

AROMAS WATER DISTRICT
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(831)726-3155 Fx (831)726-3951 email-aromaswd@aol.com

March 25, 2003

The Honorable Terrance R. Duncan
Presiding Judge of the Superior Court, Monterey County
North Wing, Room 318 Church Street
Salinas, CA 93901

Re: Fluoridation Recommendation of Grand Jury

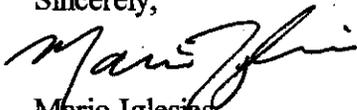
Dear Honorable Judge Duncan:

The Board of Directors of the Aromas Water District (AWD) has reviewed the findings and recommendations of the Civil Grand Jury and elected not to implement the addition of fluoride into the water supply for the following reasons:

1. State law mandates systems over 10,000 service connections treat with fluoride; the AWD services 750 connections, thereby well within compliance of the law.
2. The significant financial burden this would place on the customers of AWD is not warranted. Costs involve initial capital start-up as well as ongoing maintenance and operation.
3. While studies indicate improvement in dental health with the addition of fluoride, it has been suspected in other health issues such as thyroid disorders, skeletal fluorosis, dental staining, arthritis and brittle bones.
4. No requests have been made by any of our customers to fluoridate their water.

The Aromas Water District respectfully responds to the Monterey County Civil Grand Jury and disagrees with the findings. Please contact me if you have any further questions.

Sincerely,



Mario Iglesias
General Manager

Cc: AWD Board of Directors

MONTEREY COUNTY



AUDITOR - CONTROLLER

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MICHAEL J. MILLER, CPA, CISA
AUDITOR-CONTROLLER

February 20, 2003

ALFRED R. FRIEDRICH, CGFM
ASSISTANT AUDITOR-CONTROLLER

To: The Honorable Terrance R. Duncan
Presiding Judge of the Superior Court
Monterey County
Post Office Box 1819
Salinas, California 93902

From: ^{*MJM*} Michael J. Miller, Auditor-Controller
Monterey County

Subject: Response to Grand Jury Report.

On behalf of the entire staff of the Auditor-Controller's Office, I would like to thank the members of the 2002 Monterey County Grand Jury for their hard work and dedication in producing this year's Grand Jury Report.

We have reviewed the contents of this year's Grand Jury Report and are pleased to reply to the comments and recommendations that were made in the Audit and Finance section of the document as outlined in pages 21 through 24. Please accept the attached documents as the official response from the Monterey County Auditor-Controller's Office.

We would like to thank Daniel I. Reith, Foreman, 2002 Monterey County Civil Grand Jury and all of the other members of his team who worked so hard to produce this very fine report.

If you have any questions or if you would like to meet with me to discuss our responses please feel free to contact this office at your earliest opportunity.

AUDITOR CONTROLLER'S OFFICE RESPONSE TO GRAND JURY FINDINGS.

1. **Finding: The recommended Budget provides goals and status of selected budget units, but a breakdown of costs for recommended or ongoing programs and projects is typically not shown.**

Response: The Auditor-Controller's Office is aware that the current reporting structure lacks detailed information for programs and projects. It has been determined that the current in-house computer system has limitations and does not provide a mechanism to budget and capture more detailed breakdowns of costs. The Auditor-Controller's office, with County support, is planning to replace the Budget Preparation and Financial Information Systems. This project is expected to be completed in 2005.

2. **Finding: Personnel head count and salaries are shown, but a more inclusive "fully loaded" cost for an individual is not estimated.**

Response: We agree with the comment. The Auditor-Controller's office, in conjunction with the CAO's office, Information Technology, and Natividad Hospital, are working on a project to replace the Human Resource / Payroll systems. This project is expected to be completed by next year. The replacement of the Human Resource / Payroll systems coupled with the replacement of the Budget Preparation and Financial Systems in 2005 will allow the County departments to make "fully loaded" calculations in a timely and accurate manner. The current systems do not support this calculation.

3. **Finding: Expenditures are generally not identified by project or program (with exceptions)**

Response: In many instances this is true. Again, the County needs to replace the current Budget and Financial Information System to provide this much needed service. At the present time county departments must track this information outside of the main county accounting systems, which leads to duplicate efforts and may affect the accuracy of the reported project and program expenditures.

4. **Finding: While new programs and projects within a budget entity are approved on their merit and priority, there appears to be no formal system in place to**

systematically ascertain and evaluate their actual performance and cost versus the milestones and goals when they were first adopted.

Response: We feel that this comment has merit. Traditionally each department requesting funding for a new, specialized or unique programs will provide whatever financial, statistical or performance based documentation as requested by the County Administrator's Office. After such documentation is evaluated the CAO typically makes recommendations to the Board pertaining to the future funding, goals, objectives and accomplishments of the program in question.

In the mean time, without a system to budget and capture actual expenditures by program or project, after a program or project has been approved, county departments are forced to maintain separate records, which is expensive, time consuming and labor intensive.

5. Finding: Workloads and related statistics are frequently mentioned, but without measures of efficiency or effectiveness.

Response: In general we agree with the comment. However, it will be difficult for the County Administrator's Office to calculate performance measurements for all of the specialized programs that exist within the county. We believe that if measures of efficiency or effectiveness are going to be requested by the Board of Supervisors for all programs, the individual departments who administer these projects should be responsible for the documentation requested. Also, perhaps it would be best to only spend staff time on efficiency or effectiveness issues when the Board Requests specific information on a particular project.

6. Finding: Once established, a program may continue indefinitely, independent of its current relevance or effectiveness, as there is no simple way to identify these expenditures on an ongoing basis.

Response: We do not completely agree with the comment. We believe that the analysts in the County Administrator's Office have traditionally been able to identify expenditures whenever they are needed. Admittedly, the recovery of prior year data is a little time consuming but the CAO has traditionally been able to accomplish their tasks whenever they need to simply by working closely with the department heads responsible for the programs in question.

7. Finding: The 2002 Monterey County Civil Grand Jury recommends that an operational audit of the budget process be made (consider the use of the County Auditor or an independent consultancy) with the following goals in mind:

1. Improving clarity – i.e., making it simpler for people to see how the money is being spend and to visualize the impact of cutbacks.

2. Identifying performance measures – allowing the public to see whether the funds are being spent efficiently.

This audit should provide detailed recommendations (building from the Findings and Recommendation in this report) for final approval by the Board of Supervisors.

Response: We agree with the Recommendation and would like to form a committee with the CAO's office and other key department heads to explore the best options available to us in conducting such an audit of the County's budget process.

C:/ Draft Grand Jury Response

MONTEREY COUNTY BOARD OF SUPERVISORS

MEETING: MARCH 18, 2003 – 11:00 A.M.	AGENDA NO.:
SUBJECT: APPROVE RECOMMENDED RESPONSE TO THE 2002 MONTEREY COUNTY GRAND JURY FINAL REPORT (FILED JANUARY 2, 2003) AND AUTHORIZE STAFF OF THE COUNTY ADMINISTRATIVE OFFICE TO FILE APPROVED FINAL RESPONSE WITH THE PRESIDING JUDGE OF THE SUPERIOR COURT OF CALIFORNIA ON OR BEFORE APRIL 2, 2003	
DEPARTMENT: COUNTY ADMINISTRATIVE OFFICE	

RECOMMENDATION

It is recommended that the Board of Supervisors approve the proposed response to the 2002 Monterey County Grand Jury Final Report and authorize staff of the County Administrative Office to file the approved final response with the Presiding Judge of the Superior Court of California on or before April 2, 2003.

SUMMARY

The 2002 Grand Jury filed its annual report on January 2, 2003. By law, the Board of Supervisors has 90 days to file its response to findings and recommendations contained in the report.

DISCUSSION

The proposed response addresses each specific finding and recommendation directed to the Board of Supervisors. As in past years, much of the input in the proposed response results from comments received from departments mentioned in the Grand Jury Final Report. While the draft was intended to reflect staff understanding of Board policy, the Board had no direct input. The proposed report will not reflect actual Board policy until it has been reviewed, modified, and adopted by the Board during a public hearing.

The County Administrative Office and the involved Department Heads contributed to the preparation of the original proposal. The final responses of the Board should be deemed and accepted by the Grand Jury as the responses of the Monterey County Administrative Office and Monterey County's non-elected Department Heads.

OTHER AGENCY INVOLVEMENT

Members of the 2002 Grand Jury and appropriate Department Heads have been provided copies of the proposed Board of Supervisors' discussion of this matter. Members of the 2003 Grand Jury were also provided copies of the report.

FINANCING

Acceptance of the recommended Board response will have no direct financial impact on the General Fund.

Sally R. Reed

Sally R. Reed, County Administrative Officer
03/11/03

Report Prepared by: Bertha Gonzalez, CAO Analyst

**Before the Board of Supervisors in and for the
County of Monterey, State of California**

Approve Recommended Response to the)
2002 Monterey County Grand Jury Final)
Report, Filed January 2, 2003, and Authorize)
Staff of the County Administrative Office to)
File Approved Final Response With the)
Presiding Judge of the Superior Court of)
California On or Before April 2, 2003.....)

Upon motion of Supervisor _____, seconded by Supervisor _____, and carried by those members present, the Board hereby approves the proposed response to the 2002 Monterey County Grand Jury Final Report and authorizes staff of the County Administrative Office to file the approved response with the Presiding Judge of the Superior Court of California on or before April 2, 2003.

PASSED AND ADOPTED on this 18th day of March, 2003, by the following vote, to-wit:

AYES:

NOES:

ABSENT:

I, Sally R. Reed, Clerk of the Board of Supervisors of the County of Monterey, State of California, hereby certify that the foregoing is a true copy of an original order of said Board Supervisors duly made and entered in the minutes thereof at page ___ of Minute Book _____, on _____.

SALLY R. REED, Clerk of the Board of Supervisors
County of Monterey, State of California.

Dated: _____

By _____
Deputy

IMPROVING THE COUNTY BUDGET PROCESS
Providing Better Tools for Management

FINDINGS

Programs & Projects

FINDING 1: The Recommended Budget provides goals and status of selected budget units, but a breakdown of costs for recommended or ongoing programs and projects is typically not shown.

RESPONSE: Agree.

The Board of Supervisors acknowledges the lack of cost data and the usefulness of such data for evaluating many programs included in the County Budget. The existing County Budget Preparation and Financial Information System does not aggregate data in such a manner as to permit the preparation of this type of information without substantial additional manual effort. The County Administrative Officer (CAO) and the County Auditor are exploring options for the replacement of the current obsolete financial systems.

The cost for replacing these systems is substantial and the timing of the replacement will depend on the County's financial situation and the weighing of this high priority need with other high priority needs.

FINDING 2: Personnel headcount and salaries are shown, but a more inclusive "fully loaded" cost of an individual is not estimated.

RESPONSE: Agree.

The Board of Supervisors notes the Recommended Budget does not include a discrete full costing for each position. Should this type of detailed information be available, the Board needs to consider how this information might be presented in a format that is concise yet still useful.

The Recommended Budget does endeavor to include the full salary and benefit costs for each new position for the number of months that position will be filled. Additionally these cost calculations for requested new positions are included in Board messages, which occur throughout the year. During the past few years it has been the Board's intent and policy to expand the "fully loaded cost" concept for these new positions to include any additional costs associated with adding a new position to include costs for such things as: vehicles, office space needs, furniture, mileage, tools, and any other costs which may be associated with the additional personnel. Direction to departments to include this information will be clarified in the published guidelines for budget preparation and for Board messages throughout the year.

FINDING 3: Expenditures are generally not identified by project or program (with exceptions).

RESPONSE: Agree.

This is partially true. Where possible the CAO will work with County departments in developing better program costing. The ease and timely implementation of this recommendation would be greatly aided by replacement of the County's obsolete financial, budget, and payroll systems.

Milestones, Efficiency & Effectiveness

FINDING 4: While new programs and projects within a budget entity are approved on their merit and priority, there appears to be no formal system in place to systematically ascertain and evaluate their actual performance and cost versus the milestones and goals when they were first adopted.

RESPONSE: Disagree.

The annual budget approval process, periodic program review, and program/issue review by the Board's Budget Committee provide a formal and systematic review of County programs. Department heads as program operators are closest to this information and are expected to assume responsibility for evaluating the success of new programs as well as the timely and regular reporting of this information to the Board's Budget Committee and to the full Board. The Board acknowledges that additional attention to this area is beneficial.

FINDING 5: Workloads and related statistics are frequently mentioned, but without measures of efficiency or effectiveness.

RESPONSE: Agree.

The Board of Supervisors concurs with this finding. Please see response to recommendations, below.

Terminating a Program

FINDING 6: Once established, a program may continue indefinitely, independent of its current relevance or effectiveness, as there is no simple way to identify these expenditures on an ongoing basis.

RESPONSE: Disagree.

Each County Department head is responsible for evaluating the success and need for each program under their area of responsibility. County Department heads are continually evaluating the way in which resources are expended in their respective areas of responsibility and making changes as needed. This is an area that merits the

need for continual attention, and the availability of program costing data would assist in the evaluation process.

RECOMMENDATIONS

- RECOMMENDATION 1: The 2002 Monterey County Civil Grand Jury recommends that an operational audit of the budget process be made (consider the use of the County Auditor or an independent consultancy) with the following goals in mind:
1. Improving clarity – i.e., making it simpler for people to see how the money is being spent and to visualize the impact of cutbacks.
 2. Identifying performance measures – allowing the public to see whether the funds are being spent efficiently.

RESPONSE: The recommendation will be implemented.

The Board of Supervisors concurs in the need to make improvements in the clarity and in the connection between dollars spent or cut from each major program area. Improvement is a continual process. As part of the current budget preparation process for the FY 2003-04 Recommended Budget, county departments will be instructed to provide meaningful discussion as to the expected impact of program increases or reductions.

During the past year, staff from the CAO's office have been researching the "state of the art" in performance budgeting/management. This research has included site visits, telephone interviews, review of the literature, and evaluation of the efforts by others in developing effective and meaningful performance measures. The performance measures developed by other counties and cities range from very good "works in progress" to efforts which require considerable staff resources with questionable indices generated for the purpose of assessing performance. Those jurisdictions which have developed meaningful measures share the characteristics of having strong and continual executive and line department support and have committed significant staff to the effort of determining what are meaningful measures and the collection and evaluation of the results. The most successful efforts at performance measurement have been at the effort for several years and are continually improving their process.

The value of developing and implementing effective and meaningful measures of: "How good a job is County staff doing, and how effective are county administered programs?" is without question, valuable. Jurisdictions developing a formal system of performance measurement have approached this effort in different ways ranging from a "full blown roll out" requiring all departments to commit substantial resources to an approach involving a "pilot" program for

one or more departments. Both approaches have merit and logical argument supporting each approach.

Based on staff research, discussions with several departments, and consideration of available staff resources, the CAO has chosen the approach of piloting performance measurement efforts. At this time the County Health Department is working with staff of the Leadership Institute and their own departmental staff in developing a well thought out performance measurement program. Additional efforts have been taken or are being considered by the Natividad Medical Center and the Planning Department. Progress on these efforts will be reported in the 2003-04 Recommended County Budget.

The Grand Jury's recommendation that the Board consider the use of the County Auditor or an outside consultancy is an excellent one. The County Auditor's staff is well versed in many of the technical aspects of costing and can provide an assessment of performance, which is independent of daily program operations. The Auditor's office, through their internal audit staff, has been of considerable assistance in reviewing departmental operations. Their assistance will be requested in our development of meaningful performance measures. Several consultancies specialize in measuring performance and have assisted other governmental agencies in their program development. The use and value of contracting with this type of expertise will be considered as we move ahead.

**SUPPLEMENT TO THE MID-YEAR FINAL REPORT ON AVAILABILITY OF WATER
ON THE MONTEREY PENINSULA**

The Role of the Monterey Peninsula Water Management District

FINDINGS

FINDING 6: The results of the voting on Measure B indicate the desire of the majority of voters within the MPWMD to abolish the water district. The advisory vote on the question "Should the MPWMD be dissolved" was 66.5% in favor and 33.5% opposed.

RESPONSE: Agree.

RECOMMENDATIONS

RECOMMENDATION 1: The November 2002 advisory vote of the affected residents should be taken as a mandate and the existence of the MPWMD be terminated by proper political process. That the cities and County mount a joint effort to have their state legislators sponsor a bill in the legislature to dissolve the MPWMD, and

RESPONSE: The recommendation has been implemented.

State Senator Bruce McPherson has introduced spot legislation, with the intent to explore options for governance of the MPWMD and the water resources of the Carmel River Watershed.

RECOMMENDATION 2a: No new agency, leaving Cal Am to operate as it does in most other areas, under the aegis of the existing state agencies; or

RESPONSE: See response to Recommendation #1, above.

RECOMMENDATION 2b: A joint powers agency with a board of directors comprised of appointees from those same cities and the County.

RESPONSE: See response to Recommendation #1, above.

MONTEREY COUNTY OFFICE OF EMERGENCY SERVICES
Can It Be More Effective?

FINDINGS

FINDING 1: The Monterey County Office of Emergency Services provides an acceptable level of support and coordination to meet emergencies within the County. Although possible, a major terrorism incident is not anticipated, but if one should occur, the County could expect a rapid on-scene response from state and federal authorities.

RESPONSE: Agree.

FINDING 2: The state of preparedness of the County to handle an emergency situation would be improved if all the responsible agencies participated in each and every emergency exercise in the same manner as they would in an actual emergency.

RESPONSE: Agree.

We recognize that each Agency has competing needs and we appreciate the level of participation that does occur.

FINDING 3: The Monterey County Office of Emergency Services would be more effective if it reported directly to the CAO as a staff function. County Code section 2.68.050 specifies the CAO as the ex-officio Director of the OES, thus implying a direct reporting relationship. There is no provision for a level of administrative supervision between the CAO-Director and the Deputy Director of the OES.

RESPONSE: Disagree.

The CAO's role in an emergency, as specified by the County Code, is different from what is required in the day-to-day operations of the Office of Emergency Services. Furthermore, most of the OES staff time is spent in planning for future events and coordinating with multiple agencies. Both of these functions are very similar to functions performed by other staff that reports to the Chief Assistant CAO.

FINDING 4: The 1,000 hours of unpaid overtime put in by the professional staff of the OES in order to provide an acceptable level of service is excessive. The fact that the backlog of work is growing, even with this level of overtime, is again indicative of a shortage of staff.

RESPONSE: Partially disagree.

While the unpaid overtime is excessive, it is not unique given the County's current fiscal position. Many other functions rely on unpaid overtime my management staff in order to function effectively.

RECOMMENDATIONS

RECOMMENDATION 1: For both operations and administration, the Office of Emergency Services through its head, the Deputy Director, report directly to its ex-Officio Director who is the County Administrative Officer.

RESPONSE: The recommendation will not be implemented.

While the CAO is actively involved in case of an emergency, the position should report to the Assistant CAO on the day-to-day operations.

RECOMMENDATION 2: The staffing level of the Office of Emergency Services be increased by two additional planners and that staffing be reviewed annually for the possible addition of a third planner.

RESPONSE: The recommendation will not be implemented because the County has many competing needs for staff resources. The current workload will need to be prioritized to maintain public safety, while reducing the number of staff hours.

FLUORIDATION OF DRINKING WATER IN MONTEREY COUNTY
Getting it Done

FINDINGS

FINDING 1: Fluoridation of drinking water will provide a positive health benefit to the citizens of the County with the greatest benefit accruing to the most disadvantaged citizens.

RESPONSE: Agree.

The scientific evidence available, and the experience of the thousands of communities across the country that are provided optimally fluoridated water, supports the conclusion that fluoridation of local drinking water will provide positive health benefits to residents of Monterey County, particularly those who lack routine access to preventive dental services.

FINDING 2: With the possible exception of smaller water systems, start-up and operations costs of drinking water fluoridation are more than offset by cost avoidance in the areas of dental and general health care.

RESPONSE: Agree.

California taxpayers bear the financial burden of almost \$700 million a year in Denti-Cal costs. The annual cost to individuals, families and employers associated with the treatment of preventable dental disease, particularly caries, and dental insurance, exceed the cost of the routine fluoridation of community drinking water. The per household cost associated with implementing optimally fluoridated drinking water through either of the County's two largest providers of drinking water is estimated to be about \$50, far less than the cost of filling a single cavity. The per person cost to maintain this level of fluoridation ranges from \$2-\$12 a year.

FINDING 3: There are a multitude of water providers and jurisdictions within the County, and there is no coordinated advocacy program joining political leadership and health professions to implement fluoridation of drinking water.

RESPONSE: Agree.

There is currently no coordinated advocacy effort, involving political leadership and health professionals, to implement fluoridation of drinking water.

RECOMMENDATIONS

RECOMMENDATION 1: The County of Monterey become a principal advocate for fluoridation of drinking water in the County, and provide leadership to water providers and users in unincorporated areas to obtain needed start-up funding and user rate increases to support ongoing operations for fluoridation.

RESPONSE:

The recommendation has not yet been implemented.

Although such a decision will be controversial, it is considered appropriate that the County of Monterey, through the Health Department, take a leadership role in advocating for the fluoridation of drinking water and working with water providers, health professionals, and the general public to seek support and funding for the fluoridation of drinking water.

MONTEREY COUNTY PROBATION DEPARTMENT YOUTH FACILITIES

FINDINGS

FINDING 1: Juvenile Hall facilities were generally clean and neat, but due to the advanced age of buildings, there is a backlog of needed maintenance and safety corrections, which are seriously under funded.

RESPONSE: Agree.

FINDING 2: There is a lack of visual screening between Juvenile Hall and the County Jail.

RESPONSE: Agree.

FINDING 3: Juvenile Hall does not provide the level of security required to house today's most violent youthful offenders.

RESPONSE: Agree.

FINDING 4: Classroom space at Juvenile Hall is inadequate to comply with State education requirements.

RESPONSE: Agree.

FINDING 5: Rancho Natividad will give at-risk youths a greater opportunity to become employable and productive citizens.

RESPONSE: Agree.

RECOMMENDATIONS

RECOMMENDATION 1: For protection of the surrounding community and safety of the youth housed in Juvenile Hall, Unit "A" be "hardened" to conform to current standards for maximum security incarceration.

RESPONSE: The recommendation requires further analysis.

Prior to January 2003, the Probation Department had been recommending the hardening of "A" Unit to current standards for maximum-security incarceration. However, due to the recent structural damage to the entire Juvenile Hall and the closing of "A" Unit, it is felt that the recommendation should be temporarily delayed until the County develops a comprehensive plan for the entire Juvenile Hall.

RECOMMENDATION 2: Adequate screening be installed between Juvenile Hall and the County Jail so as to remove all possibility of contact between the two populations.

RESPONSE: The recommendation requires further analysis.

When the new Juvenile Hall's recreation yard fence was built in summer of 2002, the Probation Department had recommended that a block wall be installed to isolate Juvenile Hall from the County Jail. Due to funding limitation, the County installed a wire fence. It is recommended that the new fence be upgraded with wooden slats, to block view and communication between jail inmates and Juvenile Hall wards.

RECOMMENDATION 3: The BOS allocate adequate funds to address the deficiencies identified in Juvenile Hall as outlined in the Fire/Life Safety report and subsequently "referred to Facilities."

RESPONSE: The recommendation requires further analysis.

The Board concurs and supports Grand Jury recommendation #3. However, the Board of Supervisors can only determine the merits of the recommendation in the context of the County's overall budget. An analysis of the facility needs is underway.

RECOMMENDATION 4: Planning for a new Juvenile Hall be started in 2003.

RESPONSE: The recommendation requires further analysis.

The Board and the Probation Department support the need for a new Juvenile Hall. The Grand Jury recommendation was made based on the long-term deterioration of Juvenile Hall, and prior to the discovery of significant new damage. Due to this discovery, an analysis of the facility needs is underway.

RECOMMENDATION 5: The BOS allocate sufficient funds to facilitate an early and orderly transfer of programs currently at the Youth Center to Rancho Natividad, and to expand the programs at the new space.

