

MONTEREY COUNTY



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April 5, 2011

The Honorable Adrienne M. Grover
2010 Presiding Judge of the Superior Court
c/o Monterey County Superior Court Administration
240 Church Street
Salinas, CA 93901

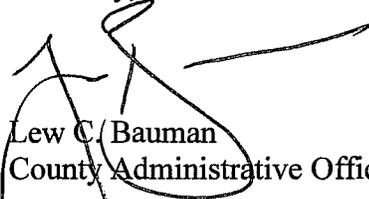
RE: RESPONSE TO 2010 MONTEREY COUNTY GRAND JURY FINAL REPORT

Dear Judge Grover:

Attached please find the Monterey County Board of Supervisors Response to the 2010 Monterey County Grand Jury Final Report and the signed Board Order. The Board of Supervisors approved the response on March 29th, which complies with the requirements set forth in Sections 933 and 933.05 of the California Penal Code.

The Board approved response should be deemed and accepted by the Presiding Judge of the Superior Court of Monterey County and the Monterey County Civil Grand Jury as the response of the Board of Supervisors, County Administrative Officer, and appointed department heads.

Sincerely,



Lew C. Bauman
County Administrative Officer

LCB:dlb

Attachments: Board of Supervisors Response
March 29, 2011 Board Order

c: Liz Fuentes, Grand Jury Liaison



Monterey County Board of Supervisors

Response to the

**2010 Monterey County Grand Jury
Final Report**

March 29, 2011

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REPORT TITLE: Public Employees' Retirement System in Monterey County - CalPERS
RESPONSE BY: Monterey County Board of Supervisors
RESPONSE TO: Findings F1.1 – F1.12

Finding F1.1: *The CalPERS retirement system is worth retaining.*

Response F1.1: The respondent agrees with the finding.

Finding F1.2: *Those local agencies that have binding arbitration have ceded their collective bargaining authority and responsibility to an individual arbitrator.*

Response F1.2: The respondent partially disagrees with the findings. If a local agency agrees to binding arbitration, it is presumed to have negotiated such an agreement freely understanding the full benefit and detriment of the bargain. In this context, the County does not agree that any public agency has ceded any bargaining authority. Agencies continue to retain the bargaining authority to seek to be released from binding arbitration.

A local agency may agree to binding arbitration to resolve impasse during bargaining or as a method to resolve disciplinary matters. Monterey County has not agreed to binding arbitration to resolve bargaining issues. However, Monterey County did at some point agree to binding arbitration for disciplinary appeals for some of its employees. In the recent past, the County was able to utilize its bargaining authority and reached an agreement to be released from binding arbitration for disciplinary appeals.

Finding F1.3: *A vote of the electorate before granting increased retirement benefits has not been implemented as a check on overspending.*

Response F1.3: The respondent partially disagrees with the finding. The existing check on overspending is the public hearing process.

Finding F1.4: *Some agencies may allow retired employees to come back to work part time at the same agency and receive retirement and a salary, provided they don't work more than 960 hours per year, the maximum allowed by CalPERS.*

Response F1.4: The respondent agrees with the finding.

Finding F1.5: *Some agencies may have practices that allow employees to increase or "spike" their base year salaries by converting unused sick leave or vacation leave to salary during their last year of employment.*

Response F1.5: The respondent wholly disagrees with the finding. Monterey County does not permit the conversion of leave into salary during their last year of employment for the purpose of increasing their CalPERS annuity. Additionally, PERS law prohibits such salary spiking and will not consider final year conversions of leave as salary unless they are specifically included in the agency contract.

REPORT TITLE: Public Employees' Retirement System in Monterey County - CalPERS
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RESPONSE TO: Findings F1.1 – F1.12

Finding F1.6: *The practice of offering an employee up to two years unearned credit for retirement in exchange for taking an early retirement (“a Golden Handshake”), as authorized by Section 20903 of the Government Code, may be subject to abuse.*

Response F1.6: The respondent agrees with the finding. Any benefit authorized by law or regulation may be subject to abuse.

Finding F1.7: *Some employees do not pay an appropriate CalPERS retirement share.*

Response F1.7: The respondent partially disagrees with the finding. The appropriate share is defined by the County as the share established through the exercise of management authority (or policy) or collective bargaining. Some County employees pay 2%. The majority of employees pay nothing. The County agrees that paying a share of zero is indistinguishable from not paying. However, the County's position is that the payment on their behalf is properly considered earned compensation indistinguishable from wages. The employees earn the payment made on their behalf. The County does not discuss current or future negotiations with employee organizations in a public forum. Therefore, the County cannot commit to any specific bargaining position.

Finding F1.8: *Some employees may pay for all optional CalPERS benefits. Some employees may pay for some or a portion of some of these benefits, and some may pay nothing for optional benefits received.*

Response F1.8: The respondent partially disagrees with the finding. See response to F1.7 above.

Finding F1.9: *Some agencies have no caps on the maximum amount of time one can accumulate in sick leave or vacation leave.*

Response F1.9: The respondent wholly disagrees with the finding. All Monterey County employees are subject to limits on the accruals of sick or vacation leave. The Federal Fair Labor Standards Act also imposes limitations on accruals.

Finding F1.10: *The California Legislature could enact changes that would limit new employees to 2% @ 55 for Safety with a 90% of salary retirement cap and 2% @ 60 for Miscellaneous in the CalPERS system with a 36-month salary base for each.*

Response F1.10: The respondent agrees with the finding.

Finding F1.11: *CalPERS could be made more affordable to the agencies if new employees were provided, in lieu of benefits accorded to existing employees, a second-tier of benefits of 2% @ 55 for Safety employees with a 90% of salary retirement cap and 2% @ 60 for Miscellaneous employees, each with a 36-month salary base.*

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RESPONSE BY: Monterey County Board of Supervisors
RESPONSE TO: Findings F1.1 – F1.12

Response F1.11: The respondent agrees with the finding, though the affordability would not be realized for a significant period of time (beginning 5 years out from the action).

Finding F1.12: *Some MOU's may not allow the reopening of negotiations to make prospective changes to salary and benefits in the event of unforeseen dire economic circumstances.*

Response F1.12: The respondent agrees with the finding.

REPORT TITLE: Public Employees' Retirement System in Monterey County - CalPERS
RESPONSE BY: Monterey County Board of Supervisors
RESPONSE TO: Recommendations R1.1 – R1.12

Recommendation R1.1: *Continue to participate in the CalPERS retirement system. [Related Finding: F1.1]*

Response R1.1: The respondent has implemented this recommendation. The County is a CalPERS member agency.

Recommendation R1.2: *Abolish binding arbitration in labor matters. [Related Finding: F1.2]*

Response R1.2: The recommendation will not be implemented because it is not warranted or is not reasonable. (The County cannot comment on its bargaining strategy). Binding arbitration has been removed from provisions of one MOU. In other negotiations, proposals for binding arbitration have not been accepted. The County does not discuss current or future negotiations with employee organizations in a public forum. Therefore, the County cannot commit to any specific bargaining position.

Recommendation R1.3: *Require a vote of the electorate as a prerequisite to increase retirement benefits and thereby limit spending. [Related Finding: F1.3]*

Response R1.3: The recommendation will not be implemented because it is not warranted or is not reasonable. The County has no intention to increase retirement benefits. Under current PERS law, any change in benefits results in a contract amendment. Such amendments are time driven and approved by the Board of Supervisors via resolution process in accordance with PERS law. This recommendation would need input from CalPERS. Requiring a vote of the electorate is a policy decision under the purview of the Board of Supervisors.

Recommendation R1.4: *Do not allow those who have retired from the agency to be re-employed by the same agency on a part-time basis. [Related Finding: F1.4]*

Response R1.4: The recommendation will not be implemented because it is not warranted or is not reasonable. Retired officials are retained from time to time by agencies because of their unique knowledge and expertise and to assist in the transition of recruitment for permanent employees.

Recommendation R1.5: *Prevent "spiking" the base salary. [Related Finding: F1.5]*

Response R1.5: The respondent has implemented this recommendation. The County's policies are consistent with existing laws and regulations which prohibit pension spiking.

Recommendation R1.6: *Do not offer a "Golden Handshake." [Related Finding: F1.6]*

Response R1.6: The recommendation will not be implemented because it is not warranted or is not reasonable. (The County cannot comment on its bargaining strategy). In the past,

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RESPONSE TO: Recommendations R1.1 – R1.12

the County has decided not to offer Golden Handshakes as available under Government Code §20903. In the future, the County anticipates reviewing the pros and cons of offering Golden Handshakes as available under Government Code §20903. That analysis will not be made public, as the County does not discuss current or future negotiations with employee organizations in a public forum. Therefore, the County cannot commit to any specific bargaining position.

