



Napa County Grand Jury
2002-2003
Final Report

*In memory of our friend and
Napa County Grand Juror
John Loberg*



We, as members of the Napa County Grand Jury, were greatly saddened to learn of the passing of our fellow Grand Juror, John Loberg. He was a dedicated member of our body who served as a volunteer. He served the Napa community as a member of the Kiwanis Club, Napa Valley Tip Club, Sons of Norway and Napa Valley Follies.

John was a graduate of the U.S. military academy at West Point. He was awarded two Purple Hearts for service in Vietnam. John retired from military service with the rank of Lieutenant Colonel.

John's service to the community is exemplified by the fact that he attended a meeting of the Grand Jury just five days before his passing.

We now pay our respect to JOHN LOBERG.

Members of the 2002-2003 Napa County Grand Jury

2002-2003 Napa County Grand Jurors



Photo: Joanna Pastcan and Vic Connell

Joseph Flax, Napa, Foreperson
Tim Cantillon, Napa, Foreperson Pro Tempore
Earle Ford, American Canyon, Sargeant-at-Arms
Rachael Frank-Clark, Napa, Secretary*
David Hahklotubbe, Napa, Secretary
Evonne Alumbaugh, Pope Valley
Jessica Ansel, American Canyon
Robert Barbos, Napa
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Renate Halliday, Yountville
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Freda Latter, Napa
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Martha Pastcan, Napa
Alfonso L. Poiré, Napa
Jesús G. Solís, Napa
Hjordis Stevens, Napa
Page Tyran, Napa

*Members who have served two years on the Grand Jury

June 4, 2003

The Honorable Scott Snowden
Presiding Judge
Napa County Superior Court
825 Brown Street
Napa, California 94559

Dear Judge Snowden

The 2002-2003 Napa County Grand Jury has completed its work and submits to you herewith, its Report in compliance with California Penal Code, Section 933.

The seven reports are the result of a year's hard work by the Grand Jury Committees and the Grand Jury as a whole. They took their responsibilities very seriously and never lost their prospective or their sense of humor. We all learned a lot about local government and came away with a great appreciation for the individuals who are elected to office, or appointed or employed by local government.

I commend to you Grand Juror David Hahklotubbe, M.A., Secretary, who performed extraordinary services by keeping our by-weekly minutes, transcribing many drafts and the entire Final Report, and doing whatever was asked of him.

It has been an honor and a privilege to work with this very fine Grand Jury and Judge Raymond Guadagni and County Counsel Robert Westmeyer.

Very truly yours,



Joseph D. Flax, Foreperson
2002-2003 Napa County Grand Jury

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ACKNOWLEDGMENTS

**The 2002-2003 Napa County Grand Jury would like to
acknowledge the assistance of the following:**

The Honorable Raymond Guadagni, Napa County Superior Court

Robert Westmeyer, Napa County Counsel

Georgene Larson, Assistant Court Executive Officer

Pat Grisham, Secretary, Napa County Administrator's Office

Joseph Peatman

The Gasser Foundation

Joanna Pastcan, for the Grand Juror photograph

Vic Connel, for assisting Joanna

Napa County Grand Juror's Association

California Grand Juror's Association

Cover Photograph by Joanna Pastcan

SUMMARY AND OVERVIEW

The 2002-2003 Napa Grand Jury appointed eleven committees. The eleven committees issued seven reports. The members on the Napa County Jail, Traffic Enforcement, Response and Complaint committees elected, with approval from the full Grand Jury, not to make reports. Complaints were looked into by the Complaint committee and, if that committee found it appropriate, a committee was appointed to look into the subject matter of the complaint, or the complaint was referred to an existing committee. There were thirty-three complaints looked into by the Complaint committee. The full Grand Jury acted on each complaint. Some were deemed unworthy of any investigation and dropped. Others were looked into and dropped, and others were assigned to existing committees. Two complaints will be referred to the next year's Grand Jury because they were received too late for consideration.

This year's Grand Jury elected to look into matters of concern to the community rather than agencies selected for review by the matrix found in the Napa County Grand Jury Procedures Manual. It is required that the Grand Jury look at the Napa County Jail, Juvenile Hall and the Auditor each year. The Department of Health and Human Services was selected because of a citizen complaint and because it spends 30-40% of Napa County's budget. A complaint about how Napa Valley College manages its financial affairs generated that investigation. Media coverage of the new high school exit examination and a citizen complaint caused us to look at the Napa Valley Unified School District, as well as Grand Jury concern about our county's children. The Grand Jury looked into the affairs of the Training and Education Center due to its concern about employment in Napa County. Finally, the Grand Jury decided it was time to take a comprehensive look at water problems in our county.

FUNCTION OF THE GRAND JURY

THE GRAND JURY

The primary function of the Grand Jury is to examine all areas of local government: county, city and special districts (including school districts). The 19-member "civil" Grand Jury in Napa County conducts non-criminal investigations to ensure that government funds are judiciously used, that services are effectively delivered, and that all accounts are properly audited.

The Grand Jury is an independent and confidential body. The Presiding Judge of the Superior Court, the District Attorney, the County Counsel and the State Attorney General can, and do, provide advice, but they may not, except for legal cause, prevent the body from acting within its jurisdiction.

A county Grand Jury does not have jurisdiction in state and federal matters. There are state and federal grand juries impaneled at those respective levels. Consequently, the Napa County Grand Jury cannot investigate state or federal agencies. Nor does it have any jurisdiction over the courts or a matter in litigation. But, in general, governmental bodies within Napa County, and events involving those agencies, can be investigated by the Grand Jury.

Grand Jurors are expected to be fair, to show sound judgment, to maintain absolute confidentiality, and to serve as representatives of the public. Therefore, the Grand Jury is not the forum from which to express narrow political ideals or viewpoints, but is, rather, the organization that seeks to better the government that presently exists. Members are selected from among Napa County residents. Beginning in 1993, all residents were offered an opportunity to volunteer. Judges and friends of the court can also nominate county residents. Up to ten members, in their initial term of service, may volunteer to hold over for one additional year. Each Grand Jury is impaneled for one year, from July through the following June.

Napa County residents who are interested in serving as Grand Jurors are encouraged to apply. To be considered, an applicant must:

- Be a citizen of the United States
- Be at least 18 years of age
- Have resided in Napa County for at least one year immediately prior to being selected
- Have ordinary intelligence and good character
- Possess a working knowledge of the English language
- Not be presently serving as a trial juror
- Not have been a Grand Juror within one year of being selected (except holdovers)
- Not have been convicted of a felony or malfeasance in office
- Not be presently serving as an elected official

Interested citizens should write to the Superior Court, Napa County, Suite 125,825 Brown Street, Napa 94559, or call 299-1113 to volunteer or nominate someone.

The Grand Jury is an arm of the court system. It is not a part of the District Attorney's Office, nor is it a law enforcement agency. For the most part Grand Juries function as "civil" grand juries rather than criminal grand juries. This is because preliminary hearings in the Courts have, for the most part, taken the place of criminal indictments by grand juries. In the federal system the rule is the opposite because the United States Constitution requires grand jury indictments for all serious federal crimes.

A "civil" grand jury has very limited powers. The California Supreme Court has held that the Grand Jury does not have inherent powers to establish its own investigatory apparatus for the detection of crime. Moreover, a "civil" grand jury should not engage in "fishing expeditions", "hidden agendas" or indiscriminate meddling. The scope of inquiry of a civil grand jury is limited to those subjects that are founded upon knowledge, which comes to the Grand Jury, not by rumors and reports, but by information acquired from evidence before the civil grand jury or from individual grand jurors' own observations. For the most part civil grand jurors are charged with investigating the "operations, accounts, and records" of the officers and departments of local government and the "method or system of performing the duties" those officers and departments employ.

A "civil" grand jury makes investigations and reports on those civil investigations to the general public after the reports have been reviewed and approved for release by the court. Although approval of the courts precedes the release of the Final Report, the courts do not have the right to require changes to the grand jury reports. The reports are usually issued in the form of a Final Report that is published at the end of the Grand Jury's year of service.

In extraordinary circumstances, the civil grand jury can become a participant in the legal process to remove from office or indict a government official, but any such action initiated by a grand jury must be based on facts substantiated and confirmed by the Grand Jury's own investigation. The Grand Jury can take no action based solely on allegations of other parties.

California law provides for civil and criminal functions for grand juries. While a "civil" grand jury can also function as a criminal grand jury, it is unlikely that would occur. Were a criminal matter to be taken up by the Grand Jury at the request of the District Attorney, it is likely that a separate grand jury would be convened for that purpose.

THE 2002-2003 NAPA COUNTY GRAND JURY

The current Grand Jury met bi-monthly during the year on Wednesday evenings. Most of the members served on at least three committees. The majority of their time was spent in individual committee meetings and in conducting field investigations,

which usually were performed both during normal business hours and, when appropriate, at night.

HOW INVESTIGATIONS ARE CONDUCTED

Jurors initially meet with the management and staff of an agency. The various records of the agency are inspected, the physical facilities are inspected, and representative public meetings, if any, are attended. Leads are followed which might provide additional information. Eventually, proposed "findings" and "recommendations" are developed.

CITIZEN COMPLAINTS AND LETTERS TO THE GRAND JURY

Each year correspondence is received from citizens expressing concern or requesting investigation of various city agencies, county agencies and special districts. Each complaint is reviewed by the Grand Jury and action is taken to either (1) investigate the matter and make a report; (2) investigate the matter and drop it; or (3) drop the matter without investigation. It is best to submit any complaint or request at the beginning of the jury term so that the Grand Jury will have sufficient time to investigate the matter. Due to constraints of time a Grand Jury may refer a complaint to the subsequent year's Grand Jury

WHAT HAPPENS AFTER THE FINAL REPORT IS PUBLISHED

Copies of the Grand Jury Final Report are maintained on file in the office of the Court Executive Officer and the Clerk of the Board of Supervisors, where they remain accessible to the public. Final Reports are also available at county libraries and are published in the newspapers. Agencies that are required to make responses must respond in writing to the Presiding Judge of the Superior Court of California, Napa County, within 60 to 90 days after publication of the Report. The responses must be placed on file with the clerk of the investigated agency and at the office of the Court Executive Officer and may be accessed by the public at those locations.

NOTE TO RESPONDENTS

GENERAL

The legal requirements for response to Grand Jury findings and recommendations are set forth in California Penal Code, Section 933.05. Each Respondent should become familiar with those legal requirements and if in doubt should consult with legal counsel before responding. For the assistance of Respondents, Section 933.05 of the Penal Code is summarized "below:

HOW TO RESPOND TO FINDINGS

The responding person or entity must respond in one of two ways:

1. That there is agreement with the finding.
2. That there is disagreement, wholly or partially, with the finding. In such a case, the response shall specify the portion of the finding that is disputed and shall include an explanation of the reasons for the disagreement.

HOW TO REPORT ACTION IN RESPONSE TO RECOMMENDATIONS

Recommendations by the Grand Jury require action. The responding person or entity must report action on each recommendation in one of four ways:

1. The recommendation has been implemented, with a summary of the implemented action.
2. The recommendation has not been implemented, but will be implemented in the future, with a time frame for implementation.
3. The recommendation requires further analysis. If a Respondent replies in this manner, the law requires a detailed explanation of the analysis or study and a time frame not to exceed six months from the date of publication of the Grand Jury Final Report by which the recommendation will be discussed.
4. The recommendation will not be implemented because it is not warranted or is not reasonable, with an explanation as to why it is not warranted or reasonable.

BUDGETARY OR PERSONNEL RECOMMENDATIONS

If a finding or recommendation deals with budgetary or personnel matters of a county department headed by an elected officer, both the elected officer and the Board of Supervisors shall respond, if the Grand Jury so requests. While the response of the

Board of Supervisors may be somewhat limited, the response by the department head must address all aspects of the findings and recommendations.

**ADVANCE RELEASE OF GRAND JURY REPORT
DISCLOSURE PROHIBITED PRIOR TO PUBLIC RELEASE**

Two working days prior to public release of the Final Report, the Grand Jury is required to provide a copy of the pertinent portion of the report to each affected agency or person. No officer, agency, department, or governing body of a public agency shall disclose any contents of the report prior to its public release.

TIME TO RESPOND; TO WHOM TO RESPOND

The Penal Code provides for two different response methods:

1. For a Public Agency:

The governing body (i.e. the Board of Supervisors, a City Council, Board of Governors of a special district, etc.) of the public agency must respond within ninety days after public release of the Final Report. The response must be addressed to the Presiding Judge of the Superior Court.

2. For an Elected Officer or an Agency Head:

All elected officers or heads of agencies who are required to respond must do so within sixty days after public release of the Final Report. The response must be addressed to the Presiding Judge of the Superior Court, with an information copy to the Board of Supervisors.

Napa County Grand Jury 2002-2003 Audit Report

The Grand Jury reviewed the annual audit of the County of Napa. This audit was conducted by a private contractor, Bartig, Basler & Ray, which has performed this function for the county for several years by contract.

The audit listed several financial highlights:

- The assets of the County exceeded liabilities at the close of the 2001-2002 fiscal year by \$193,238,957 (*net assets*). Of this amount, \$122,777,104 (*unrestricted net assets*) may be used to meet ongoing obligations to citizens and creditors, and \$70,461,853 is invested in capital assets, net of related debt.
- As of June 30, 2002, the County governmental funds reported combined fund balances of \$118,110,452. Approximately 49% of the combined fund balances, \$58,281,964, is available to meet the County's current and future needs (*unreserved fund balance*).
- At the end of the fiscal year, unreserved fund balance for the general fund was \$42,563,104, or 31% of total general fund expenditures. This entire amount is budgeted to be spent in the next fiscal year.
- The county's total long-term debt increased by \$1,121,907 in comparison with the prior year. The increase resulted primarily from adjustments to reflect the discounted actuarial values in self-insurance funds, which are completed every two years.

In regard to capital assets, the county's investment in those assets for it governmental and business-type activities as of June 30, 2002, amounted to \$140,381,853 (net of accumulated depreciation). This investment in capital assets includes land and easements, infrastructure, structures and improvements, equipment, and construction in progress.

Major capital asset events during the current fiscal year included the following:

- Construction in progress increased by \$3,588,605 due mainly to the new animal shelter, juvenile justice center and equipment pool relocation projects.
- Infrastructure assets of \$1,047,140 were added during the year.
- There were no sales or transfer transactions involving land during the year.