RESPONSE: The recommendation requires further analysis.

The Probation Department is working under the assumption that the Grand Jury was referring to the Silver Star Youth Program (a.k.a. Rancho Natividad Youth Complex), not the Youth Center. If so, the Board of Supervisors, through the Probation Department, strongly concurs with the recommendation.

The Silver Star Youth Program is scheduled to move to the former Boys Ranch site (Rancho Natividad Youth Complex). The program has been proven to be an outstanding comprehensive treatment program, and very cost effective, by saving Monterey County substantial detention, placement and CYA costs.

During this time of slow economy and limited availability of funds, the expansion of the complex, which is based on the collaboration between the public and private sector, has slowed. It is believed any help the County could provide would benefit both the minors in the community, and be a sound fiscal decision, by generating significant savings in detention and placement costs.

INVESTING IN THE COUNTY'S YOUTH
Can We Do Better with Workforce Investment Act Funds?

FINDINGS

FINDING 1: Conflicting interests arise as a result of the common management of the Workforce Investment Board (WIB) and the Office for Employment Training (OET).

RESPONSE: Partially Disagree.

The executive management of the WIB has a comprehensive job description that delineates the roles and responsibilities in working with the Board of Supervisors, the WIB and other federal, state and local entities. In the fourteen samples of duties listed, thirteen definitely have no conflicting interests. The second duty listed requires the coordination and direction, through subordinate managers, of "the activities of the employment programs...of the Office for Employment Training". In this instance, although no conflict has existed, the structure of the job duties could cause a potential concern in the future.

FINDING 2: The WIB has no independent supporting staff. Support services are provided by employees of the OET which itself is a provider of youth services.

RESPONSE: Agree.

The staffing of the WIB by executive management who is responsible to their County or City Executives is typical and allowable under the Act regulations. Throughout California's fifty Workforce Investment Areas, more than 80% have adopted this model. In reviewing the job description of executive management, very little of the actual job duties focus on direct operations. The Employment Programs Administrator who heads the Program Operations Division for youth and adults has generally been responsible for the daily operation of the Office for Employment and Training through its MOU with the Workforce Investment Board.

FINDING 3: Core and summer programs provided by the OET do not require competitive bidding; however, funds available to the WIB from federal grants for youth training programs are not being allocated to service providers on the basis of competitive bids as required by Act regulations.

RESPONSE: Partially disagree.

The Youth Council, Executive Committee and the WIB approve summer programs and their activities. The core services being provided include outreach, recruitment, eligibility, assessment, job matching, job placement, counseling, supportive services, and paid and unpaid work experience through a structured MOU with the WIB. Services that should be bid include certified vocational or educational training and

follow-up. Solicitation for additional service providers that can build a bigger, more comprehensive system has been the goal of the WIB and its subcommittees.

On September 25, 2002 the Planning Committee discussed coordinating with the Chair of the Youth Council to agendize the development of proposals to increase youth services. On November 12, 2002 the Youth Council approved the development of an RFP for Title I WIA youth funds. On November 18, 2002 the Executive Committee approved the development and solicitation of the RFP, with full concurrence of the WIB on January 21, 2003. The proposal has been developed and was released on March 3, 2003. Proposals are due April 11, 2003. Additional solicitations are currently being considered by staff for presentation to the WIB.

In a March 6, 2003 white paper submitted by the U.S. Department of Labor on the reauthorization of WIA, there is considerable discussion regarding the structure, design and intent of youth programs. The summer jobs component may be modified or eliminated. Service to in-school youth may be eliminated. The redesign of services for older out-of-school youth may be intensified. These proposals and recommendations are currently being formulated. It is anticipated that by June 30, 2003, services, program delivery strategies and new allocations of resource levels will be more defined.

FINDING 4: WIB meetings are dominated by the executive staff, including procedure, content, and direction. The WIB and its President are not exercising independent control.

RESPONSE: Disagree.

The members of the WIB, consultants and staff developed the WIA five-year plan and the bylaws. Agendas for WIB and subcommittee meetings are developed collaboratively with the Chair or the heads of subcommittees respectively. The Chair or heads of the subcommittees call upon staff to make presentations or clarify action items as deemed necessary. Between June 29, 2000 and February 4, 2003, the WIB or its subcommittees met seventy-five times. These meetings have generated thirty-three reports that have gone to the County Board of Supervisors for concurrence of proposed WIB actions.

The WIB members monitor, as unpaid volunteers, all funded programs and the One-Stop Career Center System. WIB members have attended conferences and retreats, and have received training on conflict of interest, legislation and regulations, vision and goal setting, creating win-win situations, and leadership strategy. The WIB has developed its top twelve priorities for workforce development, approved Memorandums of Understanding for the fifteen partner agencies, and set policies on Individual Training Accounts, Supportive Services and Eligible Training Provider Lists.

RECOMMENDATIONS

RECOMMENDATION 1: The BOS re-examine its approval of the Monterey County Strategic Five-Year Local Workforce Investment Plan granted on February 22, 2000, for the Monterey County Workforce Investment Board.

RESPONSE: The recommendation will be implemented no later than August 30, 2003.

RECOMMENDATION 1a: Immediately divide the OET into two organizations independent of one another (not one subservient to the other) – one organization being the staff of the WIB, and the other organization (the “new OET”) functioning as a service provider, with a separate executive staff for each organization.

RESPONSE: The recommendation will be implemented no later than July 2003.

Effective March 3, 2003, a temporary special assignment of OET Deputy Director has been established. The OET Deputy Director is charged with planning, organizing, managing and administering the OET for the County of Monterey. Responsibilities include the direct and indirect supervision of the OET Fiscal, Management Information Systems (MIS), Human Resources and Employment Programs staff. This individual reports directly to the Assistant County Administrative Officer and is not subservient to the WIB Executive Director. The WIB Executive Director also reports directly to the Assistant County Administrative Officer and is charged with providing staff support to the WIB. This move begins to recognize these two organizations as separate entities with separate executive staff as recommended by the Grand Jury. A consultant is currently working on further defining the organizational and staffing needs of these two entities and the work should be concluded and implemented no later than July 2003.

RECOMMENDATION 1b: Designate the WIB and its staff to serve as the grant recipient and procure and oversee programs.

RESPONSE: The recommendation has been implemented.

The WIB and its executive management serve as the grant recipient and procure and oversee programs.

RECOMMENDATION 1c: Specify that the “new OET” as a potential provider of youth services (among other programs) function as any other provider/partner, to operate the programs for which it has successfully competed.

RESPONSE: The recommendation requires further analysis.

Currently, OET anticipates the implementation of year-round core services and summer jobs projects. OET is not intending to be a lead agency submitting proposals for funds the WIB expects to subcontract for youth services for the solicitation that closes on April 11, 2003. OET may be asked, however, by lead agencies wishing to collaborate to build bigger and stronger systems, to be a part of their application

as a subcontractor. As of this date, no requests have been received. Collaborative relationships could leverage the existing services offered through the One Stop Career Center System. Finally, the reauthorization of WIA legislation is pending, and the roles of One Stop Career Centers and service providers are being reviewed and redefined.

RECOMMENDATION 1d: Mandate that all Board and OET procurements including contracts are to be processed through the Monterey County General Services Department to ensure that the Department of Labor competitive procurement principles and procedures found in the Training and Employment Guidance Letter 9-00 are followed.

RESPONSE: The recommendation has been implemented.

Currently, General Services and County Counsel have participated in the development and solicitation of the adult and youth RFP proposals. All other procurements are going through General Services.

RECOMMENDATION 2: The County Counsel assign a deputy to attend all WIB meetings to ensure compliance with state and federal laws and regulations and to advise the WIB and its staff on any and all legal matters.

RESPONSE: The recommendation has been implemented.

Effective as of February 25, 2003, a Deputy County Counsel has been assigned to attend and has begun attending all Workforce Investment Board (WIB) meetings.

RECOMMENDATION 3: The members of the WIB and its Youth Council be instructed, by appropriate experts, as to their roles and responsibilities under the Act and the rules imposed upon the WIB by governmental regulations.

RESPONSE: The recommendation has been implemented, and will continue as part of the second WIB retreat scheduled for April 30th and May 1st.

Staff and consultants, in a continuing education process, will develop numerous presentations to the WIB and all subcommittees.

Suggested topics that the WIB is currently considering for the retreat are as follows:

- Review of the By-Laws (this will include board structures and meeting schedules)
- Review of the Brown Act, conflict of interest, and meeting protocol
- WIA legislation refresher and update on reauthorization plans
- Development of Business Services
- Development and expansion of the youth employment system

- Grant writing and fund raising
- Local WIB involvement in the development of broader collaborations on county, state and national workforce development issues
- Establishing and maintaining mission, vision and objectivity
- Evaluation and improvement of collaborative partnerships through the One-Stops
- Services to Dislocated Workers, Disadvantaged Adults, Incumbent Workers: evaluation, focus, priorities
- Marketing One-Stop services: evaluation, priorities.

In the current proposal submitted for WIA reauthorization by the U.S. Department of Labor, they are suggesting that the decision to continue to develop, fund or staff Youth Councils be a local option. This and other reauthorization issues are currently being studied at the congressional level.

RECOMMENDATION 4: The Executive Director of the WIB provide both the WIB and the BOS a detailed annual report of all programs, and the participants' profiles and performance results.

RESPONSE: The recommendation will be implemented.

A presentation to the WIB and BOS for program year 2001-02 will be presented no later than August 2003 and a report for program year 2002-2003 will be presented to the WIB and the BOS by December 2003. Included will be the achievement of performance standards mandated by the U.S. Department of Labor and participant profiles.

RECOMMENDATION 5: The WIB adopt a set of guidelines to ensure properly functioning board meetings.

RESPONSE: The recommendation will be implemented.

As part of the April 30th and May 1st WIB Retreat, the WIB will develop guidelines for Workforce Investment Board meetings.

MONTEREY COUNTY



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SHERRI L. PEDERSEN
CLERK OF THE SUPERIOR COURT
DEPUTY

April 1, 2003

The Honorable Terrance Duncan
Presiding Judge of the Superior Court
Monterey County
240 Church Street
Salinas, CA 93901

Dear Judge O'Farrell:

Attached are the responses of our governing body, as required by Sections 933 and 933.05 of the California Penal Code, to the Findings and Recommendations in the 2002 Monterey County Grand Jury Final Report dated January 2, 2003.

The responses were approved by the Monterey County Board of Supervisors, our governing body, on April 1, 2003.

Sincerely,

Fernando Armenta

Fernando Armenta, Chair
District 1

Attachments: Response to Findings
Response to Recommendations

MONTEREY COUNTY BOARD OF SUPERVISORS

MEETING: ARIL 1, 2003 – CONSENT	AGENDA NO.:
SUBJECT: APPROVE RECOMMENDED RESPONSE TO THE 2002 MONTEREY COUNTY GRAND JURY FINAL REPORT (FILED JANUARY 2, 2003) AND AUTHORIZE STAFF OF THE COUNTY ADMINISTRATIVE OFFICE TO FILE APPROVED FINAL RESPONSE WITH THE PRESIDING JUDGE OF THE SUPERIOR COURT OF CALIFORNIA ON OR BEFORE APRIL 2, 2003 (CONTINUED FROM MARCH 18, 2003).	
DEPARTMENT: COUNTY ADMINISTRATIVE OFFICE	

RECOMMENDATION

It is recommended that the Board of Supervisors approve the proposed response to the 2002 Monterey County Grand Jury Final Report and authorize staff of the County Administrative Office to file the approved final response with the Presiding Judge of the Superior Court of California on or before April 2, 2003.

SUMMARY

The 2002 Grand Jury filed its annual report on January 2, 2003. By law, the Board of Supervisors has 90 days to file its response to findings and recommendations contained in the report.

DISCUSSION

On March 18th, the Board of Supervisors heard this matter and concerns were expressed from members of the public regarding water fluoridation. At the Board's request, the Grand Jury Response has been revised to reflect the requested changes on pages 11 and 12, attached.

The proposed response addresses each specific finding and recommendation directed to the Board of Supervisors. As in past years, much of the input in the proposed response results from comments received from departments mentioned in the Grand Jury Final Report. While the draft was intended to reflect staff understanding of Board policy, the Board had no direct input. The proposed report will not reflect actual Board policy until it has been reviewed, modified, and adopted by the Board during a public hearing.

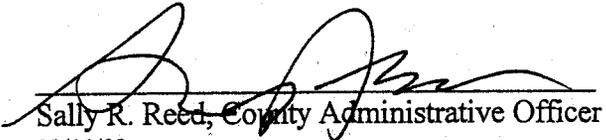
The County Administrative Office and the involved Department Heads contributed to the preparation of the original proposal. The final responses of the Board should be deemed and accepted by the Grand Jury as the responses of the Monterey County Administrative Office and Monterey County's non-elected Department Heads. The Auditor-Controller, an elected official, filed his response in February 2003.

OTHER AGENCY INVOLVEMENT

Members of the 2002 Grand Jury and appropriate Department Heads have been provided copies of the proposed Board of Supervisors' discussion of this matter. Members of the 2003 Grand Jury were also provided copies of the report.

FINANCING

Acceptance of the recommended Board response will have no direct financial impact on the General Fund.


Sally R. Reed, County Administrative Officer
03/11/03

Report Prepared by: Bertha Gonzalez, CAO Analyst

**Before the Board of Supervisors in and for the
County of Monterey, State of California**

Approve Recommended Response to the)
2002 Monterey County Grand Jury Final)
Report, Filed January 2, 2003, and Authorize)
Staff of the County Administrative Office to)
File Approved Final Response With the)
Presiding Judge of the Superior Court of)
California On or Before April 2, 2003)

Upon motion of Supervisor _____, seconded by Supervisor _____, and carried by those members present, the Board hereby approves the proposed response to the 2002 Monterey County Grand Jury Final Report and authorizes staff of the County Administrative Office to file the approved response with the Presiding Judge of the Superior Court of California on or before April 2, 2003.

PASSED AND ADOPTED on this 1st day of April, 2003, by the following vote, to-wit:

AYES:

NOES:

ABSENT:

I, Sally R. Reed, Clerk of the Board of Supervisors of the County of Monterey, State of California, hereby certify that the foregoing is a true copy of an original order of said Board Supervisors duly made and entered in the minutes thereof at page ___ of Minute Book _____, on _____.

SALLY R. REED, Clerk of the Board of Supervisors
County of Monterey, State of California.

Dated: _____

By _____
Deputy

IMPROVING THE COUNTY BUDGET PROCESS
Providing Better Tools for Management

FINDINGS

Programs & Projects

FINDING 1: The Recommended Budget provides goals and status of selected budget units, but a breakdown of costs for recommended or ongoing programs and projects is typically not shown.

RESPONSE: Agree.

The Board of Supervisors acknowledges the lack of cost data and the usefulness of such data for evaluating many programs included in the County Budget. The existing County Budget Preparation and Financial Information System does not aggregate data in such a manner as to permit the preparation of this type of information without substantial additional manual effort. The County Administrative Officer (CAO) and the County Auditor are exploring options for the replacement of the current obsolete financial systems.

The cost for replacing these systems is substantial and the timing of the replacement will depend on the County's financial situation and the weighing of this high priority need with other high priority needs.

FINDING 2: Personnel headcount and salaries are shown, but a more inclusive "fully loaded" cost of an individual is not estimated.

RESPONSE: Agree.

The Board of Supervisors notes the Recommended Budget does not include a discrete full costing for each position. Should this type of detailed information be available, the Board needs to consider how this information might be presented in a format that is concise yet still useful.

The Recommended Budget does endeavor to include the full salary and benefit costs for each new position for the number of months that position will be filled. Additionally these cost calculations for requested new positions are included in Board messages, which occur throughout the year. During the past few years it has been the Board's intent and policy to expand the "fully loaded cost" concept for these new positions to include any additional costs associated with adding a new position to include costs for such things as: vehicles, office space needs, furniture, mileage, tools, and any other costs which may be associated with the additional personnel. Direction to departments to include this information will be clarified in the published guidelines for budget preparation and for Board messages throughout the year.

FINDING 3: Expenditures are generally not identified by project or program (with exceptions).

RESPONSE: Agree.

This is partially true. Where possible the CAO will work with County departments in developing better program costing. The ease and timely implementation of this recommendation would be greatly aided by replacement of the County's obsolete financial, budget, and payroll systems.

Milestones, Efficiency & Effectiveness

FINDING 4: While new programs and projects within a budget entity are approved on their merit and priority, there appears to be no formal system in place to systematically ascertain and evaluate their actual performance and cost versus the milestones and goals when they were first adopted.

RESPONSE: Disagree.

The annual budget approval process, periodic program review, and program/issue review by the Board's Budget Committee provide a formal and systematic review of County programs. Department heads as program operators are closest to this information and are expected to assume responsibility for evaluating the success of new programs as well as the timely and regular reporting of this information to the Board's Budget Committee and to the full Board. The Board acknowledges that additional attention to this area is beneficial.

FINDING 5: Workloads and related statistics are frequently mentioned, but without measures of efficiency or effectiveness.

RESPONSE: Agree.

The Board of Supervisors concurs with this finding. Please see response to recommendations, below.

Terminating a Program

FINDING 6: Once established, a program may continue indefinitely, independent of its current relevance or effectiveness, as there is no simple way to identify these expenditures on an ongoing basis.

RESPONSE: Disagree.

Each County Department head is responsible for evaluating the success and need for each program under their area of responsibility. County Department heads are continually evaluating the way in which resources are expended in their respective areas of responsibility and making changes as needed. This is an area that merits the need for continual attention, and the availability of program costing data would assist in the evaluation process.

RECOMMENDATIONS

- RECOMMENDATION 1: The 2002 Monterey County Civil Grand Jury recommends that an operational audit of the budget process be made (consider the use of the County Auditor or an independent consultancy) with the following goals in mind:
1. Improving clarity – i.e., making it simpler for people to see how the money is being spent and to visualize the impact of cutbacks.
 2. Identifying performance measures – allowing the public to see whether the funds are being spent efficiently.

RESPONSE: The recommendation will be implemented.

The Board of Supervisors concurs in the need to make improvements in the clarity and in the connection between dollars spent or cut from each major program area. Improvement is a continual process. As part of the current budget preparation process for the FY 2003-04 Recommended Budget, county departments will be instructed to provide meaningful discussion as to the expected impact of program increases or reductions.

During the past year, staff from the CAO's office have been researching the "state of the art" in performance budgeting/management. This research has included site visits, telephone interviews, review of the literature, and evaluation of the efforts by others in developing effective and meaningful performance measures. The performance measures developed by other counties and cities range from very good "works in progress" to efforts which require considerable staff resources with questionable indices generated for the purpose of assessing performance. Those jurisdictions which have developed meaningful measures share the characteristics of having strong and continual executive and line department support and have committed significant staff to the effort of determining what are meaningful measures and the collection and evaluation of the results. The most successful efforts at performance measurement have been at the effort for several years and are continually improving their process.

The value of developing and implementing effective and meaningful measures of: "How good a job is County staff doing, and how

effective are county administered programs?" is without question, valuable. Jurisdictions developing a formal system of performance measurement have approached this effort in different ways ranging from a "full blown roll out" requiring all departments to commit substantial resources to an approach involving a "pilot" program for one or more departments. Both approaches have merit and logical argument supporting each approach.

Based on staff research, discussions with several departments, and consideration of available staff resources, the CAO has chosen the approach of piloting performance measurement efforts. At this time the County Health Department is working with staff of the Leadership Institute and their own departmental staff in developing a well thought out performance measurement program. Additional efforts have been taken or are being considered by the Natividad Medical Center and the Planning Department. Progress on these efforts will be reported in the 2003-04 Recommended County Budget.

The Grand Jury's recommendation that the Board consider the use of the County Auditor or an outside consultancy is an excellent one. The County Auditor's staff is well versed in many of the technical aspects of costing and can provide an assessment of performance, which is independent of daily program operations. The Auditor's office, through their internal audit staff, has been of considerable assistance in reviewing departmental operations. Their assistance will be requested in our development of meaningful performance measures. Several consultancies specialize in measuring performance and have assisted other governmental agencies in their program development. The use and value of contracting with this type of expertise will be considered as we move ahead.

**SUPPLEMENT TO THE MID-YEAR FINAL REPORT ON AVAILABILITY OF WATER
ON THE MONTEREY PENINSULA**

The Role of the Monterey Peninsula Water Management District

FINDINGS

FINDING 6: The results of the voting on Measure B indicate the desire of the majority of voters within the MPWMD to abolish the water district. The advisory vote on the question "Should the MPWMD be dissolved" was 66.5% in favor and 33.5% opposed.

RESPONSE: Agree.

RECOMMENDATIONS

RECOMMENDATION 1: The November 2002 advisory vote of the affected residents should be taken as a mandate and the existence of the MPWMD be terminated by proper political process. That the cities and County mount a joint effort to have their state legislators sponsor a bill in the legislature to dissolve the MPWMD, and

RESPONSE: The recommendation has been implemented.

State Senator Bruce McPherson has introduced spot legislation, with the intent to explore options for governance of the MPWMD and the water resources of the Carmel River Watershed.

RECOMMENDATION 2a: No new agency, leaving Cal Am to operate as it does in most other areas, under the aegis of the existing state agencies; or

RESPONSE: See response to Recommendation #1, above.

RECOMMENDATION 2b: A joint powers agency with a board of directors comprised of appointees from those same cities and the County.

RESPONSE: See response to Recommendation #1, above.

MONTEREY COUNTY OFFICE OF EMERGENCY SERVICES
Can It Be More Effective?

FINDINGS

FINDING 1: The Monterey County Office of Emergency Services provides an acceptable level of support and coordination to meet emergencies within the County. Although possible, a major terrorism incident is not anticipated, but if one should occur, the County could expect a rapid on-scene response from state and federal authorities.

RESPONSE: Agree.

FINDING 2: The state of preparedness of the County to handle an emergency situation would be improved if all the responsible agencies participated in each and every emergency exercise in the same manner as they would in an actual emergency.

RESPONSE: Agree.

We recognize that each Agency has competing needs and we appreciate the level of participation that does occur.

FINDING 3: The Monterey County Office of Emergency Services would be more effective if it reported directly to the CAO as a staff function. County Code section 2.68.050 specifies the CAO as the ex-officio Director of the OES, thus implying a direct reporting relationship. There is no provision for a level of administrative supervision between the CAO-Director and the Deputy Director of the OES.

RESPONSE: Disagree.

The CAO's role in an emergency, as specified by the County Code, is different from what is required in the day-to-day operations of the Office of Emergency Services. Furthermore, most of the OES staff time is spent in planning for future events and coordinating with multiple agencies. Both of these functions are very similar to functions performed by other staff that reports to the Chief Assistant CAO.

FINDING 4: The 1,000 hours of unpaid overtime put in by the professional staff of the OES in order to provide an acceptable level of service is excessive. The fact that the backlog of work is growing, even with this level of overtime, is again indicative of a shortage of staff.

RESPONSE: Partially disagree.

While the unpaid overtime is excessive, it is not unique given the County's current fiscal position. Many other functions rely on unpaid overtime my management staff in order to function effectively.

RECOMMENDATIONS

RECOMMENDATION 1: For both operations and administration, the Office of Emergency Services through its head, the Deputy Director, report directly to its ex-Officio Director who is the County Administrative Officer.

RESPONSE: The recommendation will not be implemented.

While the CAO is actively involved in case of an emergency, the position should report to the Assistant CAO on the day-to-day operations.

RECOMMENDATION 2: The staffing level of the Office of Emergency Services be increased by two additional planners and that staffing be reviewed annually for the possible addition of a third planner.

RESPONSE: The recommendation will not be implemented because the County has many competing needs for staff resources. The current workload will need to be prioritized to maintain public safety, while reducing the number of staff hours.

FLUORIDATION OF DRINKING WATER IN MONTEREY COUNTY

Getting it Done

FINDINGS

FINDING 1: Fluoridation of drinking water will provide a positive health benefit to the citizens of the County with the greatest benefit accruing to the most disadvantaged citizens.

