \$1,000 is conservative.

\*\*\* Adjudicated clients have been legally entered into the SIP process by the judge, with the sentencing options defined by the SIP agreement.

The Grand Jury found the estimated cost savings was \$135,580 for the 25 SIP clients studied. The 25 studied may or may not have accepted the choice of treatment, so the savings could be higher if more clients were to choose and complete treatment. We also were informed that 7 of the 25 SIP clients (28%) studied above had **no** bookings, jail days or ambulance runs in the 6 months post-SIP.

In an attempt to complete a current cost-benefit analysis, the Grand Jury made multiple requests for the latest costs for ER and ambulance services for SIP clients. However, such data was not provided. The Grand Jury's conclusion is that improved, ongoing communication is needed between the County and service providers for useful cost-benefit analyses.

### **Investigation Summary**

SIP in Santa Cruz County has been successful in the past. However, as currently implemented it is no longer effective. Jail overcrowding has severely limited entry to SIP. SIP could once again become effective if jail space, longer treatment times and longer SLE options were available.

### **Findings**

**F1.** Lack of Main Jail capacity for 647(f) violators often leads to release without booking, arraignment, adjudication into SIP, or admission into treatment.

**F2.** No Sobering Center is available to provide an alternative to the Main Jail for offenders.

**F3.** The current half-time SIP case manager cannot initiate contact with those in custody in a timely manner.

**F4.** The present low rate that the county pays for treatment beds has caused delays in SIP clients being placed into recovery programs.

**F5.** There is insufficient funding for SLE programs for SIP clients.

**F6.** The current SIP 30-60-90 day treatment schedule is not long enough to adequately treat alcoholism.

**F7.** All parties to the SIP agreement (Board of Supervisors, HSA, Sheriff's Office, Public Defender's Office, District Attorney's Office, Corrections Department, Capitola Police Department, Scotts Valley Police Department, Santa Cruz City Police Department) have not implemented any solutions to address the impact of jail overcrowding on SIP.

## Recommendations

**R1.** All parties to the SIP agreement should create a plan with measurable steps to ensure that SIP can function effectively by the end of 2014. (F7)

**R2.** The Sheriff should ensure that the Main Jail reserves 3 to 6 beds for the booking and assessment of SIP-eligible 647(f) violators. (F1)

**R3.** The SIP Steering Committee should modify SIP to extend treatment times. (F6)

**R4.** The SIP Steering Committee should modify SIP to include mandatory SLE placement after treatment. (F5, F6)

**R5.** The Sheriff should explore jail space alternatives using Rountree beds or modular buildings either at the Main Jail or Rountree to satisfy the in-custody requirements for inclusion in SIP. (F1, F2)

**R6.** HSA should fund a full-time SIP case manager. (F1, F3)

**R7.** HSA should fund treatment beds at a more competitive rate. (F4)

**R8.** HSA should fund more SLE space for SIP clients. (F5)

## Responses Required

<i>Respondent</i>	<i>Findings</i>	<i>Recommendations</i>	<i>Respond Within/ Respond By</i>
Santa Cruz County Sheriff-Coroner	F1, F2, F7	R1-R5	60 Days 8/18/14
Santa Cruz County Health Services Agency	F3-F7	R1-R4, R6-R8	90 Days 9/15/14
Santa Cruz County Board of Supervisors	F2, F4, F5, F7	R1, R3, R4	90 Days 9/15/14
SIP Steering Committee Chair	F2, F6, F7	R1, R3, R4	90 Days 9/15/14
Santa Cruz County District Attorney	F1, F2, F6, F7	R1, R3, R4	60 Days 8/18/14

## Definitions

- *Adjudication*: A judicial decision or sentence. The 647(f) arrestee, after booking, is legally entered into the SIP process by the judge, with the sentencing options defined by the SIP agreement.
- *Janus*: A drug and alcohol rehabilitation center that contracts with Santa Cruz County to provide a 28 day residential treatment program and counseling services.
- *SIP*: Serial Inebriate Program. The agreement formed to define the arrest and treatment alternatives for chronic alcoholics as implemented in Santa Cruz County.
- *SLE*: Sober Living Environment. Facilities used by addicts recovering from substance abuse, which serve as an interim environment between treatment and return to their former lives.
- *647(f)*: California Penal Code violation which states that anyone who is found in any public place under the influence of intoxicating liquor, any drug, or controlled substance, in a condition that he or she is unable to exercise care for his or her own safety, or by reason of his or her being under the influence of intoxicating liquor, any drug, or controlled substance, interferes with or obstructs or prevents the free use of any street, sidewalk, or other public way.

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## **Proposition 63: Money for Mental Health**

Are We Getting It Right in Santa Cruz?

2013-2014 Santa Cruz County Grand Jury

June 2014

## Summary

In 2013, a State audit of four California counties, not including Santa Cruz County, questioned whether funds from the Mental Health Services Act, Proposition 63 (Prop 63), were being used appropriately. Prop 63, commonly known as the Millionaire Tax, was passed in 2004. The Santa Cruz County Grand Jury, interested in how our county uses its Prop 63 funds, decided to investigate our county's Health Services Agency (HSA) programs funded by that law. We found that the major criticisms raised by the state audit were not significant in our county. In this report, we examine other oversight and accountability issues, and make recommendations to address them.

## Background

In 1957, California began to transfer the treatment of mental illness from the state level to the local level. Funds from federal, state, and local governments were pooled to provide for community level services. This funding has never been sufficient to meet the needs of communities now dealing with severe mental health issues.<sup>[1]</sup><sup>[2]</sup>

In 2004, California voters approved Prop 63 in an effort to give communities the financial help they needed. The law established a 1% tax on personal incomes over one million dollars a year, and defined how the money should be used by providing broad goals and processes for developing mental health programs. A timetable was established for each component to be implemented. Approval and oversight were, at that time, held at the state level. However, various changes to the law have subsequently been enacted resulting in the transfer of oversight to the county level for some components.<sup>[3]</sup>

In August 2013, the California State Auditor criticized the oversight of Prop 63 programs based on data from four counties.<sup>[4]</sup> Excerpts and analysis of the audit appeared in the Santa Cruz Sentinel:

*“State Auditor Elaine Howle reported last week that she could offer ‘little assurance’ counties have ‘effectively and appropriately’ spent the nearly \$7.4 billion raised and disbursed since between 2006-07 and 2011-12... In fact, according to news reports, counties have spent the money on programs such as acupuncture, art and drama classes, horseback riding, gardening and yoga, with only tenuous links to treatment for mentally ill patients.”<sup>[5]</sup>*

The Grand Jury decided to investigate the use of Prop 63 funds in Santa Cruz County. We sought to find the following:

- Do these criticisms apply to our county?
- Are our Prop 63 funded programs effective in meeting the mental health treatment needs of people here?
- Can Prop 63 funded programs be improved, and if so, how?

## Scope

The Grand Jury interviewed HSA personnel, attended public meetings related to mental health and substance abuse programs, and reviewed related documents at the state and county levels. We also reviewed relevant published literature. We examined the law, its provisions, and the implementation of programs funded through the law in Santa Cruz County.

Prop 63 has five mental health components:<sup>[3]</sup>

1. Community Services and Supports (CSS) provides funds for direct services to individuals with severe mental illness. Full Service Partnerships (FSPs) are in this category. FSPs provide wrap-around services, or “whatever it takes” services, to clients. Housing is also included in this category.
2. Capital Facilities and Technological Needs (CFTN) provides funding for building projects and for increasing technological capacity to improve mental illness service delivery.
3. Workforce, Education and Training (WET) provides funding to improve and build the capacity of the mental health workforce.
4. Prevention and Early Intervention (PEI) provides funding to recognize early signs of mental illness, as well as to improve early access to services and programs, including the reduction of stigma and discrimination.
5. Innovation (INN) funds and evaluates new approaches to increase access to the unserved and underserved communities, promotes interagency collaboration, and increases the quality of services.

In Santa Cruz County there are over 54 specific programs within the five categories. We limited our focus to Community Services and Supports (CSS), which receives most of the funding, and to Prevention and Early Intervention (PEI), which is most often criticized. See Appendices A and B for a sample of expected client numbers and costs.

CSS and PEI provide services directly to clients. In Santa Cruz County, CSS has eight programs intended to expand services available to support clients. This includes many levels of care, from locked residential treatment to support while living at home. CSS programs use level of care assessment tools to provide treatment in the least restrictive setting appropriate for the client. PEI programs include early screening of children, culturally focused and at-risk youth programs, parenting programs, programs to educate about substance use disorders, programs for older adults, and veterans outreach. Often these services are provided by contractors under supervision of the county Health Services Agency.

Each county prepares and submits a three-year plan for all five categories’ programs and expenditures, and updates the plan annually. The Grand Jury reviewed the three-year plan Annual Update for 2013-14<sup>[6]</sup> and Draft Plan for 2014-15 through 2016-17.<sup>[7]</sup> These describe service programs to be provided and report quarterly numbers of clients served. We also reviewed budgets, organization charts, program audits, financial and quality audit data, and additional online documents.

## Investigation

### Discussion of Program Criticisms

Two criticisms given in the 2013 State audit were applicable here in Santa Cruz County. Yet, as discussed below, we found them to be of minor concern.

One criticism was that programs were being funded such as horseback riding, yoga classes, gardening, and outdoor adventure tours that are not valid treatment for mental illness.<sup>[6]</sup> However, we found little evidence of these activities in MHSAS Prop 63 programs.

Through an online search, we did find one residential treatment program for youth that has been used by clients of HSA, which incorporates horses as part of its therapy. Santa Cruz County youth in mental health crisis sometimes had to be placed in that program, even though it is located outside Santa Cruz County, because HSA had no crisis residential placement for children or youth within this county. The crisis center at Dominican Hospital, known as the Behavioral Health Unit (BHU), was limited to adults for residential care. However, the BHU has been replaced by the new Psychiatric Health Facility (PHF) as of December 2013. According to the PHF web page, crisis care at the PHF does serve children up to age 18, who are admitted involuntarily.<sup>[8]</sup> This means that crisis residential treatment for youth is now available in our county. None of the Prop 63 funded programs described in the most recent Annual Update and the current Three Year Draft Plan mention horseback riding or equine therapy.

The Grand Jury also found a Workforce Education and Training (WET) program that included Mindfulness training. Mindfulness is a meditation practice used to relieve stress and focus attention for clearer thinking. Mindfulness training, however, has become an accepted mental health practice as reported in published literature.<sup>[9] [10]</sup>

The second criticism, that of social programs being used as mental health treatment, also was not viewed as a concern in this county. Several Santa Cruz PEI programs include promotion of cultural pride for at-risk youth, programs for improved parenting presented in a culturally relevant way, and a program focused on sexual orientation diversity. The California Mental Health Services Oversight and Accountability Commission (MHSOAC) has encouraged programs like these with published fact sheets discussing values and goals for them.<sup>[11] [12]</sup> Successes of the Santa Cruz County PEI programs were proudly presented by MHSAS and program clients at a recent public meeting.

Another successful program, the Mental Health Client Action Network (MHCAN), is a peer-run respite center funded partly by Prop 63, and it provides:

*“...a range of supports and social amenities including coffee, phone access, and a place to socialize or get information about community and mental health resources. MHCAN also offers art, writing, guitar classes, peer support groups and hospital visiting. A computer lab offers Internet access and homework assistance. MHCAN will provide rides to MHCAN,*

*River Street Shelter, doctors, therapists, and the Emeline Campus.*<sup>[13]</sup>

These are peer-run, peer-requested services. The county contract for MHCAN in 2013 is less than \$15,000. Clients of this program praise the center and the benefits derived from its services. Some clients have, in fact, volunteered to teach classes to keep them available at MHCAN.

## **Oversight and Community Involvement**

In 2012, California moved responsibility for approval of CSS and PEI from the state to the county. The Santa Cruz Board of Supervisors now approves these direct service plans.<sup>[14]</sup>  
<sup>[15]</sup> However, audit and oversight remain at the state level.

The Annual Update to the three-year plan process requires Mental Health and Substance Abuse Services (MHSAS) to hold public meetings to introduce the planned services and expenditures. Ideally, these public meetings include those who receive the services (clients and family members), those who provide the services (service providers, local law enforcement, county mental health staff), and the general public. These are called stakeholder meetings. There is a 30-day public comment period, after which HSA incorporates substantive recommendations into the plan.

Prop 63 also provides for community and mental health consumer involvement through participation on the local Mental Health Advisory Board. The Advisory Board has eleven members. One member is a Supervisor, and the other ten are appointed by the Board of Supervisors. The ten appointed members must include clients of mental health services as well as family members of clients. Other than the single Supervisor, the Advisory Board does not include county employees.

According to the Advisory Board web page:

*“The Santa Cruz County Mental Health Advisory Board provides advice to the governing body (Board of Supervisors) and the local mental health director. They provide oversight and monitoring of the local mental health system as well as advocate for persons with mental illness.\**

*A primary responsibility of the Local Mental Health Board (LMHB) is to review and evaluate the community’s mental health needs, services, facilities, and special problems. The regular LMHB meetings provide a means for Board action to fulfill its purpose. The LMHB chair presides over meetings and prepares the agenda in collaboration with mental health staff. LMHB members may provide items for the agenda to the secretary of the LMHB at least two weeks in advance of the meeting. These meetings are open to the public.*<sup>[16]</sup>

Goals and mission statement of the Advisory Board:

- 1) Advise the Mental Health Department on current and ongoing issues as they relate to the quality and effectiveness of mental health services for the County
- 2) Develop skills and procedures to maximize the effectiveness of the

## SCCMHB

3) Increase community awareness on issues related to mental health to ensure inclusion and dissemination of accurate information

\*Note: LMHB is our Advisory Board

Grand Jurors attended several meetings of the Advisory Board. HSA personnel attend Advisory Board meetings when invited to do so, but did not attend some of the meetings jurors observed. We regularly heard family members plead for help from HSA for their loved ones. In the absence of an HSA representative to directly respond to these requests, we did not observe any action on the part of the Board to indicate that they were going to help the families with their problems. The Advisory Board, in these instances, did not appear to be fulfilling its role of advocating for persons with mental illness to the HSA, or advising HSA.

On more than one occasion, the Advisory Board did not have a quorum and could not act on proposals or approve meeting minutes. Lack of quorum caused the Board to be unable to approve any actions, leaving it ineffective. Grand Jurors found that there were five vacant seats on the eleven member board. The high number of vacancies meant that just a few absences would keep the Advisory Board from having a quorum. Vacant positions on the Advisory Board were left unfilled for months.

The Advisory Board lacked a quorum at their April 2014 meeting and therefore could not act on the Prop 63 Three Year Draft Plan presented to them. In May 2014, three of five Advisory Board vacancies were filled by appointment of the Board of Supervisors.

### **Board of Supervisors Participation**

The Board of Supervisors has responsibility for approving Prop 63 program plans and appointing Advisory Board members. A single Supervisor represents the Board at the Advisory Board meetings. When that Supervisor could not attend there was no direct interaction between the two Boards. Additionally, when quorum was not met, the Advisory Board minutes could not be approved or posted. This hampered even indirect written communication between the Advisory Board and County Supervisors.