Recommendation R1.7: *Require employees to pay the CalPERS employee contribution rate. [Related Finding: F1.7]*

Response R1.7: The recommendation will not be implemented because it is not warranted or is not reasonable. (The County cannot comment on its bargaining strategy. The County agrees that requiring employees to pay the CalPERS employee contribution can have an immediate effect on reducing County expenditures. The County is also aware that this option is not the only option available (the County may eliminate positions, reduce services, etc.). As noted above, the County does not discuss current or future negotiations with employee organizations in a public forum. Therefore, the County cannot commit to any specific bargaining position.

Recommendation R1.8: *Require employees to pay for all optional CalPERS benefits. [Related Finding: F1.8]*

Response R1.8: The recommendation will not be implemented because it is not warranted or is not reasonable. (The County cannot comment on its bargaining strategy). The County agrees that requiring employees to pay for optional CalPERS benefits can have an immediate effect on reducing County expenditures. The County is also aware that this option is not the only option available (the County may eliminate positions, reduce services, etc.). As noted above, the County does not discuss current or future negotiations with employee organizations in a public forum. Therefore, the County cannot commit to any specific bargaining position.

Recommendation R1.9: *Place a cap on the maximum amount of sick leave and vacation leave an employee can accumulate. [Related Finding: F1.9]*

Response R1.9: The respondent has implemented this recommendation. The County's MOU's and personnel policies cap sick leave and vacation accruals.

Recommendation R1.10: *Urge passage of legislation that new hires are limited to 2% @ 60 for Miscellaneous employees, 2% @ 55 for Safety employees with a 90% of salary retirement cap, and a 36-month salary base for each. [Related Finding: F1.10]*

Response R1.10: The recommendation will not be implemented because it is not warranted or is not reasonable. The support or opposition of state legislation is a policy matter under the purview of each County's Board of Supervisors.

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RESPONSE BY: Monterey County Board of Supervisors
RESPONSE TO: Recommendations R1.1 – R1.12

Recommendation R1.11: *Contract for a CalPERS retirement benefit for newly hired employees of 2% @ 55 for Safety employees with a 90% of salary cap and 2% @ 60 for Miscellaneous employees with a 36-month salary base for each. [Related Finding: F1.11]*

Response to R1.11: The recommendation will not be implemented because it is not warranted or is not reasonable. (The County cannot comment on its bargaining strategy). The County agrees that requiring new employees to accept a lower tier of CalPERS benefits can result in lower retirement expenditures in out years. The drawback of such a plan is that it does not create an immediate reduction in expenditures. The County is also aware that this option is not the only option available (the County may eliminate positions, reduce services, etc.). As noted above, the County does not discuss current or future negotiations with employee organizations in a public forum. Therefore, the County cannot commit to any specific bargaining position.

Recommendation R1.12: *In all future MOU's, reserve the right to reopen negotiations in the event of unforeseen dire economic circumstances to make changes to salary and benefits with no reduction to salary and/or benefits already earned. [Related Finding: F1.12]*

Response R1.12: The recommendation will not be implemented because it is not warranted or is not reasonable. (The County cannot comment on its bargaining strategy). The County agrees that MOU's that permit the employer to reopen contracts is to the advantage of the employer. However, the County retains management rights even with a closed contract to reduce expenditures by eliminating positions and reducing services. As noted above, the County does not discuss current or future negotiations with employee organizations in a public forum. Therefore, the County cannot commit to any specific bargaining position.

REPORT TITLE: Trauma Care and Emergency Medical Evacuation in Monterey County
RESPONSE BY: Monterey County Board of Supervisors
RESPONSE TO: Findings F2.1 – F2.6

Finding F2.1: *Monterey County does not have a trauma center, and all MTV's are transported out-of-county for trauma care.*

Response F2.1: The respondent agrees with the finding.

Finding F2.2: *Monterey County emergency responders are doing an excellent job of following the MAP triage algorithm, and the county's over-triage rate is low when compared to the national average.*

Response F2 .2: The respondent agrees with the finding.

Finding F2.3: *In the past, the EMSA has not adequately collected, analyzed, or reported trauma data on a regular basis. This is due, in part, to insufficient staff assigned to this task.*

Response F2 .3: The respondent partially disagrees with the finding. Whereas, the EMSA has not comprehensively collected, analyzed, and reported trauma data in the past, reports should be forthcoming. This is currently a priority for staff and transportation agencies.

Finding F2.4: *HEMES is an appropriate method to transport MTV's to out-of-county trauma centers in the absence of a local trauma center. Monterey County will still have a need for HEMES even with designation of the local trauma center, due to the county's unique geography and population distribution.*

Response F2.4: The respondent agrees with the finding.

Finding F2.5: *Due to a high non-reimbursement rate and the fact that Monterey County does not subsidize HEMES, an unfair burden is placed on those MTV's with the financial ability to pay.*

Response F2.5: The respondent agrees with the finding. The practice of cost shifting from uninsured to insured is prevalent in medical care.

Finding F2.6: *CALSTAR is doing a high-quality job of trauma transport. The agreement between Cal star and Monterey County is out of date.*

Response F2.6: The respondent agrees with the finding.

REPORT TITLE: Trauma Care and Emergency Medical Evacuation in Monterey County
RESPONSE BY: Monterey County Board of Supervisors
RESPONSE TO: Recommendations R2.1 – R2.6

Recommendation R2.1: *The EMSA and the County Board of Supervisors need to initiate steps toward designation of a Level II or Level III county-based trauma center by appointing a County Trauma Director and updating the Trauma Care System Plan. [Related Finding: F2.1]*

Response R2.1: The recommendation has been implemented. The County has hired a trauma system consultant who is in the process of updating the 2007 Trauma Plan to include an application and designation process for either a level II or level III trauma center. The plan will also contain suggested staffing, including a Trauma Director, to maintain the trauma system.

In addition, several local hospitals in Monterey County are working with consultants to assess the operational and financial feasibility of obtaining trauma center designation for their respective facilities.

Recommendation R2.2: *The EMSA must continue to monitor and assess data pertinent to the execution of the MAP guidelines at the scene to ensure that guidelines are appropriately followed. [Related Finding: F2.2]*

Response R2.2: The recommendation has been implemented. The EMSA will continue to monitor and assess data pertinent to the execution of the MAP guidelines at the scene to ensure that guidelines are properly followed. Additionally, with the implementation of the updated trauma system additional data will come available to further evaluate the utilization of MAP guidelines.

Recommendation R2.3: *The EMSA must fund additional staff and develop an ongoing process to collect analyze, and report all pertinent trauma data to assess the effectiveness of the County Trauma Care System Plan. [Related Finding: F2.3]*

Response R2.3: The recommendation has not yet been implemented, but will be implemented. Human resources is studying the qualifications for a trauma nurse coordinator position and the feasibility of changing the classification of the vacant Management Analyst position to a Trauma Nurse. The additional analysis and subsequent findings will be implemented in concert with the update of the Monterey County Trauma Plan.

Recommendation R2.4: *The EMSA must continue to incorporate HEMES into the County trauma care system plan, even after the development of the local trauma center. [Related Finding: F2.4]*

Response R2.4: The recommendation has not yet been implemented, but will be implemented. The County has hired a trauma system consultant who is in the process of updating the 2007 Trauma Plan to include an application and designation process for a Monterey County trauma center. Additionally, the trauma plan will include any necessary updates to patient destination and helicopter dispatch policies. The updated trauma plan is currently scheduled to be completed by August 1, 2011. Subsequent to Board of Supervisors

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RESPONSE TO: Recommendations R2.1 – R2.6

approval and State Emergency Medical Services Authority approval, any necessary policy changes will be completed.

Recommendation R2.5: *The EMSA and the County Board of Supervisors should consider alternative forms of funding/reimbursement to help cover the cost of transporting MTV's who cannot pay for HEMES. [Related Finding F2.5]*

Response R2.5: The recommendation has been implemented. Staff will continue to monitor other State and federal programs that may provide reimbursement for any health care services, including trauma and HEMES.

Recommendation R2.6: *The EMSA and the County Board of Supervisors should develop an updated Memorandum of Understanding to secure CALSTAR's services as the primary HEMES provider in the County. [Related Finding: F2.6]*

Response R2.6: The recommendation has not yet been implemented, but will be implemented in the future. It is anticipated that the EMS aircraft policy and provider agreements will be updated and put in place by September 30, 2011, subject to the rules and regulations relating to franchises and purchasing policies.