RESPONSE: Disagree.

While there may be some benefit to fluoridation in drinking water, some scientific studies show that sodium fluoride may be toxic and may cause bone fractures, skeletal diseases, cardiac diseases, and hypothyroidism. The benefits fluoride may provide in preventing tooth decay are outweighed by associated health risks.

FINDING 2: With the possible exception of smaller water systems, start-up and operations costs of drinking water fluoridation are more than offset by cost avoidance in the areas of dental and general health care.

RESPONSE: Disagree.

Monterey County does not have the resources to implement water fluoridation due to the current fiscal situation. Water purveyors in municipalities would be better able to implement fluoridation in drinking water and enforce monitoring and payment.

FINDING 3: There are a multitude of water providers and jurisdictions within the County, and there is no coordinated advocacy program joining political leadership and health professions to implement fluoridation of drinking water.

RESPONSE: Agree.

There is currently no coordinated advocacy effort, involving political leadership and health professionals, to implement fluoridation of drinking water.

RECOMMENDATIONS

RECOMMENDATION 1: The County of Monterey become a principal advocate for fluoridation of drinking water in the County, and provide leadership to water providers and users in unincorporated areas to obtain needed start-up funding and user rate increases to support ongoing operations for fluoridation.

RESPONSE: The recommendation will not be implemented.

Monterey County believes the leadership would be best at a local level (ie: per water purveyor). Water purveyors in municipalities

would be better able to implement fluoridation in drinking water and enforce monitoring and quality of service delivery. The Board of Supervisors, through the Health Department, will work with local water purveyors and other stakeholders on this issue.

MONTEREY COUNTY PROBATION DEPARTMENT YOUTH FACILITIES

FINDINGS

FINDING 1: Juvenile Hall facilities were generally clean and neat, but due to the advanced age of buildings, there is a backlog of needed maintenance and safety corrections, which are seriously under funded.

RESPONSE: Agree.

FINDING 2: There is a lack of visual screening between Juvenile Hall and the County Jail.

RESPONSE: Agree.

FINDING 3: Juvenile Hall does not provide the level of security required to house today's most violent youthful offenders.

RESPONSE: Agree.

FINDING 4: Classroom space at Juvenile Hall is inadequate to comply with State education requirements.

RESPONSE: Agree.

FINDING 5: Rancho Natividad will give at-risk youths a greater opportunity to become employable and productive citizens.

RESPONSE: Agree.

RECOMMENDATIONS

RECOMMENDATION 1: For protection of the surrounding community and safety of the youth housed in Juvenile Hall, Unit "A" be "hardened" to conform to current standards for maximum security incarceration.

RESPONSE: The recommendation requires further analysis.

Prior to January 2003, the Probation Department had been recommending the hardening of "A" Unit to current standards for maximum-security incarceration. However, due to the recent structural damage to the entire Juvenile Hall and the closing of "A" Unit, it is felt that the recommendation should be temporarily delayed until the County develops a comprehensive plan for the entire Juvenile Hall.

RECOMMENDATION 2: Adequate screening be installed between Juvenile Hall and the County Jail so as to remove all possibility of contact between the two populations.

RESPONSE: The recommendation requires further analysis.

When the new Juvenile Hall's recreation yard fence was built in summer of 2002, the Probation Department had recommended that a block wall be installed to isolate Juvenile Hall from the County Jail. Due to funding limitation, the County installed a wire fence. It is recommended that the new fence be upgraded with wooden slats, to block view and communication between jail inmates and Juvenile Hall wards.

RECOMMENDATION 3: The BOS allocate adequate funds to address the deficiencies identified in Juvenile Hall as outlined in the Fire/Life Safety report and subsequently "referred to Facilities."

RESPONSE: The recommendation requires further analysis.

The Board concurs and supports Grand Jury recommendation #3. However, the Board of Supervisors can only determine the merits of the recommendation in the context of the County's overall budget. An analysis of the facility needs is underway.

RECOMMENDATION 4: Planning for a new Juvenile Hall be started in 2003.

RESPONSE: The recommendation requires further analysis.

The Board and the Probation Department support the need for a new Juvenile Hall. The Grand Jury recommendation was made based on the long-term deterioration of Juvenile Hall, and prior to the discovery of significant new damage. Due to this discovery, an analysis of the facility needs is underway.

RECOMMENDATION 5: The BOS allocate sufficient funds to facilitate an early and orderly transfer of programs currently at the Youth Center to Rancho Natividad, and to expand the programs at the new space.

RESPONSE: The recommendation requires further analysis.

The Probation Department is working under the assumption that the Grand Jury was referring to the Silver Star Youth Program (a.k.a. Rancho Natividad Youth Complex), not the Youth Center. If so, the

Board of Supervisors, through the Probation Department, strongly concurs with the recommendation.

The Silver Star Youth Program is scheduled to move to the former Boys Ranch site (Rancho Natividad Youth Complex). The program has been proven to be an outstanding comprehensive treatment program, and very cost effective, by saving Monterey County substantial detention, placement and CYA costs.

During this time of slow economy and limited availability of funds, the expansion of the complex, which is based on the collaboration between the public and private sector, has slowed. It is believed any help the County could provide would benefit both the minors in the community, and be a sound fiscal decision, by generating significant savings in detention and placement costs.

INVESTING IN THE COUNTY'S YOUTH
Can We Do Better with Workforce Investment Act Funds?

FINDINGS

FINDING 1: Conflicting interests arise as a result of the common management of the Workforce Investment Board (WIB) and the Office for Employment Training (OET).

RESPONSE: Partially Disagree.

The executive management of the WIB has a comprehensive job description that delineates the roles and responsibilities in working with the Board of Supervisors, the WIB and other federal, state and local entities. In the fourteen samples of duties listed, thirteen definitely have no conflicting interests. The second duty listed requires the coordination and direction, through subordinate managers, of "the activities of the employment programs...of the Office for Employment Training". In this instance, although no conflict has existed, the structure of the job duties could cause a potential concern in the future.

FINDING 2: The WIB has no independent supporting staff. Support services are provided by employees of the OET which itself is a provider of youth services.

RESPONSE: Agree.

The staffing of the WIB by executive management who is responsible to their County or City Executives is typical and allowable under the Act regulations. Throughout California's fifty Workforce Investment Areas, more than 80% have adopted this model. In reviewing the job description of executive management, very little of the actual job duties focus on direct operations. The Employment Programs Administrator who heads the Program Operations Division for youth and adults has generally been responsible for the daily operation of the Office for Employment and Training through its MOU with the Workforce Investment Board.

FINDING 3: Core and summer programs provided by the OET do not require competitive bidding; however, funds available to the WIB from federal grants for youth training programs are not being allocated to service providers on the basis of competitive bids as required by Act regulations.

RESPONSE: Partially disagree.

The Youth Council, Executive Committee and the WIB approve summer programs and their activities. The core services being provided include outreach, recruitment, eligibility, assessment, job matching, job placement, counseling, supportive services, and paid and unpaid work experience through a structured MOU with the WIB.

Services that should be bid include certified vocational or educational training and follow-up. Solicitation for additional service providers that can build a bigger, more comprehensive system has been the goal of the WIB and its subcommittees.

On September 25, 2002 the Planning Committee discussed coordinating with the Chair of the Youth Council to agendize the development of proposals to increase youth services. On November 12, 2002 the Youth Council approved the development of an RFP for Title I WIA youth funds. On November 18, 2002 the Executive Committee approved the development and solicitation of the RFP, with full concurrence of the WIB on January 21, 2003. The proposal has been developed and was released on March 3, 2003. Proposals are due April 11, 2003. Additional solicitations are currently being considered by staff for presentation to the WIB.

In a March 6, 2003 white paper submitted by the U.S. Department of Labor on the reauthorization of WIA, there is considerable discussion regarding the structure, design and intent of youth programs. The summer jobs component may be modified or eliminated. Service to in-school youth may be eliminated. The redesign of services for older out-of-school youth may be intensified. These proposals and recommendations are currently being formulated. It is anticipated that by June 30, 2003, services, program delivery strategies and new allocations of resource levels will be more defined.

FINDING 4: WIB meetings are dominated by the executive staff, including procedure, content, and direction. The WIB and its President are not exercising independent control.

RESPONSE: Disagree.

The members of the WIB, consultants and staff developed the WIA five-year plan and the bylaws. Agendas for WIB and subcommittee meetings are developed collaboratively with the Chair or the heads of subcommittees respectively. The Chair or heads of the subcommittees call upon staff to make presentations or clarify action items as deemed necessary. Between June 29, 2000 and February 4, 2003, the WIB or its subcommittees met seventy-five times. These meetings have generated thirty-three reports that have gone to the County Board of Supervisors for concurrence of proposed WIB actions.

The WIB members monitor, as unpaid volunteers, all funded programs and the One-Stop Career Center System. WIB members have attended conferences and retreats, and have received training on conflict of interest, legislation and regulations, vision and goal setting, creating win-win situations, and leadership strategy. The WIB has developed its top twelve priorities for workforce development, approved Memorandums of Understanding for the fifteen partner agencies, and set policies on Individual Training Accounts, Supportive Services and Eligible Training Provider Lists.

RECOMMENDATIONS

RECOMMENDATION 1: The BOS re-examine its approval of the Monterey County Strategic Five-Year Local Workforce Investment Plan granted on February 22, 2000, for the Monterey County Workforce Investment Board.

RESPONSE: The recommendation will be implemented no later than August 30, 2003.

RECOMMENDATION 1a: Immediately divide the OET into two organizations independent of one another (not one subservient to the other) – one organization being the staff of the WIB, and the other organization (the “new OET”) functioning as a service provider, with a separate executive staff for each organization.

RESPONSE: The recommendation will be implemented no later than July 2003.

Effective March 3, 2003, a temporary special assignment of OET Deputy Director has been established. The OET Deputy Director is charged with planning, organizing, managing and administering the OET for the County of Monterey. Responsibilities include the direct and indirect supervision of the OET Fiscal, Management Information Systems (MIS), Human Resources and Employment Programs staff. This individual reports directly to the Assistant County Administrative Officer and is not subservient to the WIB Executive Director. The WIB Executive Director also reports directly to the Assistant County Administrative Officer and is charged with providing staff support to the WIB. This move begins to recognize these two organizations as separate entities with separate executive staff as recommended by the Grand Jury. A consultant is currently working on further defining the organizational and staffing needs of these two entities and the work should be concluded and implemented no later than July 2003.

RECOMMENDATION 1b: Designate the WIB and its staff to serve as the grant recipient and procure and oversee programs.

RESPONSE: The recommendation has been implemented.

The WIB and its executive management serve as the grant recipient and procure and oversee programs.

RECOMMENDATION 1c: Specify that the “new OET” as a potential provider of youth services (among other programs) function as any other provider/partner, to operate the programs for which it has successfully competed.

RESPONSE: The recommendation requires further analysis.

Currently, OET anticipates the implementation of year-round core services and summer jobs projects. OET is not intending to be a lead agency submitting proposals for funds the WIB expects to subcontract for youth services for the solicitation that closes on April 11, 2003. OET may be asked, however, by lead agencies wishing to collaborate to build bigger and stronger systems, to be a part of their application as a subcontractor. As of this date, no requests have been received. Collaborative relationships could leverage the existing services offered through the One Stop Career Center System. Finally, the reauthorization of WIA legislation is pending, and the roles of One Stop Career Centers and service providers are being reviewed and redefined.

RECOMMENDATION 1d: Mandate that all Board and OET procurements including contracts are to be processed through the Monterey County General Services Department to ensure that the Department of Labor competitive procurement principles and procedures found in the Training and Employment Guidance Letter 9-00 are followed.

RESPONSE: The recommendation has been implemented.

Currently, General Services and County Counsel have participated in the development and solicitation of the adult and youth RFP proposals. All other procurements are going through General Services.

RECOMMENDATION 2: The County Counsel assign a deputy to attend all WIB meetings to ensure compliance with state and federal laws and regulations and to advise the WIB and its staff on any and all legal matters.

RESPONSE: The recommendation has been implemented.

Effective as of February 25, 2003, a Deputy County Counsel has been assigned to attend and has begun attending all Workforce Investment Board (WIB) meetings.

RECOMMENDATION 3: The members of the WIB and its Youth Council be instructed, by appropriate experts, as to their roles and responsibilities under the Act and the rules imposed upon the WIB by governmental regulations.

RESPONSE: The recommendation has been implemented, and will continue as part of the second WIB retreat scheduled for April 30th and May 1st.

Staff and consultants, in a continuing education process, will develop numerous presentations to the WIB and all subcommittees.

Suggested topics that the WIB is currently considering for the retreat are as follows:

- Review of the By-Laws (this will include board structures and meeting schedules)
- Review of the Brown Act, conflict of interest, and meeting protocol
- WIA legislation refresher and update on reauthorization plans
- Development of Business Services
- Development and expansion of the youth employment system
- Grant writing and fund raising
- Local WIB involvement in the development of broader collaborations on county, state and national workforce development issues
- Establishing and maintaining mission, vision and objectivity
- Evaluation and improvement of collaborative partnerships through the One-Stops
- Services to Dislocated Workers, Disadvantaged Adults, Incumbent Workers: evaluation, focus, priorities
- Marketing One-Stop services: evaluation, priorities.

In the current proposal submitted for WIA reauthorization by the U.S. Department of Labor, they are suggesting that the decision to continue to develop, fund or staff Youth Councils be a local option. This and other reauthorization issues are currently being studied at the congressional level.

RECOMMENDATION 4: The Executive Director of the WIB provide both the WIB and the BOS a detailed annual report of all programs, and the participants' profiles and performance results.

RESPONSE: The recommendation will be implemented.

A presentation to the WIB and BOS for program year 2001-02 will be presented no later than August 2003 and a report for program year 2002-2003 will be presented to the WIB and the BOS by December 2003. Included will be the achievement of performance standards mandated by the U.S. Department of Labor and participant profiles.

RECOMMENDATION 5: The WIB adopt a set of guidelines to ensure properly functioning board meetings.

RESPONSE: The recommendation will be implemented.

As part of the April 30th and May 1st WIB Retreat, the WIB will develop guidelines for Workforce Investment Board meetings.

~~SENIOR ADMIN ANALYST~~

Training Manager

MONTHLY SALARY	5,797.00
ANNUAL SALARY	69,564.00
PERS	4,750.00
FICA	5,322.00
FLEX BENEFITS	8,691.00
LIFE INSURANCE	138.00
PROFESSIONAL EXPENSE	400.00
EMPLOYEE PHYSICALS	345.00
UNEMPLOYMENT	27.00
WORKERS COMP INS	55.00
LONG TERM DISABILITY	10.00
WELLNESS	27.00
EMPLOYEE ASSISTANCE	5.00
MEMBERSHIPS	400.00
TOTAL EMPLOYEE S+b	<u>89,734.00</u>

Services and supplies	17,947.00
Departmental Supervision	8,973.00
A-87	8,076.00

TOTAL BILLABLE	<u>124,730.00</u>
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Production hrly rate divided by 1550 hours	80.47
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Rounded Down	<u>80.00</u>
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Dotty Hall

MEMORANDUM COUNTY ADMINISTRATIVE OFFICE
COUNTY OF MONTEREY

DATE: March 26, 2003
TO: Felipe Velazquez
FROM: Bertha Gonzalez *B.G.*
SUBJECT: Hiring Freeze Exemption Request – Planning and Building Inspection Dept.

An Exemption Request regarding a Planning and Building Inspection Services Manager position in Planning and Building Inspection was received in our office yesterday.

A Senior Planner in the Planning and Building Inspection Department has been working out of class, as a Planning and Building Services Manager, for almost one year in a position the department considers vital to the operation of the department. The Personnel Analyst in Planning and Building Inspection is currently conducting a “Department Promotional” recruitment. If the employee who is currently in the working out of class assignment were hired into the Planning and Services Manager position, there would not be an additional cost, as the employee is currently being paid at the 5th step salary. If the employee who is currently in the working out of class assignment were not hired, another employee in the department would be selected .

The request meets the criteria listed in the March 11, 2003 Budget Committee report, as stated under #3:

- The promotion will not result in a new hire;
- The appointing authority does not require a budgetary augmentation;
- The promoting department already employs the incumbent.

Therefore, it is my recommendation that the Planning and Building Services Manager position be exempt from the hiring freeze.

If you have any questions, please see me or call me at x3091.

HIRING FREEZE EXEMPTION REQUEST TO FILL POSITION

Date: 3/25/03

To: Bertha González
(Department Budget Analyst)

From: Dale Ellis

Department: Planning and Building Inspection Budget Unit: 293

Classification: Planning and Building Services Manager - Dept. Promotional

Number of Positions 1

I request this position(s) to be exempt from the hiring freeze based on the following criteria:
(Please check one)

Protect the health, welfare and safety of the public 100% grant funded Position essential for operations/cost effectiveness

Justification for Request:

1. The promotion will not result in a new hire. The position is proposed to be filled by a Department Promotional process. Only current Dept. employees will be eligible.
2. The position to be filled is a currently funded position and was not included in the Departmental budget reduction plan.
3. By the nature of Dept. promotional process, the employee to be hired will be a current employee.
4. The position to be filled will be assigned to manage the Permit Center in the Coastal Office. This position is essential to providing front counter service, processing and in many cases, approval of a range of land use and building permits.
5. The position to be filled is currently filled by a long term working out of class assignment that needs to be concluded.

S. Spumery 3/25/03
Department Head Signature

CAO AUTHORIZATION

Approved

Not Approved

[Signature]
Assistant CAO - Budget Manager

3-26-03
Date

The original of this form must be attached to the Personnel Action Form indicating the filling of any position has been approved.

CITY HALL
BOX CC
CARMEL-BY-THE-SEA, CALIFORNIA 93921

31 March 2003

The Honorable Robert O'Farrell
Presiding Judge of the Superior Court
Monterey County
Post Office Box 1819
Salinas, CA 93902

SUBJECT: 2002 MONTEREY COUNTY GRAND JURY FINAL REPORT

Dear Judge O'Farrell:

Contained herein are the required responses from the City of Carmel-by-the-Sea to the following sections of the referenced Report:

Monterey Peninsula Water Management District

Prepared by Chip Rerig, Senior Planner

Fluoridation of Drinking Water in Monterey County

Prepared by Chip Rerig, Senior Planner

Very truly yours,



Sue McCloud, Mayor

detests/Grand Jury/grand jury response 2000.doc

c: Members of the City Council
Rich Guillen, City Administrator
Christi di Iorio, Director of Community Planning & Building
Chip Rerig, Senior Planner

**SUPPLEMENT TO THE MID-YEAR FINAL REPORT
ON
AVAILABILITY OF WATER ON THE MONTEREY PENINSULA
The Role of the Monterey Peninsula Water Management District**

FINDINGS

6. *The results of the voting on Measure B indicate the desire of the majority of voters within the MPWMD to abolish the water district. The advisory vote on the question "Should the MPWMD be dissolved?" was 66.5% in favor and 33.5% opposed.*

Response: While the City of Carmel-by-the-Sea supported other peninsula cities in adding an advisory measure to the November 2002 ballot, the City has not taken a formal position on dissolution of the Monterey Peninsula Water Management District.

RECOMMENDATIONS

1. *the November 2002 advisory vote of the affected residents should be taken as a mandate and the existence of the MPWMD be terminated by proper political process. That the cities and County mount a joint effort to have their state legislators sponsor a bill in the legislature to dissolve the MPWMD, and*

Response: The City of Carmel-by-the-Sea has not taken a formal position on dissolution of the Monterey Peninsula Water Management District.

2. one of the following options be chosen in place of the current MPWMD:
- a. No new agency, leaving Cal Am to operate as it does in most other areas, under the aegis of the existing state agencies; or

Response: The City of Carmel-by-the-Sea has not addressed any issues related to the dissolution of the Monterey Peninsula Water Management District.

- b. A joint powers agency with a board of directors comprised of appointees from those same cities and the County.

Response: The City of Carmel-by-the-Sea has not addressed any issues related to the dissolution of the Monterey Peninsula Water Management District.

FLUORIDATION OF DRINKING WATER IN MONTEREY COUNTY

FINDINGS

1. *Fluoridation of drinking water will provide a positive health benefit to the citizens of the County with the greatest benefit accruing to the most disadvantaged citizens.*

Response: To the extent that fluoridation provides a dental health benefit, and probably most benefits disadvantaged citizens, the City of Carmel-by-the-Sea agrees with this finding.

2. *With the possible exception of smaller water systems, start-up and operations costs of drinking water fluoridation are more than offset by cost avoidance in the areas of dental and general health care.*

Response: The City of Carmel-by-the-Sea has no basis and lacks the professional expertise from which to render such a finding.

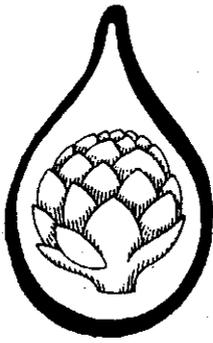
3. *There are a multitude of water providers and jurisdictions within the County, and there is no coordinated advocacy program joining political leadership and health professionals to implement fluoridation of drinking water.*

Response: While the City of Carmel-by-the-Sea agrees with this finding, it cannot offer a solution.

RECOMMENDATION

3. the Cities of Carmel-by-the-Sea, Del Rey Oaks, King City, Monterey, Pacific Grove, Salinas, Sand City and Seaside (for areas serviced by CAL AM) which are served by private providers, seek funding and express public support for implementation of water fluoridation by their water suppliers, and establish a schedule to accomplish these goals.

Response: The City of Carmel-by-the-Sea has not formally addressed any aspect of the fluoridation of water received from its local water purveyor.



**CASTROVILLE
WATER
DISTRICT**

P.O. BOX 1065
OFFICE: 11499 GEIL STREET
CASTROVILLE, CA 95012
FAX (831) 633-3103

24-HOUR TELEPHONE: (831) 633-2560

February 24, 2003

The Honorable Terrance R. Duncan
Presiding Judge of the Superior Court
Monterey County
North Wing, Room 318, Church Street
Salinas, Ca 93901

RE: Comments & Reports on Grand Jury Recommendations

Honorable Judge Duncan:

The Board of Directors of the Castroville Water District disagrees with the findings and recommendations of the Grand Jury and will not be implementing fluoridation of the water system. Our board believes that fluoridation it is not warranted or reasonable for the following reasons:

1. Fluoridation of systems with less than 10,000 service connections is not mandated by state law.
2. There has been no request from any of our customers to implement fluoridation.
3. Our mission is to provide safe, affordable drinking water and there is no requirement or expectation that it be medicated.
4. The significant financial burden on the district, our rate payers who are the citizens of Castroville, would not be justified.
5. While fluoridation is known to produce a marked improvement in dental health, it is also suspected in brittle bones, thyroid disorders, arthritis, and skeletal fluorosis.

In conclusion, the Castroville Water District submits its response to the Grand Jury Report and disagrees with the findings. Should you have any further questions or concerns, please do not hesitate to contact me.

Respectfully submitted,

Eric Tynan
General Manager
Castroville Water District



CITY OF DEL REY OAKS

650 CANYON DEL REY RD. • DEL REY OAKS, CALIFORNIA 93940
PHONE (831) 394-8511 • FAX (831) 394-6421

OFFICE OF the City Manager

March 26, 2003

The Honorable Terrance R. Duncan
Presiding Judge of the Superior Court
Monterey County
P.O. Box 1819
Salinas, California 93902

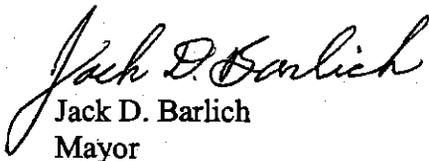
Re: City of Del Rey Oaks Responses to the Monterey Grand Jury 2002 Final Report

Dear Judge Duncan:

Enclosed are the City of Del Rey Oaks as required by Sections 933(c) and 933.5 (a) and (b) of the California Penal Code, to the Findings and Recommendations in the 2002 Monterey County Grand Jury Report.