### **Public Participation**

Jurors attended several 2014-15 Draft Plan stakeholder meetings. <sup>[7]</sup> Prop 63 requires stakeholder meetings to formalize community input to HSA concerning the program plans. These meetings educate the community and allow clients, providers, and community members to give their feedback. These meetings were mentioned in local papers, but few members of the public were present. If County residents do not attend, they miss the opportunity to learn about and help steer the future of HSA services. HSA has not publicized these Prop 63 stakeholder and Advisory Board meetings sufficiently for the public to use them as opportunities to learn about and influence Prop 63 funded program direction.

## Evaluations of Prop 63 Programs

The Grand Jury was concerned by the use of narratives in the Annual Update and Three Year plan. Client success anecdotes and testimonials from program participants were used to prove effectiveness of programs rather than quantitative data. While nice to have, the testimonials do not serve to evaluate program effectiveness. A more rigorous evaluation with measurable, relevant criteria would provide better data.

Several County PEI programs were intended for people who are underserved or at risk. One study was done to evaluate two programs which reach underserved areas of the county, designed for specific cultural needs (using mentoring, cultural appreciation, and education). The study assessed whether the programs improved mental health behaviors and attitudes.<sup>[17]</sup> According to this study, many but not all of the program goals were met. The report includes positive narratives from clients about benefits of the programs. The Grand Jury was told that additional evaluation is being done.

An external audit by the California External Quality Review Organization (CAEQRO) was performed in 2012-13 on mental health services provided by Santa Cruz County.<sup>[18]</sup> Two performance improvement projects were studied, and overall mental health services results were reported. The audit noted that implementation of an electronic health record (EHR) system was not complete.

The CAEQRO audit also included comments from focus groups of clients and family members. Participants felt that there had been a decrease in available staff on duty and that they were waiting longer for appointments with counselors or therapists. Several of the focus group participants added that they no longer had a case manager or a service coordinator, and reported other cuts to services in Santa Cruz County.

The CAEQRO report recommended:

- Quality improvement work plans with measurable goals, action item tracking including meeting minutes, and expanded participation by staff and clients (in performance improvement programs)
- Full implementation of the level of care assessment tool to aid decisions about appropriate services for clients
- Information technology long-term planning
- Measurement of wait times for services
- Stronger roles for employees who are former or current clients in the mental health care system

The new Psychiatric Health Facility uses an EHR. An EHR is intended to be used by the medical or psychiatric care provider to assess the patient, develop an appropriate care plan, and accurately report the care provided. EHR systems facilitate measurement of outcomes and evaluation of programs, including Prop 63 programs. Storing patient information in digital format makes it efficient and easy to find information and to track patient care across time and different treatment locations. Better availability of patient information reduces medical errors and unnecessary tests and can also reduce the chance that one provider will not know about relevant conditions being managed by another

provider. Coordination of care can lead to better quality and improved outcomes.<sup>[19] [20]</sup>

Even though the CAEQRO commented on incomplete implementation of EHR two years ago, HSA is still not using the EHR for all its services. EHR implementation is in progress. The 2013-14 Annual Update states that:

*“...After reviewing our EHR options we anticipate that this will be implemented (and we will begin using electronic health records) in fiscal year 2013-2014. We plan on being able to connect to primary care services, following “meaningful use” guidelines to allow for coordinated care (such as medications and prescriptions). By the end of fiscal year 2013-14 our staff will be entering progress notes, service plans, prescriptions and labs into the electronic health record.”*

Effective and timely coordination of treatment is not possible without county-wide compatible EHR for all medical and mental health services. Careful planning will be needed to use the EHR system both to improve individual client care and also to evaluate and improve program effectiveness.

### **Access to Care**

HSA staff told the Grand Jury that mental health clients at the Emeline Street HSA facility face long delays, sometimes weeks, in obtaining psychiatric care appointments. Medical patients who are referred for separate mental health counseling may not get mental health screening and treatment if a psychiatric appointment is delayed. HSA staff pointed out that same day appointments should be made available for better mental health treatment, rather than requiring patients to return at a later time. Many clients have difficulty with transportation even for a single visit.

### **Findings**

- F1.** Counselors and psychiatrists are not readily available for existing and potential mental health clients.
- F2.** The lack of implementation of electronic health records (EHR) hampers mental health service to clients.
- F3.** Quantitative evaluation of the success of Prop 63 programs is extremely challenging without the implementation of an EHR.
- F4.** The apparent lapses of direct communication between the Advisory Board, HSA, and the Board of Supervisors impedes the Advisory Board’s goals of effective advocacy for clients and advising HSA concerning Prop 63 funded mental health programs.
- F5.** The mandated stakeholder meetings are not successfully attracting participation by county residents.
- F6.** Five vacancies on the 11-member Advisory Board left it ineffective for months during our investigation.



## **Recommendations**

**R1.** HSA should improve client access to mental health services by increasing available counseling hours for psychologists and psychiatrists at the Emeline facility. (F1)

**R2.** HSA should use Electronic Health Records (EHR) for all mental and medical health services. (F2)

**R3.** HSA should use EHR to perform quantitative evaluations of program effectiveness. (F2, F3)

**R4.** HSA should regularly attend the Mental Health Advisory Board meetings and should respond directly to the concerns raised. (F4)

**R5.** The Mental Health Advisory Board should quickly and clearly communicate to HSA all issues that come before the Board. (F4)

**R6.** HSA should publicize mental health programs and promote them in a way that will educate and engage the larger community. (F5)

**R7.** The Board of Supervisors should fill all Advisory Board vacancies in a timely manner. (F6)

## **Commendations**

**C1.** The Grand Jury commends HSA for working to provide services in the face of changing requirements, multi-year budget cuts, and evolving mental health treatment and prevention practices.

**C2.** The Grand Jury commends the MHCAN peer-led respite center for its success in helping clients avoid crises and support each other to help maintain good mental health.

## Responses Required

<i>Respondent</i>	<i>Findings</i>	<i>Recommendations</i>	<i>Respond Within/ Respond By</i>
Santa Cruz County Board of Supervisors	F6	R7	90 Days 09/15/2014
Santa Cruz County Health Services Agency	F1-F5	R1-4, R6	90 Days 09/15/2014

## Responses Requested

<i>Respondent</i>	<i>Findings</i>	<i>Recommendations</i>	<i>Respond Within/ Respond By</i>
Santa Cruz County Mental Health Advisory Board	F4	R5	90 Days 09/15/2014

## Definitions

- *CAEQRO*: California External Quality Review Organization. It began its work in July 2004. An EQRO evaluates programs, particularly within governments, and can either be a contracted company or part of the government.
- *Consumer employee*: An employee who has lived through mental illness, received successful treatment, is maintaining mental health, and now works in a paid capacity helping others.
- *EHR*: Electronic health record.
- *FSP*: Full Service Partnership. “Full Service Partnership (FSP) is a community-based program that provides intensive mental health services. By providing a parent advocate, therapist, psychiatrist and case manager to work with the child, the entire family is offered hope. Through this process, successful outcomes are achieved, and family strengths are celebrated. The opportunities for change are provided in the home and community settings with the goals of increasing family involvement, family empowerment and improved mental health.”<sup>[21]</sup>
- *FY*: Fiscal Year. 12-month reporting cycle, e.g. year is noted as 2014-15 in this report.
- *Level of Care*: An assessment tool used to determine the appropriate treatment for the mental health client.
- *MHCAN*: Mental Health Client Action Network. A peer-run respite center.
- *Mental Health Plan*: The County level mental health system of services.
- *MHSA*: Mental Health Services Act, also known as Proposition 63, 2004. In this

document we refer to it as Prop 63 to avoid confusion.

- *MHSAS*: Mental Health and Substance Abuse Services. The Santa Cruz County Health Services Agency department which provides mental health treatment and utilizes Prop 63 funding.
- *MHSOAC*: Mental Health Services Oversight and Accountability Commission. State level oversight body for Prop 63-funded programs.
- *SCCMHB*: Santa Cruz County Mental Health Advisory Board
- *Stakeholder process*: Under Prop 63, this is the inclusion in the Annual Update of those who participate in mental health services as clients, as family members of clients, as providers, or as county employees who deal with mental illness clients in their work. Public meetings, presentations, a comment period, and required response to public comments are part of the stakeholder process.
- *Wrap-around services*: A situation where a client is provided with all available services including treatment, housing supports, transportation, job training, or education to help in recovery, while allowing the client to live as independently as possible.

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## Appendix A

### Mental Health Services Penetration: Meeting the Need

Santa Cruz County Interagency System of Care for Children and Youth - Measuring Outcomes of Collaboration Twenty - three Year Report July 1, 1989 - June 30, 2012. page 32. <http://www.santacruzhealth.org/pdf/23%20Yr%20Online%20Report.pdf>

This report provides the following:

*“Measuring ACCESS to Appropriate Levels of Service*

*Various national studies have estimated the approximate percentage of children/youth in the general population (“penetration rate”) that would need the following levels of mental health services:*

- *Up to 8% requiring intensive/coordinated services for serious emotional disturbances*
- *8-12% requiring moderate service intensity for mental health conditions*
- *12-20% requiring basic access to services to ameliorate developmental and emotional issues*
- *In addition, estimates range from 60-80% (some would say 100%) of children and youth in the Child Welfare and Juvenile Probation systems given exposure to a wide range of neglect, trauma, crime, and substance abuse issues.*

*Previous sections of this report outline the specialized access that children and youth in Child Welfare and Juvenile Probation receive into System of Care services. For the general Medi-Cal population, we can examine the annual APS Healthcare information that details Medi-Cal Approved Claims for the Santa Cruz Mental Health Plan.*

#### **Penetration rates for System of Care in Santa Cruz County, 2011**

<b>AGE GROUP</b>	<b>Avg Monthly Eligibles</b>	<b># of Beneficiaries Served per Yr</b>	<b>Santa Cruz Penetration Rate</b>	<b>Medium County Penetration Rate</b>	<b>Statewide Penetration Rate</b>
0-5 yr	9,152	192	2.10%	1.43%	1.72%
6-17	11,388	1,216	10.68%	6.57%	7.38%
18-21	2,835	259	9.14%	5.48%	6.07%
Foster care	310	291	93.87%	55.23%	54.96%

*As you can see, Santa Cruz tends to serve a higher percentage of children/youth with Medi-Cal than both similar medium size counties, and statewide averages.”*

## Appendix B

### Mental Health and Substance Abuse Services Expenditures

For the 2012-13 fiscal year, Prop 63 expenditures were 24.5% of the MHSAS budget. However, Medi-Cal and Prop 63 funding reduces the cost of MHSAS to the county budget. According to requested budget figures, MHSAS total expenditures of \$51,632,125 in 2012-13 cost the County Budget \$873,301.

For 2013-14 the Prop 63 expenditures recommendation was \$9.2 million.

#### ***2013-14 Community Services & Supports expenditures by Type of Service***

Full Service Partnerships	\$3,324,970
General System Development	\$2,369,839
Outreach and Engagement	\$450,241
Administration	\$819,591

#### ***Prevention & Early Intervention Expenditures by Program***

Early Intervention Services for Children	\$684,411
Culture Specific Parent Education & Support	\$112,155
Early Onset Intervention Services for Transition Age Youth & Adults	\$835,348
Early Intervention Services for Older Adults	\$171,953
Administration	\$374,248

<http://www.santacruzhealth.org/prop63/PDFs/2013-2014%20MHSAS%20ANNUAL%20UPDATE%20FINI.pdf>

*Note:* These budget numbers were provided to the Grand Jury by HSA staff. We thank them for their help in obtaining documentation of MHSAS budgets, services, Three Year Plan Annual Updates and more.

## **San Lorenzo Valley Water District**

Time to Restore Trust between Voters and District

2013-2014 Santa Cruz County Grand Jury

June 2014



## Summary

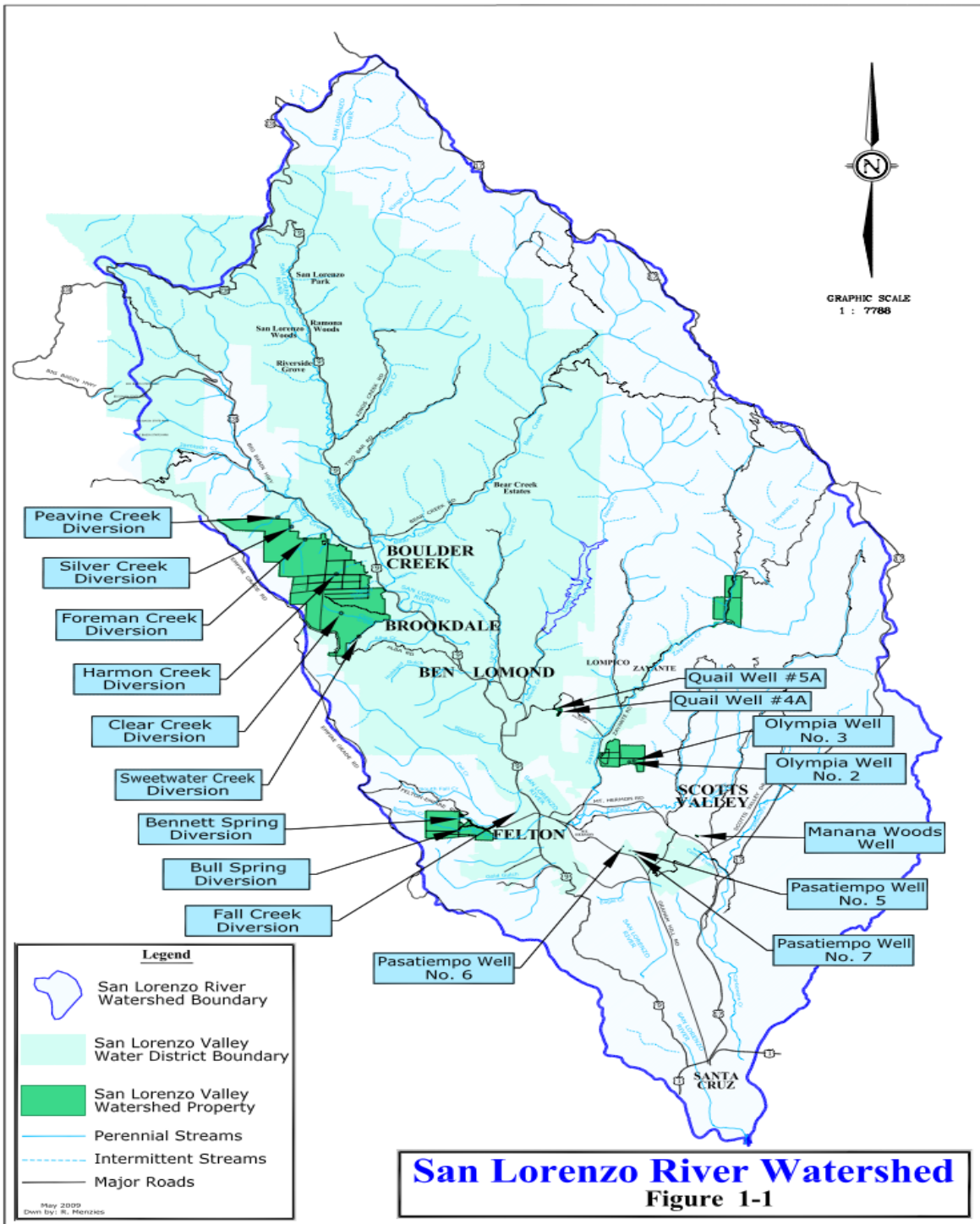
With the ongoing drought in Santa Cruz County, the public has become extremely interested in local water districts and their operations. This year's Grand Jury decided to analyze San Lorenzo Valley Water District (SLVWD). While this District has engaged in several worthwhile endeavors, its lack of transparency has eroded the trust of its ratepayers. In this time of severe drought, and with SLVWD considering a merger with Lompico County Water District (LCWD), active participation with and oversight of the District is essential.