As of June 30, 2002, the county governmental activities total long-term debt outstanding of \$79,640,018 as compared with \$78,518,111 in the prior year. This amount was comprised of \$43,650,000 of Napa County Flood 1999 Series A bonds, \$26,270,000 of certificates of participation, \$5,189,000 in liability for unpaid insurance claims, and \$4,531,018 compensated absence. There were no notes payable. During the year, retirement of certificates of participation amounted to \$3,110,000.

The audit also listed the following economic factors and next year's budget and rates.

- The property tax growth remains solid with anticipated growth of 6% in the fiscal year 2002-2003.
- Sales tax revenue is expected to remain flat compared to the prior fiscal year due to a reduction in consumer confidence caused by the slowing economy.
- The Transient Occupancy Tax ("hotel tax") has been negatively impacted by the nation's economic situation and the effects related to travel and tourism due to the September 11, 2001 tragedy.
- The vitality of agricultural and viticulture industries in Napa County are expected to continue. Agriculture remains the top industry in the County, with the production of grapes and wine constituting over 90% of the agricultural activity in the valley.

There were only a few concerns set forth in the audit report. They are reprinted herein as follows:

AUDITOR - CONTROLLER

CASH RECONCILIATION

Condition (Finding 1 by the Grand Jury)

In reviewing the cash reconciliation between the Treasurer's cash and the cash carried on the general ledger, we noted several items dating back several years that have never been resolved. For example, there are reconciling differences relating to payroll entries in 1997 and 1998 totaling approximately \$130,000. There are other reconciling items before December 31, 2001 totaling approximately \$148,000.

Effect of Condition (Finding 2 by the Grand Jury)

Errors have occurred in posting cash transactions and have not been corrected on a current basis.

Recommendation

Research should be continued to correct the old items carried as reconciling items between the general ledger and the treasury. Items should then be cleared on a current basis each month as they occur.

COUNTY EXECUTIVE OFFICER/AUDITOR - CONTROLLER

POSTINGS DIRECTLY TO FUND EQUITY

Condition (Finding 3 by the Grand Jury)

During our audit, we noted that current year activity in the Internal Service funds, including Workers' Compensation (Human Resources Division) and General Liability Insurance (County Executive Office) funds, was posted to retained earnings instead of against current year revenues and expenses.

Effect of Condition (Finding 4 by the Grand Jury)

Adjustments to retained earnings require additional review to determine what the proper activity classification should be.

Recommendation

We recommend that the retained earnings balances be adjusted to agree with the audited financial statements and that current activity be properly posted against current year revenues and expenses instead of retained earnings.

COUNTY EXECUTIVE OFFICER/INFORMATION TECHNOLOGY SERVICES/AUDITOR - CONTROLLER

YEAR END CLOSING PROCEDURES

Condition (Finding 5 by the Grand Jury)

The Auditor-Controller's office does a very good job in conducting procedures to close the annual accounts and books of the County and in preparing schedules and documents for the annual outside audit. However, the process of closing and preparing for the annual audit is very labor intensive at year end. The People Soft computer system that the county uses is capable of preparing many reports at year end which would facilitate making the year end closing procedures more efficient if they were used to the fullest degree possible.

Effect of Condition (Finding 6 by the Grand Jury)

By not being able to complete the preparations for the annual audit and not closing the accounting records in an efficient and cost effective manner, it becomes necessary for staff to put aside normal daily routine activities to focus their attention on the closing procedures. Also, by not using the computer system to its optimum capability, staff is preparing schedules by the use of the electronic spreadsheets, which can cause errors in inputting information into these spreadsheets.

Recommendation

We recommend that the county consider implementing a process to review current operating and closing procedures, along with software capabilities to determine the most efficient and cost effective way in which to close its books annually as well as using the system so that outside spreadsheets can be reduced to a minimum. We also recommend that staff obtain training regarding People Soft financial system's capabilities in generating financial statement reports which would assist staff in preparing the county's financial reporting at year end, as well as preparing management reports at other intervals during the year.

THE NAPA COUNTY GRAND JURY concurs with the recommendations of the private contractor, Bartig, Basler & Ray. We request a response from the Auditor-Controller regarding the recommendation for cash reconciliation.

We request a response from County Executive Officer and the Auditor-Controller regarding the recommendation for postings directly to fund equity.

We request a response from County Executive Officer, Auditor-Controller and Information Technology Services regarding the recommendation for year-end closing procedures.

RESPONSE REQUESTED FROM

Napa County Executive Officer

Napa County Auditor-Controller

Napa County Information Technology Services

Napa County Grand Jury 2002-2003 Health and Human Services Report

Health and Human Services (HHS) serves as an umbrella over a number of agencies in Napa County. HHS has roughly 400 employees and spends about 40% of the total county budget. The primary facility is located at 2344 Old Sonoma Road with a few offices located off campus.

Grand Jury members performed an unannounced site visit to the campus, specifically to the Public Health Department, Next Step Vocational Program Center and the Public Assistance building. The members were impressed to find that every person encountered, either while walking on the campus, or working at one of the agencies, was friendly, outgoing and very helpful. While many of the buildings on the campus are old, all the buildings that were visited appeared to be well-maintained and orderly. The environment is professional, but not sterile. Effort has been made to provide all clients with a comfortable and pleasant environment. The campus on Old Sonoma Road is accessible by public transportation, with a bus stop located on Elm Street. Parking is available at various lots around the campus, and buildings are accessible to the disabled. Directional information is available on signs posted in the center quad, and each agency building has a sign on the wall identifying the agency within.

The 2002 –2003 Grand Jury selected three areas of HHS to review.

I Substance Abuse Services

The Substance Abuse Services Division of HHS is overseen by the County's Alcohol and Drug Programs Administrator who also serves as Behavioral Healthcare Manager. Actual management is conducted through a "Substance Abuse Leadership Team" (SALT) comprised of the administrator, supervisors of the county-operated substance abuse services, a fiscal analyst assigned to the division and a program consultant. The division includes five programs or units directly operated by the county: The Prevention Services Unit, the Adult Recovery Program, the Women's Recovery Program, the Drinking Driver/Drug Diversion Program and the Substance Abuse Treatment Options Program (STOP). Approximately 40 employees staff these programs. The division provides additional substance abuse services through various contracts with community based organizations.

Services:

- **Substance Abuse Prevention Services Unit**

The mission of the Substance Abuse Prevention Services Unit, in partnership with community groups and local organizations, is to develop policy and provide leadership, coordination, support and resources in the planning, development, implementation and evaluation of a comprehensive countywide prevention system that addresses problems related to alcohol, tobacco and other drugs.

Some of the partners HHS contracts with are Catholic Charities, Alternatives, Nuestra Esperanza, City of Napa (Friday Night Live), Community Action of Napa Valley and various individuals.

- **Adult Recovery Program**

The Adult Recovery Program (ARP) is an outpatient substance abuse treatment program providing intensive outpatient services to very low income and indigent male adults. Clients may self-refer or be referred by the Probation Department, the courts, or by other community-based agencies. Services include individual and group counseling, a range of educational activities, case management, aftercare, and urine drug screen testing. ARP also provides less intensive co-educational services which it operates in collaboration with the Women's Recovery Program.

- **Women's Recovery Program**

The Women's Recovery Program (WRP) is an outpatient substance abuse treatment program providing intensive outpatient services to women. WRP offers educational and process groups, individual sessions, drug screen testing, case management, and aftercare services to women who are assessed as needing the structure of a daily program, as well as short-term service for women waiting for residential placement. The Outreach Perinatal Program is an extension of WRP, and offers individual outreach to homes, hospitals and the jail, as well as the community, with the goal of bringing pregnant and parenting women into treatment.

- **Drinking Driver and Drug Diversion Programs**

The Drinking Driver Program (DDP) is available only to those arrested or convicted of a DUI offense with either a court order or DMV referral. The services offered are: drug and alcohol assessment, drug and alcohol education, psycho-educational groups and referrals to other resources and services. DDP consists of four different programs, each provided in English and Spanish. The curriculum and duration of each program varies depending on the specific charges for which a participant has been referred. The Drug Diversion Program provides educational and counseling services to first offenders convicted of certain qualifying non-violent drug offenses.

- **Substance Abuse Treatment Options Program (STOP)**

The Proposition 36 Initiative, also known as the Substance Abuse and Crime Prevention Act, mandated that every county develop and maintain a program that would accomplish the twin goals of treating addiction and preventing crime. The STOP program is designed to match addicted individuals who are arrested for possession of illegal drugs with an appropriate treatment program and additional services. The intent is to give eligible people an alternative to jail and an opportunity to receive treatment for their drug abuse. In Napa County, HHS is designated as the lead agency for a multidisciplinary collaboration of several county departments, primarily HHS Substance Abuse Services and the Probation

Department. The shape and structure of the program was developed by a committee facilitated by HHS and composed of representatives from the Court, Probation Department, Public Defender, District Attorney, Auditor-Controller, Chief Administrator's Office, and HHS drug treatment staff, with input from community groups in Napa County.

Contract and Specialty Programs

- **Napa County Stabilization Center:** On behalf of the county, HHS is developing a residential "social model" detoxification and short-term residential treatment program in a facility located on the grounds of Napa State Hospital. HHS has contracted with Community Action of Napa Valley to operate the program, which should open during the fiscal year 2003-2004.
- **Our Family:** HHS and the Probation Department contract with a private non-profit drug treatment program, Our Family, for adult residential treatment services. The contract provides the County with exclusive use of the 14-bed facility, where lengths of stay average approximately 90 days. It is located on the grounds of Napa State Hospital.
- **Wolfe Center:** HHS is providing support to the Juvenile Justice Network, a community-based organization developing an adolescent outpatient program in Napa for youthful drug abusers, which will be known as the Wolfe Center. The new Center will be located on the former grounds of the Napa Boys and Girls Club on First Street near California Blvd. Construction of the new facility should be completed in September, 2003, and the Center is scheduled to open by mid-November.
- **HIV/AIDS Testing:** HHS is now entering into a contract with Napa Solano Health Project to provide HIV/AIDS testing to persons enrolled in drug treatment programs. This service is paid for by federal funds provided for this specific purpose.

II Integrity / Compliance Agreement

Historical Overview – The position of Compliance Officer was created in January, 1999 as a result of a federal audit of Napa County billing practices regarding Medicare and Medi-Cal. The federal investigators sought to determine if the problems were caused by criminal fraud or were the result of a lack of oversight. It should be noted that at approximately the same time other California counties were experiencing the same problems. The investigation determined the problem stemmed from both a lack of sufficient oversight (auditing) by both state and federal government, as well as a lack of training and fiscal control by Napa County. As a result, the county agreed to pay a settlement of \$975,000.00 and entered into a

formal Integrity/ Compliance Agreement with the federal government to ensure future compliance.

The Grand Jury interviewed the Director of the Health and Human Services Agency and the Compliance Officer. A copy of the Integrity/Compliance Agreement was provided as well as an overview of the procedures put in place to ensure full compliance with all of the regulations regarding billing. Apparently both employees and contract providers were inaccurately coding services for reimbursement. The initial problems stemmed from two areas: 1) viewing Medicare as simply another form of insurance, and 2) continuing to use old and inaccurate coding procedures for clients receiving dual coverage by Medicare and Medi-Cal. In dual coverage situations, Medi-Cal is billed first and then the Medicare portion is billed. Total annual reimbursement for Medicare-billed services amounts to \$10,000 - \$15,000. Total billing for both amounts to approximately \$250,000 annually. The small Medicare reimbursement revolves around the concept that Medicare is "physician-driven". This means Medicare reimburses for services provided directly by a physician. Since mental health services do not always require direct physician care, but are often provided by other resources, it can be difficult to code services to properly obtain reimbursement.

While responding to the issues relating to inaccurate billing, the county stopped billing Medicare to avoid the dilemma of continued errors that could result in further fines and penalties. The benefit of relatively minor reimbursement was outweighed by the possibility of larger fines. This practice has been in place for three years and resumption of Medicare billing was reinstated the first quarter of 2003. Medi-Cal billing has continued throughout this process.

A new system and training procedures have been instituted to correct these issues and deficiencies. There is now mandatory training for all new employees, as well as ongoing annual training that provides specific guidelines and training on proper billing procedures. They are also given a historical overview of the investigation, the issues involved, past procedural errors and determinations made by the federal government. This is to make sure that all employees know the importance of remaining within the guidelines of the Integrity/Compliance Agreement. Additionally, all employees are required to sign a Code of Conduct Certification confirming their understanding and acceptance of all the procedures that have been put into effect. The five-year term of the Integrity/Compliance Agreement ends in 2005. The Compliance Officer has ultimate responsibility for all aspects of compliance with the Agreement.

The Napa County Compliance Officer requested a follow-up visit from the federal auditors to acquaint them with current county implementations, and to ascertain from them that improvements were in accordance with the Office of the Inspector General's standards. Correspondence from the Administrative Civil Remedies Senior Counsel indicates the county currently appears to be in compliance.

III FOOD STAMPS

Background

The Food Stamp Program is a national nutrition assistance program that is designed to assist people on a limited income to buy nutritious food without sacrificing other basic needs, such as housing, utilities or medical prescriptions. Individuals and families are eligible if their total wages are not more than 130% of the federal poverty level, or are low income but have extensive costs for housing, or are homeless. Historically, Napa County has had a high incidence of poverty and child poverty compared to many other counties in California.

There are approximately 1,800 – 2,100 food stamp recipients per month in Napa County. To date, food stamps in Napa County have been distributed in the form of a coupon book. Coupons are presented to a merchant for the purchase of approved food items. Purchases that do not meet the criteria are required to be paid for personally by the recipient.

On August 9, 2001, the State of California awarded a contract to Citicorp Electronic Financial Services for the design, development and implementation of Electronic Benefit Transfer (EBT) in California. The HHS Data Center and the California Department of Social Services are responsible for overseeing this contract, ensuring successful EBT project implementation and accomplishment of all program requirements and objectives.

California is one of the last states to adopt this program. Napa County is scheduled to implement EBT in August, 2003. EBT is the distribution of food stamp benefits with a plastic debit card, making the issuance of state public assistance and federal food stamp benefits faster and easier through the use of electronic transactions. By using the EBT card, cardholders can access food benefits at the point-of-sale (POS) terminals of retailers authorized by the United States Department of Agriculture to accept food stamp benefits. In California, each county has the option of also providing clients with the ability to access cash benefits through automated teller machines (ATMs) and cash benefits at POS terminals. In Napa only food stamps and cash aid will be available through the debit card. California does not intend to put a photo on the EBT card at this time.