The Del Rey Oaks City Council approved the responses at their March 25, 2003 meeting.

Sincerely


Jack D. Barlich
Mayor



CITY OF DEL REY OAKS

650 CANYON DEL REY RD. • DEL REY OAKS, CALIFORNIA 93940
PHONE (831) 394-8511 • FAX (831) 394-6421

OFFICE OF

the Mayor

March 25, 2003

The Honorable Terrance R. Duncan
Presiding Judge of the Superior Court
Monterey County
P.O. Box 1819
Salinas, California 93902

Dear Judge Duncan,

The response(s) and findings to the Monterey County Grand Jury 2002 report were placed on the Del Rey Oaks City Council Agenda for the March 25, 2003 meeting. At that meeting, the City Council gave consideration to the staff recommendations and subsequently approved the responses and findings for submission to you. The following two sections of the report 2002 Grand Jury Report were considered

- (1) *Availability of water on the Monterey Peninsula and Supplement to the mid-year Final Report - The Role of the Monterey Peninsula Peninsula Water Management.*
- (2) *Fluoridation of Drinking Water in Monterey County - Getting Done.*

Findings and Recommendations of the Del Rey Oaks City Council:

- *Availability of water on the Monterey Peninsula.*

Response to Finding(s): The Del Rey Oaks City Council agrees with the five Findings of the 2002 Monterey County Grand Jury Report. However no response(s) was required of the City Council to this section.

- *Supplemental to the Mid-Year Final Report on Availability of Water on the Monterey Peninsula – The Role of the Monterey Peninsula Water Management District.*

Response to Finding: The Del Rey Oaks City Council unanimously supported placing the advisory vote for the question of whether “the Monterey Peninsula Water Management District should be dissolved” on the November 2002 ballot to receive the public input on this matter. As stated in the Grand Jury Report, 66.5% of the voting public is in favor of dissolving the Water District.

Response to recommendations: The Del Rey Oaks City Council strongly agrees with the two recommendations of the 2002 Monterey County Grand Jury in this section:

- That the existence of the MPWMD should be terminated by proper political process and the cities and County mount a joint effort to have their state legislators sponsor a bill in the legislature.
- That the second option recommended by Grand Jury be selected to replace the current MPWMD – by forming a joint powers agency with a board of directors comprised of appointees from those same cities and the County.

The City of Del Rey Oaks existence is challenged by the lack of the Water Districts ability to perform its primary mission of providing a reliable water supply source to the Monterey Peninsula including the City of Del Rey Oaks. As a result of this failure, the project(s) proposed in the City of Del Rey Oaks to create a vital revenue stream for the City are increasingly difficult to develop. It is the responsibility of the local government to regulate land use, and not the Water District's to attempt to control growth. The City of Del Rey Oaks believes that a JPA comprised of the Monterey Peninsula cities and the County can provide direction to improve the availability of water.

Changing the Board of Directors of the MPWMD should not effect:

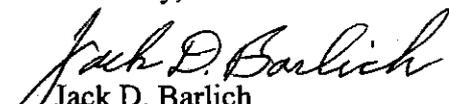
1. The operation, finances, financial arrangements and commitments.
2. The majority of the current staff.

Fluoridation of Drinking Water in Monterey County - Getting it Done.

Response to Findings: The Del Rey Oaks City Council agrees with the three Findings of the Monterey County Grand Jury of this section on the fluoridation of drinking water. The Del Rey Oaks City Council can support the Grand Jury's recommendation to express public support for the implementation of water fluoridation and would encourage the other cities and County to hold public hearings, and create a schedule and a series of measurable goals to accomplish this. This responsibility should be directed to a newly formed Water District Board of Directors and Cal Am Water Co.

As requested by the Grand Jury and required by section 933 of the California Penal Code, the City of Del Rey Oaks is hereby submitting the above responses to the 2002 Grand Jury Report.

Sincerely,


Jack D. Barlich
Mayor

City of Gonzales



P.O. BOX 647
PHONE: (831) 675-5000

117 FOURTH ST.
FAX: (831) 675-2644

GONZALES, CALIFORNIA 93926
www.ci.gonzales.ca.us

April 24, 2003

Matt Gourley
Mayor

The Honorable Terrance R. Duncan
Presiding Judge of the Superior Court
Monterey County
P.O. Box 1819
Salinas, CA 93902

Maria Orozco
Mayor Pro Tem

RE: Fluoridation, Grand Jury Report 2002

Loa Garcia
Councilmember

Dear Judge Duncan:

George A. Wortly
Councilmember

Enclosed please find the response from the City of Gonzales on the Findings and Recommendations in the 2002 Monterey County Grand Jury Final Report dated December 31, 2002 regarding fluoridating the City's drinking water.

Joe L. Gunkle
Councilmember

The City of Gonzales has determined that it does not possess the funding or personnel to implement fluoridating the City's drinking water system at this time; therefore, the City will not be fluoridating its drinking water.

Henry G. Hesling Sr.
City Manager

Thank you for the opportunity to respond.

Sincerely,


Henry G. Hesling Sr.
City Manager

Grand Jury Final Report
"Monterey County 2002 Grand Jury Final Report"

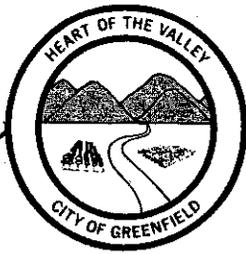
RESPONSE TO FINDINGS:

Finding #	Check One		Specify the portion of the Finding that is disputed and include an explanation of the reasons therefore
	(1)	(2)	
From Grand Jury Final Report	Respondent agrees with the Findings	Respondent disagrees wholly or partially with Finding: see next column	CONTINUE ON ATTACHED SHEETS AS NECESSARY
1, 2 & 3		X	The City of Gonzales does not have the necessary funding or personnel to implement fluoridating the City's water system

RESPONSE TO RECOMMENDATIONS:

The recommendation will not be implemented because it is not warranted or is not reasonable for the following reason:

The City of Gonzales does not have the necessary funding or personnel to implement fluoridating the City's water system.



City of Greenfield

Department of Public Works

CORPORATION YARD: 920 Walnut Avenue / (831) 674-2635 / FAX (831) 674-3259
MAIL: P.O. Box 127, Greenfield, CA 93927



April 4, 2003

The Honorable Robert O'Farrell
Presiding Judge of the Superior Court
Monterey County
P.O. Box 1819
Salinas, CA 93902

Re: 2002 Monterey County Grand Jury Final Report

Dear Judge O'Farrell:

Attached hereto is the response from the City of Greenfield on the Findings and Recommendations in the 2002 Monterey County Grand Jury Final Report dated December 31, 2002, regarding fluoridating the City's drinking water. The Greenfield City Council, our Governing Body, approved the response on April 1, 2003.

The Greenfield City Council has determined that the City of Greenfield does not possess the funding or personnel to implement fluoridating the City's water system at this time. Therefore the City will not be fluoridating the City's drinking water.

Thank you for the opportunity to respond to the Finding and Recommendations of the Grand Jury. We look forward to continued positive growth and economic development for the citizens of the City of Greenfield.

Sincerely,

John Alves,
Deputy City Manager/
Public Works Director

Enclosure
JA:gp

GRAND JURY FINAL REPORT TITLED "MONTEREY COUNTY 2002 GRAND JURY FINAL REPORT"

RESPONSE TO FINDINGS:

Finding #	Check One (1) (2)		Specify the portion of the Finding that is disputed and include an explanation of the reasons therefor
From Grand Jury Final Report	Respondent agrees with the Findings	Respondent disagrees wholly or partially with Finding: see next column	CONTINUE ON ATTACHED SHEETS AS NECESSARY
1, 2 & 3		X	The City of Greenfield doesn't have the necessary funding or personnel to implement fluoridating the City's water system.

HOPE - Helping Our Peninsula's Environment

Box 1495, Carmel, CA 93921 HOPEinfo@MNCmail.com

831/ 624-6500

www.1hope.org/fluoride.htm

Founding Trustees

Terrence Zito

Darby Worth

Ed Leeper

Robert W. Campbell

David Dilworth

Monterey County Supervisors

March 3, 2003

Are you safe drinking Fluoride in your water?

Hello Supervisors,

Monterey County is now taking steps to put fluoride in our Peninsula's drinking water supply as directed by a recent state law. We want you to be aware of the science related to this subject and have included two articles that may interest you. One is an overview of the science. The second is an article put out by US-EPA employees explaining their opposing drinking water fluoridation and some critical ethical issues related to EPA's addressing Fluoride in drinking water.

Water fluoridation is typically done in the U.S. by adding sodium fluoride, a waste product of aluminum production, sodium silicofluoride or hydrofluosilicic acid to drinking water supplies (at 1 ppm). Sodium fluoride is poisonous in small amounts. In concentrations exceeding 1.5 ppm it "may cause mottling of tooth enamel." Van Nostrands Scientific Encyclopedia, 1976 **Fluorine is the most reactive element and one of the strongest oxidizing agents known.** Id.

Q. What's the difference between the fluoride put in drinking water, toothpaste and rat poison?

A. Absolutely nothing, but the intent.

Rat poison fluoride is highly toxic, *is intended* to kill mammals and it does so easily. Fluoride put in drinking water and toothpaste is chemically identical, but *intended* to "improve" tooth health.

One article explains how there is now substantial research that **fluoridation may have very little, if any, positive effect on teeth.** Separately from its array of known *cumulative* toxicities to humans (including arthritis, mutations and death), water companies may be reluctant to add fluoridation because of the difficulty in controlling the

amount in each gallon of water. Too little (<1 ppm) and there is no effect upon teeth; only slightly more (>1.5 ppm) and it can damage teeth.

An alternative you could consider is how Santa Cruz has joined most European countries (e.g. Sweden, Holland, Switzerland, France, Germany) in prohibiting non-consensual medication of the public by means of fluoridating their drinking water through adopting a local initiative.

With all due respect,

David Dilworth, Executive Director

Environmental Research Foundation Home

Rachel's Environment & Health News

#724 - Fluoridation: Time For A Second Look?, May 10, 2001

by Paul, Ellen and Michael Connett*

In 1997 the union representing scientists, engineers and lawyers at the U.S. Environmental Protection Agency (EPA) in Washington, D.C., voted to support a California citizen initiative to stop fluoridation of public drinking water. In 1999 the union's vice-president released a paper explaining the union's opposition to fluoridation.[1]

Fluoridation is the practice of adding fluoride to the public water supply to reduce dental decay. U.S. fluoridation trials began in 1945 and by 1992 approximately 56% of the U.S. public received its water from fluoridated systems.[2]

Typically, fluoride-containing (or -generating) compounds are added to water to bring the level up to 1 milligram of fluoride ion per liter (1 part per million). In 1986 EPA set a Maximum Contaminant Level (MCL) for fluoride in drinking water at 4 ppm.[3] **The MCL was based on only one adverse health effect: skeletal fluorosis, a crippling bone disease.**

Fluoridation of public water supplies has stirred passionate debate for over 50 years. Now new data is refining the debate. It appears that some of the early claims for fluoridation's benefits were inflated. In recent years tooth decay has declined in both fluoridated and non-fluoridated communities. In fact, **the largest U.S. survey indicates that the benefit to fluoridated communities amounts to 0.6 fewer decayed tooth surfaces per child, which is less than one percent of the tooth surfaces in a child's mouth.**[4]

The public health community justified medicating whole communities via public drinking water using certain arguments that recent research has now shown to be false. For example, in 1945 scientists believed that fluoride had to be swallowed to be effective. However, the Centers for Disease Control (CDC) has recently acknowledged that fluoride's mechanism of action is primarily topical, not systemic.[5] This means that you don't need to swallow fluoride to reap its tiny benefits.

A second early belief, now known to be false, is that fluoride is an essential nutrient. There is no evidence of any disease related to fluoride deficiency. Natural levels of fluoride in human milk (0.01 ppm) are approximately a hundred times less than baby formula reconstituted with fluoridated water.[6]

A third early belief was that dental fluorosis (a defect of the tooth enamel caused by fluoride's interference with the growing tooth) would occur in only about 10% of the children drinking water fluoridated at 1 ppm and would occur only in its mildest form. Today fluorosis occurs on two or more teeth in 30% of children in areas where the water is fluoridated, and not all in its mildest form.[7]

A fourth early belief was that 1 ppm fluoride in drinking water provided an ample margin of safety against toxic effects. Not only is there no safety margin for dental fluorosis but there is growing evidence that there may be no safety margin for changes to bone structure and impacts on the brain, thyroid, and other soft tissues, especially when it is coupled with nutrient deficiencies, particularly iodide.

THE EVIDENCE

- 1) In 1998 the results of a long-term, low-dose rat study were published.[8] Two groups of rats were exposed to two different kinds of fluoride at 1 ppm in distilled water. A third group received only distilled water. Amyloid deposits (associated with Alzheimer's Disease and other forms of dementia) were elevated in the brains of both fluoridated groups compared to the control group. The authors speculate that fluoride enables aluminum to cross the blood-brain barrier.
- 2) Millions of people in India and China suffer a crippling bone disease called **skeletal fluorosis**, caused by moderate to high natural levels of fluoride (1.5 to 9 ppm) in their water.[9] Skeletal fluorosis has several stages of severity, with the less severe being chronic joint pain. "Because some of the clinical symptoms mimic arthritis, the first two clinical phases of skeletal fluorosis could be easily misdiagnosed." [3] Arthritis is now at epidemic levels in the U.S. Fluoride's plausible contribution has been ignored, but needs to be taken seriously.
- 3) Since fluoridation began in 1945 our exposure to other sources of fluoride has increased substantially. These include processing food and beverages with fluoridated water; air pollution from fluoride emitting industries; pesticide residues; vitamins; and dental products. If 1 ppm in drinking water were the only source of fluoride, the average person would ingest 2 milligrams (mg) of fluoride each day, though some may get less because they use bottled water, or they drink less water than the average adult. In 1991, the federal Department of Health and Human Services (DHHS) estimated that the range of exposure in communities with approximately 1 ppm fluoride in the water was 1.58 to 6.6 mg per day.[10]
- 4) The dose of 1.58 to 6.6 mg per day overlaps the dose found to depress the functioning of the human thyroid gland. At 2.27 to 4.54 mg/day, fluoride has been found to "completely relieve" the symptoms of hyperthyroidism (overactive thyroid).[11] **With fluoride's known capacity to depress thyroid activity, it seems that there may be a link between current fluoride consumption and the prevalence of hypothyroidism (underactive thyroid). More than twenty million people in the U.S. receive treatment for thyroid problems and many others are thought to go undiagnosed.**[12]
- 5) **Fluoride is a hormone disrupter.** It mimics the action of many water-soluble hormones by interacting with G proteins, which transmit hormonal messages across cell membranes.[13] Additionally, fluoride accumulates in the pineal gland and may reduce melatonin production.[14]
- 6) **Fluoride (50-75 mg per day) given to osteoporosis patients to strengthen bones has actually increased their rate of hip fractures.**[15,16] Of 18 studies conducted since 1990, 10 have found an association between water fluoridation and hip fractures in the elderly.[17] According to the Agency for Toxic Substances and Disease Registry (ATSDR): "If this effect is confirmed, it would mean that hip fracture in the elderly

replaces dental fluorosis in children as the most sensitive endpoint of fluoride exposure." [18] **Hip fracture is not a minor problem: in the U.S. up to 50,000 people die each year of osteoporosis-related hip fractures.** [19]

7) Some evidence suggests that fluoride causes **bone cancer** in male rats and perhaps in young men. [20, 21]

8) A recent report by the Greater Boston Physicians for Social Responsibility reviews studies showing that fluoride interferes with brain function in young animals and in children, reducing IQ. [22] **Most European countries have rejected fluoridation.** Recognizing that there are simple and effective alternatives, they have applied the precautionary principle. Their children's teeth have not suffered as a consequence. Parents willing to expose their children to fluoride can simply purchase fluoridated toothpaste (which contains 1000 to 1500 ppm fluoride -- read the warning label on the package). [23] The American policy of giving fluoride to children by medicating whole communities with a potent drug that may harm some people seems a dubious practice at best. At worst it violates the primary principle of medical ethics: First do no harm. Furthermore, it violates the ethical principle of informed consent.

In May 2000 the Fluoride Action Network (FAN) was formed by a coalition of activists and scientists from 12 countries (see: <http://www.fluoridealert.org>). FAN's goal is to end fluoridation and minimize exposure to fluoride. FAN's founding members include the late David Brower; Teddy Goldsmith; Michael Colby; Gar Smith; Terri Swearingen; the union representing professional employees at EPA headquarters; and Dr. Hardy Limeback, Canada's leading dental authority on fluoridation who in 1999 apologized for having promoted fluoridation for 15 years. We urge our colleagues working on public health and environmental issues to become involved and take a second look at fluoridation.

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Politics behind EPA's Maximum Contaminant Level for Fluoride

Note: The following is not the full statement. We have left out the authors' discussion of the NAEP Code of Ethics. To read their entire statement, visit: <http://www.rvi.net/~fluoride/naep.htm>

Applying the NAEP Code of Ethics to the Environmental Protection Agency and the Fluoride in Drinking Water Standard

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ABSTRACT

As stated in the NAEP Code of Ethics and Standards of Practice for Environmental Professionals, the "keystone of professional conduct is integrity..." This means that professionals must be responsible for the validity of their work, which must be conducted without "dishonesty, fraud, deceit or misrepresentation or discrimination." They must not put professional judgment aside in order to twist facts and/or conclusions to give a client, or a superior, a desired outcome. Further, professional integrity does not stop when a report is signed. There is a continuing responsibility for seeing that a report is not misrepresented by others, or altered to change its data or conclusions.

In 1997, the National Federation of Federal Employees, Local 2050 (the "Union"), representing all 1400 non-management professionals at the headquarters of the U.S. environmental Protection Agency (EPA), incorporated a modified version of the NAEP Code of Ethics into its Collective Bargaining Agreement with EPA. This paper discusses the Agreement and the need for further refinements of it, along with the event that galvanized this effort, viz. the November 14, 1985 Federal Register notice setting a health-based standard for fluoride in drinking water.

The NAEP (National Association of Environmental Professionals) Code required some minor modifications to better clarify the role of professionals who provide analyses of issues in a regulatory context. Regulations require specific scientific endpoints to be defined. Politicians often demand analyses that support politically acceptable solutions. This presents a serious dilemma in that professional ethics are forced to take a back seat to political expediency. An enforceable code of ethics is needed to permit honest analysis to surface from professional staff without fear of intimidation or reprisal.

The need for a Code of Ethics at EPA has been emphasized time after time since the Agency began in 1970. This need became critical when it published the Fluoride in Drinking Water Standard in 1985. An investigation by the Union revealed that scientific support documents for the health-based standard were crafted to support a long-standing public health policy. Objective scientific methods of data collection and analysis were avoided in favor of presenting information that agreed with current policy. **The National Association of Environmental Professionals (NAEP) Code of Ethics** The NAEP Code of Ethics and Standards of Practice for Environmental Professionals ("NAEP Code")¹ states self-evident truths in a way reminiscent of the Declaration of Independence. In the first line it says that "the keystone of professional conduct is integrity." It then expands on the meaning of integrity by noting that professionals must:

1. be responsible for the validity of their own work.
2. ensure that it is done objectively, using the best scientific and engineering principles available.
3. not condone misrepresentation of their work.
4. fully disclose any possible conflict of interest.
5. not be involved in "dishonesty, fraud, deceit, or misrepresentation or discrimination."
6. not accept work if it is contingent upon violating their code of ethics.

The principles outlined in the NAEP Code, if followed, should ensure a healthy profession and result in the respect of those coming into contact with its members. It should be easy for anyone considering joining NAEP to agree with them. There is a second set of statements in the Code which are offered as "guidance" for professionals. Two of these, we believe belong in the list of ethical principles. The first is the statement that one should work on projects for which one is qualified, and the other is that work should be done in concert with laws, regulations, and ordinances. It will become clear as we discuss the application of the code to the activities of EPA why we believe these are necessary.

Environmental Professionals at EPA Headquarters In 1982, all of the non-management scientists, lawyers and engineers working at EPA Headquarters, in their own declaration of independence, decided to organize into a union that could bargain with the Agency over conditions of employment. The organizing committee believed there were so many outstanding grievances with management that the only way to get resolution was by forming a Labor union. According to the Civil Service Reform Act, the Agency must recognize and bargain with a legally constituted union, whereas it can ignore other employee groups, no matter how thoroughly constituted or well-intentioned they may be.

Our grievances with the EPA Administrator (Anne Gorsuch) centered around the misuse of professional services, creating an unethical climate that served politics, but not truth. Management was enamored with the idea that "management rights" included, among other things, mandating the "arranging" or "rearranging" of scientific facts so they support predetermined conclusions. Management acted as if the only moral duty of employees was the duty to obey - even in spite of the results at Nuremberg.

When the required representational election was held in 1984, the Union, the National Federation of Federal Employees, Local 2050 (NFFE), was chosen overwhelmingly by a 90% plurality vote. After lengthy negotiations, we signed our first contract with EPA in 1986. We then began to fight for the ethical and competent practice of science and law at EPA. Our most visible effort - and the one that will be the focus of the remainder of this presentation - was our activity regarding EPA's regulation for fluoride in drinking water, during which we attempted to file an amicus brief in the law suit brought by the Natural Resources Defense Council against EPA in April of 1986 on this issue. We also did a great deal of work on the toxic nature of emissions from latex-backed carpeting that poisoned over 300 EPA employees at EPA Headquarters, and the dangerously explosive nature of aerosol foggers used extensively by ordinary citizens in their homes. In all of these issues, professionals were hindered in or prevented from carrying out their sworn duty to protect the public. We took these issues to the public and the Congress in hope of forcing a change in the ethical climate at EPA.

While these efforts were underway, we came upon a pamphlet from NAEP. It contained a Code of Ethics which immediately struck us as a possible solution to our problems. If we could negotiate an enforceable code of ethics with the Agency, we might have some leverage in eliminating the ethical abuses that were occurring. So, we took the NAEP Code, modified it slightly, and presented it to the Agency in 1988 as a bargaining proposal for negotiations. ...

Applying the Code to the Fluoride in Drinking Water Standard. As stated in the proposed code of ethics, it is the duty of every professional to understand the laws under which they operate. Laws require professionals who are developing the scientific bases for regulations to ask certain questions. In this particular case, the Safe Drinking Water Act of 1975 5 (modified in 1986, "the Act") said that EPA should identify contaminants in drinking water and set a "recommended maximum contaminant level (RMCL)" for each. The Act explains that: RMCLs [changed to MCL goals in 1986] "...are non-enforceable health goals which are to be set at levels which would result in no known or anticipated adverse effects and which allow an adequate margin of safety." [emphasis added]

When the Act says "no known...adverse effects" can occur at the level chosen, that means everyone must be protected: young and old, and those with health problems such as diabetics or those with kidney impairment. EPA is not supposed to protect just the average person, but everyone.

The Act recognized the inherent right of every individual to be able to drink safe water. Setting a standard also means EPA has to consider all other sources of the contaminant, in food, beverages, toothpaste, etc., otherwise, the contribution EPA allowed for water may put some individuals at risk. This is not always an easy task, but it is clear what the considerations must be.

The Act also requires EPA to consider "anticipated adverse effects." For instance, if data show that consumption of a certain amount of a contaminant over 20 years causes disease, then EPA is required to consider the level it would have to set that would be safe over a lifetime. And who should make this call? As noted in the code of ethics, it should be someone qualified to make that judgment. Should a health call be made by politicians or professionals, such as doctors, biochemists, statisticians, chemists, etc. each addressing their particular area of expertise?