## Background

Special districts are governed by their own elected boards of directors. They contract for independent yearly audits and annually report their financial statements to the County Auditor-Controller. The boards must ensure financial solvency and maintenance of the infrastructure of their special districts. SLVWD's management oversight is heavily reliant upon the interaction between the District Manager and Board of Directors.

Management of water resources requires a board that is engaged, a district that is transparent, and an informed public with confidence that the board is looking out for its best interests. In a well-functioning water district, the district manager keeps the board fully apprised of water quality, infrastructure, financial health, and customer concerns. The district manager presents annual budgets, capital improvement plans, and equipment replacement plans to the board for its approval. The board relies on management to provide it with the specifics in all these areas, because the board has responsibility for overseeing all aspects of the district operations.

San Lorenzo Valley Water District was established in 1941.<sup>[1]</sup> The District's office is located in Boulder Creek. Its water system includes 150 miles of water mains, most of which are more than 70 years old. As a result, it has aging infrastructure (pipes, pumps, wells, and redwood water tanks). The District has unique infrastructure challenges, including the storage and delivery of water on steep terrain while maintaining adequate water pressure for fire protection.



The District supplies water to 7,300 customers in the communities of Boulder Creek, Brookdale, Ben Lomond, Zayante, Highlands Park Senior Center, Mañana Woods, and Felton. SLVWD also provides water to part of the southwestern portion of the City of Scotts Valley and adjacent areas to the west. SLVWD operates four independent water systems, each of which has its own source of water.

SLVWD water comes from both deep wells and surface water. Surface water comes from the San Lorenzo River and is pumped to water treatment plants. In the last ten years, there have been three mergers of water systems into SLVWD: the Mañana Woods Mutual Water company, the Felton Service Area of the California-American Water Company, and the Olympia Water District. Currently, there is a proposed merger of SLVWD and Lompico County Water District (LCWD). Members from both boards created a list of terms and conditions of the merger on 2/14/14. The merger would provide LCWD with added water sources and improved infrastructure.

When the Board of Directors proposed a 65% water rate increase in 2013, ratepayers, some of whom were already questioning the conduct of SLVWD's senior management and Board, became even more critical of the District's actions.

SLVWD customers are also concerned by the LCWD proposal to merge with SLVWD due to LCWD's serious water and financial problems. The Grand Jury investigated LCWD in 2009-2010, and the Grand Jury's findings and recommendations from that report led to an investigation by the Santa Cruz County District Attorney.<sup>[2]</sup> The current Grand Jury wanted to evaluate whether SLVWD senior management and its Board of Directors were taking prudent measures to ensure this merger would not jeopardize SLVWD's operational viability.

## **Scope**

The Grand Jury wanted to know whether SLVWD senior management and Board are operating their District appropriately with respect to the following:

1. Are the finances of the District managed appropriately?
2. Are the operations well-managed?
3. Did the Board violate the Brown Act?
4. Are the operations of the District transparent to the public?

Our work entailed gathering data surrounding SLVWD operations and finances from 2008 through 2013. We also reviewed LCWD merger data. The Grand Jury interviewed SLVWD staff and Board members, attended SLVWD public meetings, and gathered information from newspaper articles, meeting minutes, ordinances, policies and procedures, and audited financial reports.

# Investigation

## Investment Activity

The District did not have much money to invest until it sold a property in the Santa Cruz Mountains in 2000 for \$10.3 million.<sup>[3]</sup> A portion of the proceeds went to buy another property within the District's watershed. The remaining portion was put into an investment portfolio with the principal reserved for land purchases only.

The SLVWD Board delegated authority for management of the investment program to the District Manager pursuant to Resolution 79, adopted 2/1/88. This resolution directed the District Manager to establish written procedures for the operation of the investment program and report investment decisions to the Board. This is contrary to common practice for a board of directors. Normally, a board of directors oversees the investment activities of a company or organization. A board's activities are determined by the powers, duties, and responsibilities delegated to it by an authority outside itself, in this case the voters. These matters are typically detailed in the organization's policies and procedures.

Resolution 79 is still in effect, yet it is contradicted by the SLVWD Board of Director's Policy Manual 2014, which states "The primary duties of the Board of Directors are as follows: ... 3. Be responsible for all District finances."<sup>[4]</sup>

The Local Agency Investment Fund (LAIF) is a California State Agency under the State Treasurer's Office that was created as an investment alternative for California's local governments and special districts. The District Manager of SLVWD has placed some District investments in LAIF for short-term purposes, but long-term investments are made with Morgan Stanley. A Morgan Stanley broker consults with the District Manager and provides a range of available investments at the time of a transaction, based on market value. The District Manager then makes the investment choices.

The Grand Jury was told that, in the past, SLVWD's total return on investments exceeded that of LAIF, which is why it had more investments outside of LAIF than most districts. However, some investments were sold prior to their maturity date in order to pay for the District's budget shortfalls, emergencies, and its share of infrastructure projects, resulting in losses. For example, recently there was a loss of about 8% on one \$800,000 investment.

Currently the District's investment portfolio is approximately \$6 million. California Proposition 50 (Prop 50), passed in November 2002, allows for construction of permanent interties between the various parts of the SLVWD.<sup>[5]</sup> Once the Prop 50 interties are completed, it is estimated that \$2.5 million will remain in the portfolio.

Government Code Section 53635.8, effective January 2008, limits CDs to 30% of a local agency's investment portfolio. Since 2008, audits had revealed that the District was in non-compliance and held approximately 45% of its portfolio in CDs. At multiple board

meetings, a ratepayer brought the District's non-compliance with state law to public attention.<sup>[9]</sup> The District's investment portfolio remained in non-compliance for years.

The District acknowledged that it was not in compliance, but pointed out that some of the CDs were acquired prior to Section 53635.8 and that it was coming into compliance by letting the CDs expire. The District indicated that it had more investments than allowed in CDs because they were paying better rates than bonds. As of the last fiscal audit conducted by the District (2011-2012), it was still out of compliance. The Board indicated that it had modified its own ordinances to comply with state regulations and was close to bringing its portfolio into compliance. The District has repeatedly said that the 2012-13 fiscal audit will be completed soon.

The Grand Jury found that the SLVWD District Manager, because of Resolution 79, could engage in investment activity without first consulting the Board. The Board told the Grand Jury that Board oversight had been minimal and that the District Manager made the decisions on investments. In the course of its investigation the Grand Jury was told there were doubts that the Board knew much about the District's investments.

## **Budget**

The Board allowed the District to operate without an adopted budget for 2013-2014 until 3/6/14, when the fiscal year was nearing completion. The Grand Jury was advised that the prolonged absence of the Finance Manager was the reason the budget was not ready on time. The Finance Manager went on medical leave in May 2013, and the District was unable to fill the position until she resigned in early December 2013. We were told that in the absence of a current budget, the District was operating on the prior fiscal year's (2012-2013) budget, with a few exceptions, and termed it a "continuing authorization budget." The Grand Jury was told there was no money in the continuing authorization budget to hire a consultant who could assist in the 2013-2014 budget preparation. The budget was eventually developed primarily by the District Manager.

## **Infrastructure**

Fifteen years ago, the District began a controversial facilities consolidation project called the District Administrative Campus Project. Development started with a \$2.2 million land purchase and called for a \$6 million building plan. The current administration building poses a number of safety concerns, including seismic safety, lack of structural integrity, and non-compliance with building codes and the Americans with Disabilities Act (no wheelchair access). After the land purchase a portion of the property was given a wetlands designation. These issues have led to an increase of projected capital costs to between \$9 and \$12 million. The Grand Jury was told that questions about the facilities consolidation project were dismissed by the majority of the Board.

Additionally, SLVWD is upgrading District infrastructure based on its 2010 Capital Improvement Project. This project identifies Category A (essential) projects, Category B (desirable) projects, and Category C (deferrable) projects (see Appendix B).

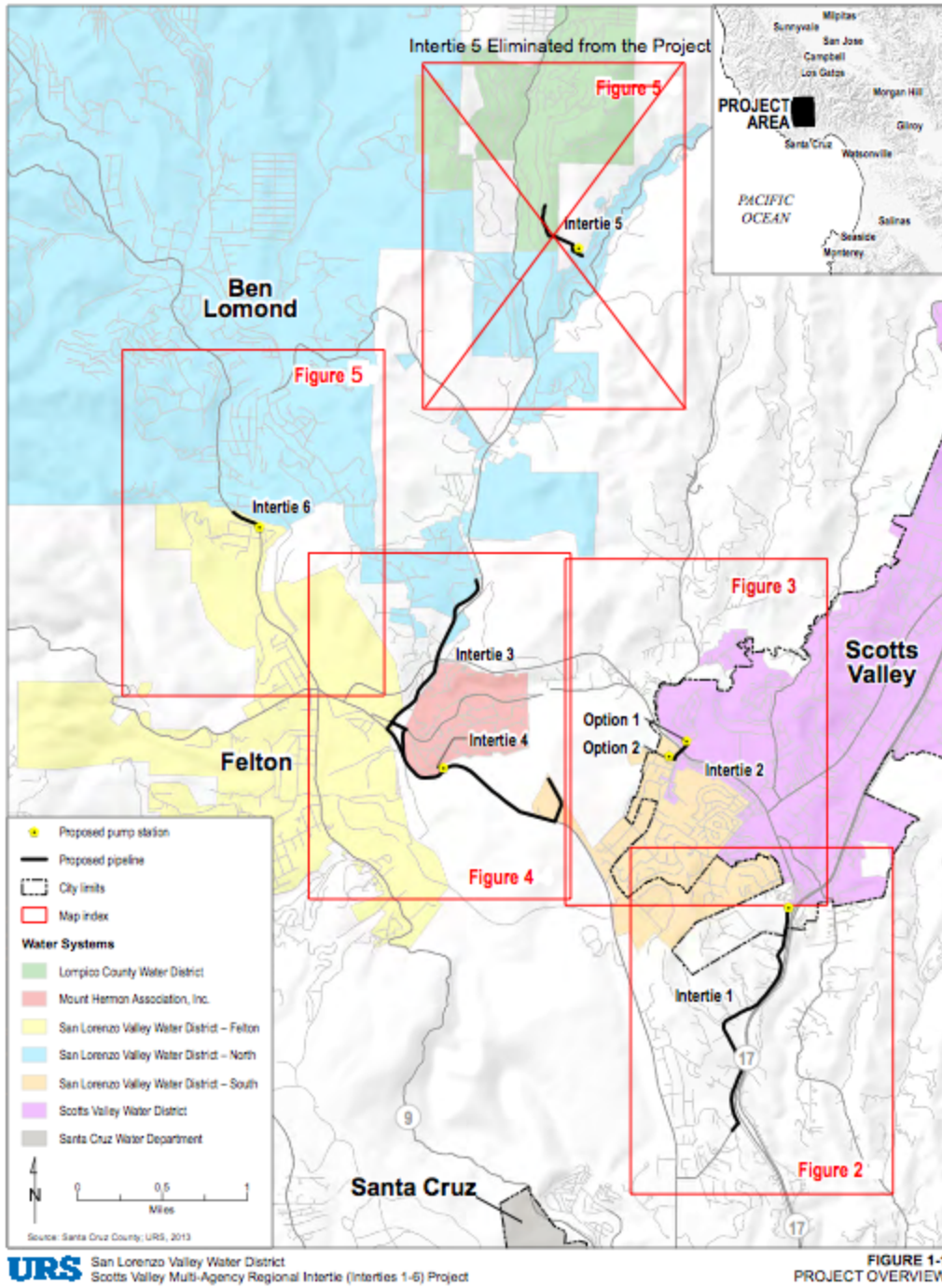
SLVWD requires that before the proposed annexation of LCWD takes place, LCWD must pay for a permanent, non-emergency, Prop 50 intertie which SLVWD will build. SLVWD is still in the process of awarding construction contracts for this and other Prop 50 interties, so no actual construction has begun. Prop 50 projects require an Environmental Impact Review (EIR). New and upgraded interties will allow SLVWD to move water between systems during emergencies. The other interties will connect the following systems: 1) North and South; 2) South and Scotts Valley; 3) South and the Mount Hermon Association; and 4) Felton and North. Approximately half of the funding for these interties comes from the State and half from SLVWD. (See Appendix A for more detail.)

The District has 47 water tanks, the largest of which has a holding capacity of 3.2 million gallons. The majority hold 100,000 gallons or less. There are at least eight redwood tanks, all of which leak. Ratepayers regularly complain to the Board about ongoing leaks in the District's redwood tanks. They have provided the Board with pictures of the leaking tanks along with other relevant information and have drawn particular attention to one of the worst, the Probation Water Tank. That tank is located in a protected June beetle habitat in Felton near Santa Cruz County Juvenile Hall. At SLVWD Board meetings Grand Jurors attended, Board members and staff chose not to respond to these ratepayers.

The District acknowledged to Grand Jurors that it has received many complaints about the leaking redwood tanks and the slow replacement process. The District pointed out that many problems arise when replacing these redwood tanks. Most of the tanks are located on steep hillsides. A majority of the tanks are elevated, so once the timbers underneath begin to give way the tanks lean. Surveys show that some tanks are not even on District-owned property. Furthermore, geotechnical reviews are required when installing new tanks. The material and labor alone to build a new tank runs about \$300,000-\$500,000.

The District told the Grand Jury that it has plans to replace the Probation tank and said it was on the essential list but the Prop 84 emergency intertie and environmental problems are delaying this \$1.1 million project. A 500,000 gallon steel tank must replace the existing 100,000 gallon redwood tank to meet the needs of its service area. The District will have to find another location to install a temporary tank while a new tank is being built. It also will have to employ an environmental specialist for the eighteen month permitting process. The District said it had replaced the tanks that were easiest to do and now it is left with the most difficult ones. Eventually it will replace all the redwood tanks with steel tanks.





## Lompico County Water District Merger

San Lorenzo Valley Water District constructed a temporary \$132,000 emergency pipeline as an intertie between SLVWD and LCWD.<sup>[6]</sup> These funds came from a grant fund program established under Proposition 84 (Prop 84), passed in 2006.<sup>[7]</sup> The temporary pipeline was completed at the end of April 2014. This pipeline will allow LCWD to turn off wells in order to perform maintenance. SLVWD will determine how much water to send

through the pipeline, and LCWD customers will pay for the water they receive. The creation of the emergency pipeline is separate from the proposed merger.

In the proposed merger of SLVWD and LCWD, a \$750,000 permanent pipeline between them is planned. The merger plan involves a \$2.75 million bond paid for and overseen by LCWD customers. The merger also includes a prior loan from SLVWD to LCWD to pay money owed to the California Public Employees' Retirement System (CalPERS).<sup>[8]</sup> LCWD must repay the loan to SLVWD before the merger moves forward. There will be a monthly surcharge to LCWD customers for up to five years, at a maximum of \$144,000 (approximately \$24 a month per customer) to repay this loan. This will avoid transferring LCWD debt to SLVWD.

### **District Manager Performance Evaluation**

The Board did not conduct a performance evaluation of its District Manager for fiscal year 2012-2013, despite its own policy which requires annual reviews. When the Grand Jury asked SLVWD for documented metrics used to evaluate the performance of their District Manager, they said written guidelines do not exist. Current practice is for the President of the Board to create his or her own guidelines each year.