REPORT TITLE: Monterey County's Next Generation (NGEN) Radio Project
RESPONSE BY: Monterey County Board of Supervisors
RESPONSE TO: Findings F4.1 - F4.4

Finding F4.1: *The policy of discontinuing emergency dispatch services for agencies which don't obtain digital trunked radios upon implementation of the NGEN Radio Project is not in the best interest of the public.*

Response F4.1: The respondent wholly disagrees with the finding.

Background: The Monterey County Emergency Communications Department has operated a consolidated 911 Dispatch Center(s) for more than forty years. The ECUAC serves as a representative advisory body – advisory to the Department Director, the CAO and, through the Emergency Communications Policy Advisory Council, the Board of Supervisors – on matters relating to policy, fiscal, and service level issues. Because of this long-standing oversight relationship ECUAC was directed by the Cities and Fire Districts to serve as the governing body of the NGEN Radio Project.

The dispatch operation is an essential element, and hub, of the new radio system, which will provide the tools for all field users to better communicate with each other and with Dispatch to serve the public. Much work has been done over the last several years to improve and standardize dispatch operations within and across disciplines (Fire, Law Enforcement and EMS). This level of standardization streamlines dispatch policies and procedures; shortens the amount of time it takes to train a dispatcher to serve thirty separate agencies; and lowers costs for all participants.

The new NGEN Radio System will allow for even greater efficiencies with field units able to access multiple “talk groups” (instead of one-to-one radio channels). Units can communicate with each other on a talk group without being interrupted by car to dispatch traffic, and the system will queue traffic to dispatch, letting someone with a non-emergency transmission know the channel is busy – and importantly allowing the dispatcher to hear the first unit's traffic instead of two or three units talking at once, which sounds totally garbled, requiring that everything must be repeated.

Agencies not wishing to participate in the NGEN Radio Project are responsible for their own radio communications system. The cost and operational impact associated with integration of another radio system into the current dispatch center is unknown and unplanned. The analog overlay is a part of the NGEN Radio Project and provides specific functionality for firefighter paging, rural coverage and interoperability. The analog overlay does not have capacity to also function as a service for primary radio communications.

It is for all of the above described reasons that ECUAC promulgated the policy that agencies served by County Communications must also participate in the NGEN Radio System. In addition to meeting the FCC mandate to narrowband by January 1, 2013, the NGEN system provides for greatly increased capacity, better frequency utilization, greatly expanded interoperability across disciplines (fire, law, EMS, public works/local government), improved officer and firefighter safety, more efficient use of airtime, and improved utilization of dispatch resources. Maintaining the old inefficient model for individual

REPORT TITLE: Monterey County's Next Generation (NGEN) Radio Project
RESPONSE BY: Monterey County Board of Supervisors
RESPONSE TO: Findings F4.1 – F4.4

agencies is not cost effective, does not well serve the agencies or the public, and is therefore not in the best interest of the public.

Finding F4.2: *If they are denied access to Monterey County 9-1-1 dispatching services, agencies facing tough financial circumstances might be able to reduce their overall communications costs by foregoing participation in the NGEN Radio Project and finding or establishing a dispatching service alternative to the Monterey County 9-1-1 dispatch center.*

Response F4.2: The respondent wholly disagrees with the finding. The following two key reasons are provided:

1. While the respondent has not specifically completed cost comparisons on a per agency basis, about half of the agencies that participate in the County 9-1-1 Dispatch Center receive 24 x 7 dispatch services for less than the cost of a single staff person. It is precisely because we are highly consolidated that all participants benefit from significant cost savings. Several agencies have done cost analyses over the years to determine the feasibility of providing their own dispatch service, but none have done so. All Cities, Fire Districts, and the County are “*facing tough financial circumstances*”, and all are making difficult choices with scarce resources.
2. Planning for the NGEN System began in 2004. Over the last seven years there has been ample opportunity for each agency to assess continuing to participate in the consolidated dispatch center and the NGEN project. Most importantly, in 2009 when participants were asked to sign the NGEN Governance and Financing Agreement, several agencies did review their options and chose to stay in the system. Having signed the agreement upon which the functional requirements for the new system were determined, the Request for Proposal was published, and much work was done – by many agency representatives –to negotiate the best possible contract for the lowest possible cost; it is not possible at this late stage to undo all the work and all of the agreements. On December 7, 2010 a contract with the chosen vendor, and private financing for a thirteen year term, were approved by the Monterey County Board of Supervisors acting as the lead agency for the NGEN partnership.

Finding F4.3: *The scarcity of and demand for uncongested public safety radio frequencies in our region make clear the importance of protecting existing FCC licenses against unintended expiration and securing needed new licenses as rapidly as possible.*

Response F4.3: The respondent agrees with the finding. The Monterey County Information Technology Department (ITD) has designated staff responsible for ensuring that FCC licenses for all public safety agencies in Monterey County are maintained and protected. In addition to a list of frequencies maintained by the Telecommunications Division of ITD, staff regularly performs a “geo search” of the FCC database to assure that no new licenses are missed.

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RESPONSE TO: Findings F4.1 – F4.4

County ITD adds the following response: The County's FCC licensing office was set up before Y2K by the County IT/Telecom group to monitor and review FCC licenses in the County. The intent was to ensure that there was a process in place to enable any area FCC license to be kept current and accurate. The relicense service, necessary for County agencies, is also offered to local agencies in "advise and assist" capacity, at no charge and with no conditions for future use of the frequencies. The renewed license assignment is always left as local agency although ownership correctly remains with the FCC.

Finding F4.4: *It is appropriate for client agencies wishing to do so to obtain and maintain FCC licenses in their own names for the frequencies they use.*

Response F4.4: The respondent agrees with the finding. Licenses were updated to include the County of Monterey contact information to assure that the recipients of notices understand and take necessary actions. The County maintains a database that includes the use and original owner or all frequencies.

REPORT TITLE: Monterey County's Next Generation (NGEN) Radio Project
RESPONSE BY: Monterey County Board of Supervisors
RESPONSE TO: Recommendations R4.1 - R4.6

Recommendation R4.1: *Allow agencies not wishing to participate in the NGEN Radio Project or which don't obtain digital trunked radios to continue to receive dispatch services (operating on the analog overlay, if necessary). [Related Finding: F4.1]*

Response R4.1: The recommendation will not be implemented because it is not reasonable. VHF frequencies that can be used throughout Monterey County without interference are an extremely scarce resource. Of the frequencies currently in use there are a limited number that can be used countywide and those will be used in the digital trunked system or analog overlay as needed. Only three channels (frequencies or pairs of frequencies) are planned for the analog overlay, which is intended for the limited communications that take place in rural areas not covered by the digital trunked system, fire paging, and interoperability. (See also the Response to Findings F4.1 and F4.2, Paragraph 2).

Recommendation R4.2: *After fulfilling any existing contractual commitment but before making any further substantial purchases of radio equipment, evaluate the feasibility of cash-strapped fire agencies contracting with CAL FIRE or with others for fire dispatch services. [Related Finding F4.2]*

Response R4.2: The recommendation will not be implemented because it is not warranted and is not reasonable. See Response to Finding F4.2 for a detailed response to the related Finding. Prior to the execution of the NGEN Governance and Financing Agreement in 2009, at least two fire districts did investigate and review alternatives, including CAL FIRE, before signing – or choosing not to sign – the Agreement.

Recommendation R4.3: *After fulfilling any existing contractual commitment but before making any further substantial purchases of radio equipment, evaluate the feasibility of Monterey Peninsula police agencies contracting with the City of Carmel-by-the-Sea or with others for police dispatch services. [Related Finding F4.2]*

Response R4.3: The recommendation will not be implemented because it is not reasonable. As described in Response to Finding F4.2, all agencies participating in the new radio system signed the NGEN Governance and Financing Agreement in 2009, and participated – or were represented – on several teams/committees working to confirm and describe functional requirements that will meet all agencies needs; wrote and released the NGEN RFP; reviewed proposals received and performed thorough reference checks and site visits; and negotiated the best possible contract for the lowest possible cost with the chosen vendor. That contract and the private financing arranged to pay for the system infrastructure over 13 years was approved by the County Board of Supervisors on December 7, 2010.

Regarding the feasibility of the City of Carmel-by-the-Sea providing 9-1-1 Dispatch services, the respondent has the utmost respect for the City Police Department's well trained dispatch staff that well serves its 4,000 residents and visitors, but is compelled to make two points:

REPORT TITLE: Monterey County's Next Generation (NGEN) Radio Project
RESPONSE BY: Monterey County Board of Supervisors
RESPONSE TO: Recommendations R4.1 – R4.6

1) The City's dispatch center is very small, with normally one dispatcher on duty, and the capacity for a second dispatcher during extraordinary events. The County Center has 24 dispatch positions with normal staffing of 13 to 16 dispatchers on duty (depending on the time of day/night); 3 dispatchers dedicated to peninsula police radio channels nearly 24x7; and with significant capacity to handle a large influx of 9-1-1 calls and/or assist any agency with extra dispatch help during emergencies and major events.