EPA is also required to set an enforceable standard for each contaminant called the "Maximum Contaminant Level (MCL)". The Act explains that: MCLs "...are enforceable standards and are to be set as close to the RMCLs as is feasible..." 'feasible' means with the use of the best technology, treatment

techniques and other means, which the administrator finds are generally available (taking cost into consideration)." The bottom line is that an MCL is a level which may not be safe, or at least not as safe, as the RMCL because in many cases it is just not practical or economical to set a level equal to the RMCL. The best example of how these distinctions are made can be seen in the lead standard. The health goal is zero, but the MCL is 15 ug/l(ppb). The MCL is very much a political decision, although it still must be kept as close to the RMCL as possible.

The RMCL for Fluoride in Drinking Water EPA set an RMCL of 4 mg/l(ppm) for fluoride in drinking water on November 14, 1985. 6 We are now going to examine how that decision was reached in light of the original NFFE code of ethics proposed to EPA. We are selecting only the RMCL because it represents a health judgment unencumbered by political considerations. In the discussion that follows, keep in mind that 1 mg/l of fluoride is the level usually recommended for water fluoridation. This level has been recommended for over 50 years by the Public Health Service without wavering. In 1950, the PHS pronounced fluoridation "safe and effective" 7 and it has made such grand claims ever since. In 1990, Dr. Harald Loe, D.D.S., Director of the National Institute of Dental Research said: "Water fluoridation is one of the most effective and economical public health measures ever undertaken." 8

The Surgeon General's Report In developing the scientific support for its regulatory action, the Agency first turned for guidance to the Public Health Service and asked its chief, Dr. C. Everett Koop, the Surgeon General of the U.S., for his opinion. He in turn formed two ad hoc committees: one to deal with dental effects of fluoride exposure and the other with "non-dental" effects. The story of the latter committee ("the Ad Hoc Committee on the Non-Dental Health Effects of Fluoride in Drinking Water", the "Committee") is the more interesting.

We want to point out, right at the start, that deferring to the Public Health Service was ethically questionable. This is because of the PHS's long history of claiming credit for the discovery of fluoridation and for promoting its use throughout the country. The PHS had the most to lose from revelation of any information that might show that the practice they had been promoting for decades was actually harmful. The PHS proved its bias straight away by selecting Committee members who could be counted on to protect their policy. Many were on record as vigorous promoters of the idea of adding fluoride to water "as totally safe and effective." Some were from the National Institute for Dental Research. On the other hand, **not one critic of fluoridation from the scientific community was allowed a place at the table.** (EPA sent observers to the meetings.) The final report of the Committee 9 also alluded to a group of advisors, who "were asked to review documents and to provide counsel in regard to the Committee's recommendations." Their recommendations may have superseded those of the Committee, although their precise role is, even now, not known.

Despite the biases of the Committee, they provided some genuine surprises. In secret, closed door testimony 10 (obtained under the Freedom of Information Act by the Safe Water Foundation of Texas), the Committee members expressed great uncertainty about the available scientific data and what they should recommend as a safe level of fluoride in drinking water:

"Q. Dr. Frank A. Smith: 'Why don't we see it [skeletal fluorosis] in the areas of 4 ppm?' [RMCL = 4 mg/l(ppm)]

A. Dr. Jay R. Shapiro (Committee chairperson): 'I think you have to conclude that we haven't looked for it and we really don't know'."

"Q. Dr. Shapiro: 'You have some data on a town in Texas where there were some children with rather severe fluorosis with a level of something like 1.2 ppm in the drinking water. Is that true?'

A. Dr. Smith: I think that is correct.'" "Dr. Wallach [referring to dental fluorosis]: You would have to have rocks in your head, in my opinion to allow your child much more than 2 ppm'."

These statements were highlighted in an article by investigative reporter, Joel Griffiths, in the Medical Tribune 11 in 1989. He quoted expert after expert saying they just didn't have enough information to make a conclusion, and they often disagreed among themselves. **The Committee eventually concluded, on a vote of 7 to 2, that fluoride should not exceed twice the optimal level of fluoride for children under 9 years of age, viz. 1.4 - 2.4 mg/l.** The draft report of the Committee 12 stated that "severe dental fluorosis per se constitutes an adverse health effect that should be prevented." They also expressed concern with the lack of data relative to: "1. The effect of supraoptimal fluoride intake on

bone turnover in children and the relationship of moderate to severe dental fluorosis on skeletal development. "2. The need to confirm or refute Japanese studies implicating chronic fluorosis and myocardial disease. (Takamori, Tokushima, J. Experimental Med. 2:225, 1955)." [in another section of the report they identify these concern levels as 1.9-4.9 mg/l.] To their discredit, however, they said that calcified ligaments [resulting in arthritic pains and a reduction in the flexibility of joints] was not an adverse health effect, unless it was accompanied by crippling skeletal fluorosis with x-rays showing bone lesions. They also recommended a research program: "The committee strongly recommends that the PHS and the EPA join to enlarge the body of information relative to skeletal maturation and growth in children ingesting more than twice the recommended daily intake of fluoride." [i.e. 1.4 to 2.4 mg/l] Once the original conclusions of the Committee became known through the FOIA process, it was obvious that the final report did not track with those original conclusions. The cover page carefully states that the report was "based upon" the Committees recommendations.(emphasis added) According to investigative reporter Dan Grossman, who talked to a number of the Committee members, **the changes were made without the knowledge or consent of the Committee.**¹³ This is a direct misrepresentation of the efforts of the Committee and an obvious violation of the NFFE Code of Ethics.

The altered conclusions of the final report While the final report stated that the Committee recommended more research on bone in children, it neglected to mention the Committee had identified a level of concern of 1.4 to 2.4 mg. It also failed to mention the conclusion of the Committee about possible heart effects. The final report also added a conclusion that was not in the draft report. It said: "There exists no directly applicable scientific documentation of adverse medical effects at levels of fluoride below 8 mg/l." It also added the following: "...it can be concluded that 4 times optimum in U.S. drinking water supplies is a level that would provide 'no known or anticipated adverse effect with a margin of safety'."

Dental fluorosis was one of the areas in which some of the most dramatic and far reaching changes were made from the draft to the final report. The firm conclusion that it was an adverse health effect was changed. The final report said: "It is inadvisable for the fluoride content of drinking water to be greater than twice the current optimal level (1.4-2.4 mg/l) for children up to age 9 in order to avoid the uncosmetic effects of dental fluorosis." (emphasis added). This is a health effect that occurs in varying degrees as the teeth of children are forming up until about the age of about 9. The mild form of the disease may only show white spots, while the moderate and severe forms (called objectionable dental fluorosis") are much more disruptive. Severe dental fluorosis is classified by the PHS as follows: "All enamel surfaces are affected and hypoplasia is so marked that the general form of the tooth may be affected. The major diagnostic sign of this classification is the discrete or confluent pitting, brown stains are widespread and teeth often present a corroded-like appearance¹⁴." Even after one discounts the unethical omission in the final report of concerns about cardiac and skeletal effects, if the conclusion of the Committee in the draft report that dental fluorosis was an adverse health effect were allowed to stand, then fluoridation as we know it would have been doomed. EPA noted in the proposed rule in May 1985, that severe dental fluorosis was found to occur at 0.8 mg/l. This is at the level that fluoridation policy generally recommends (i.e. 0.7 - 1.2 mg/l depending on the local ambient average temperature). **Since the Act requires a margin of safety, in order to insure that no child would be subjected to this disfiguring disease, the RMCL would have to be set much lower. This would have effectively eliminated the practice of fluoridation, since most water supplies already have naturally occurring fluoride at about 0.2 mg/l.**

This obvious threat was recognized by one of the Committee members, Mr. John Small, an information specialist and one of the chief fluoridation promoters for the National Institute of Dental Research. In a memo to Dr. Jay Shapiro, chairman of the Committee, Mr. Small said: "I think we as a committee need to recognize that this is a departure from the conclusions reached through fifty years of PHS-sponsored epidemiological and clinical investigations. I too feel that moderate and severe dental fluorosis are to be avoided, but am less certain that we should invert history to accomplish that end."¹⁵ So the Committee's conclusions were changed to call dental fluorosis a "cosmetic effect" and not an adverse health effect, eliminating it as an end point of concern for possible regulation under the Safe Drinking Water Act. We only learned about these facts much later, when the Union began an investigation of the regulation proposed in May of 1985.

The Cover-up at the U.S.E.P.A. The transcripts of the Committee's deliberations mentioned above show that management officials from EPA were present as observers. There is some evidence that

they tried to influence the Committee towards a lower standard. However, when the final document was delivered to EPA16, knowing full well that it did not accurately represent the deliberations of the Committee, there is no evidence that these EPA officials ever protested.

Sometime in the middle of April, 1985, just one month before the proposed RMCL was published in the Federal Register17, private discussions with key personnel involved in the drafting of the new regulation began to surface some serious ethical problems. It started with a chance meeting between one of the authors (Carton) and a professional from the Office of Drinking Water in a hallway of the East Tower of Waterside Mall, EPA's headquarters. When we saw him in the hallway, he looked disgusted, so we asked him what was going on. He said he was writing the fluoride regulation and didn't believe a thing he was writing. He had to carry on, however, because it was his job. To put it another way, it was his duty to obey. There was also the unstated understanding which all employees know, that if you buck the decision you may end up with a poor performance appraisal or worse. Years later one professional, who blew the whistle on the downgrading of results in the animal cancer study of fluoride in drinking water, was fired, although later rehired after a protracted court battle.18

When the fluoride regulation was published, its author did protest with an unsigned, tongue-in-cheek "press release" that was circulated among the staff.

"The Office of Drinking Water in conjunction with OMB proudly presents their new and improved Fluoride Regulation or 'How we stopped worrying and learned to love funky teeth.' Up to now EPA, under the Safe Drinking Water Act, has regulated fluoride in order to prevent children from having teeth which looked like they had been chewing brown shoe polish and rocks. The old standard which was based upon the consumer's average shoe size and the phase of the moon generally kept fluoride levels below 2.3 mg/l. EPA in response to new studies which only confirmed the old studies, and some flat out political pressure, has decided to raise the standard to 4 mg/l. This increase will allow 40% of all children to have teeth gross enough to gag a maggot. EPA selected this level based upon a cost effectiveness study which showed that it is cheaper for people to keep their mouths shut then to remove the fluoride."19

As Vice-President of the Union at that time, the lead author of this paper brought the matter of possible fraud to the attention of the Executive Board and it decided to look into the matter. Never having heard anything negative about fluoride in water, they were anxious to find out what was so disturbing about the regulation EPA was about to publish in the Federal Register. The Board's education began when public hearings were held on the proposed standard and some very knowledgeable citizens presented persuasive scientific arguments against the proposal. Among other things, these citizens presented us with the transcripts of the closed door meeting of the Surgeon General's ad hoc committee. **The union became convinced that science did not support what EPA was doing and politics were dictating everything.**

Since then, three other professionals who were working in the Office of Drinking Water at the time the proposal was drafted have come forward. They told us that **it was well known that the data did not fit the conclusions being presented to the public.** As a matter of fact, the original support document for the regulation, written by the professional staff, had concluded that **the data supported a RMCL of 2 mg/l.** The staff believed that objectionable dental fluorosis should be considered an adverse health effect. They conveyed this finding to Mr. Vic Kim, Director of the Office of Drinking Water, who informed the Administrator, Mr. William Ruckelshaus 20 that: "It is difficult to conclude a priori that teeth which spontaneously pit are stronger teeth. Further, data suggest that **the effects of fluorosis are not merely discoloration and pitting, but fracturing, caries and tooth loss as well...it is difficult... to conclude that such effects are not adverse.**" According to members of the professional staff in the Office of Drinking Water, Mr. Kim's superior, Mr. Jack Ravan, Director of the Office of Water, directed that **the scientific support documents be rewritten to support an RMCL of 4 mg/l.** The final regulation, signed by the new EPA Administrator, Mr. Lee Thomas, said: "There is no adequate evidence of chipping, cracking or loss of enamel associated with [dental] fluorosis." It was entirely unnecessary for practical or economic reasons to raise the RMCL to 4 mg/l, because it was an unenforceable goal. Practical and/or economic reasons could have been used to raise the MCL to 4 mg/l without playing politics with the health data. As mentioned previously, **this logic was used to set the lead standard.** The health goal was set at zero, while the enforceable standard was established at 15 ug/l(ppb).

Skeletal Fluorosis The Committee identified only a few adverse health effects: death, gastrointestinal hemorrhage, gastrointestinal irritation, arthralgias, and crippling skeletal fluorosis (CSF).

The last health effect was said to occur at exposure levels lower than the others, so the RMCL and MCL of 4 mg/l are based on CSF. Like dental fluorosis, skeletal fluorosis is the result of fluoride interfering with the normal production and remineralization of collagen. When discussing this disease, experts inevitably refer back to the classic 1937 study by Dr. Kaj Roholm on Danish cryolite workers. 21 Summarizing Roholm's work, the National Academy of Sciences (NAS) described three progressive stages of the disease. 22 In Phase 1, X-rays begin to show changes in the bones of the pelvis and vertebrae. By the time Phase 3 (CSF) is reached, all bones are affected, particularly cancellous bones, and the bones in the extremities are thickened. There is also considerable calcification of the ligaments of neck and vertebral column. In some cases, the vertebrae in the spine are actually fused.

Phase 1 is not just a subclinical stage of the disease seen on X-rays. Roholm found that 10 of 26 workers with Phase 1 had rheumatic pains compared to 1 of 11 workers with no sign of osteosclerosis in their x-rays. Half of all workers with Phase 1 and 2 had a reduced ability to rotate their upper torso. Workers exposed for as little as 2.4 years had Phase 1 of the disease, exposure for 4.8 years for Phase 2, and 11.2 years for Phase 3. EPA inexplicably set the standard based only on the third Phase, CSF. **From a professional health point of view, it is impossible to claim that arthritic pains and reduced body flexibility are not adverse health effects. One can only conclude that not considering Phases 1 and 2 skeletal fluorosis was done to avoid a conflict with current health policy, i.e. its unequivocal pronouncement of safety for water fluoridation.**

The Daily Dose and Time Required to Cause CSF

In his letter transmitting the final report of the Committee to EPA, Surgeon General Koop said that arthritis and CSF both begin to occur simultaneously, when fluoride consumption exceeds 20 mg/day. He also added the caveat that it takes more than 20 years to cause these effects. His assertion differed from the conclusion of the National Academy of Science, which also was a source of advice to EPA on this matter. The NAS, according to EPA in the proposed regulation, reported that it takes only 10 years to cause CSF at a dose of 20 mg/day. EPA, however, decided in the proposed regulation to use Dr. Koop's numbers: ". . . EPA agrees with the Surgeon General that crippling skeletal fluorosis is an adverse health effect which results from intakes of fluoride of 20 mg/day over periods of 20 years or more." Two concerned citizens have identified some serious problems with both the NAS and EPA claims of the dose/time necessary to cause CSF. Ms. Martha Bevis of the Safe Water Foundation of Texas could not find where the 20 mg/day was actually derived. Going back to the original work by Roholm she found that he mentioned a figure of 0.2 mg per kg of body weight, which for the standard 70 kg man would translate into 14 mg. Ms. Darlene Sherrell went further and found that, in 1979, Dr. Hodge had changed his much quoted dose/time figures to a minimum of 10 mg/day for 10-20 years. 23 (emphasis added) EPA referenced the 1979 paper, but used the Surgeon General's figures which were higher for reasons that can only be considered suspect. (Note: While EPA has not yet corrected its figures to correspond to Hodge's reduced figures, the NAS did so in 199324.) There is another serious deficiency with the dose/time figures used by EPA. The Act requires the regulations to protect everyone, not just 20-year-olds. The Committee stated in its final report that "Fluoride in bone increase with age and linearly in relation to fluoride intake." Therefore, it would seem logical to conclude that if 20 mg caused CSF in 20 years, then 10 mg would cause CSF in 40 years. Simple arithmetic tells you that only 5.7 mg a day for a lifetime of 70 years could cause CSF. **This calculation was never done. If it were done (starting with the correct figures of 10 mg/day for 10 years) fluoridation would be stopped today.**

Fluoride Dose from Current Standard of 4 mg/l. In proposing the RMCL of 4 mg/l, EPA noted that 1% of the population drink more than 5.5 liters/day. This means these individuals could be ingesting 22 mg/day or more from drinking water alone. **Since EPA stated unequivocally that 20 mg/day for 20 or more years caused CSF (forgetting for a moment that these figures are incorrect), EPA admitted to violating the Act which requires the standard to be set so that no one is at risk of an adverse health effect, in this case CSF.** Although the raw data about water consumption were contained in the proposed regulation, the simple calculation presented here was nowhere to be found. In reality, most water supplies that are not contaminated with industrial pollution, have low levels of naturally occurring fluoride. Surface waters generally average about 0.2 mg/l. Where fluoride is added to water (which is 65% of the country), the level is raised to approximately 1.0 mg/l. **Based on Roholm's work and other recent studies, there is**

every reason to believe that the increasing numbers of people with carpal-tunnel syndrome and arthritic-like pains are due to the mass fluoridation of drinking water.

Summary and Conclusions NAEP's early efforts to define a code of ethics for professionals directly influenced the EPA professionals' Union's own efforts to affect the ethical climate at EPA. In 1988, the Union drafted a Code of Ethics but encountered resistance from EPA management. Nine years later an agreement was reached, although it still does not provide concrete procedures for addressing ethical issues, nor sufficient protection for individuals identifying ethical crimes. The Union believes that an understanding of the **unethical nature of the fluoride drinking water standard** will confirm the urgent necessity for significantly improving the existing agreement between EPA professionals and management.

With regards to the fluoride standard, we found:

- * The PHS, who was charged with providing advice to EPA, had a conflict of interest.
- * The Committee selected by the PHS to provide advice to EPA was biased.
- * The deliberations of the Committee were not honestly presented in their draft report.
- * The draft report was altered by unknown individuals without prior (or subsequent) approval of the Committee.
- * Individuals who knew of fraud and deceit in the report did not report their observations to the appropriate authorities.
- * EPA management ordered the support document developed by EPA professionals to be rewritten in conflict with the known facts.
- * Important calculations and observations were omitted from the selection of the final standard for apparently political purposes, namely, to support a long-standing public health policy.

We are unable to present all the details of scientific fraud that occurred in this regulation because of the limits of space in this forum (e.g. **the fact that 90% of the scientific literature showing that fluoride is mutagenic were omitted from the scientific support document.**) Hopefully, some of your elected representatives in Congress will become aware of these accusations and begin an investigation. The public needs to see how politics influences science in Washington, and how public health can take a back seat when power and prestige are more important than ethical considerations.

APPENDIX "ARTICLE XXI. PROFESSIONALISM AT EPA"25 "The Parties agree:

A. The American people must have complete confidence that EPA professionals and managers perform their functions and duties with honesty, integrity, and in an unbiased manner. The public interest is best served when the Agency performs its functions in a manner consistent with the requirements of law, objective and dispassionate science, competent technical analysis and decisions, and concern for effective and consistent enforcement, voluntary compliance and effective implementation.

B. The responsibility to serve the public interest and promote the environmental ethic is the shared responsibility of management and bargaining-unit members. Bargaining-unit employees are encouraged to disclose questionable activities to appropriate officials..

C. Bargaining-unit professionals who disclose or report fraud, waste or abuse or who engage in protected activity may not be subjected to retaliation, reprisal or coercion in employment for doing so.

D. The parties specifically recognize -

1. the ethical obligations stated in the regulations promulgated by the Office of Government Ethics, at 5 CFR 22635.101, EPA's supplemental regulations at 5 CFR Part 6401, and the employee responsibilities under 18 USC 203-209;
2. the prohibited personnel actions stated in 5 USC 2301, enforced by the Office of Special Counsel pursuant to 5 USC 1212 et seq.;
3. to the extent applicable, the employee protections under the Department of Labor Regulations at 29 CFR Part 24;
4. the criminal penalties for false statements to the Federal Government at 18 USC 1001;
5. the provisions of the False Claims Act, 31 USC 3730(h); and
6. new or superseding laws, rules or regulations covering professionalism. Excerpts from the above cited provisions are provided in Supplement 1 to this Agreement for reference.

E. Nothing in this provision negates or supersedes management's rights as enumerated in Article IV of this Agreement.

F. At either Party's request, the Parties will open negotiations one time during the term of this contract on subjects of further protections of employees from reprisals and procedures for resolution of disputes involving professional judgment.

References

1. National Association of Environmental Professionals, "Code of Ethics and Standards of Practice for Environmental Professionals," undated, available on the WEB at <http://www.naep.org/ethics.html>.
2. See characterization of a corrupt government bureaucrat by Charles Trueheart, "Verdict Nears in Trial of Vichy Official," Washington Post, A21, 4/1/98.
3. 5 USC 7103.
4. "Collective bargaining agreement between EPA management and NFFE Local 2050, Article XXI. Professionalism at EPA,"
5. The Safe Drinking Water Act, 42 U.S.C. 300f, et seq.
6. "National Primary Drinking Water Regulations; Fluoride," Federal Register, 50(220): 47142-47171, 11/14/85.
7. Mullan, F.; Plagues and Politics, the Story of the United States Public Health Service. Basic Books, Inc.
8. Loe, H.; letter to Bernice O. Berg, 3/7/90.
9. Shapiro, J.R.: "Report to the Surgeon General: by the Ad Hoc Committee on the Non-Dental Health Effects of Fluoride in Drinking Water," 9/26/83.
10. Transcript of the "Surgeon General's Ad Hoc Committee on the Non-Dental Effects of Fluoride," 4/18 - 19/1983, National Institutes of Health, Bethesda, Maryland. obtained under the Freedom of Information Act by Ms. Martha Bevis, Safe Water Foundation of Texas.
11. Griffiths, J.; "'83 Transcripts Show Fluoride Disagreements." Medical Tribune, 30(11), 4/20/89.
12. Shapiro, J.R.; first draft of report on the non-dental health effects of fluoride exposure by an ad hoc committee appointed by the Surgeon General of the U.S., 5/26/83.
13. Grossman, D.; "Fluoride's Revenge, Has this cure, too, become a disease?," The Progressive, 29-32, Dec. 1990.
14. McClure, F.J.; Water Fluoridation, the Search and the Victory, HEW, 1970.
15. Small, J.; memo to Jay Shapiro, chairman of Surgeon General's ad hoc committee on the non-dental health effects of fluoride in drinking water, 6/1/83.
16. Koop, C.E.; letter to William D. Ruckelshaus, 1/23/84.
17. "National Primary Drinking Water Regulations; Fluoride," Federal Register, 50(93): 20164-20175, 5/14/85.
18. "Labor Secretary Reich Orders EPA Scientist Dr. Bill Marcus Reinstated, EPA Corruption Exposed," The Fluoride Report, 2(1), April 1994.
19. Press release circulated within EPA Headquarters, 1985.
20. Kim, V.; Memorandum to William Ruckelshaus, 7/26/84.
21. Roholm, K.; Fluorine Intoxication, A Clinical-Hygiene Study, With a Review of the Literature and Some Experimental Investigations. H.K. Lewis & Co., Ltd., London, 1937.
22. National Academy of Sciences, Fluoride: Biological Effects of Atmospheric Pollutants, 1971.
23. Hodge, H.C.; "Safety of Fluoride Tablets or Drops," Chapter 11 in Continuous Evaluation of the Use of Fluorides, (AA Symposium, Boulder, Colorado), Westview Press, 1979.
24. National Academy of Sciences, National Research Council, Health Effects of Ingested Fluoride, p59, 1993.
25. From the Collective Bargaining Agreement between the National Federation of Federal Employees, Local 2050 and the U.S. Environmental Protection Agency, Washington, D.C., September 19, 1997. As of April 20, 1998, EPA professionals are represented by the National Treasury Employees (NTEU) Union, Chapter 280.



Honorable Terrance Duncan
Presiding Judge of the Superior Court
Monterey County
P.O. Box 1819
Salinas, CA 93930

April 8, 2003

Re: Response to Monterey County Civil Grand Jury on Fluoridation of
Drinking Water in Monterey County

Dear Honorable Judge Duncan:

Please accept the following as the response from the City of King concerning the 2002 Monterey County Civil Grand Jury report specifically addressing the fluoridation of drinking water. The responses below were approved by the City council at their meeting of April 8th, 2003.