An annual performance evaluation of its District Manager should be standard practice for a board of directors. An example of a District Manager Performance Evaluation Review list with metrics and guidelines is available from the Paradise Irrigation District.<sup>[9]</sup>

### **The Brown Act**

The Brown Act (California Code Section 54950) governs meetings of local governmental bodies. The Act establishes rules designed to ensure that actions and deliberations of boards and other public bodies are done openly and with public access and input (see Appendix C).<sup>[10]</sup>

In order for the SLVWD Board of Directors to hold a regular public Board of Directors meeting, it must have a quorum present. Three or more members of the five member Board constitute a quorum. Most importantly, when three Board members are present at a meeting, it is a "Board" meeting pursuant to the Brown Act, subsection 54952.2(a). The Board is then required to give proper public notice of the meeting and an agenda at least 72 hours in advance.

On 3/4/04, the SLVWD Board of Directors adopted three standing committees: Environmental, Planning, and Finance. For many years the Finance and Planning committees consisted of the same three Board members.

Providing notice of "committee" meetings led members of the public to believe they did not need to attend. Since these were not noticed as Board meetings, the public would not expect final decisions to be made. However, since these meetings had a quorum of the Board, they were in fact Board meetings. Any decisions made in these committees were in essence Board decisions.



When asked about this issue, the Board told the Grand Jury it relied on advice from its District Counsel that it was appropriate to allow three Board members to participate in committee meetings. The Board claimed that District Counsel approved of providing public notice of these meetings simply as “committee” meetings.

The Board told this Grand Jury that prior to 2012, when its policy changed, three Board members and the District Manager regularly attended these standing committee meetings. A ratepayer wrote to the District Counsel about Brown Act violations on 5/1/11, but did not receive a response. He then filed a lawsuit against three of the Board members alleging failure to meet requirements of the Brown Act by referring to their meetings as “committee” meetings.<sup>[11]</sup>

The Board subsequently changed the number of Board members on each standing committee from three to two. The change went into effect in December 2012, immediately after the lawsuit against the District ended in October 2012. When the Grand Jury asked the Board why the change was made, we were given a variety of answers, none of which mentioned compliance with the Brown Act as the primary motivation for the change.

## **Transparency**

Since government agencies are publicly-owned, they should make all information about operations available and understandable for the public. The Grand Jury found that none of the resolutions amending District Ordinances have ever been posted on the District’s website. When the Grand Jury asked to receive a copy of a policy and procedures manual, no copy was available electronically. In order to obtain the manual, ratepayers must go to the District Office, get permission from the District Manager, and pay for copy costs.

Two resolutions were adopted at the Board’s 2/20/14 meeting: Resolution 23 (2013-14), the San Lorenzo Valley Water District Investment Policy 2014; and Resolution 22 (2013-14), the Lompico County Water District Emergency Intertie Agreement. Neither of these documents had been posted on the District’s website as of 5/14/14. The Grand Jury contacted the District office for copies of these Resolutions but staff was unaware whether they were available.

Although the 2013-2014 budget was approved on 3/6/14, the budget was not posted on the District’s website. When inquiries were made on 5/5/14 about obtaining a hard copy of the budget, staff members were not aware that a budget had been passed and said that no copy of the budget was available. Later the Grand Jury was told that staff had a copy of a draft budget but not the approved budget. Only the District Manager had access to a hard copy of that budget. The budget was finally posted more than two months after it was adopted.

Three ratepayers addressed the Board on 1/16/14 requesting that minutes for the special meeting, held 10/24/13 to consider an increase in water rates, be provided to ratepayers. Rather than simply provide the requested minutes, the Board, with the assistance of District Counsel, refused to do so. As of 5/15/14, the minutes had not been posted. In addition, no minutes have been posted for the five Board meetings since the 2/6/14

meeting and no meeting “action summaries” have been posted since 2/20/14.

The District makes audio recordings of Board meetings. The recordings are low quality, not digital or available online, and not a suitable replacement for published minutes. Community members involved with the group San Lorenzo Valley Watchdogs have been recording the Board meetings and posting them to their own website. [\[12\]\[13\]](#)

In summary, the Grand Jury has determined that SLVWD lacks proper oversight and transparency with regard to its finances and operations.

## **Findings**

**F1.** By assigning responsibility for district investments to the District Manager, the SLVWD Board of Directors improperly relinquished one of its major responsibilities.

**F2.** SLVWD took no action to correct its imbalance of investment assets despite multiple years of external audit reports.

**F3.** Contrary to accepted practice, SLVWD was operating on a prior year’s budget eight months into its fiscal year.

**F4.** Despite numerous complaints from ratepayers, SLVWD has failed to prioritize the replacement of leaking redwood tanks.

**F5.** For many years Board committees consisted of a quorum of Board members without being publicly announced as Board meetings.

**F6.** The Board has violated its policy to conduct annual reviews of the District Manager.

**F7.** The Board lacks consistent standards to evaluate the performance of the District Manager.

**F8.** SLVWD consistently fails to provide timely meeting minutes or post important information on the District’s website.

**F9.** SLVWD makes it difficult for ratepayers to obtain public records from the District Office by requiring prior approval from the District Manager.

## **Recommendations**

**R1.** The SLVWD Board should reclaim its financial oversight responsibility by rescinding Resolution 79 (1987-88). (F1, F2)

**R2.** The Board should require that the District Manager provide a budget prior to the start of each fiscal year. (F3)

**R3.** SLVWD should provide ratepayers with a specific plan and schedule for replacing its remaining redwood tanks. (F4)

**R4.** The Board should create standard criteria and follow its own requirement for annual evaluation of the District Manager. (F6, F7)

**R5.** The Board should publicly notice committee meetings as Board meetings when a quorum is present. (F5)

**R6.** SLVWD should post online all ordinances, resolutions, and minutes within a month of approval. It also should post online all current ordinances, resolutions referenced in current ordinances, and minutes for the last five years. (F8, F9)

## Responses Required

<i>Respondent</i>	<i>Findings</i>	<i>Recommendations</i>	<i>Respond Within/ Respond By</i>
Board of Directors, San Lorenzo Valley Water District	F1 - F9	R1-6	90 Days 9/15/14
District Manager, San Lorenzo Valley Water District	F3-4, F8-9	R2-3, 6	90 Days 9/15/14

## Definitions

- *Audit:* Review of an organization's finances. Audits are performed to ascertain the validity and reliability of information. The goal is to express an opinion that the financial statements are accurate and complete and free from material error.
- *Board of Directors' Policy Manual 2014:* Document used to govern actions of the board of directors of the San Lorenzo Valley Water District adopted Dec. 5, 2013, Resolution No. 15 (13-14)
- *Brown Act:* Enacted in 1953, this law guarantees the public's right to attend and participate in meetings of local legislative bodies. The Act promotes the transparency of government by requiring that the people's business be conducted in public. It applies to the governing boards of all local governments in California.
- *Budget:* A list of all estimated and planned revenues and expenses, including a strategy for the coming financial period. A prudent budget would include income, expenditures, cash flow, infrastructure maintenance, a capital improvement plan, and reserves for economic uncertainty. Typically a budget is created on an annual basis and compared against the actual financial performance frequently to ascertain the viability of the financial operations.
- *California Water Code:* Laws governing water usage in the state of California. Special districts such as SLVWD are subject to Water Code section 30000 *et seq.*

- *California Public Employees' Retirement System (CalPERS)*: is an agency in the California executive branch that manages pension and health benefits for more than 1.6 million California public employees, retirees, and their families.
- *Environmental Impact Report (EIR)*: An EIR describes the positive and negative environmental effects of a proposed action, and it usually also lists one or more alternative actions that may be chosen instead of the action described in the EIR.
- *Interties*: Connections between public water systems permitting exchange or delivery of water between those systems.
- *Local Agency Investment Fund (LAIF)*: A California State Agency under the State Treasurer's Office created as an investment alternative for California's local governments and special districts.
- *Lompico County Water District (LCWD)*: A special district in Santa Cruz county designed to provide potable water to approximately 1,500 residents in the Lompico Canyon of the San Lorenzo Valley
- *Proposition 50 (Prop 50)*: 'The Water Security, Clean Drinking Water, Coastal and Beach Protection Act of 2002.' Passed by California voters in the November 2002 general election.
- *Proposition 84 (Prop 84)*: A \$5.4 billion 'Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006' (Safe Drinking Water Bond). Passed by voters on 11/7/2006. It included an Emergency Grant Fund Program to establish an immediate water supply connection between SLVWD and LCWD.
- *Quorum*: The number of members required to legally transact business. In the case of SLVWD this is three members.
- *Scotts Valley Water District (SVWD)*: A special district in the City of Scotts Valley that provides water resource management to deliver a safe and reliable supply of high quality water to its ratepayers.
- *San Lorenzo Valley Water District (SLVWD)*: A special district in Santa Cruz County designed to provide potable water to more than 7300 connections in the San Lorenzo Valley and adjacent areas.
- *San Lorenzo Valley Water District Board*: Five citizens residing within the geographical boundaries of SLVWD elected by the community to govern the water district.
- *Special District*: An agency established under California state law for the performance of a local government function (fire, water, roads, etc.) within specific boundaries in order to serve a common community interest.
- *Service Area*: The area designated in a water system plan or a coordinated water system plan.
- *Transparency*: Operating in such a way that it is easy for others to see what actions are performed.
- *Watchdogs*: A group of outside individuals who monitor the activities of an organization.

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## Appendix A

### Infrastructure

The four water systems of SLVWD are:

1. North System (North Boulder Creek, Boulder Creek, Ben Lomond, Quail Hollow, Glen Arbor, and Zayante)
2. South System (Whispering Pines Drive, Lockewood Lane, Hidden Glen, Estrella Drive, Twin Pines Drive, Oak Tree Villa, Spring Lakes and Vista Del Lago Mobile Home Parks)
3. Felton System (the town of Felton, Highway 9 south to Big Trees, San Lorenzo Avenue, Felton Empire Grade, Felton Grove, and El Solyo Heights)
4. Mañana Woods Systems (Cuesta Drive, El Sereño Drive, Miraflores Drive, and Canepa Drive)

SLVWD owns approximately 2,000 acres of land in the San Lorenzo River Watershed, which supplies surface and groundwater to the District's customers. Its watershed land is in four separate acreages: Olympia Watershed, Fall Creek, Zayante Creek, and Ben Lomond Mountain. The Olympia Watershed Management Plan has been completed. Management plans are planned for the Fall Creek, the Zayante Creek, and the Ben Lomond Mountain properties.<sup>[1]</sup> The primary purpose of a watershed management plan is to guide watershed coordinators, resource managers, policy makers, and community organizations to restore and protect the quality of lakes, rivers, streams, and wetlands in a given watershed. The plan is intended to be a practical tool with specific recommendations on practices to improve and sustain water quality.

With an intertie between SLVWD and the Scotts Valley Water District (SVWD), water can be moved between districts as needed. The water is not given away but is sold. In addition, with a North-South intertie the District can transfer water between the two systems without relying on additional water from the SVWD.<sup>[1]</sup>

## Appendix B

### SLVWD Capital Improvement Program Category A Projects<sup>(1)</sup>

<i>Project Title</i>	<i>Estimated Cost</i>
New Probation Groundwater Well	\$350,000
Nina Water Storage Tank	\$275,000
Quail Hollow Groundwater Well	\$325,000
North System-South System Intertie	\$2,800,000
Loch Lomond Water Supply	\$1,950,000
Administrative Campus	\$5,500,000
Probation Water Storage Tank	\$1,100,000
Bull Spring Intake Transmission Line	\$500,000
Lyon Zone Water Distribution System	\$750,000
Quail Hollow Water Distribution System	\$2,400,000
Felton System Intertie	\$325,000
Riverside Grove Water Storage Tank	\$285,000
Brookdale Water Storage Tank	\$400,000
Bear Creek Estates Water Storage Tank	\$125,000
SUBTOTAL CATEGORY A	\$17,085,000



**SLVWD Capital Improvement Program Category B Projects**

<b><i>Project Title</i></b>	<b><i>Estimated Cost</i></b>
Bar King Road Water Distribution System	\$200,000
Swim Water Storage Tank	\$250,000
Sequoia Ave. Water Distribution System	\$100,000
Hillside Drive Water Distribution System	\$300,000
Hihn Road Water Distribution System	\$140,000
Irwin Booster Pump Station	\$50,000
Echo Water Storage Tanks	\$250,000
Fall Creek Diversion Facility	\$150,000
Buena Vista Water Distribution System	\$210,000
Firehouse Booster Pump Station	\$50,000
Lockwood Ln Water Distribution System	\$70,000
Felton Acres Water Storage Tank and Booster Pump	\$150,000
Pine Water Storage Tank	\$250,000
El Solyo Water Storage tank	\$250,000
El Solyo Booster Pump Station	\$75,000
McCloud Water Storage Tank	\$250,000
Blair Water Storage Tank	\$250,000
SUBTOTAL CATEGORY B	\$2,995,000

**SLVWD Capital Improvement Program Category C Projects**

<b><i>Project Title</i></b>	<b><i>Estimated Cost</i></b>
Fairview Booster Pump Station	\$150,000
Whitter/Manzanita Water Distribution System	\$300,000
El Solyo Avenue Water Distribution	\$160,000
Riverside Grove Booster Pump Station	\$75,000
King's Creek Rd Water Distribution System	\$365,000
Two Bar Road Water Distribution System	\$525,000
Larita/Elena Dr Water Distribution System	\$400,000
Band Road Water Distribution System	\$225,000
Riverside Ave Water Distribution System	\$625,000
Scene Road Water Distribution System	\$365,000
Ridge Drive Water Distribution System	\$175,000
Eckely Booster Pump Station	\$75,000
Bear Creek Estates Booster Pump Station	\$75,000
Riverview Drive Water Distribution System	\$210,000
Juanita Woods Water Distribution System	\$420,000
West Park Water Distribution System	\$385,000
Railroad Ave. Water Distribution System	\$370,000
Lorenzo Ave. Water Distribution System	\$385,000
Kipling Ave. Water Distribution System	\$140,000
Sunnycroft Rd Water Distribution System	\$150,000
Brackney Road Water Distribution System	\$215,000
Upper Big Basin Way Water Distribution System	\$975,000
Arden Avenue Water Distribution System	\$260,000

Blue Ridge Dr Water Distribution System	\$350,000
SUBTOTAL CATEGORY C	\$7,375,000

## Appendix C

### The Brown Act

Public bodies covered under the Brown Act include:

- “Legislative bodies” include governing bodies and their subsidiary bodies, e.g., board commissions, committees, or other bodies of a local agency that are created by charter, ordinance, resolution or “formal action” of a legislative body. This applies regardless of “temporary v. permanent”, and “advisory v. decision making.” There is a specific exception for “non-standing” advisory committees that are composed of less than a quorum of the legislative body. Standing committees are those whose meeting schedule is fixed by resolution or action of the body that created the committee.
- “Local agencies” include cities, counties, school districts, special districts, and municipal corporations.
- A meeting is defined as any congregation of a majority of the members of legislative body at the same place to hear, discuss or deliberate on any matter within its jurisdiction. This can include lunches, social gatherings, or board retreats. If a legislative body designates less than a quorum of its members to meet with another body to exchange information, a separate body is not formed. However, if less than a quorum meets with another agency to perform a task, e.g., make a recommendation, a separate legislative body is formed.