EBT provides multiple advantages for everyone. It has been proven to be cost-effective, efficient and accountable. For recipients, it is convenient and secure. It also reduces the stigma and embarrassment generally associated with the coupon system. Retailers and financial institutions in states that have already converted to the EBT system find it financially accountable, easy to reconcile and economical. EBT reduces the cost to both state and federal governments through increased efficiency and by reducing fraud and abuse. Taxpayers save approximately 35% of costs formerly associated with distribution of food stamp coupons.

HHS staff will be responsible for training eligible recipients in the proper use and protection of their debit cards. Training is scheduled to commence in July, 2003, with contingency plans in place to reach all food stamp recipients in the community. The Grand Jury commends HHS for the decision to address the training and use of the EBT cards by personally meeting with all recipients, rather than using direct mail. Each cardholder can choose a personal identification number (PIN) that can be changed as often as they like at no cost. Cardholders must report a lost, stolen, or demagnetized card as soon as the problem has been discovered. Once reported, the card will be deactivated so that the benefits cannot be used by anyone else. A new card will be issued in one to three working days. It is essential that the PIN be kept secret so that no one can use the EBT card without permission. Any transaction conducted with a valid card and PIN is the client's responsibility, even if the transaction was done without the client's permission or knowledge. The benefits will not be replaced.

Every county in California that provides direct deposit for its employees' payroll must also offer that option to welfare recipients. If clients don't like the EBT system, they may choose to open a bank account and have their benefits deposited directly.

Some food stamp recipients live in group living facilities such as federally subsidized housing for the elderly, drug/alcohol treatment and rehabilitation centers, battered women shelters and homeless shelters. These group homes sometimes function as authorized representatives and use residents' food stamp coupons to purchase food for the facility. With the conversion to EBT, group homes may apply to the USDA Food and Nutrition Service (FNS) for authorization to receive food stamp program benefits. FNS authorized group-homes will receive a POS device. Instead of taking coupons from the residents, the residents will swipe their cards and enter their PINs to transfer the required amount of food stamp benefits to the group home's account. This will work just as any purchase transaction at an authorized grocery store. Then the group home can shop for food and make payment from its own account. At the end of the transaction, the POS will print a dual copy receipt. The group home will keep one copy for its records and the resident will keep one copy for her/his records. When the recipient leaves the group living facility, the group home can execute a credit transaction through the POS device to return any unused portion of the monthly food stamp benefits back to the recipient's food stamp EBT account.

While fraud and abuse are not big problems in Napa County, it is imperative that there are measures in place to minimize and deter illegal activity with the issuance of EBT cards. We were pleased to find that analysis of EBT data does provide a good audit trail of transactions both by the recipient and the retailer. There are currently 15 different reports available that track transactions, their locations, merchant activities and overall card use. These reports can assist in reducing illegal activity and tracking abusers.

The EBT cards are a vast improvement over coupons, providing a better tracking mechanism and removing social stigma. The county hopes that the program will

increase the number of applicants for this benefit. While word of mouth may increase utilization, at this point in the recent introduction of EBT, there are no tangible indications that this new system will entice this segment of the poor. Apparently, even efforts to reach out to these individuals via the Napa County Food Bank had minimal results, if any.

Procedures

The Grand Jury interviewed the following individuals:

- Director of Health and Human Services
- Behavioral Healthcare Manager/Alcohol and Drug Programs Administrator
- Health and Human Services Compliance Officer
- The Substance Abuse Leadership Team
- Napa County Program Evaluation Supervisor
- Napa County Fraud Unit Investigator
- Alameda County staff regarding their experiences with conversion to EBT and fraud issues

The Grand Jury reviewed a number of documents including:

- Integrity/Compliance Agreement
- Assorted federal, state and county reports

Finding 1

The Grand Jury commends HHS for making the Compliance Officer ultimately responsible for any failures. It appears that Medicare reimbursements reflect a small percent of total reimbursements received from the federal government.

Recommendation 1

The Grand Jury recommends that Napa County do a fiscal analysis to determine if the financial return on Medicare billing outweighs the costs involved in processing claims for reimbursement. Given the costs of Compliance Department staff and ongoing training costs it may be advisable to absorb the Medicare costs at the end of the five-year term of the Agreement.

Recommendation 2

HHS should give serious consideration to outsourcing its billing to a private provider whose expertise is in proper billing procedures for Medi-Cal/Medicare.

Response Requested From

- Napa County Board of Supervisors
- Director of Health and Human Services

Finding 2

There is a substantial group of individuals eligible for food stamps that do not currently take advantage of these services.

Recommendation 3

While we recognize that not all eligible individuals are interested in these services, or may be willing to seek government assistance, many residents are simply not aware of what is available to them. Consequently, we recommend that a more proactive outreach program be developed which includes American Canyon and upper Napa Valley to Calistoga. Utilizing religious bulletins, market bulletin boards, and other public locations as possible target points would be beneficial.

Response Requested From

- Director of Health and Human Services

Napa County Grand Jury 2002-2003 Juvenile Hall Report

Present Facility

The existing juvenile hall is located at 2350 Old Sonoma Road in the City of Napa. It is a secure facility used for detention and placement of male and female offenders under the age of eighteen. The Napa County Probation Department is responsible for its operation in compliance with applicable governmental regulations.

The Grand Jury Interviewed:

- Supervising Juvenile Hall Counselor
- Assistant Juvenile Hall Superintendent
- Administrative Services Officer
- Chief of Probation
- Teachers
- Kitchen Staff
- Several Counselors

Opened in 1954, the original facility could house a maximum of 26 minors. The present structure can accommodate 34 minors. There is a nurse's office and a classroom at the facility. Recent counts indicate the number of detainees has varied as follows:

Date of count	Detainees
September, 2002	39
October, 2002	34
November, 2002	34
December, 2002	33
January, 2003	34
February, 2003	26

When the population exceeds 34 for 15 consecutive days, as was the case in September, 2002, some minors are placed in a dormitory area. In those instances, the staff files a report with the Department of Corrections.

The administration consists of a chief probation officer, a superintendent and an assistant superintendent. The staff includes counselors, nurses and mental health personnel who are on duty every day. There is a ratio of at least one staff to ten minors during waking hours and three staff on duty during sleeping hours. Each shift includes a supervisor, a senior counselor and a staff member. All shifts include male and female staff members. The on-site kitchen staff prepares three meals a day.

Planned Facility

Groundbreaking for a new juvenile hall took place in April, 2003 on a portion of the existing site. The first phase of construction should be completed in December, 2004 and the entire project is expected to be finished by the Spring of 2005. The new 60-bed facility will consist of three main areas:

1. An intake/holding area where minors will be housed for short lengths of time prior to being released or transferred to a pod.
2. Pod A will be a 30-bed unit for minors requiring a higher security status than those in Pod B.
 - Pod B will be a 30-bed unit for minors sentenced to commitment programs or for minors returning from placements and transitioning back into the community. This pod will house minors who might be spending time in the community during the day.

Unannounced Visit

The Grand Jury made an unannounced visit to the hall after a prior guided tour, which had included meeting with the administration, staff and detainees. During the unscheduled visit, the Grand Jury inspected various areas, including the culinary department, and spoke with the kitchen supervisor. The Grand Jury inspected occupied quarters at random. The final destination was the Crossroads School, a multi-grade classroom facility at the hall. The Grand Jury observed a class in progress, consisting of 13 minors and five staff.

The Grand Jury was satisfied with the facility and its cleanliness at the time of the unannounced visit, and was particularly impressed with the Crossroads School.

Commendation

The Grand Jury commends staff of Crossroads School for doing an excellent job educating minors detained in juvenile hall.

No responses are requested.

Napa County Grand Jury 2002-2003 Napa Valley College Report

Prior to the passage of Measure N, the Grand Jury received a complaint regarding Napa Valley College (NVC).

The complaint alleged that funds allocated to maintenance and upkeep of NVC buildings and sport structures were being diverted to:

- 1) settlements of sexual harassment suits and discrimination claims;
- 2) bringing in outside speakers for training seminars; and
- 3) redundant diversity training programs for faculty and staff.

Procedures

The Grand Jury interviewed the President of the College, Associate General Counsel for School and College Legal Services of California, the Vice President for Financial Affairs and the Vice President of Instructional Affairs. The members reviewed NVC's budget in detail, as well as the schedule of insurance for NVC.

Finding 1

The investigation found no sexual harassment suit had been filed against NVC in the last two years. There was one discrimination claim filed which was settled, and the cost of the settlement was covered by insurance.

Finding 2

The investigation did not uncover any fund transfers from maintenance to pay for outside speakers.

Finding 3

The Vice President for Instructional Affairs informed the Grand Jury NVC has one diversity training program for its staff. The Grand Jury does not feel that it is capable of determining how many training programs are needed for the staff of NVC.

Summary

The President and the Vice President of Financial Affairs stated that they were aware of many items of repair and maintenance needing attention. The issues of repair and maintenance at NVC led to the passage of Measure N. The money allocated by this bond can only be used for clearly defined purposes. All expenditures will be reviewed and approved by a citizen oversight committee and a separate budget will be maintained. State law mandates that 80% of NVC's budget be applied to teachers' salaries, leaving only 20% to cover all other operating expenses. NVC applies to the State for matching funds whenever applicable.

Napa County Grand Jury 2002-2003 Napa Valley Unified School District

I Background II California High School Exit Exam III Hispanic Integration IV New Technology High School

I Background

The Napa Valley Unified School District (NVUSD) consists of twenty-one elementary schools, four middle schools, four high schools and a comprehensive adult education program. At the elementary level there are three charter schools, two language-immersion schools and three elementary alternative programs. One of the middle schools is a charter school, and of the high schools one is a continuation high school and one is New Technology High School.

At the time of this writing, there are 16,911 students enrolled in NVUSD.

NVUSD employs 980 full-time and part-time certified staff (teachers, counselors, nurses, librarians, etc.) and 660 full and part-time classified staff (clerical, food service, bus drivers, instructional assistants, maintenance, grounds, etc). An elected, seven-member Board of Trustees governs the District.

The Committee of the 2002-2003 Grand Jury interviewed the following:

Superintendent of Napa County Office of Education
Napa Valley Unified Superintendent of Schools
Assistant Superintendent, Human Resources/ Equal Employer Resource (EER),
NVUSD
Director of Personnel, NVUSD
Coordinator of the Bilingual Office of Education, NVUSD
Director of Nuestra Esperanza
Principal of Vintage High School
Principal of New Technology High School (NTHS)
Principal of Napa High School (NHS)
Head Counselor, NHS
Assistant Vice Principal, NHS
Bilingual Counselor, NHS
Librarian, NHS
Registrar, NHS
Attendance Secretary, NHS
Activities Director, NHS
Coordinator of Title I, NHS

Migrant Education Secondary School Advisor
Teachers

Grand Jury members attended a Napa Valley Unified School Board Meeting and toured New Technology High School (NTHS).

II California High School Exit Examination (CAHSEE)

In 1999, the state legislature mandated the establishment of the California High School Exit Examination (CAHSEE). The state legislature indicated its intent to set higher standards for high school graduation "in order to significantly improve pupil achievement in high school and to ensure that pupils who graduate from high school can demonstrate grade level competency in reading, writing, and mathematics."

The CAHSEE was developed from the recommendations of the High School Exit Examination Standards Panel, whose members were appointed by the State Superintendent of Public Instruction. The examination is aligned to the SBE-approved content standards in English-language arts for the ninth and tenth grades (including reading and writing), the content standards in mathematics for sixth and seventh grades (covering number sense, algebra and functions; measurement and geometry; statistics, data analysis, and probability; and mathematical reasoning) and the standards for Algebra 1. Students will have to meet district graduation requirements as well.

In 2004 no student will receive a high school diploma without having passed the CAHSEE and having met district graduation requirements as well. If the student does not pass, the school district must provide additional assistance. Those who do not pass the CAHSEE will be given a High School Certificate of Completion, but not a diploma.

The Napa County Office of Education (NCOE) offers Saturday classes at no charge, given at various high schools, to help students with the appropriate subject matters to help prepare students for the CAHSEE. The NVUSD also offers course work in Math and English CAHSEE preparation.

Students with special needs are allowed to take the test with accommodations or modifications as specified in their Individualized Education Program (IEP) or Section 504 Plan. A special needs student who takes the test using a modification such as a calculator will receive an invalid test score. A student who passes the test using a modification must request a waiver from a local school board to receive a diploma. The school board reviews the student's class work and decides whether to grant the waiver.

Summary

The Grand Jury found that NVUSD high schools offer classes to prepare students to pass the CAHSEE.

III Hispanic Integration

NVUSD works within the parameters of the following laws:

The No Child Left Behind Act of 2001 - The act contains four basic education reform principles: stronger accountability for results, increased flexibility and local control, expanded options for parents, and an emphasis on teaching methods that have been proven to work. Notices and information must be provided or made available to parents in a "uniform format and, when practicable, in a language the parent can understand".

California Education Code Sections 300-340 (1998) - English Language Education for Immigrant Children

- Requires districts to provide a Structured English Immersion Program that is "overwhelmingly" in English.
- Mandates districts to establish a process and guidelines under which requirements of the law may be "waived annually with the prior written informed consent of parents or guardians."
- Requires school districts to continue to provide additional and appropriate educational services to English Learners in kindergarten through grade 12 for the purposes of overcoming language barriers until the students have: "(a) demonstrated English language proficiency comparable to that of the school district's average native English language speakers, and (b) recouped any academic deficits which may have been incurred in other areas of the core curriculum as a result of language barriers."

Individuals with Disabilities Education Act (reauthorized 1997) - IDEA guarantees all language-minority students referred for possible placement in special education the right to non-biased assessment procedures in the student's primary language and to an educational program developed to meet each student's specific needs.

Equal Educational Opportunities Act of 1974 - "No state shall deny equal educational opportunity to an individual on account of his or her race, color, sex, or national origin, by... the failure of an educational agency to take appropriate action to overcome language barriers that impede equal participation by students in its instructional programs."