Fluoridation of Drinking Water in Monterey County

Findings:

Finding 1. Fluoridation of drinking water will provide a positive health benefit to the citizens of the County with the greatest benefit accruing to the most disadvantaged citizens.

Response: No Comment

Finding 2. With the possible exception of smaller water systems, start-up and operations costs of drinking water fluoridation are more than offset by cost avoidance in the areas of dental and general health care.

Response: No Comment

Finding 3. There are a multitude of water providers and jurisdictions within the County, and there is no coordinated advocacy program joining political leadership and health professions to implement fluoridation of drinking water.

Response: No Comment.

Recommendation:

Recommendation 3: The Cities of Carmel-by-the Sea, Del Rey Oaks, King City, Monterey, Pacific Grove, Salinas, Sand City and Seaside (for areas serviced by CAL AM) which are served by private providers, seek funding and express public support for implementation of water fluoridation by their water suppliers, and establish a schedule to accomplish these goals.

Response: The City of King believes that water fluoridation is not a matter that should be decided by, or otherwise involves, local governments at this time. If and when funds are available to provide for fluoridation, this issue should be brought to the customers of the water purveyor for input.

Sincerely,


John L. Myers
Mayor



KING CITY
C A L I F O R N I A

March 27, 2003

The Honorable Terrance R. Duncan
Presiding Judge of the Superior Court
Monterey County
P.O. Box 1819
Salinas, CA 93902

Dear the Honorable Judge Duncan:

The City of King is in the process of drafting a response to the Monterey County Civil Grand Jury 2002 Final Report. However, a copy of the report was not forwarded to our office until the middle of March, 2003; we will submit a response by the end of April, 2003.

If you have any questions, please contact me at (831) 386-5917.

Sincerely,

Keith M. Breskin
City Manager



MARINA COAST WATER DISTRICT

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Home Page: www.mcwd.org

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DIRECTORS

KENNETH K. NISHI
President

CHARLES H. SCHOLL
Vice-President

THOMAS P. MOORE
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RONALD RUSSO

March 3, 2003

The Honorable Terrance R. Duncan
Presiding Judge of the Superior Court
Monterey County
240 Church Street, North Wing, Room 318
Salinas, CA 93901

Subject: Response to the 2002 Civil Grand Jury Findings and Recommendation on
Fluoridation of Drinking Water in Monterey County

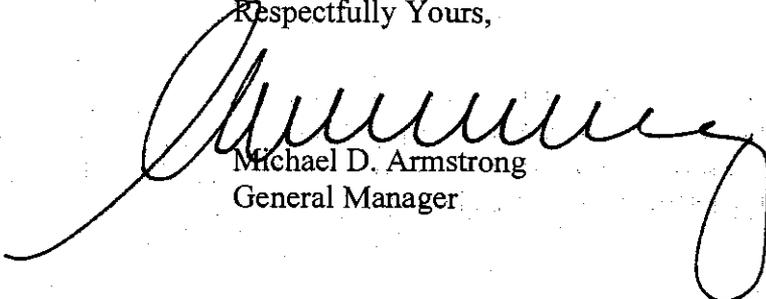
Honorable Judge Duncan:

The Board of Directors of the Marina Coast Water District respectfully disagrees with the findings and recommendation of the 2002 Civil Grand Jury report on fluoridation of drinking water in the city of Marina and the Ord community. Our Board believes that the medical and/or health benefits and cost avoidance of dental and general health care by the addition of fluoride in drinking water is best evaluated by medical and dental professionals and by our customers.

The Marina Coast Water District is committed to supplying to our customers water that meets or surpasses all state and federal drinking water standards. At this time, the District intends to continue its practice of compliance with the fluoridation regulations. Each of our water systems in Marina and the Ord community has 3,500 service connections and we are therefore not required to add fluoride to the systems.

Should you have any questions, please do not hesitate to contact me directly.

Respectfully Yours,


Michael D. Armstrong
General Manager



Monterey County Office of Education

Dr. William D. Barr
Monterey County
Superintendent of Schools

901 Blanco Circle

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March 5, 2003

The Honorable Terrance R. Duncan
Presiding Judge of the Superior Court
Monterey County
P. O. Box 1819
Salinas, CA 93902

SUBJECT: Response to the 2002 Monterey County Grand Jury Report

Dear Judge Duncan:

As required by Penal Code Section 933(b), the following is the response by the Monterey County Superintendent of Schools and the Monterey County Board of Education to the "Findings" and "Recommendations" of the 2002 Monterey County Grand Jury Report.

Because response to the same Findings and Recommendations are required by both the County Superintendent of Schools and the County Board of Education, and because the County Superintendent is the ex officio Secretary to the County Board of Education (E.C. 1010), Responses have been combined into a single document.

This document was reviewed by the Monterey County Board of Education and the Monterey County Superintendent of Schools, in a public session on March 5, 2003, where action was taken to adopt it as the formal response to the Grand Jury 2002 Report.

Should the Grand Jury have other questions or points in need of clarification, I remain available to provide information and assistance.

Sincerely,

William D. Barr, Ed.D.
Monterey County Superintendent of Schools
and Secretary to the Monterey County Board of Education

FINDINGS & RESPONSES TO FINDINGS

FINDING # ONE:

Basic, practical, relevant, and inexpensive training courses for prospective school board members is not available in Monterey County.

RESPONSE:

We DISAGREE with this Finding. Informal training is readily available.

District superintendents, currently sitting school board members, individuals who have previously served on school boards the County Superintendent of Schools and Members of the County Board of Education are frequently contacted by persons who are considering filing papers to seek seats on public school boards.

The Monterey County Superintendent of Schools suggests offering a general workshop for candidates at the close of the declaration period in order to acquaint the candidates with the general roles of school board members.

FINDING # TWO:

In the past, training for elected school board members in leadership skills has been available through the Office of the Monterey County Superintendent of Schools. In addition, some continuing education has occasionally been available and has provided board members information about education-related legislation and court decisions that may impact the schools they serve.

RESPONSE:

We DISAGREE with Finding # Two. Because the Finding is worded in the past tense, it implies that training for elected school board members and the continuing education of school board members is no longer available. This is not correct.

Training and continuing education for school board members is currently available and will remain so into the foreseeable future.

Following each biannual election, the County Superintendent, his staff and subject area experts offer training sessions to newly elected and re-elected board members. The topics of these sessions include:

- "Board Members' Roles",
- "Collective Bargaining/Personnel Issues",
- "School Finance and the Budget",
- "Curriculum and Instruction",
- "Appropriate Use of Closed Sessions and the Brown 'Open Meeting' Act", and
- "Making and Monitoring Board Decisions."

Also, on an on-going basis, "Law Consortiums" are offered to board members, superintendents, and districts' staff to educate them on new legislation and court decisions which have the potential for impact upon the districts.

The County Superintendent and the County Board of Education stand ready to offer assistance to any district with specific and individualized aid and advice.

County Board of Education members have taken seats on district boards when, due to resignation or other reasons, that particular board can not achieve a quorum of board members for its meetings.

The County Superintendent and the County Board of Education have met with individual boards for the purposes of sharing their insights and experience in boardsmanship and district operations.

FINDING # THREE:

In November 2002, the MCOE began sponsoring advanced training in the form of the CSBA "Masters in Governance" program for sitting board members which will consist of nine modules of instruction and participation over a two-year period. The program will be held at the MCOE facility. On completion of the program graduates will receive a "Masters in Governance" certificate.

RESPONSE:

We AGREE with this Finding. The MCOE is sponsoring the "Masters In Governance" program for sitting school board members, superintendents and others. This is a nine session program offered in conjunction with the California School Boards Association. This program has been

offered in the past in other areas of California, and has been brought to Monterey County to make it more accessible for local residents. The successful and positive response to the current session anticipates that it will continue to be made locally available.

RECOMMENDATIONS

The 2002 Monterey County Civil Grand Jury recommends that:

RECOMMENDATION # ONE:

The MCOE create an introductory training program for potential school board candidates; the program be offered free of charge to acquaint candidates with the responsibilities of a school board member; the program be offered prior to the filing date for school board elections, and a certificate awarded at its completion;

RESPONSE:

Informal training is readily available. District superintendents, currently sitting school board members, individuals who have previously served on school boards the County Superintendent of Schools and Members of the County Board of Education are frequently contacted by persons who are considering filing papers to seek seats on public school boards.

These contacts tend to be on a confidential basis, since these potential candidates are interested in learning about the roles and responsibilities of district board members prior to making a decision to formally announce their candidacy. By having these informal discussions, persons who are in the decision making process avoid public disclosure of their personal and private considerations.

The suggested formal training program could violate an individual's rights to their personal and private decision making process prior to declaring their candidacy. Bringing together every person who is weighing the decision to seek a school board seat could be interpreted as a new requirement to serve on a public board and contrary to current code requiring only residency and voter registration qualifications.

The Monterey County Superintendent of Schools suggests offering a general workshop for candidates at the close of the declaration period in order to acquaint the candidates with the roles of school board members. This would be a newly structured workshop that focuses on the role and responsibilities of school board members.

A certificate could easily be granted for attendance.

RECOMMENDATION # TWO:

The MCOE offer a follow-up program for newly elected and sitting school board members immediately after school board elections, covering specific responsibilities in oversight and a certificate of completion be given to indicate completion of this second phase of board membership preparation.

RESPONSE:

This is already being done through existing New Board Member workshops.

RECOMMENDATION # THREE:

The MCOE encourage as many school board members as possible to attend the "Master in Governance" training course on an ongoing basis, either at board or personal expense.

RESPONSE:

This Recommendation exactly follows procedures already in existence for the "Masters in Governance" program.

RECOMMENDATION # FOUR:

The MCOE make training and the award of certificates of completion known to the public through local publicity to increase public awareness of the importance of special education (sic) for school board members and recognition for those who participate.

RESPONSE:

At the completion of the "Masters in Governance" program, each graduate will be publicly recognized and every effort will be made to encourage the local media to acknowledge the dedication and sacrifice of these graduates.

**The City of Monterey Response to 2002 Monterey County Civil Grand Jury Report:
Fluoridation of Drinking Water in Monterey County**

Following are the City of Monterey's statements regarding the findings and recommendations of the 2002 Monterey County Civil Grand Jury with respect to fluoridation of the drinking water supply.

Finding #1: *"Fluoridation of drinking water will provide a positive health benefit to the citizens of the County with the greatest benefit accruing to the most disadvantaged citizens."*

Response: The City of Monterey does not have the in-house technical expertise to either agree or disagree with this finding.

Finding #2: *"With the possible exception of smaller water systems, start-up and operations costs of drinking water fluoridation are more than offset by cost avoidance in the areas of dental and general health care."*

Response: The City of Monterey does not have the ability to analyze this assertion to determine whether we agree or disagree. There are authoritative sources in the dental and water purveyor industries who should be looked to for these answers. At this time, a cost-estimate for the Cal-Am Monterey Peninsula system has not been done. Without a better cost estimate and an idea of the dental costs incurred in the area directly linked to lack of fluoride, a cost-benefit analysis cannot be made. Any cost benefit analysis should also take into consideration the percentage of people within the service area who drink bottled water instead of tap water and would not benefit from this addition to the water anyway.

Finding #3: *There are a multitude of water providers and jurisdictions within the County, and there is no coordinated advocacy program joining political leadership and health professions to implement fluoridation of drinking water."*

Response: The City of Monterey agrees with this finding. There are existing local groups who advocate both sides of the fluoride issue. These groups are generally not backed by local government, but individuals within the dental profession are represented both as advocates for fluoridation and those strongly opposed to it. The Community Water Fluoridation Task Force is a local group in favor of fluoridation. The opposition is represented in many ways, by individuals who have educated themselves on the issues, and by organized groups from across the nation.

Recommendation #3: *The Cities of Carmel-by-the-Sea, Del Rey Oaks, King City, Monterey, Pacific Grove, Salinas, Sand City, and Seaside (for areas serviced by CAL-AM) which are served by private providers, seek funding and express public support for implementation of water fluoridation by their water suppliers, and establish a schedule to accomplish these goals.*

Response: The City of Monterey believes that the fluoridation issue is really not an issue that should be decided by or otherwise involve local governments at this time. Once costs are determined and funding becomes available to the water purveyors in the County that will be the appropriate time for the City to revisit the issue of implementing water fluoridation.

The City of Monterey Response to 2002 Grand Jury Report: Supplement to the mid-Year Final Report on Availability of Water on the Monterey Peninsula – The Role of the Monterey Peninsula Water Management District

FINDING:

6. *“The results of the voting on Measure B indicate the desire of the majority of voters within the MPWMD to abolish the water district. The advisory vote on the question ‘Should the MPWMD be dissolved?’ was 66.5% in favor and 33.5% opposed.”*

Response:

The City of Monterey agrees with the Finding.

RECOMMENDATIONS

1. *“The November 2002 advisory vote of the affected residents should be taken as a mandate and the existence of the MPWMD be terminated by proper political process. That the cities and County mount a joint effort to have their state legislators sponsor a bill in the legislature to dissolve the MPWMD”*

Response:

Has been partially implemented. The City of Monterey took the lead in calling for the advisory vote regarding the Water Management District. As stated by the Grand Jury, the voters overwhelmingly support the idea of the current District operation being disbanded. The City of Monterey is currently working with other Peninsula cities, within the MPWMD jurisdiction, and has offered suggestions to our State legislators to develop legislation in this session that would amend the Water District enabling legislation in such a way as to replace the current governance structure with a joint powers authority.

2. *“One of the following options be chosen in place of the current MPWMD: A) no new agency, leaving Cal Am to operate as it does in most other areas, under the aegis of the existing state agencies; or B) a joint powers agency with a board of directors comprised of appointees from those same cities and the County.”*

Response:

Has been implemented. The City of Monterey has offered suggestions to our State legislators to develop legislation within this session that would amend the MPWMD enabling legislation in such a way as to replace the current governance structure with a joint powers authority (Option B). This authority would be made up of many of the same entities that manage the Monterey Regional Waste Management District and the Monterey Regional Water Pollution Control Agency.

Although Option A (no new agency) could be workable, the City of Monterey believes Option B is the best direction to go. Option B maintains a role for local land use agencies to ensure the Carmel River and the Seaside basins are appropriately protected, while putting in place a governing body that has the same land use objectives as the agencies responsible for developing the General Plans of each of the jurisdictions.



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Dennis Garmany
Vincent Ferrante

GENERAL MANAGER
HARBORMASTER

Linda G. Horning, Esq.

March 28, 2003

The Honorable Terrence Duncan
Presiding Judge, Superior Court
County of Monterey
P.O. Box 1819
Salinas, CA 93902

Response by the Moss Landing Harbor District to Findings
and Recommendations of the 2002 Civil Grand Jury Report

Dear Judge Duncan:

Enclosed please find the Moss Landing Harbor District's Responses to Findings and the Responses to Recommendations of the above captioned Civil Grand Jury Report.

Please feel free to contact the undersigned should you have any additional questions or require additional information.

Sincerely,
MOSS LANDING HARBOR DISTRICT

Linda G. Horning, Esq.
General Manager

LGH:kp

Encl: Responses to Findings of the 2002 Civil Grand Jury Report
Responses to Recommendations of the 2002 Civil Grand Jury Report

C: Board of Harbor Commissioners

**RESPONSES TO THE FINDINGS
OF THE
2002 MONTEREY COUNTY CIVIL GRAND JURY FINAL REPORT
MOSS LANDING HARBOR DISTRICT**

1. The District's financial situation remains weak. It is still having to curtail expenses and draw down lines of credit to cover operating expenses, and some extension of debt payments has been necessary to meeting operating cash flow requirements.

Response: The District would not characterize its financial condition as "weak", but rather, "the District's cash-flow is not as strong as the District would like." The District has some \$13.9 million in assets to its \$5.9 million in liabilities. With a 2 to 1 ratio, under few circumstances would such a financial statement be considered "weak". The current cash-flow crunch is primarily the result of numerous simultaneous construction projects, which are expected to reach completion in fiscal year 2003. This will result in income to the District to offset expenses incurred during construction. The District has seen significant improvement over the past year and as the new leases from these completed projects come on line, cash flow will improve. The District believes it is prudent business practice to curtail expenses or, in other words, exercise fiscal responsibility to the extent possible, even during times of plenty. With respect to the District's line of credit, there have been no draws in the last year. No extension of debt payment has been necessary to meet operating and cash flow requirements. Through prudent fiscal management, the District is able to meet its operating cash flow requirements from its income.

2. Anticipated revenues from the leasing of the Cannery Building and from the RV Park should help to improve the District's weak financial condition.

Response: Other than taking exception to the term "weak", District Officials agree with this Finding.

3. Berthing Fees, although recently increased, are still only 70% - 75% of those charged at nearby harbors.

Response: District Officials generally agree with this Finding. That being said, it must be noted that the Moss Landing Harbor is primarily a commercial fishing harbor with very old docks and infrastructure, set in an unincorporated county industrial area, situated some distance from conveniences and amenities, across from the Duke Energy power plant. By comparison, the Monterey Harbor is adjacent to the Fishermen's Wharf restaurants and shops, and is mere blocks from downtown Monterey's attractions. New docks were installed within the past 5 years. The harbor is an integral part of the City of Monterey which supports the harbor in many ways, not the least of which is in the form of fulltime police, fire protection and legal services. The Santa Cruz Harbor, our neighbor to the north, is similarly situated and supported. These nearby harbors cater to more recreational and pleasure craft than does the Moss Landing Harbor. The fishing industry is being severely restricted by state and federal regulatory actions and the District has done and will continue to do all in its power to keep berthing fee increases to a minimum.

4. Approximately 18% of slip renters are delinquent in paying their berthing fees which costs the district over \$300,000 in lost revenue each year.

Response: The majority of these delinquent accounts represents former slip holders and does not represent occupied slips that could be rented to paying customers. Under the District's new

management, the delinquency list has been reviewed, appropriate write-offs have been made, a number of accounts have been referred to collection, and the delinquency list continues to be closely monitored. An aggressive collection program has been implemented. Management has engaged the services of a maritime attorney to provide legal options available to the District by way of liens, possession, eviction and collection strategies.

5. Abandoned vessels are taking up berths that could be used for paying customers and are costing the District money to keep them afloat. The procedure for disposing of abandoned vessels is complicated and costly.

Response: District Officials agree that the procedure for disposing of abandoned vessels is complicated and costly, and agree that it does cost the District money and resources to keep any at-risk vessel afloat. However, very few abandoned vessels are taking up space on rentable slips. The District has a very shallow dock in close visibility to the Harbormaster's office on which most of the abandoned and at-risk vessels are berthed. This dock is not particularly suitable for active vessels unless they have very very shallow drafts. The other location for delinquent or abandoned vessels is a floating dock with no convenient means of access. Again, this dock would not be suitable for active vessels.

6. Since most District funds come from berthing fees, the District has just two major sources for additional money: it can evict those who are not paying and/or increase berthing fees from those who are paying.

Response: District Officials disagree with the Finding that the District has just two major sources of additional money. Several years ago, through long-range planning efforts, the Board of Harbor Commissioners had the wisdom and foresight to diversify the District's income stream by undertaking construction projects that would reduce the dependency on berthing fees alone. Unfortunately, construction projects tend to reduce cash-flow and increase debt service until the projects are completed and begin to realize rental income. The District understood that it would be going through some very tight financial times when it endeavored to diversify its income sources. The 2002 Grand Jury examined the District during the height of this metamorphosis. In December 2002 two occupancy permits were issued, construction was completed on two projects and rental income began to flow in. Although some additional funds would be realized from evicting those who are not paying, as the Grand Jury itself stated in Finding 5, "the procedure for eviction is complicated and costly", and the costs would no doubt offset the amount of the delinquency. Nevertheless, the District's new management has implemented an aggressive collection program and has sought advice of maritime counsel in order to exercise the most cost-effective, expedient remedies that may be available to the District in evicting those who are not paying.

7. The increased regulation of fishing may adversely impact the District by reducing the income from the Cannery Building, and may decrease berthing fee collections if fishermen abandon their vessels in the berths. The effect on the District's revenues cannot be estimated at this time.

Response: District Officials agree with this finding.

RESPONSES TO THE RECOMMENDATIONS
OF THE
2002 MONTEREY COUNTY CIVIL GRAND JURY FINAL REPORT
MOSS LANDING HARBOR DISTRICT

The Monterey County Civil Grand Jury made the following recommendations:

1. the District develop and follow a comprehensive, quantitative business plan (financial model) to serve as a master plan for running the District, encompassing both existing and potential sources and uses of funds and laying out the steps necessary to return the District to financial stability

Response: Some years ago when the District Board undertook a number of diversifying construction projects and applied for grants to pay for the majority of such projects, a long-range plan (a "master plan" if you will) was implemented. The plan is essentially in place, and is reviewed at least once annually during Board workshops. Efforts will be made to better memorialize this "unwritten" plan. Further, the Harbors and Navigation Code requires that the District fix an annual budget in or about June of each year. During the budget process, which begins in March, a review of past and present, and projections for future, expenditures and income is analyzed. There is some uncertainty based on the regulatory climate and its impacts, if any, on the District's bottom line, so although a general "master plan" has been implemented, it would be misleading to create a false sense of security in a more specific plan, only to have new regulations undermine the foundation of the plan. The District knows why it is experiencing a thin financial condition and it is moving in the right direction to improve that condition.

2. the District maximize its efforts to collect past-due rent, perhaps by contracting with a collection agency and/or hiring additional staff dedicated to collection.

Response: See Response to finding No. 4. Also, it must be noted that many of those who own fishing vessels and whose accounts become past-due in a commercial fishing harbor are not typical consumers, the latter of whom may be more interested in maintaining a decent credit rating, in not being sued, and who have other assets or wages available to apply to their account. In a thorough analysis conducted by new harbor management, it has been determined that the best method is prevention and swift efforts when red flags appear, rather than attempting to collect essentially uncollectible accounts. One of the highest expenses of the District is personnel costs. Although in theory, it would be nice if an employee were able to pay for their salary, benefits and other employment expenses by collecting a sufficient amount to offset these expenses. In reality, given the history and financial condition of the majority of the debtors, offsetting such employment expenses with the amounts collected is highly unlikely. It should be noted that the few debtors who do have assets or other possible means of payment are being and will be pursued by collection agency or other action.

3. the District start an aggressive program of moving abandoned vessels to dry storage or other non-revenue locations so that the berths can then be rented to paying customers.

Response: First, as observed by the Grand Jury in Finding No. 5, "the procedure for disposing of abandoned boats is complicated and costly." Second, there are only approximately 12 to 15 abandoned vessels in the Harbor. Third, as explained in Response to Finding No. 5, very few of these vessels are occupying rentable slips. The District's Dry Storage is revenue producing. The

District does not have any suitable locations that are non-revenue producing to store abandoned vessels. Furthermore, the actions of the District with regard to abandoned vessels must comply with law. If it is unlawful to remove a vessel from navigable waters, then the District will not do so. Nevertheless, as a part of its review, analysis and collection efforts, management has engaged the services of a maritime attorney to provide legal options available to the District to remedy this problem.

4. the District enforce the procedure in Ordinance [Code] § 6.028, Termination or Revocation of Berthing Permit and Removal of Vessel, and set a goal of having the fees paid or the vessel moved in 120 days.

Response: As anyone involved in business contracts or the legal profession knows, the remedies for violating an ordinance code or to terminate an agreement based on breach can be very costly. In each instance, the District must weigh the costs of legal fees, court costs and employee resources against other less costly remedies that may be available, even though the latter may take longer or allow the vessel to remain in the harbor. The budgeted amount allocated to legal fees must be considered. Most things can be cured with money, and if the District had unlimited legal funds, the majority of violations of the ordinance code or breaches of agreements would be referred to legal counsel. However, as the Grand Jury Report observes, the District is experiencing lean financial times, requiring more scrutiny and strategy to enforcement efforts. Nevertheless, rest assured that the District is aware of the cost of delinquencies, and the District recognizes that this issue was placed too long as a low-priority. Despite the many other pressing matters requiring attention in order to operate the harbor, new management has made enforcement a higher priority, and anticipates streamlining the process even further in the coming year.