Notice and Agenda requirements of the Brown Act stipulate regular meetings are those whose time and place is set by ordinance, bylaw or resolution (policy and procedure) at least 72 hours prior to the meeting. The agency must post an agenda containing a brief general description (generally no longer than 20 words) of each action or discussion item to be considered, including items to be considered at closed sessions. The purpose is to notify members of the public of items in which they may wish to participate. Special meetings require 24 hours’ notice. No business may be considered except that for which the meeting was called. Emergency meetings (crippling disasters, strikes, public health and/or safety threats) may be called on one hour notice, determined by a majority of the body; no closed session is permitted. Closed sessions require three types of notice: 1) a listing in the agenda; 2) a pre-closed session announcement; and 3) a post-closed session report of action taken. [\[11\]](#)

# **Desalination and Alternatives**

## Water for a Thirsty County

2013-2014 Santa Cruz County Grand Jury

June 2014

## **Summary**

Water is one of the most important resources for life. Much of Santa Cruz County receives its drinking water from groundwater sources (underground aquifers). Wells pump water from the aquifers to be treated and sent to our homes and businesses. In the coastal areas from Live Oak to the Pajaro Valley, many of the aquifers are already contaminated or in danger of contamination due to saltwater intrusion caused by over-pumping. There are many different ways to protect our aquifers from this environmental disaster. One way is to work with local agencies to come up with a regional plan to halt the intrusion where it has already occurred and to protect those aquifers yet to be tainted.

The City of Santa Cruz Water Department (SCWD) and Soquel Creek Water District (SqCWD) entered into a plan to do this through the construction of a regional seawater desalination plant. However, after several years of planning and studies, the Santa Cruz City Council put a halt to the project just a year before public vote due to strong and vocal opposition from a number of residents. This decision left SqCWD without a supplemental water supply and the City of Santa Cruz more vulnerable to future droughts. Additionally, the tabling of the desalination plant forces a restart of the process, since both agencies must now spend more than a year reevaluating projects either related to the desalination or that were originally eliminated from consideration seven years ago.

SqCWD is currently finishing work on its preliminary study of alternatives, while the City of Santa Cruz is only beginning the process of re-examining its alternatives. When time for project planning, environmental studies, and construction are factored in, there could be three to ten years or more of damage to the aquifer before a supplemental supply is in place. This leaves residents of the county both vulnerable to drought and in danger of having their underground water sources contaminated by seawater. It could take three to ten years to work out a reliable water source plan and get it up and running.

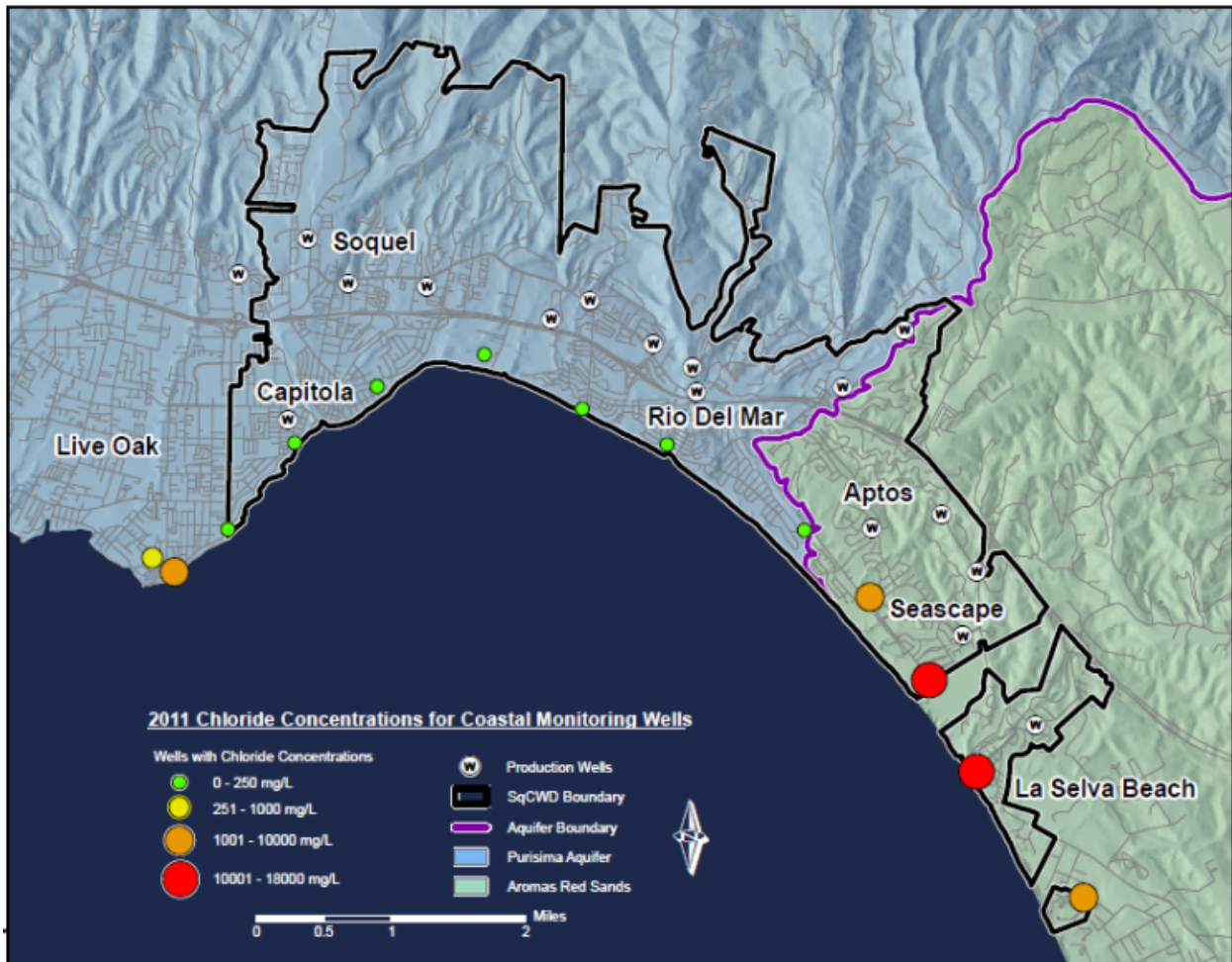
The Grand Jury examined the issues facing both SCWD and SqCWD as they attempt to manage their local water supply problems. Additionally, we examined the prospective plans for the regional desalination project as well as other alternatives being considered.

## **Background**

### **Soquel Creek Water District**

Soquel Creek Water District supplies water to the City of Capitola and the unincorporated areas of Aptos, Soquel, Rio del Mar, Opal Cliffs, Seascape, La Selva Beach, and portions of Live Oak. SqCWD obtains all of its water from groundwater sources in the Purisima and Aromas Red Sands aquifers. Portions of the Aromas Red Sands aquifer have been experiencing active saltwater intrusion for decades.

## Soquel Creek Water District service area<sup>[1]</sup>



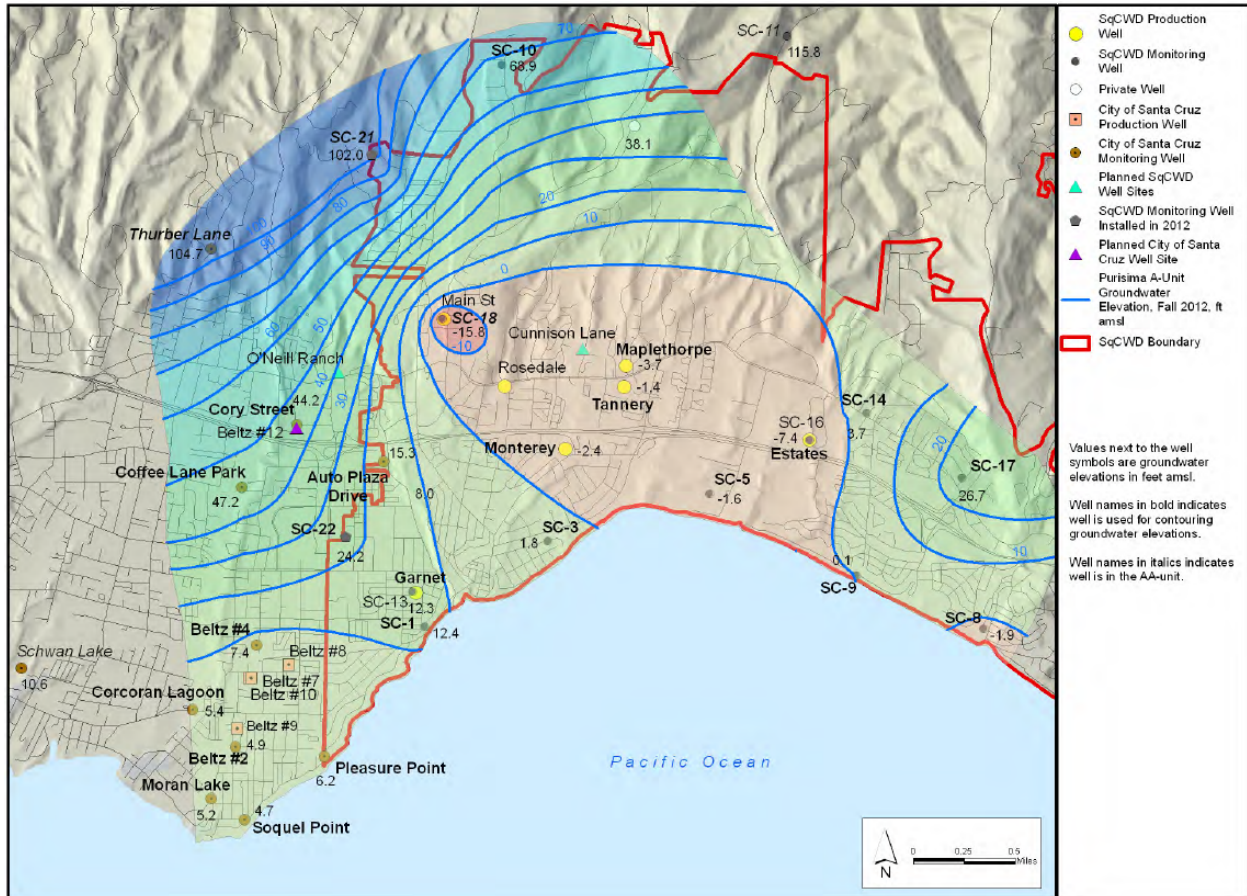
Due to overuse, the aquifers that supply water to the Soquel Creek Water District (SqCWD) are in imminent danger of saltwater intrusion. Maps from Basin Implementation Group (BIG) reports between 2007 and 2012 show wide fluctuations in aquifer levels in the Purisima basin. Purisima is one of the two aquifers from which SqCWD draws water. These fluctuations show low groundwater levels near major production wells, and especially near the coastline. These coastal groundwater levels need to be above sea level to prevent the seawater from pushing into the aquifer. In the fall of 2007, SqCWD production wells located less than half a mile north of Highway 1 reported water levels of 20 feet below sea level, with one portion in the 30 feet below sea level range. Water levels along the majority of the Purisima's coastline were also reported as being below sea level. Currently, the majority of SqCWD's portion of the Purisima aquifer is below the level needed to protect against saltwater intrusion.

SqCWD has moved its pumping further inland and is using the wells near the coast mainly for monitoring salinity. However, this relocation alone is not enough. Because the low groundwater levels are so close to our shoreline, once saltwater breaches the coastline it



will flood a major portion of the aquifer. And once saltwater has contaminated a well, it can no longer be used to produce drinking water. This issue is further compounded by climate change and the prediction of rising sea levels, which will require even higher groundwater levels to maintain adequate protection.

### Groundwater Elevation Contours, Purisima Aquifer, Fall 2012<sup>[1]</sup>



Note: Areas in red represent groundwater levels below sea level.

### Santa Cruz

The City of Santa Cruz Water Department’s (SCWD) service area covers the coastline from 41st Avenue to Davenport. The majority of the water supplied by the City of Santa Cruz Water Department (SCWD) comes from surface water (streams and rivers), with a small number of wells servicing customers in portions of Live Oak. The City of Santa Cruz also stores water in Loch Lomond Reservoir. During drought years the City’s water supply is at risk due to high dependency upon flowing sources which dry up. The City’s monitoring wells near Pleasure Point have already begun to show signs of saltwater intrusion.

In 2007 SCWD and SqCWD entered into negotiations to form the Santa Cruz Water Department and Soquel Creek Water District Regional Seawater Desalination Project (scwd<sup>2</sup>). Its goal was to plan, construct, and operate a regional desalination plant located



within the City of Santa Cruz. This was done in an effort to decrease the amount of water drawn from wells, and to provide water to the City during drought years,

During the summer of 2013, the City of Santa Cruz tabled plans for building the desalination plant and finalizing the project's Environmental Impact Report (EIR), as a result of public outcry from a number of citizens. Without an added water source SCWD will be in jeopardy during drought years, and both SCWD and SqCWD risk contaminating their shared aquifer with saltwater.

The Grand Jury examined supplemental water sources for residents and businesses in SqCWD. It also examined options to supply water to the City of Santa Cruz during droughts.

## **Scope**

In evaluating the issues facing SCWD and SqCWD, the Grand Jury gathered data on alternatives. We met with staff and representatives of SCWD, SqCWD, and the County of Santa Cruz. We also spoke with field experts and local opposition groups to hear what is currently being done to address the water issues. In addition, we sought to find relative time frames for solutions to be implemented, and when possible, the ability of proposed solutions to remedy the overall problem.

Our main questions were:

- What are the main threats to our water supplies?
- What are the options to protect and preserve our local water supply?
- What options are currently being pursued?
- When can the relevant parties begin work on these options?
- When will the solutions be in place?

## **Investigation**

### **Soquel Creek Water District**

Although the word "creek" appears in the name of the water district, SqCWD is entirely reliant upon groundwater sources from the Purisima and Aromas Red Sands aquifers. There is no surface water source supplying water to the District, and it does not have water rights to any streams, rivers, or lakes within its service area. SqCWD shares the Aromas Red Sands aquifer with the Pajaro Valley Water Management Agency (PVWMA), Central Water District, and with private pumpers throughout the district's boundaries. SqCWD shares the Purisima aquifer with Central Water District, SCWD, and private pumpers. SqCWD is responsible for roughly 50% of the well pumping that occurs within its boundaries. The rest of the pumping is beyond SqCWD's control.

For the past 30 years more water has been pumped from the aquifers supplying SqCWD than has been recharged back into the aquifer. As a consequence, water levels in portions of the Purisima aquifer are approaching 16 ft below sea level.<sup>[1]</sup> Additionally, as of October 2013, SCWD monitoring wells on the coast have begun to show increased levels of chlorides, which indicates the start of saltwater intrusion.

SqCWD contracts with an outside firm, Hydrometrics Water Resources Inc. (Hydrometrics), to analyze and assess SqCWD's aquifers. Hydrometrics estimates that the total sustainable yield from SqCWD's portion of the aquifers is 4,200 acre feet per year. Prior to 2009, the district had exceeded this number, pumping between 4,800 and 6,000 acre feet per year, resulting in a substantial deficit in the aquifer. Currently SqCWD is pumping water from its aquifers at 4,000-4,400 acre feet per year. At current pumping rates it is impossible for groundwater to rise to a level that would prevent seawater intrusion. Hydrometrics estimates that SqCWD would need to reduce pumping to 2,900 acre feet per year (a decrease of 28-35%) for a period of 20 years to replenish the aquifer.