The Civil Rights Act of 1964 - "No person in the United States shall, on the ground of race, color, or national origin... be denied the benefits of, or be subjected to discrimination under any program or activity receiving Federal financial assistance."

The Grand Jury reviewed some NVUSD programs involving Hispanic students. At the time of this writing, the Office of Bilingual Education reported that 4,518 students in NVUSD are English Language Learners. Enrollment at NHS is 2,297 including 938 Hispanic students. There are 632 students who qualify as English Language Learners.

How are the needs of the newly arrived students met at NHS?

Parents complete a Home Language Survey when students are registered. There are four language-based questions on the registration form. They are as follows:

1. Which language did your child learn when she/he first began to talk?
2. What language does your child most frequently use at home?
3. What language do you use most frequently to speak to your son/daughter?
4. Name the languages in the order most often spoken by adults at home.

If any of the first three questions are answered, "other than English" the California English Language Development Test is given by a bilingual aide and an assistant principal. These areas are listening and speaking, reading, and writing.

If they pass these areas, the students are classified Fluent English Proficient (FEP); if they do not pass any one of these three areas, they are designated English Language Learners.

English classes for English Language Learners are provided through the English Department and the Foreign Language Department.

All high school students take the California Achievement Test (CAT 6). When a student scores in the bottom 25% in either English or Math on the CAT 6, the school may receive Title I federal funds. At this writing, there are 485 Title I students at NHS. Title I funds were used for some of the following: staff development, teacher support, high interest books for a Summer Book Club Program, and four workshops with students and parents to gain information regarding college, vocational/trade schools, scholarships and the job market.

The Office of Migrant Education is a federal agency benefiting the students whose families are involved in agriculture. There are 200 students at NHS in the Portable Assisted Study Sequence (P.A.S.S.) program. The students are encouraged to

participate in the Adelante Program, a tutorial program, for six weeks during the summer.

How are the teachers being trained to address bilingual students?

The Assistant Superintendent of NVUSD reports that most certified staff and teachers at NHS hold a certification in Cross-cultural Language and Academic Development (CLAD). Some teachers also are qualified as Bilingual Cross-cultural Language and Academic Development (BCLAD). Teachers must take 90 hours of a foreign language and pass an exam. The purposes of the CLAD/BCLAD Examinations are to identify candidates for certification who have demonstrated the level of knowledge and skills required to teach English learners effectively. These exams measure each examinee's knowledge and skills in relation to an established standard rather than in relation to those of other examinees. The passing score for each test was established by the Commission on Teacher Credentialing based on the professional judgments and recommendations of California English learner educators.

What outreach is available for Hispanic students at NHS?

There is outreach to all NHS students: Leadership Class, sports, music, art, drama, and 26 clubs, including the Hispanic Club, Multicultural Dance Club, and Movimiento Estudiantil Chicano Aztlan (MEChA). MEChA is an organization which involves Hispanic students by inviting motivational speakers to the campus, and planning cultural events like the Cinco de Mayo celebration.

How does NHS inform Spanish speaking parents?

All communications are sent home to NHS parents in both English and Spanish. This year NHS is involved in a "self review" called the Western Association of Schools and Colleges Parent Evaluation Survey. These surveys are in Spanish as well as in English.

The new Absence Call System will have a telephone line available for Spanish speaking parents.

There is a Spanish interpreter at NVUSD board meetings and headsets are available.

The NVUSD Adult School offers free English classes. Classes are held at eight elementary schools both during the day and evening with child care provided.

How does NHS address the issue of Hispanic students leaving for Mexico in the winter?

NHS sent out a letter written in Spanish dated October 24, 2002, notifying Hispanic parents of a meeting to be held prior to the winter break. The purpose of the meeting was to:

1. Announce that a meeting would be held on November 5 in the Little Theater at NHS.
2. Explain the importance of the CAHSEE.
3. Explain the Short Term Independent Studies Contract (STISC), and explain seniors are required to meet with the Assistant Principal in order to get a STISC.
4. Announce that the final exam schedule would be held on December 18, 19, and 20, 2002, before winter break.
5. Provide phone numbers to call if there are any questions.
6. Explain the NHS website.

The Principal and Assistant Vice Principal of NHS met with about 80 Hispanic parents and students. They impressed upon the parents that their child would pay an academic price by taking an extended leave. There were some parents who changed their plans and decided not to go. Eighty-four students were absent longer than the district's winter break. Of that number, 59 students completed a STISC and 25 students did not. Next year, the administrators at NHS are planning to have the same kind of pre-winter break meeting.

Summary

Indications are there will be a continued increase of Hispanic students in our schools. There appears to be a sincere effort on the part of NVUSD to meet the educational challenges of the changing demographics of the Napa Valley.

Commendation

The Grand Jury commends NHS for the efforts made to meet the needs of English Learners.

IV New Technology High School

Background:

In response to local business concerns NVUSD, Napa Valley College (NVC), Napa County Office of Education (NCOE) and other institutions conceived New Technology High School (NTHS) in 1993 to prepare students for careers in technology-based education. As a secondary benefit, it provides trained staff for community businesses.

New Technology High School Mission Statement: To prepare students to excel in an information-based, technologically based, technologically advanced society.

NTHS was established in 1996. The first graduating class of 1998 had 93 graduates. Enrollment is voluntary with each student applying in his/her sophomore year, as only

juniors and seniors are allowed to attend. Space is available for 240 students. The campus is located at 920 Yount Street in Napa.

Graduating students meet not only NVUSD requirements but also complete the following:

- Service Learning/Internship
- New Media 1
- Five Computer Applications: Word, Excel, Access, PowerPoint, Keyboarding
- Four NVC courses (12 units total)
- A Web-based/digital portfolio
- A Mathematics course in the junior year (higher level than Algebra I)
- American Studies and Political Studies

The NTHS Learning Outcomes state the knowledge and skills necessary for success beyond the high school years. The eight Learning Outcomes are:

- | | |
|---------------------------|--------------------------|
| 1. Technology Literacy | 5. Collaboration |
| 2. Citizenship and Ethics | 6. Written Communication |
| 3. Critical Thinking | 7. Oral Communication |
| 4. Career Preparation | 8. Curricular Literacy |

All NVUSD classes taught at NTHS are college preparatory and the curriculum is tied to state and district standards. All classes are fully integrated, project-based and team-taught. There is one administrator, six credentialed teachers, one credentialed part-time teacher and one teacher with a specialized secondary credential. The support staff includes two clerical people, one counselor, one custodian and one network manager. There are a number of NVC classes taught on campus. The New Technology Foundation provides one internship/job coordinator, one director of curriculum and a part-time special programs coordinator. The NCOE provides the equivalent of 1.2 instructors.

NTHS has received the following recognitions:

- New US Dept of Education Demonstration Site
- California Dept of Education Tech Prep Development Site
- California Model of the Digital High School Initiative
- 21st Century School-to-Career Demonstration Site
- Western Association of Schools and Colleges (WASC) Accredited High School – six-year term of accreditation, without review
- Rotary Computer Training Center is the training site for Cisco Systems and Microsoft NT
- Designated by the Governor's office as California's first "Cool School"
- Recipient of a \$4.9 million grant from the Bill & Melinda Gates Foundation – with SAT scores higher than the state and national average, NTHS was recognized as a learning environment that helps students achieve
- Napa's first and only public Video Conferencing Center was located across the street at New Technology Foundation.

The above information was provided by the NTHS web site, tour book guide for students and visitors, interviews with NTHS administrator, staff and students.

Summary and Commendations

The Grand Jury commends the NTHS staff for its work with students and the community, for staying current with technological and academic skills, for preparing students for careers after high school and for preparing students for higher education. Absenteeism is not a problem at NTHS. In fact, many students attend classes when ill because they do not want to miss anything. When speaking to students and staff, "we want to be here" is the prevailing attitude. The students and staff appear to have trust and respect for each other. The Grand Jury hopes for continued positive success for this school.

Napa County Grand Jury 2002-2003 Training and Education Center Report

BACKGROUND

The Napa County Training and Employment Center (TEC) is the agency originally formed as a result of federal legislation known as the Job Training Partnership Act (JTPA). In 1998, Congress enacted the Workforce Investment Act (WIA), changing the entire structure of TEC. The WIA provides the basic framework for a national workforce preparation and employment system, which is intended to be customer-focused. It is designed to help Americans access the tools they need to manage their careers and help companies find the skilled workers they need to compete more effectively in a global economy. The legislation mandated the creation of One-Stop Centers, modeled after one-stop shopping, which provide a number of resources in one location.

That legislation also created local Workforce Investment Boards, whose purpose is to advise, assist and monitor the One-Stop Centers and their compliance with WIA. The focus of the legislation is to assist adults 18 and older, dislocated workers, youth (age 14-21) and disabled workers. Employers are invited to take an active role in designing and implementing training systems for occupations in current local demand. Employer services are also available through this legislation.

Until November of 2002, the local TEC reported directly to the County Executive Officer and WIB. TEC has now been added to the group of departments under the overall umbrella of the Department of Health and Human Services (HHS). This change was made to consolidate redundant administrative functions and to provide a more structured administration of services.

TEC - THE AGENCY

The Training and Employment Center receives approximately 60% of its funding from WIA funds, thereby making WIA programs its primary focus. TEC also receives monies from several grants, generally obtained by an organization called North Bay Employment Connection (NBEC). NBEC is a planning and grant-writing organization that serves Napa, Solano, Sonoma and Marin counties. It was created by the JTPA directors of these four counties several years ago. The money received through these grants allows TEC to provide training services in addition to those available through WIA.

WORKFORCE INVESTMENT ACT I WORKFORCE INVESTMENT BOARD

Governor Gray Davis established the California Workforce Investment Board as required by the WIA. This Board advises and assists in planning, coordinating and monitoring the provisions of California's statewide workforce programs and services. Each county must create it's own WIB, which is charged with overseeing the development and administration of the one-stop systems and

programs. Each is responsible for ensuring individuals seeking to find and retain work or to upgrade their vocational skills are well served. Additionally, employers seeking workers must receive assistance in accessing a local workforce with the skills and abilities necessary to meet their requirements.

The Napa County Board of Supervisors appoints the Napa WIB members. The Board consists of 31 members: 16 from the private sector and 15 from the public sector. The public sector includes representatives from labor, education, community-based organizations, economic development and the Board of Supervisors. Five members from the public sector must come from current One-Stop partner agencies. Private sector members include individuals who represent businesses with employment opportunities that are reflective of those generally found in the local community. The Napa WIB hired a new Executive Director effective October 1, 2002. Members are requested to serve at least a two-year term. At the time of this report there are eight vacancies on the Board that should be filled in the next few months. WIB meets once every other month and committees meet in the interim.

WIB is currently in a transition mode as a result of hiring a new director and simultaneously transitioning TEC to the supervision and authority of HHS. Consequently many new procedures and guidelines are under design and implementation. New guidelines for the agency directing the One-Stop Center are being established and performance standards and quality delivery systems for the future are being re-evaluated.

WIA funds are administered by WIB and distributed by the county through the agency directing the One-Stop Center to subcontractors and training providers. Currently, TEC is the agency directing the One Stop Center. It is possible that another WIA partner agency could be selected by the WIB in the future to direct the One-Stop Center. Realistically, this would only occur if TEC failed to perform its responsibilities according to WIA requirements, was unable to reach performance goals repeatedly or generally mismanaged the program.

It should also be noted that while the WIA became law in 1998, actual implementation did not begin until July 1, 2000.

II ONE-STOP CENTERS – JOB CONNECTION

The Napa One-Stop Center is called Job Connection and is comprised of 14 partner agencies. These include the following on-site partners: Training and Employment Center, Adult Education, Experience Works, California Human Development Corporation, Vocational Services Division, Goodwill Industries and California EDD. Other partner agencies include California Conservation Corps, California Department of Rehabilitation, Community Action of Napa Valley, Napa Valley College, Napa Valley Economic Development Corporation, Napa Valley Housing Authority and Regional Occupational Program. The on-site partners provide staff and supplies at

the Job Connection location; all partners provide resources for job seekers and employers, depending upon various criteria as unique as the entities themselves.

WIA mandates that One-Stop Centers provide three types of services: Core, Intensive and Training services. Any job seeker in the community may use the free Core services provided at Job Connection. These services include access to computers and the internet for job searches and résumé postings, office supplies, assorted employment resources, staff assistance, meeting rooms, unemployment insurance information and referrals for additional services. Job seekers are issued plastic identification cards (Connect Cards) which enable Job Connection staff to track utilization. In fiscal year 2001 – 2002 data from the cards indicated over two thousand customers received assistance.

Clients who are unable to find work through Core services may access further intensive assistance by attending an orientation meeting, and being assigned to an Employment Program Specialist (EPS) who assesses clients' specific needs. In addition to counseling and coaching, an EPS can direct a client to pertinent workshops or refer the individual to specialized programs offered by the various partners in Job Connection.

A third level of assistance is through specialized training programs that are limited by available funding. Training is accessible to individuals who meet WIA financial criteria, and who have either no marketable skills or a need to develop or upgrade marketable skills. For example, a person might have skills no longer needed in our community, or the skills might require upgrading to meet market demands in specifically designated fields (generally approved by the state). A list of 2001-2002 training contracts showed a variety of training programs including computer technology, nursing and psychiatric technicians.

Companies that require large-scale recruiting (past examples are Wal-Mart and UPS) can interview on-site and list their openings. Employers who participate in on-the-job training contracts receive 50% employee salary reimbursement. Those companies interested in sponsoring an intern through work experience programs provide newly trained job seekers with valuable experience in their field. Interns are paid by the Job Connection rather than by the employer. Perhaps the greatest benefit to employers is the ability to participate in the determination of emerging fields of employment in our community, and assisting the Job Connection in designing appropriate training criteria. This cooperative step allows the Job Connection and its partners to develop skilled workers to meet local demands.

III TRAINING SERVICE PROVIDERS

Job Connection subcontracts the majority of its training programs to outside vendors. The vendors must meet stringent state criteria to be placed on the Eligible Training Provider List (ETPL). A local Staff Services Analyst (or a Deputy Director Designee)

monitors any subcontract that is not covered by the ETPL. A procedure is in place that involves review of the contracts and at least two meetings with the subcontractors to make certain all aspects of the service are in compliance with federal, state, and departmental requirements. Additionally, any client enrolled in a training program is contacted monthly by the EPS. If difficulties with the client and/or training program come to light, corrective action is taken immediately.