2) Carmel-by-the-Sea is also a participant in the NGEN Radio System – for both their Fire Department (dispatched by the County), and their Police Department. Therefore, they would have the same issues, described in Response to Findings F4.1, paragraphs 3-4. Also note there are no "others" within Monterey County identified to provide public safety dispatch services, and the start up costs to create a new dispatch center would be prohibitive and would likely take at least two years to complete.

Recommendation R4.4: *After fulfilling any existing contractual commitment but before making any further substantial purchases of radio equipment, evaluate the feasibility of South Monterey County police agencies contracting with others or cooperating to establish their own joint police dispatch services. [Related Finding F4.2]*

Response R4.4: The recommendation will not be implemented because it is not reasonable. (See Response to Recommendation R4.3 and Finding F4.1 and F4.2 paragraph 2). The connection between obtaining dispatch services from the County 9-1-1 Dispatch Center and the NGEN Radio System is described in Finding F4.1. Regarding dispatch services, as described in the 9-1-1 Dispatch Service Agreement, any agency may terminate the Agreement with two years notice (or a lesser term if approved by ECUAC). However, such alternative dispatch service would not affect the agency(s) commitment to participate in the NGEN Radio System, pursuant to their approval of the NGEN Agreement in 2009.

Recommendation R4.5: *Immediately obtain and secure the use of FCC licenses for all frequencies anticipated to be used in or in connection with the NGEN Radio Project and continue to maintain all licenses for frequencies already in use by client agencies, to the extent that such licenses are not already maintained by the agencies. [Related Finding: F4.3]*

Response R4.5: The recommendation has been implemented. The County of Monterey has been maintaining all licenses for frequencies in use by client agencies. In addition, the County- on behalf of NGEN participating agencies – has been actively seeking additional frequencies to be licensed for use in the County, to further improve the capacity and flexibility of the system.

Recommendation R4.6: *If requested by a client agency, transfer existing licenses or obtain new licenses from the FCC for the frequencies used by that agency, naming the agency as licensee and bearing the contact information such person and address as the agency may designate. [Related Finding F4.4]*

REPORT TITLE: Monterey County's Next Generation (NGEN) Radio Project
RESPONSE BY: Monterey County Board of Supervisors
RESPONSE TO: Recommendations R4.1 – R4.6

Response R4.6: The recommendation has been implemented. As stated in Finding F4.4 the County updated license information to reflect the County's contact information only to assure that the individual receiving information understood the correct action to take. Attachment 3 of the 2009 NGEN Governance and Financing Agreement makes clear the County's intent to assist agencies that do not participate with licensing frequency spectrum for their use.

REPORT TITLE: Suppression, Intervention, Prevention: Three Pillars of Fighting Gang Activity
in Monterey County
RESPONSE BY: Monterey County Board of Supervisors
RESPONSE TO: Findings F5.1 - F5.7

Finding F5.1: *CASP has made tremendous progress in working with Ceasefire to reduce gang violence in the city of Salinas.*

Response F5.1: The respondent agrees with the finding.

Finding F5.2: *CASP continues to modify its programs and goals to maximize its effectiveness by engaging the community.*

Response F5.2: The respondent agrees with the finding.

Finding F5.3: *Ceasefire's primary strategy is suppression. As a result of its outreach, it is also involved in intervention of gang violence.*

Response F5.3: The respondent agrees with the finding.

Finding F5.4: *Through a CalGRIP grant, the Four Cities for Peace have joined in a cooperative effort to reduce gang crime in that area of the Salinas Valley.*

Response F5.4: The respondent agrees with the finding.

Finding F5.5: *Salinas is one of six cities in the United States which is receiving special advice and financial aid from state and federal agencies. This is a result of successful gang violence intervention programs such as CASP and Ceasefire.*

Response F5.5: The respondent agrees with the finding.

Finding F5.6: *MCOE administers a wide range of programs to assist the students and young adults within the county. MCOE works as a team in strategic ways to meet the needs of this community in spite of tight budget constraints.*

Response F5.6: The respondent agrees with the finding.

Finding F5.7: *Rancho Cielo is the result of creative leadership and collaboration and provides opportunities both vocationally and academically to at-risk youth by providing a positive and nurturing environment.*

Response F5.7: The respondent agrees with the finding.

REPORT TITLE: Suppression, Intervention, Prevention: Three Pillars of Fighting Gang Activity in Monterey County
RESPONSE BY: Monterey County Board of Supervisors
RESPONSE TO: Recommendations R5.1 - R5.7

Recommendation R5.1: *CASP should continue to work with and combine strategies with Ceasefire and all agencies that can enhance the CASP goals. [Related Finding: F5.1]*

Response R5.1: While this is a worthwhile goal, CASP activities are outside the County's direct jurisdiction. Through its participation in the CASP membership, the County will continue to promote collaboration among partner agencies.

Recommendation R5.2: *Because the success of CASP depends on the expanding and continual support of the Salinas community, CASP should continue to find more methods and strategies of drawing in public support. [Related Finding: F5.2]*

Response R5.2: While this is a worthwhile goal, CASP activities are outside the County's direct jurisdiction. Through its participation in the CASP membership, the County will continue to promote methods and strategies for community participation and support.

Recommendation R5.3: *Since an important part of the Ceasefire strategy is the ongoing support of the gang members who elect to leave the lifestyle, Ceasefire strategy must continue to include Rancho Cielo and the programs offered by that organization. [Related Finding: F5.3]*

Response R5.3: While this is a worthwhile goal, Ceasefire activities are outside the County's direct jurisdiction. Through its participation in the Ceasefire model as well as Rancho Cielo, the County will continue to promote alternatives and services to offenders who embrace a lifestyle alternative to gangs.

Recommendation R5.4: *Every effort must be made by the leaders in the Four Cities for Peace to establish and maintain effective communication and a database of shared information. [Related Finding: F5.4]*

Response R5.4: While this is a worthwhile goal, Four Cities for Peace's activities are outside the County's direct jurisdiction. The County of Monterey has actively participated in this project in the grant application process, managing referrals to the Silver Star Gang Prevention and Intervention program, and attending the Four Cities for Peace's monthly meetings.

Recommendation R5.5: *All of the ongoing suppression, intervention, and prevention successes should be documented and presented to state and federal agencies on a regular basis to secure continued support. [Related Finding: F5.5]*

Response R5.5: The recommendation has been implemented. As far as programs under the purview of the County of Monterey, all ongoing suppression, intervention, and prevention successes – as well as challenges – are periodically documented in the progress reports required by federal and state grantors.

REPORT TITLE: Suppression, Intervention, Prevention: Three Pillars of Fighting Gang Activity in Monterey County
RESPONSE BY: Monterey County Board of Supervisors
RESPONSE TO: Recommendations R5.1 - R5.7

Recommendation R5.6: *MCOE should continue to work with the many agencies to keep students interested in education and the future it provides. This should include both traditional schooling and expanded alternative ways of educating. [Related Finding: F5.6]*

Response R5.6: MCOE activities are outside the County's direct jurisdiction. Historically, MCOE has implemented traditional and alternative methodologies to educate youth, and partnered with local agencies to provide support services to its students. The Monterey County Probation Department has established important partnerships with the Monterey County Office of Education toward furthering these objectives.

As an example, the Probation Department maintains Memoranda of Understanding with the Monterey County Office of Education for the following programs:

1. Community Schools - Salinas, Seaside, Boronda and the Repeat Offender Prevention Program (ROPP) - assist in funding of Deputy Probation Officers and Probation Aides to provide services for the safe, orderly and effective operation and to enhance the level of attendance in the classrooms.
2. Through and Beyond-Transition to Success - collaborative grant program funded by the Pupil Retention Block Grant awarded to MCOE coordinates personalized support services for youth transitioning out of the Youth Center.
3. Silver Star Resource Center (Silver Star Gang Prevention and Intervention Program) - MCOE provides the Independent Study program for youth attending the SSGPI. MCOE assists in the funding of a Probation Officer to monitor attendance, monitor completion of school district readmission requirements, supervise probationers attending the SSGPI School.
4. Juvenile Hall - MCOE provides the educational services at Juvenile Hall.
5. Youth Center - MCOE provides the educational services at the Youth Center.
6. Rancho Cielo - MCOE provides the educational services at Rancho Cielo for the Silver Star Day Treatment Program.