When the district became aware of the severity of the problem, it began to look for and evaluate supplemental water supplies. In an effort to mitigate impact from development, until a secondary water source was secured, SqCWD instituted a Water Demand Offset (WDO) program. This program required conservation measures to offset 120% of projected water use for new developments. In many cases, developers achieved the offset by funding the replacement of inefficient fixtures with high efficiency ones, or by replacing lawns with artificial turf. These offsets could be done anywhere within SqCWD's service area and were not limited to the projects being developed. In 2013, SqCWD increased the offset to 200%. During the last 10 years, 33,000 toilets have been replaced within the boundaries of SqCWD. Now, less than 10% of toilets in SqCWD are high flow. SqCWD ratepayers are in one of the top tiers of conservation in the state (9%), using 118 gallons per capita per day (0.132 acre feet per capita per year).

The purpose of the WDO program and conservation measures is to allow time to develop an adequate supplemental water supply. Due to the Santa Cruz City Council tabling the scwd<sup>2</sup> desalination plant, which had been projected to start service around 2016, the WDO program is under pressure. With no supplemental supply on the horizon there are questions about how long new development can be allowed to continue. This has led to portions of the community pressuring the Board of Directors to issue a moratorium on new hook-ups until there is a plan to replenish the aquifer.

Unfortunately, any reductions in use mandated by SqCWD do not apply to the private pumpers or other water agencies that share the aquifer. Additionally, private pumpers within the SqCWD's boundaries do not assist in the costs of research or development of a secondary supply. There are also no limits to how much water private pumpers can take from the aquifer.

In drought years, the rate at which the aquifer is recharged is reduced. Yet even during periods of intense storms much of the rainwater is not able to be absorbed into the ground and is lost as it flows to the ocean. Since current predictions are that climate change will increase the frequency of droughts and the intensity of winter storms groundwater recharge could be reduced even further over the next 50 to 100 years. SqCWD staff stated that climate change could slow recharge by as much as 30%.

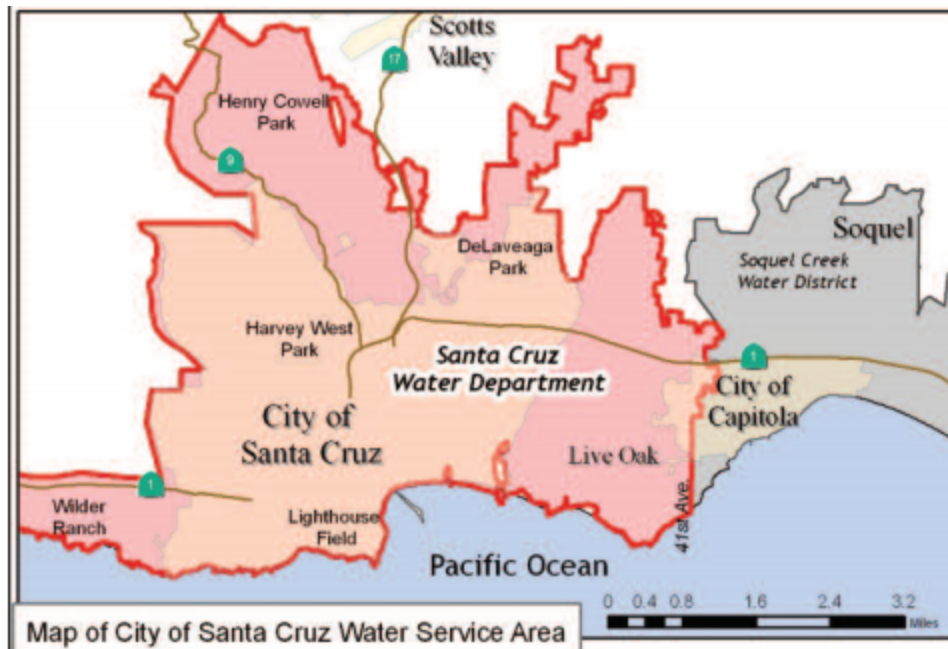
SqCWD is preparing to spend upwards of \$115 million on projects to prevent saltwater intrusion into its aquifers. These projects include the scwd<sup>2</sup> desalination plant, DeepWater Desalination (DWD), Waste Water Recycling (Recycling), District-only desalination,

Regional Water Transfers, forming a Replenishment District, and Mandatory Rationing.

During our investigation, SqCWD began to re-evaluate the various supplemental sources available. In an effort to increase public awareness of its dire situation, a series of Board meetings were recorded and broadcast on local television and the Internet. The results of the re-examination process were expected for the June 2014 Board meeting.

### **City of Santa Cruz Water Department**

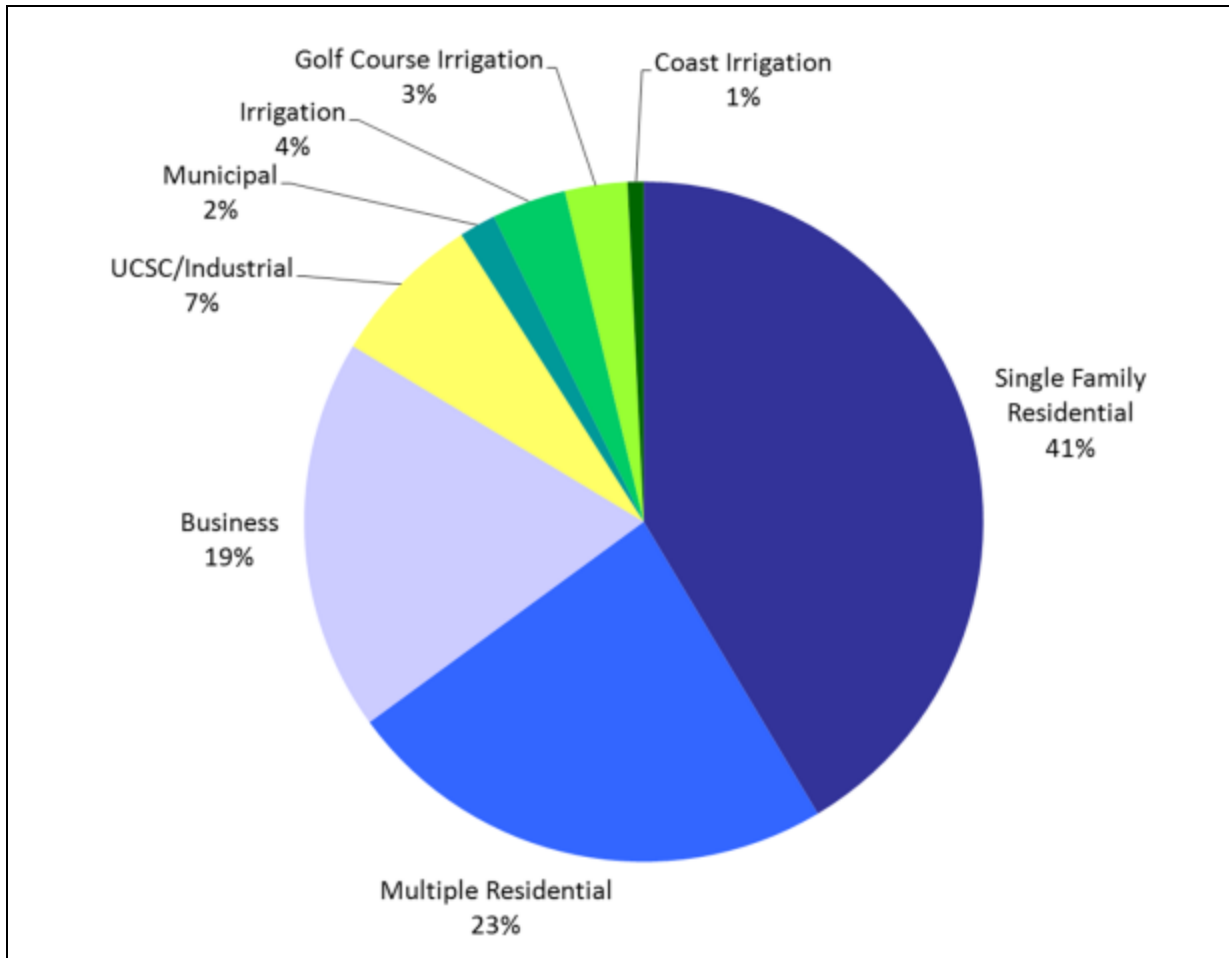
The City of Santa Cruz receives 95% of its water from flowing sources, such as the San Lorenzo River and north coast streams. An additional 5% comes from wells located largely in the western portion of Live Oak serviced by SCWD. Additionally, the City has up to 8,991 acre feet<sup>[2]</sup> of water storage in Loch Lomond Reservoir to supplement supply when water cannot be drawn from the rivers.



During years with reduced rainfall, SCWD must pull water from Loch Lomond. When below average rainfall continues for multiple years, storage in Loch Lomond drops. At the end of 2013, Loch Lomond was only two-thirds full, its lowest point in 16 years.<sup>[3]</sup> During drought years, SCWD cannot both meet water demand and simultaneously replenish its water storage. This places its water supply and storage in jeopardy.

In March of 2013, SCWD began updating its Water Conservation Master Plan. SCWD is analyzing its current conservation achievements and evaluating future water conservation options. On 3/4/14, SCWD presented results of this analysis to the Santa Cruz City Water Commission, a body that advises the City Council on water issues. Water use in the City of Santa Cruz is 113 gallons per capita per day (0.126 acre feet per capita per year), placing it in the top 7% of conservation among California urban water agencies.

### SCWD Use by Customer Category<sup>[4]</sup>



One of the concerns voiced by residents is the increase in enrollment at UCSC. The above chart lists University of California Santa Cruz (UCSC)/Industrial accounting for 7% of water use. Through interviews with officials, we were informed that after the company Texas Instruments left Santa Cruz, UCSC became the single largest water use customer in the city, using 5% of the City's water supply. While UCSC enrollment has doubled over the last 14 years, its daily average water use per student has decreased, going from 210 gallons (0.235 acre feet per student per year) in 1997 to 164 (0.183 acre feet per student per year) in 2012. Current plans for University growth include water negotiations with the City.

With the desalination project on hold, SCWD does not currently have a long term solution to address its water shortfall in drought years. To help look into long term options, the Santa Cruz City Council created a fourteen member Water Supply Advisory Committee in October 2013. The committee will be counseled by Public Policy Collaboration, which will be paid an estimated \$280,000 from the money set aside for the scwd<sup>2</sup> desalination project.<sup>[5]</sup>

## **Desalination**

The process of converting seawater to drinking water is used successfully in many parts of the world, including California.<sup>[6][7][8]</sup> The desalination process examined by scwd<sup>2</sup> planned to use reverse osmosis technology for the creation of a local supplemental water supply. In the scwd<sup>2</sup> draft Environmental Impact Report (dEIR), alternatives to desalination were also studied. However, criteria used for the selection of supplemental water sources<sup>[9]</sup> led to community as well as State and Federal agency criticism that many alternatives were not recommended or not adequately addressed.

The dEIR looked at several potential desalination plant and pumping station locations on Santa Cruz's Westside near the present Waste Water Treatment Facility. This would allow for mixing of the brine from the desalination plant with the outflow from the Treatment Facility, making the water expelled into Monterey Bay closer to the salinity of seawater and saving the cost of building a separate outflow. Several different intake and pumping station location studies were also completed. The Grand Jury noted that while 18 of the 331 written comments on the dEIR were made by Federal, State, and local agencies, the majority came from residents in the vicinity of the proposed plant and pumping station locations.<sup>[10]</sup>

The desalination plant is designed to be modular, which gives it the ability to be expanded as needed due to population growth or increases in demand due to changes in climate, streamflow requirements, or groundwater needs. Since desalination and direct-to-potable (drinkable) treatment of waste water both use reverse osmosis, the dEIR discussed the potential for changing the desalination plant to a direct-to-potable recycling facility once it becomes feasible. The consultants on the dEIR even considered having a small demonstration of this recycling on the plant grounds to educate the public.

The proposed desalination plan calls for SqCWD to manage the plant for most of the year at less than full capacity. During this time the plant would send desalinated water into the SCWD distribution system, mainly going to the residents in the vicinity of the plant. SqCWD would receive an equal amount of treated surface water from SCWD via a proposed intertie at the boundary between the two agencies near 41st Avenue in Capitola. During summer months, or whenever a decreased stream flow necessitated a reduction in pumping from the river, SCWD would operate the desalination plant at mid to maximum capacity to meet its water need, and SqCWD would draw from its well system.

## **Opposition to scwd<sup>2</sup> Desalination**

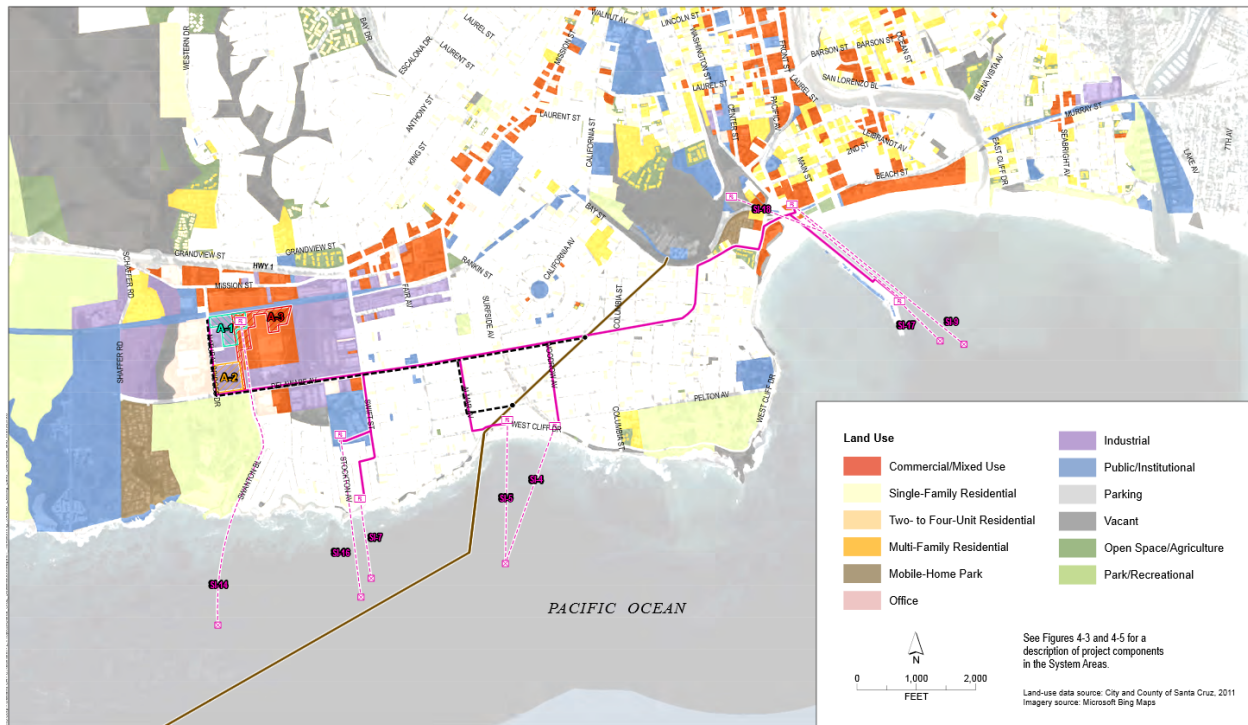
Opponents to the desalination plan cited several concerns during the development of the project.<sup>[11]</sup> One of the major concerns brought up by the community dealt with the large amounts of electricity needed to push seawater through filters and the cost of that electricity, in both dollars and carbon emissions. There were also misgivings regarding the impact on the life of aquatic invertebrates and fish larvae since any intake, no matter how well it is designed, leads to impingement and entrapment to some degree. Some residents expressed apprehension about safety of the desalinated water for drinking if chemicals or pollutants were not completely removed from the ocean-sourced water.