Former service providers were surveyed to determine their opinion of service and overall experience with the Job Connection. Generally they were favorably impressed with the Center as it related to their experience with on-the-job training and the general interaction with Job Connection staff. In their opinion, the selection of students to be trained by them was appropriate to the type of training. A few providers complained of overdue reimbursements for their services. This issue appeared to have stemmed from changes in the fiscal management of TEC before and subsequent to the transition to HHS. Former procedures are currently under revision and there is a strong commitment by management to resolve all related issues in this fiscal year. The goal is to have all improvements in place for the beginning of the 2003-2004 fiscal year.

IV PERFORMANCE EVALUATION

Performance standards for the use of WIA funds are specified by both federal and state agencies. Due to differences in fiscal year versus performance year, and the interest in outcomes after clients have exited the program, WIA performance measures evaluate the past. At the time of this report, information for 2001-2002 was still being collected as to how clients were faring after being out of a program for several months (as mandated by the rules governing WIA funds). Results for that performance year would not be available for review for several months. Year-to-year comparisons are challenging at best. Interviews with WIB members found general agreement that the mandated reports were not helpful. In recent months a WIB committee met with county employees and technical support staff to develop some alternative method of reporting of data. These monthly reports are intended to reflect numbers of clients newly enrolled and those currently attending various programs, as well as those exiting and the reason for their exit (return to school, military service, welfare, employment, etc.). Because this is a new report it was not possible to evaluate its benefit at this time.

FUNDING

WIA total funding allocation for the fiscal period 2002-2003 is approximately 39% lower than the previous year's allocation. WIB estimates funding for the 2003-2004 fiscal period, \$625,000, will be reduced by 16.4% to, \$522,500. This money includes contributions of all on-site partners, WIA grants, WIA funds and other federal and state resources. Funding allocations are based on unemployment data from 2001, which is no longer an accurate measure of current employment in either California or Napa County.

I GRANTS – WIA AND NBEC

Funding for grants is somewhat complicated. Job Connection obtains grants from federal and state resources in order to supplement the money received through WIA. This grant money can only be spent on WIA-related projects.

TEC applies for additional funds through NBEC in order to provide more training that is specific to the needs of the local community. The training developed with this funding is generally created with local employer assistance and also involves local colleges, adult education and other related organizations.

Examples of some of the training programs developed with grant money from both sources are listed below. These programs were developed with 2002-2003 funding.

- The Nurse Workforce Initiative grant is funded by the state and administered by NBEC. This grant provides funding in three areas. First, it funds additional instructors at Napa Valley College to upgrade 20 current licensed vocational nurses to registered nurses or psychiatric technicians. Second, it provides a new course to assist unlicensed, but trained, registered nurses to pass the state-licensing exam. Third, it extends the Caregivers Training Initiative “fast track” program that provides the training and development of psychiatric technicians. This training is sponsored by Napa State Hospital and Napa Valley College and enables students to work 20 hours per week at the Hospital and receive 20 hours of education per week at the College.
- The Knowledge Administrator Training is funded by a state grant and administered by the WIA. This grant funds a series of self-paced computer training programs targeted at an area of clerical support not currently addressed by other training. At the completion of the program participants receive a certificate. The program takes at least six months to complete and involves rigorous testing.
- The Inclusion Grant is federally funded by the Department of Labor and the Office of Disability Employment and is administered through NBEC. The budget for this five-year grant is \$990,000.00. The programs using these funds are designed to increase employment options and wages for people with disabilities.
- The After-School Arts Program is funded by the Governor's discretionary fund and administered by Job Connection. This WIA program provides after-school arts activities for at-risk youth.

The Grand Jury wishes to thank all the staff of Job Connection and members of WIB who very graciously spent a great deal of time educating us on the various aspects of this very complex agency. The Grand Jury feels that they are overcoming the vague and complex guidelines of WIA by continually improving and revising the One-Stop Center.

PROCEDURES

- Interview with the former Director of the Training and Employment Center
- Interview with the Health and Human Services Program Manager II (Vocational Program Coordinator)
- Interview with the Workforce Investment Board Executive Director
- Interviews with members of WIB
- Attendance at WIB meeting
- Interviews with One-Stop Center staff
- Two unannounced site visits
- One guided tour of One-Stop Center and its on-site partner agencies
- Survey of job seekers exiting Job Connection
- Survey of training providers and other service providers
- Review of Subcontracts
- Review of Policy and Procedure Manual
- Review of Fiscal Year Budget
- Review of Assorted reports regarding WIA, WIB, One-Stop Centers, Job Connection and NBEC

Finding 1

State and federal WIA performance evaluations do not track the use of basic Core services which are utilized by more individuals than other services. The costs for providing these services to the community are absorbed in the staff costs of each on-site partner agency. WIB performance measures should include a broad picture of One-Stop Center activities. The full scope of staff time, available resources, program success and service to the community cannot be adequately evaluated without including timely data gathered by the Connect Card. This important segment of service should be a part of the equation reviewed when making decisions.

Recommendation 1

Re-evaluate the procedure for swiping Connect Cards to better measure the number of users versus the number of times someone comes through the door. Include and monitor the number of individuals using Core services in the new performance standards currently being developed by WIB.

Response Requested From

Director of Health and Human Services

Workplace Investment Board

Finding 2

The Job Connection has been commended for meeting performance standards set by state and federal governments. Although completing federal and state performance requirements are necessary for WIA compliance, they are basically

useless in evaluating and planning One-Stop Center activities. Surprisingly, previous WIB members and Job Connection were so focused on mandated evaluations that there appeared to be little concern about obtaining easily understood information that could be useful in making decisions and setting policy.

Recommendation 2

The Grand Jury is pleased that the current WIB is developing more readily understandable reports. These reports should not become a standard unless all members of WIB can make sense of the data provided.

Response Requested From

Director of Health and Human Services
Workplace Investment Board

Finding 3

Of those WIB members interviewed, a majority were uncertain of their roles, how Job Connection worked, or how WIB evaluated the performance of TEC in running the One-Stop Center. The majority of those interviewed felt the federal and state performance standards and formulas were incomprehensible.

Recommendation 3

WIB needs to provide new members with better orientation so they can play a more effective role in determining and evaluating policy. The Grand Jury suggests an initial "new member" meeting, scheduled at a time other than a regular WIB meeting, to acquaint new members with WIA and their roles as members. They should also be given a brief tour of Job Connection. In addition, a long-term member should act as a mentor, advising the new member during his or her first year.

Response Requested From

Workplace Investment Board

Finding 4

The Grand Jury was pleasantly surprised to find such valuable resources for the community available at the Job Connection. Attempts should be made to better market these resources to make Napa County residents aware of the benefits available. The focus of this marketing should be: awareness of the self-service Core services, name recognition for Job Connection, use of on-the-job training for employers, and benefits available to companies through the One-Stop Center. Second, there is a great need to extend services to low-income and low-skilled workers throughout the Valley, including the Latino population. A better outreach program needs to be developed to inform these individuals who can truly benefit from WIA programs.

Recommendation 4

Work with local service organizations and small business groups to inform more companies about available services. Develop a relationship with the county's

newspapers and other media to obtain coverage about services and special training programs. Publicity should be generated at the beginning of the fiscal year, when sufficient funds are available to serve those responding to that publicity. Religious newsletters and local market bulletin boards may be used to reach the public. Job Connection should access free public service announcements when available.

Response Requested From

Director of Health and Human Services
Workplace Investment Board

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Introduction

The Grand Jury examined water districts in Napa County that are financed by public funds. Those that fell within the jurisdiction of the Grand Jury included:

- The City of American Canyon
- The City of Calistoga
- The City of Napa
- The City of St. Helena
- The Town of Yountville
- Circle Oaks County Water District
- Congress Valley Water District
- Lake Berryessa Resort Improvement District
- Napa Berryessa Resort Improvement District
- Spanish Flat Water District
- Los Carneros Water District

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The Grand Jury also studied Lake Berryessa, Napa County, ground water and wells.

Napa County is located forty miles northeast of San Francisco within the northern half of the Coast Ranges geomorphic province. Volcanic activity, earthquakes, and erosion have assisted in the landscape process. These geologic events created the water bearing units in, and around, the Napa Valley. Some of the faults in Napa County include: Carneros Fault, Cordelia Fault Zone, Green Valley Fault Zone (active), Soda Creek Fault, West Napa Fault Zone (active), Wilson Fault, and the Wragg Fault.

Napa County agriculture and municipalities satisfy their water needs from five sources. These are 1) groundwater, 2) river diversion, 3) reservoirs, 4) imported water and 5) reclamation.

The valley floor is drained by the Napa River. The River extends longitudinally from the northwestern section of the County, at the base of Mt. St. Helena, flowing south to San Pablo Bay.

The primary regulated watersheds are situated east of the river and consist of Bell Canyon, Conn, Moore, Chiles, and Sage Creeks. These tributary flows contribute to Lake Hennessey and Rector Creek.

An additional reservoir is located west of the river on the California Veterans Home grounds. Lake Hinman is listed on the Rutherford Quadrangle map prepared by the United States Department of the Interior, in 1951. A second lake of equal size lies one half mile north and slightly to the east. This lake was documented but unnamed on the map.

The Napa River watershed includes many creeks, some of which are unregulated. Small dams have been constructed, demolished and abandoned in the Napa River watershed. One exists off Dry Creek Road about three miles above the valley floor.

In the past, lakes, streams and wells provided water for industrial, domestic and agricultural usage. In the middle of the last century construction of dams and reservoirs began. Steady increases in population and water use have served to reduce the supply of water.

Man-made Lake Berryessa provided a temporary source of auxiliary water for approximately twenty years. Water from the Delta now adds to the water supply in three of the County's municipalities. The master water supply contract between the County and the State was signed on December 19, 1963, with subsequent amendments revising contract repayment and entitlement to water.

Those communities that comprise the Angwin outreach are located in the hills to the east of the City of Calistoga. The population of about 4,000 receives water from privately held lakes and wells.

The residents of Pope Valley are also served by privately held water sources.

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Procedures

The Grand Jury reviewed the following published data and reports:

Berryessa Resort Improvement Budget, 2002-2003
Berryessa Valley The Last Year, Pirkle Jones, Vacaville Museum, 1994
Bryan, E.N., 1932, Report of Napa Valley Investigation,
California Department of Public Works
California Department of Health Services Drinking Water Field Operations Branch
Regulated Napa County Water System
California Water Charge Survey, 2001
Circle Oaks, 2000 - 2001 Budget
City of American Canyon Water System Master Plan, February, 2003
City of Calistoga Cold Water Well Application
City of Calistoga Notice of Public Hearing on Water Charges
City of Calistoga Sources and Uses Summary
City of Calistoga Staff Reports, May to November, 2002
City of Calistoga Summary of Ordinance #581 adopting water fees
City of Calistoga Water Operations and Capital Improvements,
2002-2003 Budget
City of Calistoga Water Operations and Capital Improvements,
2003-2004 Budget
City of Calistoga Water Rates Study and Financial Plan,
Bartle and Wells. April, 2002
City of Napa Adopted Budget Fiscal, 2001-2002
City of Napa Approved Budget, 2001-2003
City of Napa Water Enterprise Fund, September 30, 2002
City of St. Helena Approved Budget Fiscal Year, 2002-2003
Congress Valley Final Budget Fiscal Year, 2002-2003
County of Napa General Ledger Organization Revenue Status,
January 12, 2002
Daily Republic, October 1, 1995, Art Isberg
Daily Republic, March 28, 1998, Charles Levin
Directory Local Agencies Subject to LAFCO Jurisdiction, August, 2002
Environmental Impact Lake Berryessa Final Report, 1992
Ground Water Hydrology of Northern Napa Valley, Robert E. Faye, 1973
LAFCO Comprehensive Water Service Study Public Workshop Draft
LAFCO of Napa County Water Service Study, 2003
Letter, November 2, 2002, Department of Veterans Affairs:
Rector Reservoir
Napa County Grand Jury Final Report, 1998-1999
Napa County Grand Jury Final Report, 1999-2000

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Napa Register Editorial, October 4, 2002
Napa Register Editorial, May 28, 1977, Louis Ezettie
Napa River Diversion Feasibility Study, Kennedy-Jenks,
NCFCWCD, 1992
Spanish Flat Water District Budget, July 1, 2002 - June 30, 2003
Spanish Flat Water District Financial Statement and Independent Auditors
Springs of California, G.A.Waring, USGS Survey Water Supply, 1915
Town of Yountville Council Staff Report, 10/1/2002
Town of Yountville Ordinance 300-00
Town of Yountville Ordinance 323-02
Town of Yountville Water Fund Capital Improvements Fund 61-4500
Town of Yountville Water Fund/Operations Fund 61-4505
Town of Yountville Water Purchase/Conservation Fund 61-4507
Town of Yountville Water Service Fund 61
Town of Yountville Water Service Fund/Revenue Source
Water and the Shaping of California, Sue McClurg, 2000,
Water Education Foundation
Water Facilities Plan for the City of Calistoga, Summit Engineering,
May, 2000
Water Resource Study for Napa County Region, January, 1991, NCFCWCD

The Grand Jury interviewed the following officials and agencies in Napa County:

American Canyon Administrative Assistant
American Canyon Finance Director
American Canyon Public Works Director
Calistoga Administrative Services Director
Calistoga City Engineer
Calistoga Financial Director
Director Department of Environmental Management for Napa County
Executive Director LAFCO Napa County
LAFCO Napa County Analyst
Napa City Water Department Director
Napa City Water Department Interim Director
Napa City Public Works Director
Napa City Treatment Facility Supervisor
Napa City Water Quality Analyst
Napa County Public Works Director
St. Helena City Manager
St. Helena Director of Finance
St. Helena Director of Public Works
Yountville Administrator
Yountville Financial Officer

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Yountville Assistant Planner
Yountville Engineer
Yountville Town Planner

American Canyon

The City of American Canyon is located in southern Napa County. It was incorporated in 1992, and is the newest city in the County.

A water connection is the link between the distribution system and the recipient. The recipient may consist of a single residence, an apartment complex, a mobile home park, or comparable link. Rates are determined by the diameter of the connecting pipe.

The City's existing water service area includes the area encompassed by the city limits and the industrial/commercial area north of the City along Highway 29, including the Napa Airport Industrial Park. This includes about five square miles and provides water to residential, commercial, and industrial customers. The City of American Canyon provides water service to customers within the City's water service boundary.