Recommendation R5.7: *Rancho Cielo should continue with its vision and expand the vocational training that it offers, especially those programs that benefit the industries of Monterey County. [Related Finding: F5.7]*

Response R5.7: While this is a worthwhile goal, Rancho Cielo activities are outside the County's direct jurisdiction. The County maintains a solid partnership with Rancho Cielo and the local private industry, with the goal of offering employment opportunities for youth and matching them with the needs of the local job market.

REPORT TITLE: Salinas Valley Water Project Rubber Dam
RESPONSE BY: Monterey County Water Resources Agency
RESPONSE TO: Findings F7.1 - F7.11, Except F7.4

Finding F7.1: *The variable height of the OGS allows for flood control for the safety of the community.*

Response F7.1: The respondent agrees with the finding.

Finding F7.2: *OGS is an innovative, cost effective means to retrofit existing concrete structures.*

Response F7.2: The respondent agrees with the finding.

Finding F7.3: *The OGS has reduced aquifer overdraft.*

Response F7.3: The respondent partially disagrees with the finding. The SVWP is designed to stop seawater intrusion, balance the Salinas Valley groundwater basin, and provide additional water supplies for the planning horizon of 2030.

Finding F7.5: *The OGS has improved river water quality by using “flow triggers.”*

Response F7.5: The respondent agrees with the finding.

Finding F7.6: *Fish passage has been improved.*

Response F7.6: The respondent agrees with the finding.

Finding F7.7: *Fish abundance studies have only just started and are not complete.*

Response F7.7: The respondent agrees with the finding.

Finding F7.8: *The Lower Salinas River does not have suitable spawning or rearing habitat.*

Response F7.8: The respondent agrees with the finding.

Finding F7.9: *That 480 salmonid fish were caught in the Arroyo Seco River, a tributary of the Salinas Basin River, demonstrates that fish can get up river.*

Response F7.9: The respondent agrees with the finding.

Finding F7.10: *The use of a “flow prescription” improves water flow and condition for fish.*

Response F7.10: The respondent agrees with the finding.

Finding F7.11: *The Salinas River consistently has the lowest water quality in Monterey County, as reported by the Coastal Watershed Council.*

REPORT TITLE: Salinas Valley Water Project Rubber Dam
RESPONSE BY: Monterey County Water Resources Agency
RESPONSE TO: Findings F7.1 - F7.11, Except F7.4

Response F7.11: The respondent partially disagrees with the finding. Water quality in the Salinas River varies greatly both spatially and temporally. Ambient winter storm driven flows can carry significant amounts of sediment but generally are of good quality. Reservoir released waters are also of good quality. Salinas River Lagoon water quality when the river mouth is sealed by naturally occurring sand bars can have poor water quality. The Old Salinas River Estuary and the Salinas River Lagoon have been impacted by nutrients, organic pesticides and sedimentation.

REPORT TITLE: Salinas Valley Water Project Rubber Dam
RESPONSE BY: Monterey County Water Resources Agency
RESPONSE TO: Recommendations R7.1 - R7.7, Except R7.3

Recommendation R7.1: *The MCWRA should explore other ways as innovative as the rubber dams to increase the storage capacity and safety of existing dams for the community. [Related Findings: F7.1, F7.2]*

Response R7.1: The recommendation has been implemented. The proposed development of brackish water supply wells for the Regional Desalination Project is another example of innovative water supply development for Monterey County. The MCWRA mission is to enhance and protect Monterey County water quantities and quality for current and future generations, and MCWRA is charged with implementing innovative programs for development and protection of County water supplies. The twelve-year old Salinas Valley Reclamation Plant and the Castroville Seawater Intrusion project are two other successful innovative projects brought forward by the MCWRA.

Recommendation R7.2: *The MCWRA needs to continue studies to determine if the OGS are reducing overdraft of the aquifer. [Related Finding: F7.3]*

Response R7.2: The recommendation has been implemented. The SVWP implementation includes a continuing monitoring program of the Salinas Valley groundwater basin for seawater intrusion and groundwater elevations to confirm seawater intrusion is halted and the groundwater basin is in balance. The MCWRA provides quarterly reports to its Board on water conditions in the Salinas Valley including precipitation, reservoir storage and groundwater level trends. In addition, they monitor and coordinate reporting of groundwater quality and coordination with other agencies, including the USGS as well as consultant resources.

Recommendation R7.4: *Continued environmental studies should be done to see if the “flow triggers” are an effective means of improving river water quality. [Related Findings: F7.5, F7.11]*

Response R7.4: The recommendation has been implemented. The Biological Opinion and Flow Prescription from National Marine Fisheries Service as part of the U.S. Army Corps of Engineers 404 permit requires the recommended studies continue.

Recommendation R7.5: *The MCWRA should extend the period in which fish are annually counted. [Related Findings: F7.6, F7.7, F7.8, F7.9, F7.10]*

Response R7.5: The recommendation will not be implemented because it is not warranted or is not reasonable. Biological Opinion and Flow Prescription from National Marine Fisheries Service as part of the U.S. Army Corps of Engineers 404 permit set the required monitoring and sampling protocols, and the MCWRA will comply with those requirements.

Recommendation R7.6: *The MCWRA should consult with National Marine Fisheries Service to establish a monitoring strategy for evaluating the Salinas Basin adult steelhead as they move through the Salinas River OGS. [Related Findings: F7.6, F7.7, F7.8, F7.9, F7.10]*

REPORT TITLE: Salinas Valley Water Project Rubber Dam
RESPONSE BY: Monterey County Water Resources Agency
RESPONSE TO: Recommendations R7.1 - R7.7, Except R7.3

Response R7.6: The recommendation has been implemented. The Biological Opinion and Flow Prescription from National Marine Fisheries Service as part of the U.S. Army Corps of Engineers 404 permit requires the recommended evaluation be conducted. The MCWRA has installed an innovative fish monitoring weir system for in-channel steelhead evaluation.

Recommendation R7.7: *The MCWRA should coordinate its water quality improvement strategies for the Salinas River with agencies such as the Coastal Watershed Council and the Monterey Bay National Marine Sanctuary. [Related Finding: F7.10]*

Response R7.7: The recommendation has been implemented. All three organizations have representatives on the ongoing Greater Monterey County Integrated Regional Water Management Planning effort.

REPORT TITLE: The Monterey County Regional Water Project
RESPONSE BY: Monterey County Board of Supervisors
RESPONSE TO: Findings F8.4, F8.8

Finding F8.4: *It would be in the public interest for MPWMD to have a role in the project, so as to make available its considerable water expertise.*

Response F8.4: The respondent agrees with the finding.

Finding F8.8: *The current desalination plan is to replace Carmel River water. Vital service upgrades for schools and nursing homes cannot happen without new water.*

Response F8.8: The respondent agrees with the finding.

REPORT TITLE: The Monterey County Regional Water Project
RESPONSE BY: Monterey County Board of Supervisors
RESPONSE TO: Recommendation R8.4

Recommendation R8.4: *MRWPCA, MCWD, MCWRA, and CalAm should continue to work to come to some agreement for participation of MPWMD. Because these agency positions may have become entrenched, the Monterey County Board of Supervisors is encouraged to intervene to facilitate some agreement to include MPWMD. [Related Finding: F8.4]*

Response R8.4: The recommendation will not be implemented because it is not warranted or is not reasonable. The Water Purchase Agreement (WPA) has established the role for each organization, and has been approved by each organization's governing body and the California Public Utilities Commission. However, the Board of Supervisors of the Water Resources Agency and signatories of the WPA are not precluded from amending that Agreement in the future to accommodate governance changes amenable to other stakeholders.

REPORT TITLE: The Monterey County Regional Water Project
RESPONSE BY: Monterey County Water Resources Agency
RESPONSE TO: Findings F8.4, F8.5, F8.6, F8.7, F8.8

Finding F8.4: *It would be in the public interest for MPWMD to have a role in the project, so as to make available its considerable water expertise.*

Response F8.4: The respondent agrees with the finding.

Finding F8.5: *There seems to be no independent financial oversight.*

Response F8.5: The respondent wholly disagrees with the finding. Each organization has independent financial oversight through its public budgeting and regular board processes, in effect providing the public with multiple independent financial reviews. In addition, a third party independent review of the project financing plan will be presented to each organization's decision making body.

Finding F8.6: *Peninsula recycled waste water is not being used to offset an equal amount of Salinas Basin water for export.*

Response F8.6: The respondent agrees with the finding. Since construction of the recycled water system in 1998 by the Water Resources Agency, surplus supplies of treated recycled water have been available during winter periods. To date, recycled water transmission and storage facilities have not been constructed by Monterey Peninsula jurisdictions to provide for beneficial reuse of this recycled water resource.