Portions of the community also felt that the project was being pushed forward despite opposition primarily to support growth in the County and that little attention was given to



alternatives that do not yield a secondary supply of water, such as conservation. Additionally, there were concerns by local residents regarding the location of pumping stations in their neighborhoods. Each of the eight proposed intake locations included a different route through pumping stations. The inclusion of all the potential intake and pumping station locations in maps led to confusion since some residents thought that because a location was being studied the station would be built there. The Grand Jury was told by multiple officials that the large number of intake and pumping station locations that were presented led to opposition by neighbors of each location, multiplying opposition to the overall project.

**Map of Proposed Intake, Pumping Station and Desalination Plant Locations<sup>9</sup>**



Officials from Santa Cruz City, County, and SqCWD mentioned that the failure of the desalination plan was partly due to an inadequate public information outreach to residents. The City did not address the various concerns of the citizens most directly affected by the proposed system. Multiple officials told the Grand Jury that the need for the project was not properly conveyed to the public. Additionally, one official noted, “Public outreach has not been done well. We butt heads behind the scenes. We need to reach out and talk to people, but the City [of Santa Cruz] says we need to be quiet and let it pass.”

In November of 2012, Measure P was passed by the citizens of the City of Santa Cruz. Measure P requires voter approval prior to the construction of a desalination plant within City limits. Such approval must occur during a general election year and only residents of the City of Santa Cruz may vote. The measure passed with a yes vote of 72%. This, combined with the number of negative public comments on the dEIR, led the City Council to

table discussions on finalizing the dEIR and pull the desalination plant proposal from the 2014 ballot. This has left the dEIR in an unfinalized state and leaves SqCWD ratepayers powerless to continue the cooperative scwd<sup>2</sup> Desalination plan.

The dEIR is based on older versions of SCWD and SqCWD resource plans, which predated recent information on climate change. Because of this, the dEIR does not account for recent climate change data and the projected impact on streamflow and groundwater recharge. Since desalination pulls water from the ocean it is not affected by drought or climate change. All other secondary supply options are susceptible to drought and/or climate change.

Every official we talked with recommended finalizing the EIR. SCWD and SqCWD are not bound by the recommendations of the EIR; they can choose or reject any or all options of the projects listed. Also, some of the projects and studies in the dEIR cannot be implemented or used until the EIR is finalized and approved. If the EIR is finalized, portions of it can be used in the construction of an independent desalination plant. This would allow for some savings in the development and planning process.

Of all the options explored in the dEIR and presented to SCWD and SqCWD, the scwd<sup>2</sup> desalination plan is the only option that by itself can meet the criteria to provide water to SCWD during a drought as well as allow SqCWD to rest its wells to recharge the aquifers.

### **DeepWater Desalination**

DeepWater Desalination (DWD) is a project to run a regional desalination plant in Moss Landing. The proposed intake would be located 1.5 miles offshore. This project relies on the success of the Central Coast Regional Water Project (CCRWP) in establishing multiple private business ventures to use its cold seawater in their commercial plans. The warmed seawater will then be sent to the desalination plant. CCRWP will own both the intake and outflow that will service the proposed desalination plant.

Positive aspects of an intake/outflow in deep water include the fact that fewer organisms live in the deeper water, leading to a smaller impact on aquatic life. Preliminary studies conducted by Tenera Environmental<sup>[12]</sup> suggest an insignificant impact on larval fish. Additional studies by Monterey Bay Aquarium Research Institute and Moss Landing Marine Laboratories show low turbidity in the water due to its depth and distance from shore. The depth of the outflow produces a positively buoyant plume, resulting in less impact on aquatic life at that depth.

While CCRWP will own the intake and outflow and operate a heat exchange unit in the vicinity of the desalination plant, the plant will not be run by CCRWP. Instead, a Joint Powers Authority (JPA) will be formed to operate the desalination plant. This JPA will be comprised of the agencies being supplied with water from the plant. One key criticism of DWD is that it relies on a business venture with the ownership of the intake/outflow in the hands of CCRWP. If CCRWP should become insolvent there are no measures currently in place to ensure that the JPA retains affordable access to the intake/outflow and gets electricity at an affordable rate. These concerns were brought up by SqCWD staff during a public board meeting on 10/15/13.

The largest cost of desalination is electricity. Through a deal with the City of Salinas, which

will establish a municipal electric utility, the JPA will get power at a reduced rate for the proposed desalination plant. The Salinas Municipal Utility will also work with CCRWP to supply power to a proposed data center that will be constructed near the DWD site. Parts of this plan are modeled on the City of Santa Clara's Municipal Utility agreement to supply power to Silicon Valley data centers. By pumping in very cold seawater from the deeper portions of the Monterey Bay, CCWRP can dramatically cut power costs for the data centers. Normal data centers use two to three times the power for cooling than a deep water cooled data center. As an example, in Finland Google uses deep water to cool its European data center. Salinas will buy power wholesale and sell it to both the desalination plant and the data center. Reduced power costs from Salinas and the use of a heat exchanger for cooling result in cheap energy and warmed seawater, lowering DWD's water production cost.

A major problem is that there is currently no pipeline between SqCWD and Moss Landing. One proposal would be to build the pipeline along existing rail lines at an estimated cost of \$1 million per mile, not including easements. When discussing the pipeline, representatives of SqCWD mentioned that they could design the pipeline so it could be used by other agencies, such as SCWD and Scotts Valley Water Department (SVWD).

A second problem for the proposed DWD plan is as follows. Phase 1 of development would produce 10,000 acre feet of water per year, while phase 2 would produce 25,000 acre feet per year. DWD predicts that Salinas will need at least 10,000 acre feet per year in order to get a reasonable return for contributing the electricity to the project. This is the total amount of water produced in phase 1. It is unlikely that all of phase 1 output would be allocated to Salinas. With expansion to 25,000 acre feet per year in phase 2, if Salinas receives the full 10,000 they expect, only 15,000 acre feet per year would be available for the remaining agencies. There are several agencies from Monterey, Santa Cruz and San Benito Counties evaluating this water source.

Project developers believe they can start producing water by 2016. However, there is little evidence that this schedule can be reached, as the project's EIR has not yet been completed, nor has the Joint Powers Authority (JPA) been formed to run the desalination plant.

### **Regional Water Transfers**

Santa Cruz County has been updating the Integrated Regional Water Management (IRWM) program, a framework for local stakeholders to manage the region's water-related resources. IRWM is evaluating regional water transfers. This plan would take excess water from the Tait Street diversion of the San Lorenzo River between November and April. The water would be treated and distributed to nearby groundwater agencies, allowing them to rest their wells for a portion of the year. In return, Scotts Valley Water District (SVWD) and SqCWD would increase pumping during drought periods and send the water to SCWD. The amount of water returned to SCWD would require negotiations between the agencies to insure that aquifers are properly recharged in order to hold off saltwater intrusion and other effects of overdraft.

Currently, during periods of high water flow from winter storms, turbidity in the water forces



SCWD to halt water production at Tait Street and pull water from other sources. To overcome this problem, the County has discussed upgrades to the intake and pre-treatment facilities at Tait Street, allowing the more turbid water to be used (Diversion). Additionally, the County has looked into upgrading the Graham Hill Water Treatment Plant (GHWTP). These improvements are expensive, but would increase the amount of water available to SVWD and SqCWD from SCWD during periods of high turbidity. The following information covers water delivery from SCWD to SqCWD and SVWD.

**Infrastructure Upgrades and Costs<sup>[13]</sup>**

- Intertie to SLVWD/SVWD (1-2 mgd ) \$5.8 M
- Intertie to SqCWD (1.5-3.5 mgd) \$18.5 M
- Tait Division Works Upgrades (7.8 mgd) \$2.8 M
- Tait Expansion (to 14 mgd) \$5.9 M
- Treatment Plant Upgrades (to 16 mgd) \$55.7 M
- Diversion of Increased Turbidity Water \$1.1 M
- Operating Costs: \$147-715 K/yr

*Note: The cost of pump stations and additional wells to deliver water back to SCWD during drought years has yet to be presented. M = Million, K = Thousand, mgd = million gallons per day.*

**Regional Water Transfer Project Phases<sup>[13]</sup>**

	<b><i>Project (deliveries to SVWD and returns to SCWD not shown)</i></b>	<b><i>SqCWD Yield (af/y)</i></b>	<b><i>Total Potential Yield</i></b>	<b><i>Capital Cost</i></b>
<b>1</b>	New Interties (Existing Rights)	120	445	\$27 M
<b>2</b>	Increase GHWTP capacity from 10 mgd to 16 mgd	292	623	\$78 M
<b>3</b>	Increase GHWTP capacity and Tait capacity from 7.8 to 14 mgd	1,022	1,495	\$91 M
<b>4</b>	Increase GHWTP capacity and turbidity treatment from 15 to 200 NTU (7.8 mgd)	417	798	\$86 M
<b>5</b>	Increase GHWTP capacity, increase Tait Street capacity, increase turbidity treatment	1,178	1,712	\$92 M

\* Acre feet per year (af/y), Nephelometric Turbidity Units (NTU), million gallons per day (mgd).

To complete one of these projects, both SVWD and SqCWD must request water rights on the San Lorenzo River. This is a complicated process involving the California Environmental Quality Act (CEQA), California Department of Fish and Wildlife (CDFW), and the National Oceanographic and Atmospheric Administration (NOAA). Depending on the environmental studies, and on satisfaction of the requirements of the agencies dealing with streamflow and fisheries, granting of new water rights can take upwards of 10-20 years. Some County officials hope that previous studies of the Tait Street diversion could expedite the approval process. The state will not approve new water rights without compliance with CEQA, and the consent of CDFW and NOAA. The outcome of the above water rights approval process is unknown at this time. In the meantime, SVWD and SqCWD could apply for short term or emergency water rights to allow for some access to the water. All this would have to be done without jeopardizing SCWD's existing water rights.

**Recycled Water**

The City of Santa Cruz Waste Water Treatment Facility (SCWT) discharges more than twice as much water as SqCWD uses each year. All sewage within SqCWD and SCWD service areas is handled by onsite septic systems or processed at the SCWT. SCWT treats the water to secondary levels (not safe for reuse), then discharges it into the ocean. The facility currently discharges 9,415 acre feet per year.<sup>[14]</sup>

In order to recycle water for use in agriculture, extra treatment is required. Currently state law does not allow for recycled water, regardless of treatment level, to be used as drinking water. Also, due to another state law, any application of recycled water requires separate pipes to transport the water to locations where it will be used. The cities of Scotts Valley

and Watsonville both use recycled water for irrigation.

SCWD uses over 8% of its drinking water for irrigation. SqCWD uses 11%-12% of its drinking water for irrigation. When the Grand Jury asked officials from SCWD and SqCWD about using recycled water exclusively for irrigation, they said they did not feel that the cost of building a plant to treat water to irrigation levels, and adding infrastructure to deliver the water for landscaping use, would be a wise fiscal choice. Additionally, since the largest irrigation users in SqCWD are private pumpers, there is no financial incentive for them to switch to recycled water for irrigation, only the incentive to do the right thing.

Construction of a reverse osmosis treatment facility would allow for expanded uses of recycled water. This more highly treated water can be used in natural recharge areas to form percolation ponds where the water filters into the aquifer. It can also be injected into the aquifer along the coast to help raise groundwater levels and create a barrier against saltwater intrusion. This would provide some direct recharge to the basin, but due to the close proximity to the ocean, only a portion of the injected water would be retained in the aquifer. Much of the injected water would diffuse toward the ocean. Another option is to inject the recycled water farther inland in an effort to recharge the aquifer.

Desalination typically uses twice as much electricity as recycled water uses for groundwater recharge because of the colder temperature of the seawater. This leads to production cost estimates of \$1,500-\$2,000 per acre foot for recycled water used in groundwater recharge versus \$2,500 per acre foot for desalination.

There are potential problems with all groundwater injection methods. The Department of Public Health sets “travel time” for recycled water injected into the ground. This is the time it takes for the injected water to travel through the aquifer to the closest production well. This can vary from 2 to 6 months<sup>[15]</sup> and can only be done if there are no active or potential wells in the vicinity of the injection site. Given the large number of district and private wells currently in use, it is difficult to find a satisfactory location for injection. Since there is no current groundwater model of the Purisima basin there is no accurate way to project the impact of a given injection method.

Recycled water can also be used to augment streamflow or reservoir storage. However, due to high levels of nitrates from various sources present in the San Lorenzo watershed,<sup>[16]</sup> this is unlikely to be useful for the San Lorenzo River or Loch Lomond Reservoir.

Potential changes in state law over the next two to eight years could open up the possibility of recycling water directly into drinkable water by using tertiary or higher level treatment. This would allow the over 9,000 acre feet of wastewater from the SCWT to be treated and used to augment the current water supply. The greatest barrier to potable reuse is perception, not technology. Public perception of “drinking toilet water” is a factor that would need to be overcome to move forward with direct-to-potable reuse.

In February of 2014, Kennedy/Jenks, a water engineering firm, presented a study of recycled water uses to the SqCWD Board. This study included plans for piping treated water from the SCWT to a recycled water treatment plant in mid-County. From there, it would be piped to irrigation sites and to injection wells. The Board elected to have options

2 and 3 (see below) researched and presented in June 2014. Additionally, the Board elected to continue examining direct-to-potable reuse.

**Recycling Plans Presented to SqCWD Board on 2/4/14<sup>17</sup>**

<b>Alt</b>	<b>Description</b>	<b>Average Annual Recycled Water (AFY)</b>	<b>Potential Supplemental Supply (AFY)</b>	<b>Conceptual Capital Cost (mil \$)</b>	<b>Project Annualized Unit Cost (\$/AF)</b>
<b>1a</b>	Centralized Recycled Water for Irrigation in SqCWD	510	510	\$68	\$8,600
<b>1b</b>	Decentralized Recycled Water for Irrigation in SqCWD	315	315	\$30	\$6,500
<b>2</b>	Recycled Water for Seawater Intrusion Barrier and Irrigation in SqCWD	4,000	1,030	\$154	\$9,700
<b>3</b>	Recycled Water for GW Replenishment and Irrigation in SqCWD	2,800	2,230	\$134	\$4,000
<b>4</b>	Recycled Water for GW Replenishment, Seawater Intrusion Barrier and Irrigation in SqCWD	6,200	2,750	\$190	\$4,600

\* AFY = Acre feet per year, AF = Acre feet, GW = Groundwater

In the past, SqCWD studied the impact of a satellite recycling plant on Seascope Golf Course. In this scenario, the District could send recycled water to the golf course in exchange for Seascope reducing its pumping from the aquifer. However, since Seascope is not a part of SqCWD, there is no financial incentive for it to contribute to the cost of the project. Currently, SCWD, the Pasatiempo Golf Course, and the City of Scotts Valley are working on a deal to bring excess recycled water from Scotts Valley to the Pasatiempo course in exchange for SCWD sending drinking water to Scotts Valley.