Prior to the City's incorporation in 1992, water service was provided by the American Canyon County Water District (ACCWD), which was formed in 1961. Before the formation of the ACCWD, the City of Napa provided water service. In 1975, water facility improvements were constructed including a new water treatment plant, a new water storage reservoir, and transmission pipelines connecting the new facilities. The ownership and operation of the water facilities were transferred to the City of American Canyon after incorporation in 1992. A metered interconnection and purchased treated water agreement remains in place with the City of Napa. A new interconnection with the City of Vallejo was constructed in 1999. A significant level of development has occurred in the City and major changes to the water distribution system have been made. This includes the addition of a water storage tank. The City is in the process of expanding the capacity of its water treatment plant.

American Canyon's sources of potable water include the North Bay Aqueduct (NBA), a treated water supply contract with the City of Vallejo, and a treated water supply contract with the City of Napa. American Canyon obtains 95% of its primary supply through a contract with the Napa County Flood Control and Water Conservation District (NCFCWCD). This water is obtained in the form of untreated raw water. It is treated at the City of American Canyon's water treatment plant and delivered to the distribution system.

The City of American Canyon has an additional treated water contract with the City of Napa for deliveries through an interconnection located at the north end of the City's water service area, near the airport. This connection is used to supply local domestic and fire-flow demands on the north end of the system. Hydraulic improvements and the expansion of the water treatment plant will reduce the City's dependence on this interconnection. Nevertheless, it is desirable to maintain this interconnection for emergency purposes.

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The dependable yield of all sources of water supply must be greater than the projected annual demand on the system. The definition of the term 'dependable yield' is that which can be delivered during the worst anticipated drought conditions.

The annual amended budget for the City of American Canyon fiscal year 2002-2003 for water sales income was \$2,800,000.00. Budgeted water service costs for that year were \$3,475,300.00

American Canyon has a tiered rate system. The one-time connection fee schedule for new construction begins at \$4,211.

population: 12,283	service area: 2,672 acres
connections: 3,722	rate: \$2.50 per HCF*

*100 hundred cubic feet (HCF)

Lake Berryessa

Although it is, at present, a minor contributor to Napa County water supply, Lake Berryessa is a major presence in the water picture.

Located in eastern Napa County, Lake Berryessa was formed by the construction of Monticello Dam on Putah Creek. The Solano Project watershed and water supply facilities are located in Napa, Lake, Solano and Yolo Counties. The Lake is entirely within the Napa County border. The drainage basin comprises five hundred seventy-six square miles above Monticello Dam. The reservoir is twenty-five miles long, three miles wide at its widest point, and has a shoreline of one hundred sixty-five miles. The Lake Berryessa shoreline exceeds that of Lake Tahoe.

In 1945, participants in the California Water Conference debated the building of Monticello Dam. Napa and Yolo Counties voiced vigorous opposition to the project. Nathan F. Coombs, Napa City Attorney at the time, stated that it was unfair to destroy farmlands to provide water storage. Earl Warren, then the Governor of California, began his supporting argument by saying "California needs to make the fullest use of its water resources."

Interest in erecting a dam at Devil's Gate, the gorge that opened up Berryessa Valley, dated back to the early 1900's. Prominent state water engineers, including William Mulholland, wanted to build the dam to carry water to the Bay Area. Interest in, and funding for, this water supply has been in the hands of Solano County. In 1939 the U.S. Bureau of Reclamation and the U.S. Army Corps of Engineers proposed the Solano Project for Putah Creek. Arguments for and against the dam were made at the 1945 California Water Conference. In 1948 the U.S. Department of the Interior approved the Solano Project. Fending off opposition from Napa and Yolo Counties, Solano County voters approved forming the District on February 28, 1948, by an eleven-to-one margin.

The Berryessa Valley was prepared for its role as a water storage facility. All structures were moved or burned. The cemetery was exhumed. The stone bridges that were built to span the creek were left to endure the water. The roads remained. The fertile valley that had been under the plow for about a century, was converted

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into a lakebed. In 1956, after years of fighting, the last residents of the Berryessa Valley and the little town of Monticello abandoned their land.

Three years later the legislature formed the Solano County Flood Control and Water Conservation District in order to sell Berryessa water to local agencies. The District's water delivery system, 371 combined miles of canals, pipelines and drainage ditches, cost \$17 million. The dam opened in 1957 and water delivery began two years later. In 1988 the Solano County Water Agency replaced the Solano County Flood Control and Water Conservation District.

Water rights to Lake Berryessa were awarded by contract by the United States Bureau of Reclamation. Solano County has expressed the desire to purchase Monticello Dam. This has complicated the water rights issue. Congress must approve any such transaction.

The Bureau owns the Lake and operates, via sub-contracts, the Solano Project water supply facilities. These include Lake Berryessa Reservoir, Monticello Dam, Putah Diversion Dam, the Putah South Canal, waste ways, laterals and drainage works. Resort facilities are under contract to the Bureau. These contracts, which will expire in 2008/2009, are under evaluation for renewal.

Lake Berryessa provided an interim source of water for many years via the Putah South Canal to the Jamison Canyon treatment facility. Those waters required 70% fewer treatment chemicals than the Delta waters. The Department of Water Resources (DWR) began construction of the State Water Project (SWP) in 1963. Napa County contracted for water and wanted the water sooner than Solano County, which also participated in the SWP. An agreement was reached between the State, the Bureau of Reclamation, Solano County, and Napa County that allowed the North Bay Aqueduct (NBA) to be built from Cordelia to Napa. Napa was to receive water from the South Putah Canal (Berryessa water) until the portion of the NBA from Cordelia to the Sacramento River Delta (Barker Slough) was completed. Solano County did not need the SWP water immediately and was willing to wait and to postpone their payments to the NBA. The second portion of the NBA was completed in 1988 and Napa began receiving SWP water from the Sacramento River Delta.

The Jameson Treatment Plant received Berryessa water from 1968 until 1988. The interconnection in Cordelia between the NBA and the South Putah Canal (Berryessa water) is no longer functional but Napa County has been trying to restore the connection for emergency purposes by negotiating cooperatively with Solano County and DWR.

Calistoga

The City of Calistoga is located in the northern part of the County of Napa. The water system is maintained and operated by the City's Public Works Department, Water Systems Operations. Additional water comes from private wells. Until 1986 there was no restriction on the number of wells that could be sunk in the ground. It was then enacted that no new wells could be dug without a permit. Since 1998 no new well permits have been granted in Calistoga.

The main source of water for Calistoga is Kimball Reservoir. The City has a

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well at Feige Canyon which is at present unusable due to high levels of antimony. In addition they purchase water from the State Water System through the City of Napa.

The City ordered Summit Engineering to prepare a master plan for the City's water use and long term water needs. The Master Plan was adopted by the City in 2000 and the staff of the Public Works Department identified the most immediate needs and requested help to affect these works. The engineering firm of Kalinowski, Inc., was hired to develop plans for construction and to obtain loans and grants through United States Department Agriculture (USDA). The contract was awarded in April, 2001, and is still ongoing.

It was determined that the present rate structure would not suffice and Bartle and Wells were hired to develop a Water Rate Study and Financial Plan. The plan included a tiered rate structure and a conservation plan. The City adopted the plan without implementing the conservation suggestions on March 6, 2002. The rates, when published, created considerable controversy. The City discussed various rebate plans, which were published in November, 2002, and resulted in a recall petition for some members of the City Council.

Calistoga manages its budget in a responsible manner, with the exception of the Water Department, where expenditures exceed income. Consultant fees contribute to the imbalance.

Calistoga's water customers are charged two fees for water service: a monthly service payment and a bi-monthly usage assessment. The monthly service fee is based on the size of the meter. Customers are charged a \$26,350 water connection fee for new service or for the expanded use of an old connection. The connection fee between the distribution source and the meter is based on an acre foot of water consumption per year and is adjusted according to projected water use for each customer type.

population: 4,752	service area: 1,670 acres
connections: 1,400	rate: \$2.33 per HCF

Circle Oaks

Originally conceived as a planned resort community, Circle Oaks is located several miles south of Lake Berryessa along State Highway 121, in the Cappell Valley. The Circle Oaks County Water District (COCWD) was formed in 1962 to provide potable water and wastewater service to a proposed three unit, 2,200 lot development that consisted of 3,231 acres. Plans to fund construction of a reservoir and other improvements necessitated the issuance of general obligation bonds in 1964.

Development within Circle Oaks never fully materialized. Due to financing restraints the planned water and wastewater systems were never constructed. The District continued to collect property taxes from the Unit One owners for the entire project. Property owners sought reduction of property taxes by releasing ownership of lands that were located outside of the subdivision. In 1984, 3,017 acres were

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detached, leaving the District with an area of 214 acres.

COCWD's water sources consist of three wells, which are used in the winter and spring and a spring source that is utilized, under normal rainfall conditions, in the summer and fall. A moratorium on water connections was imposed in 2000. Deficiencies in water supply and storage capacity were cited as the cause for the moratorium.

During the 1990s the COCWD operated at a loss. In 2001 the District engaged the service of a consultant to provide an analysis of the water service system. The District has implemented some of the recommendations.

Costs of operating the District include the compensation paid to the COCWD Board of Directors. In addition the District employs Phillips and Associates to operate and manage the system. To offset these and other costs the District charges \$6.50 per 1,000 gallons to its customers. Currently the District is no longer operating at a loss but is without emergency or capital reserve funds.

Due to limited development within COCWD, the District's primary revenue base is limited to less than two hundred service connections. In order to meet operating costs and to replenish a depleted reserve fund, the District currently charges one of the highest water usage rates in Napa County. At the present time the District operates without an emergency or a reserve fund.

The initial connection fee for water service is \$5,000.00. The water availability fee is \$29.00.

population: 500	service area: 252 acres
connections: 189	rate: \$6.50 per 1,000 gallons

LAFCO provided this information. The COCWD did not respond to Grand Jury inquiries.

Congress Valley

Congress Valley lies between Browns Valley Road and Old Sonoma Road, west of the City of Napa.

In the late 1940's drought conditions prevailed. In Congress Valley ground water was not only scarce but also inundated with undesirable minerals. After years of coping with these conditions, the farming community formed the Congress Valley Water District (CVWD) in order to procure a connection with the Napa City Water Department for potable water.

The District issued general obligation bonds to finance the construction of a water delivery system. This system was satisfactory for a number of years. Gradually, as the population and water connections increased, demand finally exceeded the capacity of the system. In 1975 the CVWD requested that the District be rezoned to Agricultural, thus limiting lots to 40-acre minimums.

In 1989 a new delivery system was financed through a grant and low interest loans from the Department of Water Resources. The City of Napa became

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responsible for the operation of the system. This agreement will remain in place, with prescribed restrictions, until 2017. At that time the District will dissolve and turn its assets over to the City of Napa.

The 1995 Napa County Grand Jury report indicated that CVWD customers were paying 70% more in water rates than other Napa customers. The Grand Jury found that the CVWD had a healthy reserve accumulated and no planned capital improvements. As a result of the Grand Jury inquiry, the District amended its rate schedule to comply with the rate charged by the City of Napa to customers inside the city limits.

The District remains viable with an elected five-member board of directors who receive monetary compensation for their services. The District employs one part-time administrator. Among other duties, the administrator interacts on behalf of the board with local and government agencies.

The initial connection fee for service in Congress Valley is \$7,683.00

The District continues to maintain a reserve fund for emergencies.

population: 244	service area: 1,416 acres
connections: 74	rate: \$3.23 per 1,000 gallons

Lake Berryessa Resort Improvement District

Lake Berryessa Resort Improvement District (LBRID) was established in 1965 under the Resort Improvement District Law that allowed any district so formed to provide a wide range of municipal services in areas suited for recreational and seasonal uses. Labry Corporation intended to develop a five phase, 1,800 unit community referred to as the Lake Berryessa Estates. Under this umbrella the District would be allowed to provide fire protection, planning, garbage disposal, public recreation, street lighting, mosquito abatement, police protection, road and bridge construction, as well as transportation related facilities.

General obligation bonds were issued to finance the construction of water treatment and wastewater disposal facilities. In 1971, the law was amended to preclude a district from providing services that were not already provided or budgeted for as of July 1, 1970. LBRID is currently restricted from providing any municipal service other than potable water and wastewater services.

In 1969, the District entered into a water supply agreement with the Napa County Flood Control and Water Conservation District (NCFCWCD). This agreement was renewed in 1999. The agreement provides the District with an entitlement of 200 acre-feet of raw water per year for the next twenty-five years, or until 2024. The water is drawn from Lake Berryessa.

The lack of development within the District has restricted revenues from financing upgrades and improvements to the system. Napa County manages the water systems.

The initial fee to connect to the water system is \$1,200.00.

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population: 564	service area: 2,030
connections: 171	rate: \$1.44 per 1,000 gallons

Los Carneros

Los Carneros Water District (LCWD) was established a year after the drought year of 1977. It is included in this report because the District has the capability to access public funds. LCWD is a dormant district with no immediate plans to initiate operations or services.

Its original purpose was to provide irrigation water from Napa Sanitation District (NSD) for the farmlands in the area. As the agricultural land in the area altered in use from dry farming crops to vineyards so did reclaimed water requirements. Agreements were reached and postponed, as property owners became reluctant to buy into a costly conveyance and distribution system that would prove inflexible in a changing environment. Other agreements between LCWD and NSD have been suspended by concerns expressed by either one of the two groups.

LCWD and NSD agreed on a new water supply contract in 1995. It is referred to as the Carneros Recycled Water Service Project. This agreement will remain in effect until it is mutually terminated.

The District's governing body consists of an elected five-member board. Qualifications for service on the Board are based on a landowner voting system. The Board has the ability to issue general obligation and revenue bonds as well as to take other financial actions. Currently the Board, which has not met in years, is without a fifth director.

LCWD does not own, lease, maintain, or operate treatment facilities.

population:	service area: 5,772
connections: 0	rate: \$.77 per 1,000 gallons*

*reclaimed water

City of Napa

The Napa River has been a trade route for residents of the Napa Valley. Wappo and Wintun Indians made use of the river. Nathan Coombs named the settlement that had formed around the wharf near Third Street "Napa City" in 1848. Population expanded from 150 Caucasians in 1850 to 3,500 by 1880.