Finding F8.7: *There are many areas of concern in the technical aspects of this large-scale desalination project.*

Response F8.7: The respondent partially disagrees with the finding. While water quality parameters from the brackish wells are unknown, they will be determined during the testing period. However, desalting technologies are mature throughout the world and are readily available for this project.

Finding F8.8: *The current desalination plan is to replace Carmel River water. Vital service upgrades for schools and nursing homes cannot happen without new water.*

Response F8.8: The respondent agrees with the finding.

REPORT TITLE: The Monterey County Regional Water Project
RESPONSE BY: Monterey County Water Resources Agency
RESPONSE TO: Recommendations R8.2, R8.4, R8.5, R86, R8.7

Recommendation R8.2: *Grant the Municipal Advisor role a voting position, as many members are familiar with desalination operations. [Related Finding: F8.2]*

Response R8.2: The recommendation will not be implemented because it is not warranted or is not reasonable. The Water Purchase Agreement (WPA) has established the role for each organization, and has been approved by each organization's governing body and the California Public Utilities Commission. However, the Board of Supervisors of the Water Resources Agency and signatories of the WPA are not precluded from amending that Agreement in the future to accommodate governance changes amenable to other stakeholders.

Recommendation R8.4: *MRWPCA, MCWD, MCWRA, and CalAm should continue to work to come to some agreement for participation of MPWMD. Because these agency positions may have become entrenched, the Monterey County Board of Supervisors is encouraged to intervene to facilitate some agreement to include MPWMD. [Related Finding: F8.4]*

Response R8.4: The recommendation will not be implemented because it is not warranted or is not reasonable. The Water Purchase Agreement (WPA) has established the role for each organization, and has been approved by each organization's governing body and the California Public Utilities Commission. However, the Board of Supervisors of the Water Resources Agency and signatories of the WPA are not precluded from amending that Agreement in the future to accommodate governance changes amenable to other stakeholders.

Recommendation R8.5: *Consider the formation of an independent financial overview committee to review major functions of the project. [Related Finding: F8.5]*

Response R8.5: The recommendation has been implemented. Each organization has independent financial oversight through its public budgeting and regular board processes, in effect providing the public with multiple independent financial reviews. In addition, a third party independent review of the project financing plan will be presented to each organizations decision making body. However, the Board of Supervisors of the Water Resources Agency and signatories of the WPA are not precluded from amending that Agreement in the future to accommodate governance changes amenable to other stakeholders. Alternative governance models could include additional parties or an institutional framework providing additional financial oversight of the project. The County will not be establishing such a committee, but by action of the Board of Supervisors (BOS) of the Water Resources Agency on March 22, 2011, the BOS established the fact that they will hold monthly presentations, including financing and costs, and the public can weigh in on those issues at that time. Under the WPA, financial matters regarding this project are heard at public meetings of the 1) Board of Supervisors of the Water Resources Agency, 2) the Board of Directors of the Marina Coast Water District, the Board of Directors of the Water Resources Agency and 3) the Public Utilities Commission."

REPORT TITLE: The Monterey County Regional Water Project
RESPONSE BY: Monterey County Water Resources Agency
RESPONSE TO: Recommendations R8.2, R8.4, R8.5, R86, R8.7

Recommendation R8.6: *MPWMD and MCWRA should pursue legal clarification or adjudication to allow Peninsula recycled water to be used to offset an equal amount of Salinas Basin water for export to the Monterey Peninsula. [Related Finding: F8.6]*

Response R8.6: The recommendation will not be implemented because it is not warranted or is not reasonable. The Salinas Valley Reclamation Plant and the Castroville Seawater Intrusion Project (SVRP/CSIP) are the product of a series of agreements between the MCWRA and MRWPCA. The property owners in the entire Salinas Valley have paid all costs to date for the SVRP/CSIP projects. MRWPCA and MCWRA have already legally obligated the recycled water through existing contracts. There is also a Memorandum of Understanding between MCWD, MCWRA and MRWPCA for the development of an urban recycled water project.

Recommendation R8.7: *It would be prudent to continue work toward additional solutions for more water because of the technical high risk elements of this plan and to assist communities that need to upgrade their outdated municipal services. MCWRA, MPWMD, MRWPCA, and CalAm should pursue all avenues of finding new water for the community. [Related Findings: F8.7, F8.8]*

Response R8.7: The recommendation has been implemented. MCWRA, MCWD, MPWMD and MRWPCA are all part of the ongoing Integrated Regional Water Management Planning effort.

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

- a. Approve amended response to the 2010 Monterey County Grand Jury Final Report; and
b. Direct the County Administrative Officer to file the approved response with the Presiding Judge of the Superior Court, County of Monterey, by April 9, 2011.....

Upon motion of Supervisor Potter, seconded by Supervisor Armenta, and carried by those members present, the Board hereby;

- a. Approved amended response to the 2010 Monterey County Grand Jury Final Report with clarification as follows: "The County will not be establishing such a committee, but by action of the Board of Supervisors (BOS) of the Water Resources Agency on March 22, 2011, the BOS established the fact that they will hold monthly presentations, including financing and costs, and the public can weigh in on those issues at that time. Under the WPA, financial matters regarding this project are heard at public meetings of the 1) Board of Supervisors of the Water Resources Agency, 2) the Board of Directors of the Marina Coast Water District, the Board of Directors of the Water Resources Agency and 3) the Public Utilities Commission."; and
b. Directed the County Administrative Officer to file the approved response with the Presiding Judge of the Superior Court, County of Monterey, by April 9, 2011.

PASSED AND ADOPTED on this 29th day of March, 2011, by the following vote, to wit:

AYES: Supervisors Armenta, Calcagno, Salinas, Parker, and Potter

NOES: None

ABSENT: None

I, Gail T. Borkowski, 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 of Supervisors duly made and entered in the minutes thereof of Minute Book 75 for the meeting on March 29, 2011.

Dated: April 1, 2011

Gail T. Borkowski, Clerk of the Board of Supervisors County of Monterey, State of California

By [Signature] Deputy

STATE OF CALIFORNIA COUNTY OF MONTEREY

I, Gail T. Borkowski, Clerk of the Board of Supervisors, do hereby certify the foregoing to be a full, true and correct copy of the original Completed Board Order Item 16.1 of 3/29 meeting on file in my office.

Witness my hand and seal of the Board of Supervisors.

This 4th day of April 2011

GAIL T. BORKOWSKI Clerk of the Board of Supervisors

By: [Signature] Deputy

seal



Edward A. Simon II P 619.435.7404
Vice President, Operations F 619.435.7434
1033 B Avenue, Suite 200
Coronado, CA 92118
edward.simon@amwater.com

March 21, 2011

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

Re: Requested Response from California American Water to 2010 Civil Grand Jury Report on Monterey County Regional Water Project

Your Honor:

As you know, the 2010 Monterey County Civil Grand Jury Report included an investigation of the Monterey County Regional Water (Desalination) Project, prompted by "concerns over the fairness of governance, oversight, and feasibility as expressed by newspapers, editorials, and public testimony before the California Public Utilities Commission (CPUC) and the Administrative Law Judge (ALJ) during public hearings." California-American Water Company (California American Water) is pleased to provide this response to the Grand Jury's Findings and Recommendations.

California American Water is an investor-owned water (and wastewater) utility that provides water service to the cities of Carmel-by-the-Sea, Del Rey Oaks, Monterey, Pacific Grove, Sand City, and Seaside, and to portions of unincorporated Monterey County. The communities we serve have been facing water supply challenges for decades.

The Grand Jury Report specifically requested a response from California American Water on the following Findings and Recommendations:

Findings: F8.7 and F8.8

Recommendations: R8.7 and R8.8

California American Water's responses are as follows:

Finding F8.7. There are many areas of concern in the technical aspects of this large-scale desalination project.

Response to Finding F8.7. California American Water partially agrees with this finding. California American Water agrees that there are technical aspects of the Regional Desalination Project that will be challenging, which is the case for any desalination facility. We do not, however, believe that the technical challenges are a cause for concern. Desalination facilities have been successfully implemented throughout the world, and can reasonably be expected to be successful in Monterey County.

Finding F8.8. The current desalination plan is to replace Carmel River water. Vital service upgrades for schools and nursing homes cannot happen without new water.

Response to Finding F8.8. California American Water agrees with this finding.

Recommendation R8.7. It is prudent to continue work toward additional solutions for more water. [Related Findings: F8.7, F8.8]

Response to Recommendation R8.7. California American Water partially agrees with this recommendation. It would be prudent to continue to develop additional projects to improve Monterey County's water supply portfolio. The desirability of developing additional projects, however, is not a consequence of the "technical high risk elements" of the Regional Water Project. Instead, it is desirable for the reasons stated in Finding F8.8, as well as for continuing to protect the Seaside Groundwater Basin from seawater intrusion.