5. the District raise berthing fees to the going rate in nearby harbors.

Response: Please see Response to Finding No. 3: "...it must be noted that the Moss Landing Harbor is primarily a commercial fishing harbor with very old docks and infrastructure, set in an unincorporated county industrial area, situated some distance from conveniences and amenities, across from the Duke Energy power plant. By comparison, the Monterey Harbor is adjacent to the Fishermen's Wharf restaurants and shops, and is mere blocks from downtown Monterey's attractions. New docks were installed within the past 5 to 7 years. The harbor is an integral part of the City of Monterey which supports the harbor in many ways, not the least of which is in the form of fulltime police and fire protection. The Santa Cruz Harbor, our neighbor to the north, is similarly situated and supported. These nearby harbors cater to more recreational and pleasure craft than does the Moss Landing Harbor. The fishing industry is being severely restricted by state and federal regulatory actions and the District has done and will continue to do all in its power to keep berthing fee increases to a minimum."

6. the District expedite the leasing of the Cannery Building to full occupancy by the end of this fiscal year by working with the appropriate county departments in the acquisition of use and occupancy permits.

Response: The Grand Jury must have misunderstood the District's explanation as to why there was a delay in renting or occupying the Santa Cruz Cannery Building, and what efforts staff was applying to expedite occupancy permits: the County of Monterey Planning and Building Department is responsible for issuing building permits, implementing construction inspections, and issuing occupancy permits. From the inception of the Santa Cruz Cannery Building renovation project, District staff has worked diligently with County staff in acquiring permits, arranging inspections, and securing occupancy permits. The District had grant and general funds on the line

during this multi-million dollar project. The District's goal from day one was to complete a top line fish processing and office building, with a state-of-the-art adjacent dock facility. These are not simple tasks. There was a time when County staff surprised District staff with additional, costly requirements before the County would issue a partial occupancy permit enabling three fish processing tenants to occupy a portion of the building. This caused delay and added expense. However, Through the dedicated efforts of both County and District staff, the full occupancy permit for both the Santa Cruz Cannery Building as well as the state-of-the-art K-Dock project have now been issued. The County's involvement is finished. As for expediting leasing, the building is 80% occupied with paying lessees. Although the national economy and state economy are not favorable at this time, the District is diligently pursuing full occupancy of the building. The District is very well aware that income producing efforts are crucial to its financial improvement.

7. the Board reduce its pay to zero (except reimbursement of necessary expenses) and serve as volunteers until such time as the District is able to meet its debt service obligations and stay current in its annual contributions to meet reserve requirements.

Response: First, the District *is* able to meet its debt service. And although it is true that the District has not contributed self-imposed amounts into certain reserve funds, such as the dredge reserve fund, this has not precluded the District from conducting and paying for its necessary maintenance dredging. Second, the Moss Landing Harbor District is the largest single district in Monterey County – larger than any supervisorial district – and the Moss Landing Harbor District Board is equivalent to a City Council in terms of the magnitude of its responsibilities. A stipend of \$100 per meeting with no benefits is fairly minimal compared to that of city council members. Third, five Board members receiving \$100 each per meeting attended on behalf of the District amounts to \$500 per month or \$6,000 per year minimum. To forego this nominal stipend after some dedicated commissioners have served on the Board for over 10 years would be largely a symbolic gesture, and contribute very little to building the reserve accounts. Nevertheless, during the District's annual budget process, the Commissioner's stipends are reviewed and can be adjusted if deemed appropriate under the circumstances.



Superintendent's Office

MONTEREY PENINSULA UNIFIED SCHOOL DISTRICT

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Daniel Callahan, Ph.D., Superintendent

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March 18, 2003

The Honorable Terrance Duncan
Presiding Judge of the Superior Court of Monterey County
and Members of the Monterey County Grand Jury
1200 Aguajito Road
Monterey, CA 93940

Dear Judge Duncan and Members of the Monterey County Grand Jury:

The Monterey Peninsula Unified School District hereby submits the following response to the 2002 Monterey County Civil Grand Jury findings, conclusions and recommendations regarding the contract entered into between the District and 3D/International, a facilities consulting firm.

The District entered into two contracts with 3D/I: one contract entered into in 2000 for conducting an initial facilities assessment for planning purposes; and one contract dated May 8, 2001, and amended in September 2001, to include program management services. The work under the first contract, for assessment and planning, was completed pursuant to its terms and is no longer in effect. The Program Management Amendment to the Construction Management contract was the major focus of the Grand Jury investigation. The Grand Jury recommended that:

1. MPUSD seek outside advice from an independent consultant specializing in school construction management and independent legal advice from an attorney experienced in such matters to determine whether to:
 - a. terminate or renegotiate its contractual relations with 3D/I; or
 - b. obtain proposals from other firms to provide services as now needed by the District; and
2. MPUSD withhold further payment to 3D/I pending determination whether to terminate or renegotiate its contractual relations.

Upon consideration of the questions raised by the Grand Jury's report, as well as a review of the facts and applicable law, the District has determined that the Program Management, Amendment 1, Agreement, dated September 4, 2001, to the Construction Management Contract dated April 23, 2001, is void. The District has terminated that amendment effective April 5, 2003. The District will explore various options for providing further needed program management services.

We wish to thank the Grand Jury for its work in investigating and reporting on this important matter.

Sincerely,

Daniel Callahan
Superintendent



MONTEREY PENINSULA WATER MANAGEMENT DISTRICT

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FAX (831) 644-9560 • <http://www.mpwmd.dst.ca.us>

April 4, 2003

The Honorable Terrance R. Duncan
Presiding Judge of the Superior Court
Monterey County
P. O. Box 1819
Salinas, CA 93902

Dear Judge Duncan:

We respectfully present this response to the 2002 Grand Jury Report. We offer this brief response in a spirit of cooperation, and suggest that a cooperative, local approach is the best way to solve the water supply problems in Monterey County. We urge the County to focus its efforts on its significant water supply problems in North County and South County, while Peninsula voters continue to address Monterey Peninsula issues.

We are disappointed that the MPWMD was not included as a required respondent to the report. The MPWMD has the most information available on these issues, and is in the best position to respond. We appreciate that the Grand Jury tackles a wide variety of projects, and is well-meaning. It is important for the Grand Jury to deal with a wide variety of projects in an open review. However, lacking important and pertinent information, it is possible to deal with serious issues in an incomplete manner. We respond below to the primary statements and findings in the report. At the end, we address the recommendations.

Grand Jury Report: The MPWMD has been in existence since 1978 and has yet to accomplish one of its primary goals - augmenting the water supply

The MPWMD has several important goals and mandates. Some of these, such as water supply projects -- are placed before the voters at appropriate times. The voters, exercising their authority, have turned down two projects that would have provided a significant amount of water for growth. As a result, the MPWMD has had to redefine projects and move those projects through the detailed approval process involving several agencies, and involving complexities of State and Federal laws. In the meantime, there has been significant reduction in water use. The average connection use has dropped from 0.543 acre feet in 1986 to 0.375 acre feet in 2001, a 31% reduction. The number of connections has increased from 30,733 in 1980 to 38,854 in 2002. A "connection" can be a single-family residence, multifamily apartments, a business, or an entire commercial building. From 1980 to 2002, Cal-Am connections increased 26% but water use remained constant (14,600 acre-feet in 1980 and 2002). This growth, a direct result of the Community's and MPWMD's efforts, is a more efficient use of existing water resources and supply. Conservation is an important part of the MPWMD's resource management.

Grand Jury Report: In the case of both the reservoir and the desalination plant, the construction costs would be paid by Cal Am, but these costs plus the operating expenses and a profit would be recovered in the price of the water eventually paid by the ratepayers.

The ratepayers are the consumers who pay for Cal-Am water. The ratepayers would pay substantially more for a project built by Cal-Am than for the identical project built by the MPWMD. This higher cost is because the PUC typically allows for a utility such as Cal-Am to reap a profit on its investment. In other words, while an MPWMD project would cost the ratepayers a specific amount, the same Cal-Am project would cost the ratepayers significantly *more* because the total cost of a Cal Am project would include Cal-Am's company and stockholder profit, guaranteed return on investment, etc. Also, the cost of public financing is considerably less than private financing.

Grand Jury Report: Monterey Peninsula cities strive for continued economic development, driven by their need to balance the state-mandated requirement to supply additional housing (which in general does not provide enough tax revenue to fund necessary municipal services) with commercial and industrial projects that require fewer services and can provide the additional tax revenues. This development frequently requires reassignment (transfer) of existing granted water credits.

This statement is incorrect. The cities did not use water credit transfers "frequently." At least two cities never used transfers at all. In fact, transfers were rarely used until some of the cities exhausted their water allocations within the past few years. From the best information the MPWMD has, no water transfers were ever used to build affordable housing. The only housing that received transferred water credits was high-end housing in places like Pebble Beach and Carmel Valley. Both an internal MPWMD study and an outside consultant study determined that there was no way to ensure that water credit transfers would not result in a net increase in system-wide water consumption.

Grand Jury Finding: Delivering water to approved projects and users is not limited by technical problems or lack of supply, but by questions as to water rights, state and federal regulations, as well as the expense of the necessary infrastructure.

"Approved projects" must, under CEQA, have identified acceptable water supplies prior to approval by the appropriate land use agency. Therefore, water for "approved projects" is not limited because, by definition, they have received allocated water. As written, the Finding is ambiguous. Perhaps the Report intends to talk about "proposed projects" under General Plan buildout by all land use jurisdictions within the MPWMD boundaries. We will respond using the interpretation that the Finding's term "delivering water" is referring to future water supply project or projects, in general.

There are many important issues -- not mentioned in the Finding -- that affect the delivery of water to the Peninsula. Those issues include voter approval of any water supply project, community concern about growth-inducing and cumulative impacts of "new" water, and a water supply project's environmental effects -- both direct effects due to construction and operation, and effects on the community as a whole.

The Finding states that a water supply solution "is not limited by technical problems." That statement is grossly inaccurate. There are significant technical challenges to a dam (e.g., the silting up that has greatly reduced storage capacity at Los Padres and San Clemente dams, the massive impacts of construction), to aquifer storage and recovery (e.g., compatibility of water from different aquifers, chemical reaction of the injection pipes), and to desalination (e.g., brine disposal). All major Peninsula water supply projects have challenging technical elements.

Grand Jury Finding: Having MPWMD as a special water district, with a majority of its board independently elected, places another independent political entity between the affected populace and the existing political structure of cities, as well as the County.

In the 1970s, when the cities and county had not resolved the Peninsula's water problems, the MPWMD was put in place by the voters. The MPWMD, a regional resource manager, is not "between" population and the land use jurisdictions (the Cities and the County). The MPWMD is independent and separately elected. The MPWMD is a resource management agency. As such, the MPWMD plays an important role in the checks and balances within our community.

If the voters choose to elect dedicated resource managers to the MPWMD Board, that is the voters' prerogative. If the voters choose to elect pro-growth or slow-growth mayors and city councils, that is the voters' prerogative. And if the voters choose to turn down water supply projects that would enable the cities and county's growth plans, that is the voters' prerogative, as well.

We note, for the record, that the MPWMD has an appointed County representative and an appointed Mayors' representative on its seven-member board.

Grand Jury Finding: The General Plans of the Monterey Peninsula cities assume an adequate water supply to achieve their growth goals, and, by not supplementing the existing water supply or allowing the transfer of existing granted water credits, the Water District has impeded implementation of the general plans of the affected cities and County areas.

The voters have twice stopped the MPWMD from implementing growth-enabling water supply projects. The District was in favor of both projects. The Finding is inaccurate. The Finding could more accurately say that "the voters did not approve water projects for growth of the affected cities and county areas."

In 2001, MPWMD banned water credit transfers because there was strong indication that they caused a net system-wide increase of water use. There were no procedures to prevent this increased water use. Similarly, there was no evidence that the credit transfer program resulted in decreased water use. Additionally, abuses of the transfer program -- including the sale of water to the highest bidder, allowing wealthy developers to leapfrog over the water waiting list -- were increasing rapidly.

The MPWMD Board responded to the Cities' request to preserve the credit transfer system so the Cities could have water for affordable housing. But when directly-elected MPWMD Directors attempted to modify the then-existing credit transfer program by reserving some of the transferred water for affordable housing, that attempt was strongly opposed -- by the cities/Mayors' representative and by the county's representative to the Board.

As to "the transfer of existing granted water credits," very few "granted water credits" exist at all. The number of acre feet of "granted water credits" is so small that transferring those credits would not have any significant impact on implementation of the cities' and county's general plans.

Grand Jury Finding: The results of the voting on Measure B indicate the desire of the majority of voters within the MPWMD to abolish the water district. The advisory vote on the question "Should the MPWMD be dissolved?" was 66.5% in favor and 33.5% opposed.

The advisory vote was just that: advisory. It has no authority. The last MPWMD advisory vote -- on a large dam -- also received a favorable response. However, after more information was made available to them, the voters -- in a binding vote -- turned down the dam. The Measure B campaign used incorrect "facts" to support their argument. For example, the alleged "\$100 million spent" by MPWMD was in fact approximately \$55 million. Regrettably, the Grand Jury Report unquestioningly repeats this incorrect, vastly-inflated figure from the *Carmel Pine Cone*. It appears the Grand Jury accepted Measure B campaign rhetoric as true. Had MPWMD been consulted, we would have provided accurate, audited information to the Grand Jury.

Grand Jury recommendations:

1. the November 2002 advisory vote of the affected residents should be taken as a mandate and the existence of the MPWMD be terminated by proper political process. That the cities and County mount a joint effort to have their state legislators sponsor a bill in the legislature to dissolve the MPWMD, and
2. one of the following options be chosen in place of the current MPWMD:
 - a. No new agency, leaving Cal Am to operate as it does in most other areas, under the aegis of the existing state agencies; or
 - b. A joint powers agency with a board of directors comprised of appointees from those same cities and the County.

First, an "advisory" vote is not a "mandate." (We suggest that if there was an advisory vote asking if we should abolish the Internal Revenue Service, the answer would overwhelmingly be "yes.") Only an authorizing vote has the weight of a mandate.

Second, the voters "advised" that the MPWMD should be "dissolved," per the last Finding. The voters were not asked about the option of "replacing the MPWMD Board with other politicians," as proposed by the Grand Jury and Measure B proponents. If there is to be a replacement agency proposed, the voters should vote on that specific proposal – in an authorizing ballot measure. Here, the present proposal by Measure B's sponsors is to keep the MPWMD staff, the MPWMD powers and authorities, the MPWMD funding mechanism – essentially, "the Monterey Peninsula Water Management District" would remain intact. Grand Jury recommendation 2.b. is to dissolve only the democratically-elected Board. That proposal was not put to the voters. There is no voter "mandate" for such an action.

Third, the MPWMD provides a unique role in resource protection and resource management. Neither Cal-Am, nor existing state agencies, nor the cities and County have the expertise and authority of the MPWMD.

Fourth, a proposal to replace the MPWMD Board with a Joint Powers Authority of "appointees" from cities and county does not "abolish" the MPWMD, as the voters opined. This proposal appears to be a power grab by city officials, who do not want the voters to be able to vote directly for MPWMD board members.

It is apparent that the cities' Mayors – who have repeatedly endorsed unsuccessful pro-growth and pro-dam MPWMD board candidates – think the MPWMD board is getting "in the way" of their growth plans. In fact, it is the voters who have the control of the MPWMD Board and of its projects.

Finally, the elimination of a democratically-elected board process and replacement by the alternatives ("nothing" or "a joint powers authority") would set an appallingly anti-democratic precedent. The State-wide implications of such a move are troubling. What next? Dissolve an elected parks district because developers want the land for subdivisions and malls?

We respectfully suggest that the cities' and county's efforts could be more appropriately and productively directed toward district-wide cooperation and helping obtain approvals for feasible water supply projects that the voters will authorize. We close with a quote from the letter from the 2002 Grand Jury foreman:

Democracy is a participatory sport, and a bit messy at times.

The voters are in control of the MPWMD, and have been in control since its inception. No special interest group should be allowed to dissolve the voters' rights. No public agency should be able to do away with another public agency simply because it provides a check or a balance to

Response to Grand Jury

April 4, 2003

Page 6

their goals. Dissolving the MPWMD Board was not authorized by the voters. To do so would be anti-democratic.

Thank you for the opportunity to respond.

Sincerely,

A handwritten signature in black ink, appearing to read "Alexander Henson", written in a cursive style.

Alexander Henson
Chair, MPWMD Board of Directors



CITY OF PACIFIC GROVE

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March 20, 2003

Honorable Terrance R. Duncan
Presiding Judge of the Superior Court
Monterey County
P. O. Box 1819
Salinas, CA 93902

Dear Judge Duncan:

Please accept the following as the response from the City of Pacific Grove concerning the 2002 Monterey County Civil Grand Jury Report.

The responses were approved by the Pacific Grove City Council at their meeting of March 19, 2003.

Supplement To The Mid-Year Final Report On Availability Of Water On The Monterey Peninsula

Finding 6. *The results of the voting on Measure B indicate the desire of the majority of voters within the MPWMD to abolish the water district. The advisory vote on the question "Should the MPWMD be dissolved?" was 66.5% in favor and 33.5% opposed.*

Recommendations:

- 1. The November 2002 advisory vote of the affected residents should be taken as a mandate and the existence of the MPWMD be terminated by proper political process. That the Cities and County mount a joint effort to have their state legislators sponsor a bill in the legislature to dissolve the MPWMD.*

Response:

This has been partially implemented. The Mayor of the City of Pacific Grove is working with the City of Monterey and other peninsula cities within the MPWMD jurisdiction, and has assisted the City of Monterey in

offering suggestions to our legislators to amend water district enabling legislation to change the governance structure of the District.

2. *One of the following options be chosen in place of the current MPWMD: A) no new agency, leaving Cal Am to operate as it does in most other areas, under the aegis of the existing state agencies; or B) a joint powers agency with a board of directors comprised of appointees from those same cities and the County.*

Response:

The Mayor of the City of Pacific Grove has worked with the City of Monterey and other cities in the jurisdiction of the MPWMD to offer suggestions to our state legislators to develop legislation within the current legislative session that would amend the MPWMD enabling legislation in such a way as to replace the current governance structure with a joint powers authority, comprised of many of the entities that currently manage the Monterey Regional Waste Management District and Monterey Regional Water Pollution Control Agency.

Fluoridation of Drinking Water in Monterey County

Finding 1: Fluoridation of drinking water will provide a positive health benefit to the citizens of the County with the greatest benefit accruing to the most disadvantaged citizens."

Response: The City of Pacific Grove does not have the staff with the technical expertise to either agree or disagree with this finding.

Finding 2. With the possible exception of smaller water systems, start-up and operations costs of drinking water fluoridation are more than offset by cost avoidance in the areas of dental and general health care.

Response: The City of Pacific Grove does not have the ability to analyze this assertion to determine whether we agree or disagree with this finding.

Finding 3. There are a multitude of water providers and jurisdictions within the County, and there is no coordinated advocacy program joining political leadership and health professions to implement fluoridation of drinking water.

Response: The City of Pacific Grove agrees with this finding. Providing drinking water is not a service of the City of Pacific Grove, nor does the City currently have jurisdiction over this service.

Recommendation 3: The Cities of Carmel-by-the-Sea, Del Rey Oaks, King City, Monterey, Pacific Grove, Salinas, Sand City, and Seaside (for areas serviced by

Honorable Terrance R. Duncan

March 20, 2003

Page 3 of 3

CAL-AM) which are serviced by private providers, seek funding and express public support for implementation of water fluoridation by their water suppliers, and establish a schedule to accomplish these goals.

Response: The City of Pacific Grove does not provide water services, nor does the City currently have jurisdiction over this service. The City does not believe that this issue should be decided by or otherwise involve local governments at this time. There are members of this community who support and oppose fluoridation, and if funds are made available to provide for fluoridation, this issue should be brought to the people of the community by the water purveyor.

Thank you for this opportunity to respond to the 2002 Civil Grand Jury Report.

Sincerely,



Morris G. Fisher
Mayor

PAJARO/SUNNY MESA

COMMUNITY SERVICES DISTRICT
136 San Juan Road, Watsonville, CA 95076
(408) 722-1389

March 27, 2003

The Honorable Terrance R. Duncan
Presiding Judge of the Superior Court
Monterey County
P.O. Box 1819
Salinas CA 93902

Re: Response to Grand Jury Recommendation
Penal Code Section 933

Dear Judge Duncan:

The Pajaro/Sunnymesa Community Services District Board of Directors has met and reviewed the Grand Jury recommendation of fluoridation of the District's potable water.

The recommendation will not be implemented at this time for the following reasons:

A. The District has less than 700 connections and is therefore exempt from mandatory implementation of fluoridation.

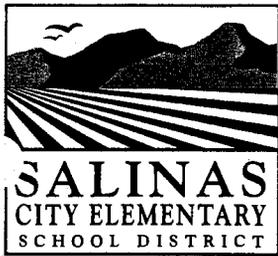
B. While fluoridation of the District's potable water supply would provide a positive health benefit to the consumers, it would also impose an excessive financial burden on the low-income ratepayers in our District.

The District will continue to study the feasibility of providing fluoridation to its system at such time as start-up and operating costs become more reasonable for the consumer.

PAJARO/SUNNYMESA
COMMUNITY SERVICES DISTRICT

By: _____


Joe Rosa, General Manager



March 24, 2003

The Honorable Robert O'Farrell
Presiding Judge of the Superior Court
Monterey County
P.O. Box 1819
Salinas, CA 93902

Robert Slaby, Ed.D.
Superintendent

Sharon Loucks, Ed.D.
Director, Curriculum &
Staff Development

Juvenal Luza, Ph.D.
Director, Bilingual &
Migrant Services

E. Leon Mattingley
Director, Personnel Services

Terry Ryan,
Director, Maintenance,
Operations & Transportation Services

Randall Schwartz, Ph.D.
Director, Pupil Personnel Services

Dear Judge O'Farrell:

The Salinas City Elementary School District's Governing Board hereby responds to the 2002 Monterey County Civil Grand Jury Report, pursuant to Penal Code sections 933 and 933.05.

The Responses were approved by the Salinas City Elementary School District's Board of Education on March 24, 2003.

Responses to Findings

1. *Approximately 25% of annual revenues of the District are provided by grants (program specific funds) from various state, federal and private agencies and are vital to serving the special needs of the District's student[s].*

Response: The Salinas City Elementary School District agrees with this finding.

2. *The use of Peer Assistance and Review and Teacher Mentor program funds to pay for administrative travel and training in Ecuador was a misuse of grant funds.*

Response: The Salinas City Elementary School District disagrees with this finding. The travel and training took place in Summer, 2001. At the time of the travel and training, "administrative expenses" subject to the 5% cap were not defined by statute. (See former Ed. Code § 44503(e).) In October 2001, A.B. 804 became effective, and amended section 44503(e) to broadly define "administrative expenses." According to the California Department of Education, the travel and training undertaken by District personnel was permitted by the former section 44503(e), but subsequently prohibited by the amendment. (See transcribed voice mail message from John Luster of the Department of Education, attached as Ex. A.) Therefore, such travel and training was permissible prior to October, 2001. Because the travel and training took place prior to the amendment, it was permissible and was not a misuse of grant funds.