The City of Napa incorporated in 1914. In 1923, the first year of a five-year drought, the City began construction of Milliken Dam and subsequently of Milliken Reservoir, which served as a water source for twenty-five years. Conn Dam was constructed in 1946, as was the Conn Transmission Line. Twenty years later Napa reached an agreement with the Napa County Flood Control and Water Conservation District (NCFWCWD) for an annual entitlement of water from the State Water Project

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(SWP).

The City of Napa maintains a complex water supply and distribution system. Raw water is obtained from the two local water supply reservoirs, Lake Hennessey and Milliken Reservoir, as well as from the State Water Project (SWP). Since the City of Napa City Water Department may be operating two or more sources at any one time, delivered water is actually commingled from any of the three sources.

The City operates three water treatment plants and eleven storage facilities over five distinct pressure zones. The City has no groundwater supply facilities.

The City provides water to the majority of users in the lower Napa Valley. Water service is provided to connections which lie both within and outside the city limits but within the Rural Urban Limit (RUL) line. The city limits cover about 95% of the RUL; the remainder is an unincorporated area of the County. Water is also served outside the RUL to customers in Congress Valley and Silverado Resort, and to users along Monticello Road and the Conn Transmission Main.

The water supply provided through the North Bay Aqueduct (NBA) to Napa is produced from the State Water Project (SWP), of which the North Bay Aqueduct (NBA) is a project element. The Napa County Flood Control and Water Conservation District, a County entity, was established by State legislation in the middle of the last century. It is this District that has the contract with the State to receive water entitlements from the SWP.

The City receives NBA water at the Jamison Canyon Water Treatment Plant, treats and wheels the water to Calistoga and Yountville at their request. Each of these townships has a contract with Napa County, which provides them with entitlements to the NBA.

An acre-foot (AF) of water supplies a family of four with enough water for one year. The yield available from local sources, under normal rainfall conditions, was about 8,400 AF in 1997. The City's NBA entitlements will grow from 5,800 AF to 18,800 AF by the year 2021. Total supply to the City from local sources and the NBA under normal rainfall conditions have increased from the 1997 level of 14,200 AF, to an expected level of 35,200 AF by the year 2021. Firm yield, the supply available in drought years, totaled 8,300 six years ago and was expected at that time to rise to 14,800 AF by 2021.

Water is conveyed via the Sacramento River from Oroville Reservoir, located on the Feather River, to Barker Slough in the Delta. Water is pumped out of the Slough through the phase #1 pipeline of the North Bay Aqueduct (NBA) to the Cordelia Forebay, where the system separates from Solano County. Water is pumped out of the Forebay into Napa County through the NBA phase #2 pipeline that was constructed prior to the phase#1 pipeline. This water, which is funded at the State level by the Department of Water Resources (DWR), enters the Jamison Canyon Water Treatment plant, which is owned by the City of Napa. There it is treated to potable standards. Untreated water at this location also flows into the City of American Canyon's Water Treatment Plant and flows through their pipeline into their city.

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Raw water is piped by DWR into a seven million gallon storage tank at the Jamison Canyon site. A five million gallon tank stores the water that remains for use after American Canyon receives its allotment and treatment is completed.

Water from Lake Hennessey is pumped to the twenty million gallon per day (mgd) Hennessey Water Treatment Plant that provides treatment in compliance with current drinking water regulations. Water is transmitted to customers through the 20 mile-long Conn Transmission Main, which generally parallels highway 29 along most of its length. Hennessey is used by the City to meet the major portion of customer demands, averaging about 6,100 AF annual water production over a period of fifteen years.

A smaller 3.0 mgd treatment plant at Milliken Reservoir is operated when the raw water meets certain quality limitations.

Lake water is the water of choice. It requires fewer chemicals and less pumping than imported water. Typically, in summers, the water level in lakes drops and demand for domestic use, and for irrigation, increases. When those conditions prevail, or if the State allocation is threatened by under-use, then the North Bay Aqueduct water is preferred. DWR allotment is based on usage and, because the DWR water is vital to the County in dry years, the Napa Water Department carefully monitors the mix.

Water is piped from Napa treatment plants to users inside and outside Napa City Limits. The Napa Water Department provides water at three different rates. Hook-ups inside City limits pay \$3.23 per 1000 gallons. There is a surcharge to locations three hundred feet above the valley floor. Water is sold to the Town of Yountville and the City of Calistoga at the wholesale cost of water, \$1.41 per 1000 gallons. The cities of American Canyon and St. Helena enjoy this rate but receive only a minimal amount of water. Napa provides water to all other entities outside the city limits at \$4.32 per 1000 gallons.

The Napa Water Department pays \$24,783,000.00 annually to the State Water Project Capital Lease. The amount of water available for use is determined annually by the State of California and is based on usage and availability. Usage is determined by the Napa Water Department and is based on weather conditions and costs. Availability is determined by the State, which measures snowfall in the Sierra Nevadas on a yearly basis. The greater the usage of the State waters by the City during one year, the larger the allocation will be in the following year, all other considerations being equal.

In Napa, water revenues exceed expenses. The Department has two trust funds. Monies are set aside for capitol improvements in one fund and for future service, as determined by the City of Napa Water System Optimization and Master Plan, in the other.

Construction connection fees to the Napa Water Department vary according to the size of the meter. Fee charges begin at \$2,117.00.

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population: 79,959	service area: 11,786
connections: 24,230	rate: \$3.23 per 1,000 gallons

Napa Berryessa Resort improvement District

Napa Berryessa Resort Improvement District is located on the southeastern shore of Lake Berryessa. Napa Berryessa Resort Improvement District (NBRID) was established in 1965 under the Resort Improvement District Law that allowed any district formed under the law to provide a wide range of municipal services in areas suited for recreational and seasonal uses. Its primary focus was to provide water to Steele Park Resort, one of seven concessionary resorts authorized by the United States Bureau of Reclamation to provide recreational services to Lake Berryessa.

The Berryessa Highlands is within NBRID's primary service area. Berryessa Highlands was intended to include a 2,000 unit multi-phase subdivision. Limited demand reduced the scope and revenue of the planned development. In fiscal year 2001-2002 the collected revenue was \$453,108.00; the expenditures were \$386,640.00. Water and sewer revenues were combined. In this scenario the funding is local.

The District's governing body is comprised of the Napa County Board of Supervisors. Meetings are conducted on a need basis. Napa County Department of Public Works manages NBRID's potable water and waste water systems. One-time connection cost to access the system is \$1,300.00. The greater portion of revenue for the District is generated by the Steel Park Resort.

population: 1,036	service area: 1,899 acres
connections: 314	rate: \$3.23 per 1,000 gallons

Napa County

The Safe Drinking Water Act (SDWA, Public Law 99-339) enacted in 1974 gave the United States Environmental Protection Agency (EPA) the authority to regulate drinking water in the United States. The EPA may delegate primary enforcement responsibility for water quality control to the State.

State requirements for water treatment are regulated under the California Code of Regulations (CCR). Drinking water standards are titled Domestic Water Quality and Monitoring Regulations. The SDWA was amended in 1996, resulting in additional rules and requirements that were implemented on a nationwide basis.

Napa County is a contractor with the State of California Department of Water Resources for water for municipal and industrial uses from the State Water Project via the North Bay Aqueduct. This facility derives its water from the Delta at Barker Slough and delivers it to cities in Solano County via the conduit. Water from the

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conduit is delivered into the Jamison Canyon Treatment Plants by supplemental pumping. Two treatment plants are located in southeast Napa County.

The master water supply contract between the County and the State was signed on December 19, 1963, with subsequent amendments revising contract repayment and entitlement buildup. North Bay Aqueduct delivery capacity is the chief limitation to an abundant water supply.

The 1989 Water Resource Study written by James Montgomery indicated that municipal demands constituted 20% of total water usage in the County of Napa, industrial 3%, and agriculture 61%. Population trends in the last fifteen years indicate that figures are within a 10% range of accuracy.

Napa County manages the State Water Project. In fiscal year 2001-2002 the collected revenue was \$4,076,214.00. Expenditures were \$3,913,439.00.

The County has a contract with the United States Department of the Interior to supply water to customers that are located on the shore of Lake Berryessa. Lake Berryessa Resort Improvement District is receiving federal and state funds for the Slope Improvement Project. Other Department of the Interior water customers include Napa Berryessa Resort Improvement District, Spanish Flat Water District, Berryessa Pines Subdivision, and eight private individuals.

The Bureau of Reclamation sub-contracts to each district. Contracts are negotiated between the County and the holders of water rights.

Spanish Flat

The Spanish Flat area is located on the western shore of Lake Berryessa. In the late 1950's the United States Department of the Interior, Bureau of Reclamation, authorized the Spanish Flat Resort to provide recreational and commercial services to the public at Lake Berryessa. The Spanish Flat Water District (SFWD) was formed to provide potable water and waste water services in 1963. A comprehensive residential/recreational facility was planned. General obligation bonds were issued to finance the acquisition of, and improvements to, the existing water facilities of the Spanish Flat Mutual Water Company.

In 1964, the District entered into a water supply agreement with the Napa County Flood Control and Water Conservation District (NCFWCWD). This agreement was renewed in 1999. The agreement provides the District with an entitlement of 200 acre-feet of raw water per year drawn from the Solano Project (Lake Berryessa) through the year 2024.

SFWD service area has been amended by three annexations over the last forty years. These have resulted in studies of the water system to assess growing demands.

The District governing board consists of five elected members who are not compensated for their services. The District employs both full-time and part-time employees to conduct its business.

Total revenues for the district were \$232,688.18 for the fiscal year spanning July, 2001 to June, 2002. Proposed revenue for the following period, July, 2002, to

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June, 2003, is estimated at \$221,350.00. Expenses for the term ending June, 2002, were \$186,410.83. Projected expenses for the following year are \$202,358.00.

SFWD customers are charged two monthly fees for water service: a usage charge and an availability charge. The rate schedule is divided among four customer classes: residential, commercial, inside and outside. In addition, the District collects a one-time fee from residents to connect for water service.

population: 392	service area: 1,178 acres
connections: 119	rate: \$1.38 per 1,000 gallons

St. Helena

Originally settled as part of General Mariano Vallejo's land grant in the 1830's, St. Helena became a commercial base for orchard farmers. White Sulpher Springs became the first spa resort in 1855. The Napa Valley Railroad Company, the precursor of the Central Pacific Railroad and the Southern Pacific Railroad Companies, was extended north from Napa with stops at Yountville, Oakville, Rutherford and St. Helena. European immigrants planted grapes in the 1860's. Vineyards became the region's principle source of commerce.

St. Helena is situated on both sides of highway 29 toward the northern end of the Napa Valley. It was incorporated as a city in 1876. The St. Helena Water Company developed Napa County's first potable water system after completing construction on the York Creek Dam in 1878. Although no longer in use, water drawn from York Creek served as St. Helena's single water source for the first half of the twentieth century. Bell Canyon Dam was completed in 1959. Bell Canyon Reservoir subsequently became the primary water source for St. Helena.

The City adopted slow growth measures in 1973 after it had experienced a substantial increase in population.

The water system provides service primarily within the City of St. Helena and along Highway 29. It extends south to Rutherford by an existing water transmission line. There are a few customers outside the city limits served by special agreement. Of the total number of service connections, 348 are outside city limits, including customers in Rutherford. The city has three sources of water. Bell Canyon Reservoir provides 80% of the City's annual potable water, Stonebridge Well Field provides 20% and Lower Reservoir provides about 50 million gallons of irrigation water. St. Helena has its own water treatment plants.

The City utilizes reclaimed water and intends to explore possibilities for greater usage of reclaimed water.

Water delivery from Napa is possible but is seldom utilized. St. Helena is not a contract participant for North Bay Aqueduct water, but it does hold water rights in the Delta. This entitles the city to enter into banking agreements with other SWP contractors.

The City pays for its water by means of the Water Enterprise Fund. It is the intent of the City that the cost of providing goods or services to the general public on

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a continuing basis be financed, or recovered, primarily through user charges. The Fund is divided into four entities:

- 1) The Water Enterprise Utility Fund accounts for activities relating to the operation of the water system, which includes distribution and treatment of water.
- 2) The Water Bond Fund accounts for long term debt associated with Water Bonds that were issued in 1977. Debt service is financed through property tax assessments on all property within the City.
- 3) Capital Projects is used to account for costs associated with large projects.
- 4) Water Impact Fees accounts for connection charges paid by new users of the water system. Fees collected are to be used for future impacted water system capital improvements.

Total revenues, as of March 31, 2002, were \$1,446,746.00; total expenses for the same time period were \$966,584.00. St. Helena Water Fund operated at a loss in two of the last six years.

The City charges a \$1,000.00 connection fee. The rate and connection fees are variable and dependent on a whether the customer is inside or outside the city limits, whether the customer is residential or commercial, and the size of the connection that is requested.

Yountville

Rector Reservoir lies east of Silverado Trail and north of the area which its waters serve. The lake is owned by the State of California and managed by the Department of Veterans Affairs. This water is treated at a small filtering plant at the reservoir site. In addition to the utilization of water for the Veterans Home of California, water from Rector Reservoir is allocated to other California State agencies. Pursuant to Government Code section 14715, the Department of Fish and Game and Napa State Hospital also claim water rights. Although the State Hospital at Imola exercises the claim on Rector water, it does not have the infrastructure to receive it. Instead of Rector water, the State Hospital is served by The Napa City Water Department. The rate the Hospital paid for water delivery rose from \$.08 per thousand gallons to \$4.32 per thousand gallons when the long-term contract expired in November, 2000.

The Veterans Home was established in 1884 by the federal government. The facility became state-owned in 1897. Water was provided to the residents from a small reservoir on the grounds, which served until Rector Reservoir was constructed in 1946.

Currently the Town of Yountville has a contract to purchase surplus Rector water from the State. That contract expires in November, 2003.

Yountville also buys water from the City of Napa. Pipeline limitations as well as allocation constraints restrict this supply. Additional water rights have been negotiated from Kern County.

The Town of Yountville imposed a building moratorium in 1998. This

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moratorium will remain in effect until the Town secures a long-term contract for reliable water delivery. The Town Administrator expressed concern regarding the impact of building housing without an adequate water supply. He added that the logical partner in this endeavor is the State of California with its water behind Rector Dam. Yountville is the only paying customer to which the State sells water from Rector Reservoir.