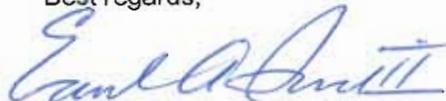
California American Water has been, and will continue to be, actively involved in pursuing projects that will add water to Monterey County's water supply portfolio. Examples of those projects include aquifer storage and recovery (capturing excess winter flows from the Carmel River and storing that water in the Seaside Basin), the Sand City desalination facility, and replacement of aging water mains.

Recommendation R8.8. The Grand Jury Report does not include a Recommendation R8.8.

Response to Recommendation R8.8. The Grand Jury Report does not include a Recommendation R8.8.

California American Water appreciates the opportunity to respond to the 2010 Monterey County Civil Grand Jury report. We are enthusiastic about continuing to work with our local public agencies and the communities we serve to address Monterey County's water supply challenges.

Best regards,



Edward A. Simon, II
Vice President, Operations

City of Carmel-by-the-Sea

POST OFFICE BOX CC
CARMEL-BY-THE-SEA, CA 93921
(831) 620-2000

April 11, 2011

The Honorable Adrienne M. Grover
Presiding Judge of the Superior Court
County of Monterey
240 Church Street
Salinas, CA 93901

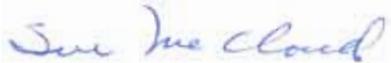
2010 MONTEREY COUNTY GRAND JURY FINAL REPORT

Dear Judge Grover:

Attached are the responses on behalf of the City of Carmel-by-the-Sea to the Findings and Recommendations of the 2010 Grand Jury.

These responses address Findings F1.1 to F1.12 and Recommendations R1.1 to R1.12 under the section entitled "Public Employee Retirement System in Monterey County" and Findings F8.1 and F8.2 and Recommendations R8.1 and R8.2 under the section entitled "Regional Water Project" contained in the 2010 Monterey County Civil Grand Jury Final Report.

Very truly yours,



Sue McCloud
Mayor

cc: Members of the City Council
Don Freeman, City Attorney

Attachment

**City of Carmel-by-the-Sea Response:
“Public Employee Retirement System in Monterey County”
Findings F1.1 to F1.12 and Recommendations R1.1 to R1.12**

F1.1. The CalPERS retirement system is worth retaining.

R1.1. Continue to participate in the CalPERS retirement system.

By virtue of its participation in the CalPERS retirement system, Carmel-by-the-Sea (hence, Carmel) is exposed to the uncertainty associated with a series of risks, including reliance on a risky asset portfolio to support payments that are specified and not subject to asset risks.

More information is needed to assess whether Carmel should continue to participate in the CalPERS retirement system. CalPERS regulations make it possible for the Council to request that CalPERS estimate the cost of exiting the retirement system. Our understanding is that the request for this estimate is non-binding and does not commit Carmel to any further action.

Carmel requests this “exit estimate” as a necessary first step in considering the costs and benefits of a possible withdrawal from the system and adoption of an alternative retirement plan better suited to the needs of the City and its employees.

F1.2. Those local agencies that have binding arbitration have ceded their collective bargaining authority and responsibility to an individual arbitrator.

R1.2. Abolish binding arbitration in labor matters.

We agree with the finding. Carmel’s current labor contracts do not provide for binding arbitration and we recommend that this practice continue.

F1.3. A vote of the electorate before granting increased retirement benefits has not been implemented as a check on overspending.

R1.3. Require a vote of the electorate as a prerequisite to increase retirement benefits and thereby limit spending.

Council should retain a full range of choices concerning its employees’ salaries, benefits and other contract terms. Thus, we do not concur with this recommendation. However, we recommend that public notice be made of any intention to enter into negotiations to significantly change retirement benefits in order to allow sufficient time for comments by interested parties.

F1.4 Some agencies may allow retired employees to come back to work part time at the same agency and receive retirement and a salary, provided they don't work more than 960 hours per year, the maximum allowed by CalPERS.

R1.4. Do not allow those who have retired from the agency to be re-employed by the same agency on a part-time basis.

Findings and Recommendations 4 through 9 relate to particular practices allowed within the CalPERS retirement system. The Grand Jury recommended that each of these be restricted. Carmel has avoided broad use of these practices and avoided use of some them entirely.

The City Council and administration should continue to have the full range of available choices in managing its employees, and recommends against imposing the restrictions in recommendations 4 through 9 categorically. However, it is prudent to avoid frequent use of these practices.

With regard to Recommendation 1.4, Carmel recommends continuation of the restriction that retired employees can only be hired on a part-time temporary basis with no benefits.

F1.5. Some agencies may have practices that allow employees to increase or “spike” their base year salaries by converting unused sick leave or vacation leave to salary during their last year of employment.

R1.5. Prevent “spiking” the base salary.

We concur that practices related to unused sick leave or vacation leave in the last year of employment have the potential to unduly increase pension costs. There are currently caps on accumulated sick and vacation leave in the City's Municipal Code and we recommend that they be continued. We also recommend that the City analyze the costs and benefits associated with changing such caps.

F1.6. The practice of offering an employee up to two years of unearned credit for retirement in exchange for taking an early retirement (“a Golden Handshake”), as authorized by Section 20903 of the Government Code, may be subject to abuse.

R1.6. Do not offer a “Golden Handshake.”

The Council and administration should continue to have the full range of choices in managing its employees and thus recommend against restricting the Council's ability to make such an offer. However, we recognize that any use of early retirement should be carefully considered, supported by a sound financial analysis indicating that the benefits of such an offer will outweigh the costs, and be endorsed by the City Council.

F1.7. Some employees do not pay an appropriate CalPERS retirement share.

R1.7. Require employees to pay the CalPERS employee contribution rate.

At present, Carmel employees pay the full share for the standard plans specified by CalPERS and we recommend that this practice be continued.

F1.8. Some employees may pay for all optional CalPERS benefits. Some employees may pay for some or a portion of some of these benefits and some may pay nothing for optional benefits received.

R1.8. Require employees to pay for all optional CalPERS benefits.

At present, Carmel uses plans that include an optional provision that bases retirement benefits on a single year's compensation rather than the average of amounts over three years. The additional required contribution is currently paid by the City.

We concur with the Grand Jury and recommend that Carmel require employees to pay for optional CalPERS benefits, to the extent permitted by CalPERS regulations and labor agreements.

F1.9. Some agencies have no caps on the maximum amount of time one can accumulate in sick leave or vacation leave.

R1.9. Place a cap on the maximum amount of sick leave and vacation leave an employee can accumulate.

We recommend continuation of caps such as those currently specified in the City's Municipal Code. We also recommend that the City analyze the costs and benefits associated with changing such caps.

F1.10. The California Legislature could enact changes that would limit new employees to 2% @ 55 for Safety with a 90% of salary retirement cap and 2% @ 60 for Miscellaneous in the CalPERS system with a 36-month salary base for each.

R1.10. Urge passage of legislation that new hires are limited to 2% @ 60 for Miscellaneous employees, 2% @ 55 for Safety employees with a 90% of salary retirement cap, and a 36-month salary base for each.

The City believes that it is important for CalPERS to offer employers multiple tier options, including the two included in this recommendation. This can allow employers maximum flexibility in providing overall compensation plans, balancing salary payments, health and retirement benefits. We understand that the two specific plans noted in the recommendation are now available for use by employers when hiring new employees. We recommend that CalPERS continues to make these plans available in the future, preferably with additional alternatives. However, we do not recommend that the City urge the California Legislature to mandate that all CalPERS member agencies be required to utilize these particular plans for all new employees.

F1.11. CalPERS could be made more affordable to the agencies if new employees were provided, in lieu of benefits accorded to existing employees, a second-tier of benefits of 2% @ 55 for Safety employees with a 90% of salary retirement cap and 2% @ 60 for Miscellaneous employees, each with a 36-month salary base.

R1.11. Contract for a CalPERS retirement benefit for newly hired employees of 2% @ 55 for Safety employees with a 90% of salary cap and 2% @ 60 for Miscellaneous employees with a 36-month salary base for each.

As indicated in the previous response, the City understands that these tiers are currently available for use by Carmel for new employees. We recommend that the Council undertake negotiations with the employee organizations to allow the adoption of some set of benefits for new employees that will decrease the risk to the City associated with retirement payments. The tiers proposed by the Grand Jury meet this criterion, but the Council recommends that the City also consider any other plans allowed by CalPERS that could accomplish this goal.

F1.12 Some MOUs may not allow the reopening of negotiations to make prospective changes to salary and benefits in the event of unforeseen dire economic circumstances.