BOARD OF EDUCATION

Byron Skip Latham
Robert Foster Hoffman

John Aaron
Stephen Malvini
Debbie Rianda

840 South Main Street
Salinas, CA 93901
Phone (831) 753-5600
Fax (831) 753-5610

3. *The contract with LMLI, paid for with funds from Title I federal grants, was in part a misuse of these program funds.*

Response: The Salinas City Elementary School District disagrees with this finding. This finding appears to be based upon a concern that the District spent Title I funds on a district-wide program, rather than confining the expenditures to specific schools. However, the United States Department of Education, which administers Title I, has stated that Title I funds are not confined to specific schools, but may be used district-wide. (See "Additional Reservations for Title I, Part A (Basic Grant)" instructions from U.S. Department of Education, attached as Ex. B.)

4. *The contract awarded to LMLI and the subsequent attempt at implementation resulted from poor approval and management practices.*

Response: The Salinas City Elementary School District's Governing Board acknowledges that it deviated from its normal program approval practice and since this particular issue, has endeavored to ensure that its normal practice is followed.

5. *The purchase of the I Can Learn program with federal 21st Century Learning Center funds was an improper use of grant funds, and inconsistent with applying these funds for maximum student benefit.*

Response: The Salinas City Elementary School District disagrees with this finding. The United States Department of Education ultimately specifically authorized use of 21st Century Learning Center funds for the I Can Learn program, which indicates that the use of grant funds was not improper. (See electronic mail from Julie Flores of U.S. Department of Education and list of approved expenditures, attached as Ex. C.)

Responses to Recommendations

1. *The Salinas City Elementary School District adopt a policy of detailed oversight of travel and training or other activities of the administrative staff, in order to ensure there is no questionable use of funds or abuse of authority.*

Response: The Salinas City Elementary School District currently has a detailed policy regarding interstate travel. Board policy #3350 is currently implemented in a manner in which the Board must approve all out of state travel.

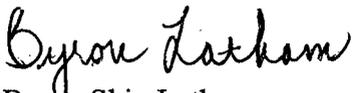
2. *As required by reasonable management practices, the Salinas City Elementary School District adopt a policy to ensure that new programs are adequately reviewed and discussed by the affected parties prior to approval, and the Board ensure that programs affecting the classroom work of teachers be presented to those teachers prior to their introduction.*

Response: All Board discussions and decisions occur in open, public sessions, unless otherwise provided by law. Therefore, all individuals, including affected parties, have the opportunity to review and discuss proposals prior to adoption.

3. *From inception to completion, the Salinas City Elementary School District adopt a policy to provide additional oversight of the entire grant process, including solicitation of grants and follow-through to ensure that grant funds are used as intended by the agencies providing the funding; to assist in achieving oversight, the Board require the administration to identify all grant expenditures as such on the Board's consent agenda for approval, and the administration verify by such identification that the use of grant funds is authorized.*

Response: The Board is currently required to approve all grant applications, the receipt of all grant funding, and all expenditures of grant funds. Additionally, current Board Policy 6161.1 ensures that new programs will be adequately reviewed and discussed by affected parties prior to approval.

Sincerely,



Byron Skip Latham
President, Board of Education

Exhibit A

Salinas City Elementary School District

840 South Main St.
Salinas, California 93901
Phone: (831) 753-5600

DATE: February 1, 2002
TO: Lou Lozano
FAX: 646-1801
FROM: Rob Slaby, Superintendent
RE:

Voice Message of 1/31/02 - 3:30 p.m.
from John Luster, State Department of Education, (916) 324-5689
to Sharon Loucks

Re: PAR funding

Hello Sharon, John Luster from Department of Ed regarding your PAR funding and going to conferences, Spanish conferences and so forth. Some businesses have done that in the past, prior to Oct 16 no problem, but AB804 has kind of limited what you can do now. Everything that you mentioned falls in the 5% administrative cost of the program, personnel cap, indirect costs. So what has really happened it has included a PAR panel, and so it's kind of coming down to what you can really use it for is consulting teachers and onsite, that is pretty much except for the 5%. So, in the 5% (you may include) administrative cost, personnel cost, selecting the Par committee, PAR panel cost, computers, and indirect cost and so forth. But they all have to be in the 5% cap. We know it is way too low but that is what the Oct. 16 804 did. Give me a call if I need to clarify this 916 324 5689.

TOTAL PAGES (including this one): 1

CONFIDENTIALITY NOTICE: The pages in this facsimile transmission may be of a confidential nature. The information is for the use of the individual named above. If you are not the recipient, please be aware that the information is confidential and should not be copied or distributed for any reason. If you received this document in error, please notify us immediately at the above telephone number to arrange for return of the original document to us. Thank you.

Exhibit B

Additional Reservations for Title I, Part A (Basic Grant)

Page 13: This page is used to allow an LEA to reserve additional Title I, Part A (Basic Grant) funds prior to making allocations to schools. The decision to reserve funds and the amount reserved on this page is the option of the LEA. If an LEA is not receiving 2002-2003 Title I, Part A funds, or is choosing not to reserve Title I funds for the programs listed below, check "The page is not applicable" box. The LEA is not required to complete the page.

IMPORTANT: LEAs funding schools below 35% poverty **MUST** ensure that all served sites receive 125% per low-income student before reserving any funds on this page. Please note this requirement applies to **ALL** LEAs receiving Title I, Part A (Basic Grant) funds, **INCLUDING** those LEAs that are not required to rank their schools (i.e., have less than 1,000 ADA). This includes LEAs with a district mean below 35% as well. The only LEA configuration not required to comply is a school district with a single school.

Title I, Part A

- Line 1** The computer program will insert the amount from Line 10, Column A on Page 12.
- Line 2** Enter the amount to be reserved from Title I, Part A (Basic Grant) for serving eligible students in Community Day schools. It may be necessary to coordinate transfer of these funds to the agency operating the Community Day School(s).
- Line 3** Enter the amount to be reserved from Title I, Part A (Basic Grant) for Capital Expenses for Private Nonprofit Schools (for serving eligible students). **There will be no more Aguilar v. Felton re-imbursement available for LEAs.** This is not for general district capital expenses. (34 CFR 200.27(c)).
- Line 4** Enter the amount to be reserved from Title I, Part A (Basic Grant) for salary differentials. An LEA may consider variations in personnel costs, such as seniority pay differentials or fringe benefits differentials, as LEA-wide administrative costs, rather than as part of the funds allocated to school attendance areas or schools. The LEA would pay the differential salary and fringe benefit costs from its administrative funds taken off the top of the LEA's allocation. This policy would have to be applied consistently to staff serving both public and private children throughout the LEA.
- Line 5** Enter the amount to be reserved from Title I, Part A (Basic Grant) for operation of Title I preschool programs. (See <http://www.cde.ca.gov/iasa/titleone> for details.)
- Line 6** Enter the amount to be reserved from Title I, Part A (Basic Grant) for operation of Title I summer school programs.
- Line 7** Enter the amount to be reserved from Title I, Part A (Basic Grant) for operation of Title I Before School, After School, Intersession and school year extension programs.
- Line 8** LEAs must reserve adequate Title I, Part A (Basic Grant) funds to serve neglected students who are in institutions that are not considered school sites. Historically, these students have been in group homes served by the LEA. However, a county office of education may also fund a group home and would directly receive a Title I, Part A (Basic Grant) entitlement for

Exhibit C

From: Flores, Julie <Julie.Flores@ed.gov>
To: 'Carol Brown' <cbrown@monterey.k12.ca.us>,
"mwestfal@monterey.k12.ca.us" <mwestfal@monterey.k12.ca.us>
Date: Thursday, February 13, 2003 8:50 AM
Subject: 21st CCLC Approval to Draw Funds

Hafa Adai Mary and Carol,

I have good news. This is to follow up on your January 29, 2003 request for payment. I was advised by the OESE fiscal officer that your payment reimbursement request, in the amount of \$ 292,175.15 has now been approved. You may draw down this amount.

In the future, if you have other payment requests, please fax a memo with copies of receipts of the expense for my review and approval. In this memo, please include your grant number (S287A012552) and DUNS number (100613249).

P.S. Carol, when can I expect the revised budget and program plan? I will be out of the office starting March 3rd. I would like to review it before I leave.

Let me know if you have other questions.

Julie

Drawdown Amounts (4-29-02)

I CAN Learn	\$156,284.74
JRL (Sales Tax)	\$31,500.00
Education First	\$54,000.00
Sub-charges Sept-Dec	\$3,800.00
Benefits for above	\$388.21
Orchard*	\$107.74
Travel J. Chadiz	\$301.00
Salinas Energy Service*	\$4,695.00
Education First -Grant Writing*	\$30,000.00
Electrical Distributors*	\$751.90
Subtotal	\$281,828.59

*These amounts were transferred out of (not charged to) grant. Total of \$35, 554.64

*EECI Liabilities excessive. \$20,000 needs to be adjusted.

Expenses after 4-29-02

Tri-County Business Systems	\$986.70
EECI	\$20,000.00
Indirect Costs	\$18,899.45
EECI	\$70,000.00
EECI	\$182,289.00
Subtotal	\$292,175.15

Note: Mary Westfall is authorized to drawdown \$292,175.15 as expenditures have been accounted for as of

Summary of Year 1 Expenses

4-29-02 Drawdowns	\$281,828.59
4-29-02 through 6-30-02	\$292,175.15
Adjusted Liability	\$20,000.00
Funds Transferred (Subtract from 4-29)	\$35,554.64
Subtotal	\$558,449.10

Year 1 Grant Award	\$600,000.00
Year 1 Expenses	-\$558,449.10
Carryover	\$41,550.90
Credit	\$20,000.00
Credit	\$59,000.00
Total Carryover	\$120,550.90



City of Salinas

OFFICE OF THE MAYOR • 200 Lincoln Avenue • Salinas, California 93901 • (831) 758-7201 • Fax (831) 758-7368

March 18, 2003

Honorable Robert O'Farrell, Presiding Judge
Superior Court of California, Monterey County
240 Church Street
Salinas, California 93901

**SUBJECT: RESPONSE TO CIVIL GRAND JURY:
FLUORIDATION OF DRINKING WATER IN MONTEREY COUNTY**

Dear Judge O'Farrell:

I would like to offer thanks, on behalf of the Salinas City Council and our residents, to the members of the 2002 Civil Grand Jury. The work of the 2002 Civil Grand Jury, similar to past civil grand juries will undoubtedly improve operating efficiencies and effectiveness of local government in Monterey County. I would like to also acknowledge that the quality of this year's final report is reflective of the exceptional job Court staff has done in support of the Civil Grand Jury's work.

The City of Salinas, as you are already aware, does not own - nor does it operate the two water systems providing service to our 150,000 residents. The City, in its effort to effectively respond to the findings and recommendation of the Civil Grand Jury regarding "Fluoridation of Drinking Water in Monterey County," consulted with the Monterey County Health Department on this issue. The Health Department is charged with providing technical, scientific, and medical oversight of public health programs relating to preservation and protection of the public health of Monterey County residents. The Health Department provided invaluable support in aiding the City in analyzing this issue based on accepted scientific research.

Attached for your review are the City's responses to the Civil Grand Jury's findings and recommendation. If you need further clarification on the City's response to this issue, please contact Wayne green of my office at 758-7141.

Sincerely,

DJYL LUTES
Mayor Pro Tem

Attachment

cc: Mayor and City Council

City of Salinas Response
Monterey County Civil Grand Jury
2002 Final Report: Fluoridation of Drinking Water in Monterey County

FINDING 1: Fluoridation of drinking water will provide a positive health benefit to the residents of the County with the greatest benefit accruing to the most disadvantaged citizens.

RESPONSE: The City agrees with Finding 1. The scientific evidence available, and the experience of the thousands of communities across the country that are provided optimally fluoridated water, supports the conclusion that fluoridation of local drinking water will provide positive health benefits to residents of Salinas, particularly those who lack routine access to preventive dental services.

FINDING 2: With the possible exception of smaller water systems, start-up and operations costs of drinking water fluoridation are more than offset by cost avoidance in the areas of dental and general health care.

RESPONSE: The City agrees with Finding 2. California taxpayers bear the financial burden of almost \$700 million a year in Denti-Cal costs. The annual cost to individuals, families and employers associated with the treatment of preventable dental disease, particularly caries, and dental insurance, exceed the costs of routine fluoridation of community drinking water. The estimated per person cost to fluoridate drinking water in Salinas ranges from \$2 - \$12 a year.

FINDING 3: There are a multitude of water providers and jurisdictions within the County, and there is no coordinated advocacy program joining political leadership and health professions to implement fluoridation of drinking water.

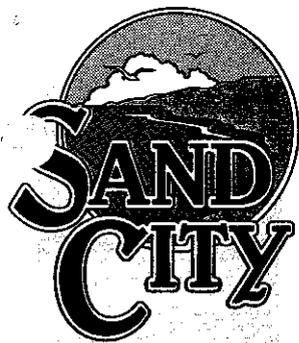
RESPONSE: The City agrees with Finding 3. There is currently no coordinated advocacy effort to implement fluoridation of drinking water.

CIVIL GRAND JURY RECOMMENDATION

The Civil grand Jury recommends that Salinas, which is served by private providers seek funding and express public support for implementation of water fluoridation by their water suppliers, and establish a schedule to accomplish these goals.

CITY'S RESPONSE TO THE CIVIC GRAND JURY'S RECOMMENDATION

The City, as the Civil Grand Jury is already aware, does not own, operate nor does it have the financial resources to undertake an initiative to fluoridate community water supplies. However, the City in a leadership position will work with the Monterey County Health Department, the Monterey County Fluoridation Taskforce and community based organizations that undertake the mission to educate the public about oral health issues. In addition, the City will support an initiative that has widespread support from our residents that seek federal or foundation funding for capital and operating costs to fluoridate community water supplies. Please note that at the present time, it is not feasible to develop a schedule for completing these goals since there is no identified funding for fluoridation of community water supplies from the federal government or private foundations.



February 20, 2003

The Honorable Terrance R. Duncan
Presiding Judge of the Superior Court
Monterey County
P.O. Box 1819
Salinas, CA 93902

Dear Judge Duncan,

At their meeting on February 18, 2003, the City Council of the City of Sand City gave consideration to their response(s) to the following sections of the 2002 Report by the Monterey County Civil Grand Jury:

- (1) Availability of water on the Monterey Peninsula and Supplement to the Mid-year Final Report - The Role of the Monterey Peninsula Water Management District
- (2) Fluoridation of Drinking Water in Monterey County - Getting it Done

After reviewing these two sections and considering recommendations by the City staff, the Sand City Council approved the following responses to the Findings and Recommendations of the above two sections of the Grand Jury Report:

(1A.) Availability of Water on the Monterey Peninsula

The City Council agrees with the five Findings listed on page 45 of the Report. However, no response was required to this section.

(1B.) Supplement to the Mid-Year Final Report on Availability of Water on the Monterey Peninsula - The Role of the Monterey Peninsula Water Management District

The City Council believes that the voting public clearly indicated its preference on the advisory vote for the question of whether "the MPWMD should be dissolved?" by 66.5% in favor of dissolving the Water District (as stated in Finding #6 on page 49).

The City Council strongly agrees with the two recommendations on page 49 and 50 in this Section:

- ▶ That the existence of the MPWMD should be terminated by proper political process and the cities and County mount a joint effort to have their state legislators sponsor a bill in the legislature.

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1 Sylvan Park,
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93955

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Police
(831) 394-1451

FAX
(831) 394-1038

Incorporated
May 31, 1960

- ▶ That the second option (#2b) should be selected to replace the current MPWMD - by forming a joint powers agency with a board of directors comprised of appointees from those same cities and the County.

Unfortunately the current Water District has not performed well in carrying out its primary mission of providing a reliable water supply for the Monterey Peninsula, we believe the primary reason that MPWMD has failed in this mission is because of the political structure of the present Water Board. The directly elected Board members have spent too much time, energy and money pursuing their own particular interests and not being focused on their primary mission. In fact, the Monterey Peninsula Mayors within the MPWMD District have met with Senator Bruce McPherson, who is working on legislation to dissolve or change the District. A joint powers agency board could maintain a steady direction and focus to improve the water supply and would not be interfering with - local governments' responsibilities for regulating land use.

By just changing the Board of Directors, the MPWMD should be able to continue its operations without interruption and maintain its finances, as well as financial arrangements and commitments already in place. This should enable the Water District to keep the present General Manager and most of the existing staff, who have accumulated much expertise on the water issues of the Monterey Peninsula area. The staff has not been the problem with the Water District - it has been the Board of Directors. The staff could be subject to further review and evaluation by the new Board.

(2) Fluoridation of Drinking Water in Monterey County - Getting It Done

The City Council agrees with the three Findings on page 72 of this section on fluoridation of drinking water. The City of Sand City can support recommendation #3 (on page 72) to express public support for implementation of water fluoridation and to encourage a schedule for accomplishing these goals for the cities that are served by Cal Am Water Company. Sand City believes that the primary responsibility for this effort should rest with the new Water District Board of Directors and the Monterey County Health Department. Because of the varying public opinions on fluoridation, it may be appropriate to place this issue on the ballot for a vote by the public being affected. The Grand Jury's attention is directed to the enclosed January 30, 2002 Herald article in which Len Foster, the Monterey

2002 Grand Jury Response Letter
February 20, 2003
Page 3

County Health Director, makes the comment that "The science is very clear. Fluoridation works."

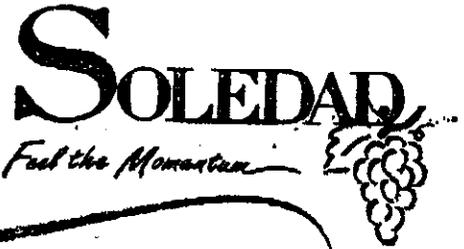
As requested by the Grand Jury (and required by Sections 933 of the Penal Code), the City of Sand City is hereby submitting the above responses to the 2002 Grand Jury Report.

Sincerely,

A handwritten signature in black ink, appearing to read "David K. Pendergrass", written in a cursive style.

David K. Pendergrass
Mayor

cc: MPWMD
Monterey Peninsula Cities
County of Monterey



April 24, 2003

The Honorable Terrance Duncan, Presiding Judge
Monterey County Grand Jury
P. O. Box 414
Salinas, CA 93902

Honorable Judge Duncan:

This letter is in response to the 2002 Civil Grand Jury recommendation to introduce therapeutic levels of fluoridation throughout the County as soon as practicable. The City of Soledad has considered this matter and has made the following determinations:

Benefits derived from fluoridation overcome investment cost from the perspective of public policy. Moreover, the practical aspects of adding fluoridation treatment to the City of Soledad drinking water system at this time would impose financial burden upon the City's customers.

California Health and Safety Code Sections 116410 and 116415 prescribe a reasonable effort be made to fluoridate all drinking water systems with 10,000 or more service connections. The City of Soledad only has approximately 4,000 service connections.

Adding fluoridation treatment to the City's drinking water system, at this time, would impose a financial burden upon the City's customers unless outside sources provided the required funding. Maintaining appropriate fluoridation levels throughout the City's integrated distribution system would require higher levels of certification from our staff as well as any salary cost increases therefore making cost prohibitive to do.

Furthermore, the City is also not aware of any outside sources that are prepared to provide both the cost of implementation and the on-going additional costs associated with operation and maintenance of a safe, reliable fluoridation component to the City's drinking water system.

For the above reasons, the City of Soledad is not giving further consideration to implementing fluoridation of its drinking water system at this time.

Sincerely,

Raymond L. Smith
Superintendent of Utilities

c: Noelia Chapa
City Manager



OFFICE OF THE MAYOR

440 Harcourt Avenue
Seaside, CA 93955

Telephone (831) 899-6700
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TDD (831) 899-6207

March 25, 2003

Honorable Terrance R. Duncan
Presiding Judge of the Superior Court
Monterey County
P.O. Box 1819
Salinas, California 93902

**Re: Response to Monterey County Civil Grand Jury on Fluoridation of Drinking Water
in Monterey County**

Dear Honorable Judge Duncan:

We respectfully submit the City of Seaside's response to the Monterey County Civil Grand Jury Final Report regarding Fluoridation of Drinking Water in Monterey County.

FINDINGS:

1. Fluoridation of drinking water will provide a positive health benefit to the citizens of the County with the greatest benefit accruing to the most disadvantaged citizens.

RESPONSE: The respondent does not have the in-house technical expertise or ability to analyze this statement to either agree or disagree with this finding.

2. With the possible exception of smaller water systems, start-up and operations costs of drinking water fluoridation are more than offset by cost avoidance in the areas of dental and general health care.

RESPONSE: The respondent does not have the in house expertise or ability to analyze this statement to either agree or disagree with this finding.

3. There are a multitude of water providers and jurisdictions within the County, and there is no coordinated advocacy program joining political leadership and health professions to implement fluoridation of drinking water.

RESPONSE: The respondent agrees with this finding.

RECOMMENDATIONS:

2. The Cities of Gonzales, Greenfield, Seaside and Soledad and the Aromas, Castroville, Marina Coast and Pajaro/Sunny Mesa Water Districts develop funding and implement fluoridation of drinking water in their water systems and establish a schedule to accomplish these goals.

RESPONSE: The recommendation has not yet been implemented, but will be implemented in the future when funds become available to cover capital, maintenance and operating costs. The Governor signed Assembly Bill 733 (Drinking Water Fluoridation) into law in 1995. This bill requires water systems to fluoridate their water if they have more than 10,000 service connections. It also states that no system will be required to fluoridate unless outside funds are made available from federal, state or private foundation grants to cover all capital, maintenance and operating costs. The State's intent is to fluoridate drinking water whenever and wherever possible without imposing a financial burden on ratepayers and taxpayers. The City of Seaside Municipal Water is a small purveyor of water with 787 water connections. As such, regulations do not require the City to add fluoride to the water. The City will, however, continue to comply with fluoridation regulations and implement this program when funds become available to cover capital, maintenance and operating costs. The City will consider fluoridation to our customers when the two other water purveyors (CalAm Water Company and Marina Coast Water District) within the City of Seaside implements their program.

3. The Cities of Carmel-by-the Sea, Del Rey Oaks, King City, Monterey, Pacific Grove, Salinas, Sand City and Seaside (for areas serviced by CalAm) which are served by private providers, seek funding and express public support for implementation of water fluoridation by their water suppliers, and establish a schedule to accomplish these goals.

RESPONSE: CalAm, the main supplier of water for Seaside, is committed to fluoridation and will comply with state regulations to add fluoride to its water when funding for installation, maintenance and operation costs are made available. Cal AM is number 27 on the funding list with funding having been provided for the first 17 cities. The City of Seaside anticipates CalAm will comply with the State regulations upon receiving the anticipated funding. Whether or not water fluoridation should be implemented is not an issue that should be decided by the City of Seaside or otherwise involves local governments at this time. The City of Seaside will revisit this issue when funding becomes available for the water purveyors in the county.

Sincerely,


Jerry Smith, Mayor
City of Seaside



OFFICE OF THE MAYOR

440 Harcourt Avenue
Seaside, CA 93955

Telephone (831) 899-6700
FAX (831) 899-6227
TDD (831) 899-6207

May 2, 2003

The Honorable Terrance R. Duncan
Presiding Judge of the Superior Court
Monterey County
P.O. Box 1819
Salinas, CA 93902

Subject: Response to "Supplement to the Mid-Year Final Report on Availability of Water on the Monterey Peninsula, The Role of the Monterey Peninsula Water Management District"

Dear Judge Duncan:

The City of Seaside submits the following response to the "Supplement to the Mid-Year Final Report on Availability of Water on the Monterey Peninsula, The Role of the Monterey Peninsula Water Management District" finding and recommendations:

1. **FINDING:** The City of Seaside agrees with the finding.
2. **RECOMMENDATION #1:** The City of Seaside agrees that the results of the November 2002 advisory vote concerning the Monterey Peninsula Water Management District constitute a mandate for the dissolution of the present District, and agree that the appropriate method of achieving this dissolution is state legislative action.
3. **RECOMMENDATION #2:** The City of Seaside believes that a Joint Powers Agency should be formed to replace the current District Board, comprised of appointees from each of the jurisdictions (cities and the County) that are contained within the present District's boundaries.

Respectfully submitted,


Jerry C. Smith
Mayor