With the SCWT being operated by the City of Santa Cruz, any plans that SqCWD might have for using recycled water depend on a partnership with the city. There is a limited amount of wastewater available, and if the city moves forward with recycling on its own, there could be little to no wastewater for SqCWD. During our investigation, no representatives from the City or SqCWD mentioned plans for a regional wastewater recycling plant.

## **Individualized Desalination (District-only Desalination)**

While SCWD cannot construct a desalination plant of its own without a “yes” vote from the citizens of Santa Cruz, SqCWD is able to construct its own desalination plant. This issue is addressed in the scwd<sup>2</sup> EIR.<sup>[18]</sup>

Due to the constraints of Measure P, a SqCWD desalination plant needs to be constructed on land outside the Santa Cruz City limits. Studies suggest that a District-only plant would require at least a two acre plot. Currently, SqCWD does not own a plot of land large enough to construct such a plant.

The scwd<sup>2</sup> intake studies had to contend with environmental issues from the sediments deposited by the San Lorenzo River. However, since SqCWD’s area of service is outside the sediment flow zone of the San Lorenzo River, it has several different options for intakes that were not possible with the scwd<sup>2</sup> plant. There are also potential amendments that could allow direct discharge of brine. Although legal in some situations, the direct discharge of brine can cause damage to aquatic life.

If secondary treated water is piped in from Santa Cruz there is the possibility for brine to be mixed with treated water and discharged at a normal salinity level. This would address some of the concerns regarding aquatic life. This would also allow the plant to be converted to a direct-to-potable recycling plant at a later date. Once again, SqCWD would depend on the availability of treated water from SCWT. If the City of Santa Cruz chose to create its own recycling or desalination plant this could limit the amount of treated water available to SqCWD.

The Integrated Resource Plan (IRP) projects that a district-only desalination plant is ten years from completion, if no studies carry over from the scwd<sup>2</sup> dEIR. Some issues from the scwd<sup>2</sup> dEIR require additional research, but consultants advise that no major faults exist. Finalization of the dEIR would require meeting with regulators, renegotiating the contract with URS Corporation (an engineering firm that was involved in the process), and addressing public comments to incorporate them into the EIR. The City’s original date to address public comments was 11/12/13, but due to the City Council’s decision to table the project and the EIR, it has been postponed indefinitely. Since the finalization process was placed on hold, there is nothing that SqCWD or SCWD can do to formally address the EIR. SqCWD is researching which portions of the dEIR can be applied to its District-only project.<sup>[19]</sup> The results of this research will have an impact on any cost projections and time table of the project. Current projections list the cost of the project between \$86.2 million and \$114 million. The low number is greater than SqCWD’s portion of the scwd<sup>2</sup> project; the high number is the full cost of the scwd<sup>2</sup> plant. These cost estimates are similar to SqCWD’s expenses for mandatory rationing.

## **Mandatory Rationing**

In the absence of a supplemental supply, SqCWD will be forced to enact its mandatory rationing plan. This entails mandating a drastic cut in water usage to all its ratepayers for over 20 years. Residential customers in the District use approximately 74 gallons per day per person (0.083 af/y per person). If mandatory rationing is in effect, water use would be reduced to 53 gallons per day per person (0.059 af/y per person), a reduction of 30%.

Currently, one third of the ratepayers in SqCWD use 53 gallons per day or less.

Mandatory rationing would be combined with a moratorium on new hookups. This would require SqCWD to cease granting “conditional will serve” letters for new development or remodels. This would hamper growth within the district’s boundaries and limit future County tax revenue.

Mandatory rationing will cost the district \$110 million to implement, taking away funds needed for a supplemental supply. Much of the cost of mandatory rationing is due to increases in conservation measures that the district will have to fund and install for the businesses in their jurisdiction, such as replacing all toilets and commercial fixtures with lower flow models. Also, additional staff hours will be needed to deal with these installations and the enforcement of water budgets, as well as likely litigation secondary to the higher rates. Water sale reductions of 30% will reduce SqCWD’s income by as much or more. This will force the district to almost double water rates, with sharp penalties for those exceeding rationing guidelines. This increase will have drastic effects on small businesses within the district. Commercial use accounts for approximately 5% of the District’s use.<sup>[20]</sup> In addition, mandatory rationing in SqCWD will likely have a negative impact on tourism throughout the County due to the effect increased water rates will have on vacation rental prices in SqCWD.

### **Replenishment District**

SqCWD is responsible for just over half of the water pumping in the Purisima basin, yet it is paying for more than half of the cost to research and develop methods to protect the aquifer from saltwater intrusion. Other County water districts and the City of Santa Cruz also assist in the research process designed to keep the shared groundwater source safe for all. Private pumpers and small water systems account for approximately 3,000 acre feet per year or 35% of the overall groundwater extractions within SqCWD’s boundaries. Private pumpers in the Purisima basin are not limited in the amount of water that they can pump, nor do they pay to assist in the development of any solution designed to protect the aquifer.

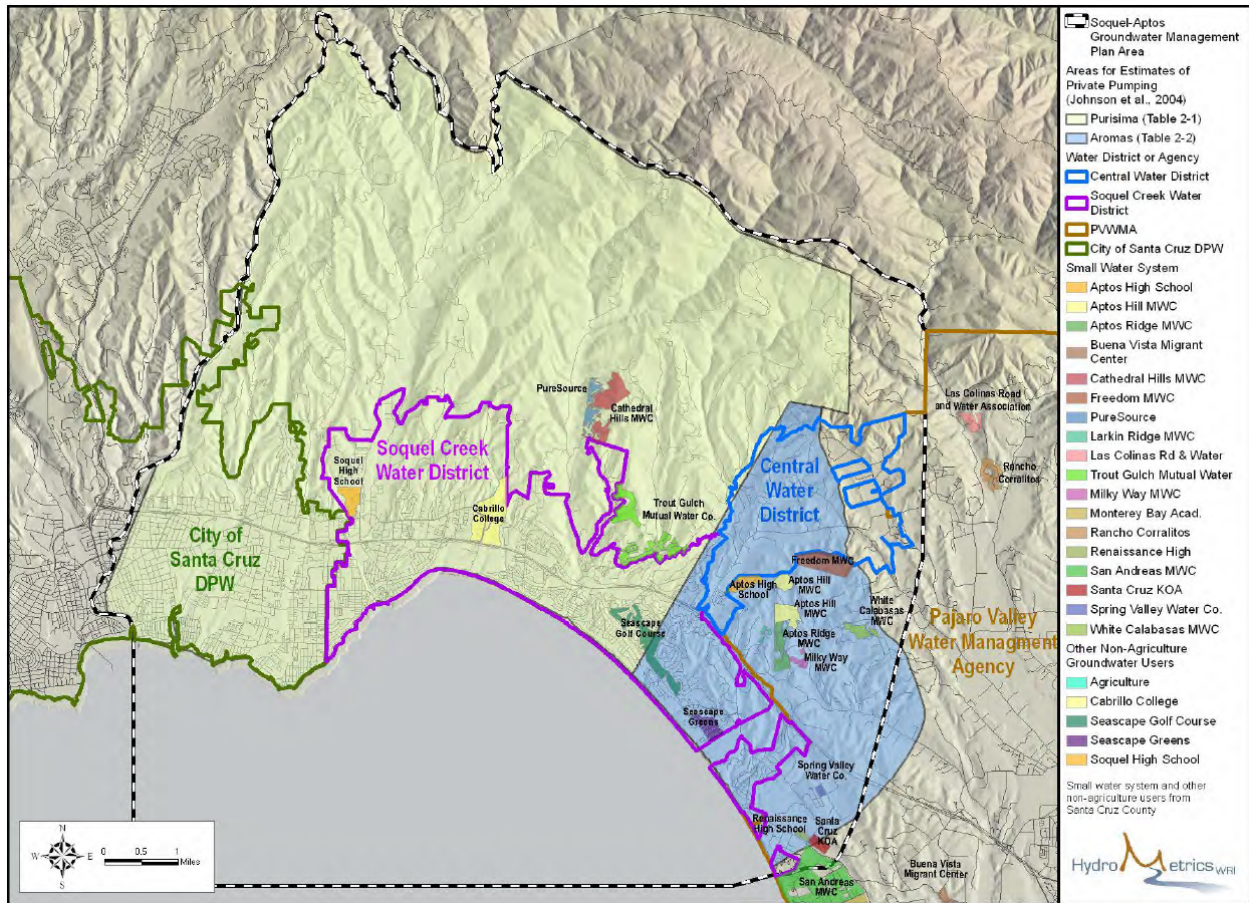
In 1996 SqCWD and Central Water District (CWD) formed the Basin Implementation Group (BIG) to manage the Purisima aquifer. This group is composed of representatives from the water agencies involved, and includes an at-large member who is typically associated with a smaller water system, such as a private pumper. During the course of the Grand Jury’s investigation, both CWD and SqCWD voted to invite SCWD and the County of Santa Cruz to join BIG.

A Replenishment District would allow for private pumpers to contribute to the protection of the aquifer. Under AB 3030<sup>[21]</sup> one of the powers provided to BIG with an approved and adopted groundwater management plan, is the establishment of a Replenishment District to raise revenue and pay for facilities to manage the basin. This could allow BIG to charge a groundwater management fee to private pumpers within its boundaries to help pay for the research and implementation of any plans to save the aquifer. Any fees assessed in this manner are obligated to go to basin-specific research and projects. Revenue obtained from the Replenishment District could be used on projects such as injecting recycled water



into the basin for a barrier or recharge.

**Map of Potential Groundwater Replenishment District Boundaries<sup>[22]</sup>**



Due to the inclusion of the County in BIG, any replenishment district established over the Purisima aquifer is able to extend to the full dimensions of the basin, not just the portions represented by SqCWD, CWD, and SCWD. Areas can only be included if the mapping of the groundwater basin demonstrates that the area contributes to the danger at hand and will be protected by actions taken. Currently there is no in-depth mapping of the Purisima basin.

**Findings**

- F1.** Both SCWD and SqCWD urgently need a supplemental water source.
- F2.** The longer SqCWD and SCWD wait to secure a viable alternative to the overdraft problem, the greater the danger of degradation and possible permanent loss of aquifers.
- F3.** The decision by the City of Santa Cruz to suspend participation in the scwd<sup>2</sup> desalination project forced SqCWD to re-start the planning process without a regional partner.
- F4.** The City of Santa Cruz did not adequately communicate the urgent need for a

supplemental water source to its ratepayers.

**F5.** The scwd<sup>2</sup> desalination plant is the only available single alternative that can address in a timely manner all of the supplemental water needs of SCWD and SqCWD, while at the same time being immune to climate change.

**F6.** The draft EIR must be finalized before the environmental studies and alternative projects included in it can be implemented.

**F7.** DeepWater and District-only desalination projects will face many obstacles, including completion of EIRs and securing local approval.

**F8.** The private company Central Coast Regional Water Project will have inordinate control over the water rates of the DeepWater Desalination project since it will control the intake pipe.

**F9.** Agencies that wait to buy into the DeepWater plant may be excluded because the limited amount of water produced may already be allocated.

**F10.** State water rights evaluations will delay the prospective start date of the Regional Water Transfer Project.

**F11.** Without modification, the SCWD Tait Street treatment facility is not large enough to accommodate the needs of the Regional Water Transfer Project.

**F12.** Officials in SCWD and SqCWD have not given sufficient consideration to a regional recycling plant.

**F13.** A water recycling facility would allow for injection wells to either help recharge the aquifer or to build a barrier against seawater intrusion.

**F14.** Because there is no detailed groundwater model of the Purisima basin, it is difficult to do the studies and research needed to protect the aquifer.

**F15.** Private pumpers have unregulated access to water and do not contribute financially to aquifer protection efforts.

## **Recommendations**

**R1.** City of Santa Cruz Water Department should secure a supplemental water supply. (F1, F2)

**R2.** Soquel Creek Water District should secure a supplemental water supply. (F1, F2)

**R3.** The City of Santa Cruz should ensure that the scwd<sup>2</sup> draft EIR be finalized by the end of calendar year 2014. (F5-7)

**R4.** The City of Santa Cruz should immediately convey to its citizens the urgency of the long term regional water situation. (F1-4)

**R5.** The City of Santa Cruz should strongly consider reviving the scwd<sup>2</sup> desalination plan prior to the next available General Election. (F1-7)

**R6.** City of Santa Cruz Water Department and Soquel Creek Water District should continue to pursue a regional solution such as Desalination or Regional Water Transfers



with Recycling. (F7-13)

**R7.** Members of the Basin Implementation Group should complete work on a groundwater model of the Purisima basin as soon as possible. (F14)

**R8.** The Basin Implementation Group should establish a Replenishment District for the Purisima aquifer. (F15)

## Commendations

**C1.** We commend SqCWD for holding board meetings at Capitola City Hall to address supplemental supply and mandatory rationing. This allows for greater public participation and awareness of the discussions via local access television and the internet.

## Responses Required

<i><b>Respondent</b></i>	<i><b>Findings</b></i>	<i><b>Recommendations</b></i>	<i><b>Respond Within/ Respond By</b></i>
Board of Directors, Soquel Creek Water District	F1-15	R2, R3, R6	90 Days 9/15/14
City of Santa Cruz Water Commission	F1-6, F10-15	R1, R3, R6	90 Days 9/15/14
Santa Cruz City Council	F1-6	R1, R3-6	90 Days 9/15/14
Basin Implementation Group, Purisima Groundwater Basin	F14, F15	R7, R8	90 Days 9/15/14

## Definitions

- *Acre-foot*: Unit of volume often used in reference to groundwater sources and reservoirs. It is the volume of one acre of surface area with a depth of one foot, exactly 43,560 cubic feet. It contains 325,853 gallons.
- *af/y*: Acre feet per year.
- *BIG*: Basin Implementation Group
- *CDFW*: California Department of Fish and Wildlife
- *CCRWP*: Central Coast Regional Water Project
- *CEQA*: California Environmental Quality Act
- *CWD*: Central Water District
- *dEIR*: Draft Environmental Impact Report
- *DWD*: Deep Water Desalination
- *EIR*: Environmental Impact Report
- *HCP*: Habitat Conservation Plan

- *IRWMP*: Integrated Regional Water Management Plan
- *IWRP*: Integrated Water Resources Program
- *mgd*: Million gallons per day
- *NOAA*: National Oceanic and Atmospheric Administration
- *NTU*: Nephelometric Turbidity Units. A measure of particulates in water.
- *Public Policy Collaboration*: Agency hired to mediate the Santa Cruz Water Alternatives Advisory Committee.
- *SCWD*: City of Santa Cruz Water Department
- *scwd<sup>2</sup>*: Santa Cruz Water Department and Soquel Creek Water District Regional Seawater Desalination Project
- *SqCWD*: Soquel Creek Water District
- *SVWD*: Scotts Valley Water District
- *Turbidity*: The measure of clarity in water. Particles carried in water make the water cloudy or opaque and can cause difficulty in treatment. In local streams and rivers this is often due to storm runoff carrying soil into the surface water sources.
- *UWMP*: Urban Water Management Plan
- *WDO*: Water Demand Offsets. A program to compensate for new demand by implementing conservation measures elsewhere.

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