Yountville's population includes the State Veteran's Home of California. The 1,124 members of the Home and ten connections are not among Yountville's water customers.

Costs of water delivery exceed revenues. The Town subsidizes the difference with monies from the General Fund.

The Town is debt free and derives its income from the transient occupancy tax (TOT). Last fiscal year TOT collected was 60% of the total General Fund Revenues. Of the remaining revenues that are generated, 14.3% come from local sales tax, 8.4% from property tax, 6.7% from other agencies, 4.6% from other revenues, 3.6% from service charges and 4% from licenses/permits. These figures indicate that the Town of Yountville is financially solvent.

The reservoir system failed several times in 2002. When Rector water is not available, the Veterans Home buys water from the Napa City Water Department at the rate for users outside Napa City limits.

Yountville is able to assume financial obligations for the maintenance of Rector. There is evidence that the fiscally strapped State of California could use assistance with this particular funding. The Town has agreed to make repairs to Rector if, and only if, a long-term contract is in place.

The Town is engaged in five water studies:

- 1) It has employed the firm of West Yost and Associates to explore the feasibility of aquifer water storage. Projected cost of this study is two million dollars.
- 2) The same firm has been engaged to conduct the County 2050 study, in which Yountville participates.
- 3) A tank storage site is under consideration by the Town.
- 4) LAFCO is conducting a water delivery study in which Yountville is a participant.
- 5) The sand used to filter the Rector Lake water was spilled accidentally into the lake. The Town of Yountville is exploring the cost of removing that sand in order to prevent silt damage to pumps and pipes.

Yountville's water customers are charged for water service: a tiered usage charge and a fixed service charge. The usage charge is divided between inside and outside town customers as well as the classification of customer. The connection fees vary according to classification and location; costs begin at \$1,657.00

population: 2,356	service area: 934 acres
connections: 714	rate: \$1.26 per 1000 gallons

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Wells

The earliest known hydrologic work in the Napa Valley was an unpublished U.S. Geological Survey inventory of "deep" wells in 1895. In 1915, The USGS commissioned G.A. Waring to catalog the various hot springs in Napa County. More comprehensive water-resources studies were completed by Bryan in 1932 for the California Department of Public Works. Interest in the utilization of ground water for irrigation and frost protection resulted in the ground water investigations by the U.S. Bureau of Reclamation in 1966 and the Napa County Flood Control and Water Conservation District in 1972. Many more studies have been authorized and published subsequently.

The two most common types of water rights in California are the riparian water rights and the appropriative water rights. Riparian rights entitle the owner of a parcel of land to use the water that flows past his or her property. Appropriative rights refers to the right to, or ownership of, a water supply that has been acquired by following a specific legal procedure. If water is to be diverted or stored, a permit process comes into play. Riparian rights holders have the highest priority of all types of water rights, as established by the State Water Resources Control Board-Division of Water Rights (SWRCB) in 1990.

Ground Water

Four key areas are utilized for extraction of groundwater. These are:

- 1) North Napa Valley,
- 2) Milliken-Sarco -Tulocay,
- 3) Carneros,
- 4) Lake Berryessa (Pope and Capell Valleys).

The primary aquifer depended upon in the County is that of the North Napa Valley Groundwater Basin. The basin lies beneath the valley floor. In 1973 the U.S. Geological Society (USGS) described the boundaries of this basin as extending from Oak Knoll Avenue, just north of the City of Napa, to the northwestern end of the valley just beyond the City of Calistoga. The boundary encompasses approximately sixty square miles of valley floor.

There is a lack of information available to the public concerning ground water pumping for agricultural and domestic water users in Napa County.

Ground water supplies less than 5% of municipal and industrial demands. At the same time 60% of agricultural demands are satisfied by ground water. Surface water which comes from local reservoirs, imported water and the Napa River, supply 95% of total municipal and industrial demands and 40% of agricultural demands. (Montgomery 1989)

The North Napa Valley Groundwater Basin aquifer primarily provides water for the grapes in the region. These uses consist of water for irrigation and also for frost and heat protection. To a lesser extent it is used for domestic purposes.

Any well providing potable water for more than 200 users is inspected by DHS. All wells that provide water for a population of less than 200 fall under the aegis

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of the Department of Environmental Management, a County agency. Most municipally owned wells do not undergo State inspections as those waters are used solely for irrigation. In order to ensure tap water is safe to drink the EPA and the DHS prescribe regulations that limit the amounts of certain contaminants in water provided by public water systems.

The City of Calistoga has introduced an ordinance which serves to monitor the construction of new wells within city limits.

The primary County policy identified to impact the water facilities project is the Napa County Groundwater Conservation Ordinance. The ordinance limits consumption to one-acre foot per acre per year on the valley floor and 0.5 acre-foot per acre per year on the hillsides.

Summary

Napa County is comprised of several separate and distinct water domains. Five cities and six water districts are publicly funded. There is little unity among them.

Napa, American Canyon, St. Helena and Yountville maintain reserve funds in their budgets. These forward-looking municipalities have plans to prepare for drought or flooding. Neither Circle Oaks nor Calistoga have financial reserves for a water emergency.

Both Calistoga and Yountville subsidize water costs out of the general fund. Yountville can afford this practice, Calistoga cannot. Neither Town promotes water conservation with this system.

City	Population	Acres	Connections	Water Rates
American Canyon	12,283	2,672	3,722	2.50 hcf
Calistoga	4,752	1,670	1,440	2.33 hcf
Napa	79,959	11,786	24,230	3.23/1000 gallons
St. Helena	8,111	3,285	2,458	1.16 hcf
Yountville	3,480	934	714	1.26/1000 gallons

District	Population	Acres	Connections	Water Rates
Circle Oaks	624	252	189	6.50/1000 gallons
Congress Valley	244	1,416	74	3.23/1000 gallons
LBRID	564	2,030	171	1.44/1000 gallons
Los Carneros		5,772	0	0.77/1000 gallons*
NBRID	1,036	1,899	314	3.23/1000 gallons
Spanish Flat	392	1,178	119	1.38/1000 gallons

* reclaimed water

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Commendation

Municipal and County staff are saluted for their dedication, courtesy, and to forward-looking planning in preparation for deluge and drought. The staff in American Canyon, Yountville, St. Helena, Napa, as well as the employees that work for the County and for LAFCO, were generous in sharing information.

Finding 1

There is no unified service for water delivery in Napa County. There are numerous water systems. Some of these are privately held and some are operated with public funding. There are a number of agencies and interest groups formed to oversee water delivery. Consultants are engaged by many of these groups to solve problems. The Grand Jury estimates that well over a million dollars have left Napa County to pay consultants within the last fiscal year.

Recommendation 1

The Grand Jury advocates the formation of a **Napa Water Agency**. This system is in effect in Sonoma County, Solano County, in the central valley of California and in the greater Los Angeles area.

The Agency would coordinate existing water districts and replace the Napa County Flood Control and Water Conservation District as it functions as a water agency. The Water Agency would include a qualified water manager, a field technician (engineer's aide) and an office assistant. The water manager would have the following duties:

- . Attend all meetings of the State Water Contractors.
- . Provide and distribute minutes of these meetings to all water agencies.
- . Conduct monthly meetings of representatives from all County water agencies.
- . Maintain the historical records and the hydraulic data on water studies within the County.
- . Maintain the groundwater monitoring program records.
- . Provide a review of all proposed water supply projects within the County.
- . Review all permits for groundwater use within the County.
- . Establish a Countywide Urban/Agricultural water management plan to provide water conservation and drought contingency plans.
- . Be the County spokesperson for water conservation and resource management
- . Establish formal relationships between water supply agencies for mutual cooperation.
- . Manage all watershed programs.
- . Assist water agencies in establishing countywide rate structures.
- . Maintain data on statewide water rates.

Response Requested From

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- . The City of American Canyon
- . The City of Calistoga
- . The City of Napa
- . The City of St. Helena
- . The Town of Yountville
- . Circle Oaks County Water District
- . Congress Valley
- . Lake Berryessa Resort Improvement District
- . Napa Berryessa Resort Improvement District
- . Spanish Flat Water District
- . Los Carneros
- . Local Agency Formation Commission
- . Napa County Flood Control and Water Conservation District
- . Napa Sanitation Department
- . Napa County Department of Public Works

Finding 2

Public awareness of water issues needs to be heightened. Flowing water is constrained by inventory, funding, pipe capacity, entitlement programs and citizen consent.

Recommendation 2

Water consumption should be reduced.

- . Landscaping practices should accommodate environmental conditions.
- . Reclaimed water should be used for irrigation and landscaping whenever possible.
- . Potable water, including well water, should be designated for indoor, as well as outdoor, use.
- . Water saving ideas should be promoted and publicly rewarded throughout the County.
- . Water use in excess of a base line amount should not be subsidized.

Response Requested from

- . The City of American Canyon
- . The City of Calistoga
- . The City of Napa
- . The City of St. Helena
- . The Town of Yountville
- . Circle Oaks County Water District
- . Congress Valley
- . Lake Berryessa Resort Improvement District
- . Napa Berryessa Resort Improvement District

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- . Spanish Flat Water District
- . Los Carneros

Finding 3

Cooperation between State agencies and Napa County needs improving. The State of California is in a perilous financial position. All State funded water programs are at risk under these circumstances.

Rector Reservoir requires yield analysis and structure modernization. The Town of Yountville has funding in place to achieve those goals. The quid pro quo is a long term water supply contract.

The State has not taken measure of Rector Reservoir. The State has not maintained a reliable flow of water to the agencies it intends to serve. These impediments are very costly. For example, when Rector Reservoir does not deliver water to the California Veterans Home that facility has no choice but to purchase water from the Napa Water Department, incurring otherwise avoidable costs.

Recommendation 3

A long-term, mutually beneficial contract between Yountville and the State of California needs to be implemented immediately in order to assure the maintenance that Rector Reservoir requires.

Response Requested From

- . California Department of Veterans Affairs.
- . The Town of Yountville.

Finding 4

Water Districts, in addition to providing safe, affordable water, should conduct themselves in a fiscally responsible manner.

Recommendation 4

All water systems should operate within an approved budget. A budget that should include funding for emergencies.

Response Requested From

- . The City of Calistoga
- . Circle Oaks County Water District

Appendix A

Acronyms

af	acre foot
CCR	California Code Regulations
COCWD	Circle Oaks County Water District

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CVWD	Congress Valley Water District
DHS	California Department of Health Services
EPA	United States Environmental Protection Agency
HCF	one hundred cubic feet
LAFCO	Local Agency Formation Commission
LCWD	Los Carneros Water District
mgd	one million gallons daily
NBA	North Bay Aqueduct
NCFCWCD	Napa County Flood Control and Water Conservation District
NSD	Napa Sanitation Department
RUL	Rural Urban Limits
SDWA	Safe Drinking Water Act
SWP	State Water Project
SWRCB	State Water Resources Control Board
tot	transient occupancy tax
USDA	United States Department of Agriculture
USGS	United States Geological Society
WTP	Water Treatment Plant

Procedure

The Grand Jury examined the following displays:

Schematic Map

Napa Valley Water Supply System

Voices for the Napa River

Napa Valley Museum 1/25/2003 to 4/13/2003

U.S. Department of the Interior

Geological Survey Rutherford Quadrangle NW/4
Sonoma 15' Quadrangle 1951, revised 1973

Map of City of Napa Optimization and Master Plan

Schematic Map Napa Valley Water Supply System

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Glossary

Acre Foot:	A Volume of water that covers one acre to a depth of one foot.
Appropriative:	Water right to, or ownership of, a water supply, which is acquired for the beneficial use of water by following a specific legal procedure.
Aquifer:	A natural underground layer of porous, water bearing materials usually capable of yielding a large amount or supply of water.
Artesian:	A confined water source.
Connection:	A water connection is the link between the seller of the water and the metered recipient.
Fire-flow:	Specific water pressure.
Firm Yield:	The anticipated expectation of a water supply under drought conditions.
Overdraft:	The pumping of water from a ground water basin or aquifer in excess of the supply flowing into the basin. This pumping results in a depletion or 'mining' of the ground water in the basin.
Public Water System:	A system for the provision to the public of piped water for human consumption. If such system has at least fifteen service connections or regularly serves an average of at least twenty-five individuals at least sixty days of the year.
Reservoir	Any natural or artificial holding area used to store, regulate, or control, water.
Riparian Rights:	A doctrine of state water law under which a land owner is entitled to use the water on, or bordering, his property, including the right to prevent diversion or misuse of upstream waters. Riparian land is land that borders on surface water.
Safe Yield:	The annual quantity of water that can be taken from a source of supply over a period of years without depleting the source beyond its ability to be replenished naturally.
Surface Water:	All water naturally open to the atmosphere and all springs, wells or other collectors, which are directly influenced by surface water.
Watershed:	The land area that drains into a stream.
Wheel	Delivery of water at wholesale price.

CITIZEN COMPLAINTS TO THE GRAND JURY

GENERAL

When the Grand Jury Final Report is published, a Citizen Complaint form is included with it. Every year the Grand Jury receives several completed forms and also complaint letters that describe problems and may request investigations of various government entities. These letters are a valuable source of information for a grand jury, particularly as it begins its term and is deciding on its investigative agenda.

PROCEDURES

In the case of the 2002-2003 Grand Jury, such letters and citizen complaints were considered initially by the full Grand Jury and then, if the Jury decided it was warranted, either routed to the Grand Jury committees that were investigating related subject areas or a new committee was formed to review the matter.

Some complaints were integrated into the investigative work of the various Grand Jury committees. The investigating body reported back with a recommendation for disposition, which was then decided upon by the full Jury. The complaint topics were often addressed, either directly or indirectly, in individual agency findings and recommendations incorporated in the Grand Jury Final Report.

Some complaints and the issues they raised were judged to not fall under the jurisdiction of the Grand Jury. All citizen complaints receive a response from the Grand Jury as to what disposition was decided upon by the whole Grand Jury.

Citizen Complaint Form

Note: all matters brought before the Grand Jury are required by law to be kept confidential.

Date: _____

Napa County Grand Jury
P.O. Box 5397
Napa, Ca. 94581

Dear Members of the Grand Jury,

I wish to bring the following to your attention:

Sincerely,

Name: _____

Street: _____

City: _____

Phone: _____

Note: Name, Address, and Phone Number are not required, but may be helpful to the Grand Jury for clarification or additional information