R1.12. In all future MOUs, reserve the right to reopen negotiations in the event of unforeseen dire economic circumstances to make changes to salary and benefits with no reduction to salary and/or benefits already earned.

Carmel's current agreements with labor organizations (MOUs) do not preclude the reopening of negotiations to make prospective changes to salary and benefits. In general, we recommend that no future MOUs restrict in any way the City's right to reopen negotiations to make prospective changes in salary and benefits.

**City of Carmel-by-the-Sea Response:
“Regional Water Project”
Findings F8.1 and F8.2 and Recommendations R8.1 and R8.2**

F8.1. While the Municipal Advisor role provides valuable public oversight, the appointed members lack long-term continuity and may lack expertise to effectively monitor complex water issues without the assistance of water professionals.

The City partially agrees with this finding. While it is true that some appointed members may lack long-term continuity and/or expertise, they do have the ability to rely on staff for the required expertise. As is the case in most government organizations, staff provides assistance and support so that the elected officials can make the most informed decisions possible. This would continue to be the case for the Municipal Advisors.

R8.1. The mayors are encouraged to formalize an advisory support function established from the cities’ staff members with the most expertise on water issues to enhance their Municipal Advisor role.

The Advisory Committee has already agreed to allow staff members with expertise on particular topics to attend meetings and provide support. The City would prefer to continue to operate in this manner because the staff members with expertise may vary depending on the topic. This allows the mayors flexibility in inviting those staff members who can provide the appropriate assistance based on the specific topics to be discussed at that meeting.

F8.2. Some cities on the Monterey Peninsula already have constructed small scale desalination plants.

The City agrees with this finding.

R8.2. Grant the Municipal Advisor role a voting position, as many members are familiar with desalination operations.

The City does not agree with this recommendation. Granting the Municipal Advisor a voting position would require an amendment to the WPA and could significantly delay the project.



City of Gonzales

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GONZALES, CALIFORNIA 93926
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Maria Orozco
Mayor

March 7, 2010

Scott Funk
Mayor Pro Tem

The Honorable Adrienne M. Grover
2010-2011 Presiding Judge of the Superior Court
Of California, County of Monterey
240 Church Street
Salinas, CA 93901

RE: City of Gonzales Response to the 2010 Grand Jury Report

Liz Silva
Councilmember

Dear Judge Grover:

Jose Lopez
Councilmember

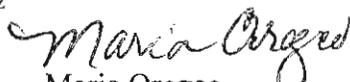
We are in receipt of the Final Report of the 2010 Monterey County Civil Grand Jury. The City is required to respond to the sections of the report entitled "Public Employees' Retirement System in Monterey County" and "Suppression, Intervention, Prevention: Three Pillars of Fighting Gang Activity in Monterey County".

Vacant
Councilmember

Before moving on to our response, on behalf of the City Council and community of the City of Gonzales, please pass along our appreciation to the members of the 2010 Grand Jury for taking the time to review and comment on procedures used by jurisdictions in Monterey County, including the City of Gonzales.

Sincerely,

René L. Mendez
City Manager


Maria Orozco
Mayor

**CITY OF GONZALES
RESPONSE TO THE 2010 GRAND JURY REPORT**

The following is the City of Gonzales' response to the 2010 Grand Jury Report Public Employees' Retirement System in Monterey County - CalPERS".

GRAND JURY FINDINGS: The Grand Jury has noted 12 findings regarding Public Employees' Retirement System in Monterey County. The City is required to respond to all findings to indicate agreement or disagreement.

Finding 1.1: The CalPERS retirement system is worth retaining.

Response 1.1: The City agrees with this finding.

Finding 1.2: Those local agencies that have binding arbitration have ceded their collective bargaining authority and responsibility to an individual arbitrator.

Response 1.2: The City has no basis to agree or disagree with this finding.

The City of Gonzales does not have this provision in its collective bargaining agreements.

Finding 1.3: A vote of the electorate before granting increased retirement benefits has not been implemented as a check on overspending.

Response 1.3: The City has no basis to agree or disagree with this finding.

Finding 1.4: Some agencies may allow retired employees to come back to work part time at the same agency and receive retirement and a salary, provided they don't work more than 960 hours per year, the maximum allowed by CalPERS

Response 1.4: The City has no basis to agree or disagree with this finding.

Finding 1.5: Some agencies may have practices that allow employees to increase or "spike" their base year salaries by converting unused sick leave or vacation leave to salary during their last year of employment

Response 1.5: The City has no basis to agree or disagree with this finding.

For the City of Gonzales, this is not the practice.

Finding 1.6: The practice of offering an employee up to two years of unearned credit for retirement in exchange for taking an early retirement ("a Golden Handshake") as authorized by Section 20903 of the Government Code, may be subject to abuse.

Response 1.6: The City has no basis to agree or disagree with this finding.

The City cannot speak to the content of this finding since it has not utilized the "Golden Handshake" provisions pursuant to Section 20903 of the Government Code.

Finding 1.7: Some employees do not pay an appropriate CalPERS retirement share.

Response 1.7: The City has no basis to agree or disagree with this finding.

Conditions and collective bargaining agreements vary from City to City and the County and therefore, the City of Gonzales has no basis to agree or disagree with this finding.

Finding 1.8: Some employees may pay for all optional CalPERS benefits. Some employees may pay for some or a portion of some of these benefits and some may pay nothing for optional benefits received.

Response 1.8: The City agrees with this finding.

Conditions and collective bargaining agreements vary from City to City and the County depending on local conditions and/or situations.

Finding 1.9: Some agencies have no caps on the maximum amount of time one can accumulate in sick leave or vacation.

Response 1.9: The City has no basis to agree or disagree with this finding.

The City cannot speak to the content of this finding since it has not reviewed the policies of all jurisdictions in the County of Monterey.

Finding 1.10: The California Legislature could enact changes that would limit new employees to 2% @ 55 for Safety with a 90% of salary retirement cap and 2% @ 60 for Miscellaneous in the CalPERS system with a 36-month salary base for each.

Response 1.10: The City has no basis to agree or disagree with this finding.

The California Legislature has the authority to implement changes to the CalPERS system. For the City of Gonzales, because we are already at the 2% @ 55 formula for Safety and 2% @ 60 for Miscellaneous with a 36-month salary base for each, this change from the California Legislature would have no impact.

Finding 1.11: CalPERS could be made more affordable to the agencies if new employees were provided, in lieu of benefits accorded to existing employees, a second-tier of benefits of 2% @ 55 for Safety with a 90% of salary retirement cap and 2% @ 60 for Miscellaneous, each with a 36-month salary base.

Response 1.11: The City agrees with this finding.

GRAND JURY RECOMMENDATIONS: The Grand Jury has made twelve recommendations regarding Public Employees' Retirement System in Monterey County. The City is required to respond to all twelve recommendations.

Recommendation 1.1: Continue to participate in the CalPERS retirement system.

Response 1.1: The City of Gonzales is a member of the CalPERS retirement system and agrees with this recommendation.

Recommendation 1.2: Abolish binding arbitration in labor matters.

Response 1.2: This recommendation does not pertain to the City of Gonzales because binding arbitration is not part of any of the City's collective bargaining agreements.

Recommendation 1.3: Require a vote of the electorate as a prerequisite to increase retirement benefits and thereby limit spending.

Response 1.3: While this recommendation is certainly an option, there is a cost to placing things on the ballot and the electorate does vote the City Council members into office and thus, has the ability and right to provide input and feedback on all decisions made by the City Council. Another option that would accomplish the same thing is to increase the public notice requirement for any changes to the retirement system contemplated by a jurisdiction.

Recommendation 1.4: Do not allow those who have retired from the agency to be re-employed by the same agency on a part-time basis.

Response 1.4: While the intent behind this recommendation is understood, perhaps it is a bit misplaced. Jurisdictions are equal opportunity employers and therefore, it might be difficult to categorically exclude a group from part-time employment opportunities. Typically, agencies bring back recently retired employees to do work that they would otherwise have to contract with someone else with or using them to bridge the gap until the position is filled. The point is that this cost would be incurred anyway and using newly retired employees, is more efficient and in many cases less costly.

Recommendation 1.5: Prevent "spiking" the base salary.

Response 1.5: The City of Gonzales does not have this practice in place. In fact, both the Safety and Miscellaneous retirement formulas use the 36-month salary base.

Recommendation 1.6: Do not offer a "Golden Handshake".

Response 1.6: At this point, the City of Gonzales has no plans to offer a "Golden Handshake;" however, if implemented correctly it can be a great tool to downsize an organization.

Recommendation 1.7: Require employees to pay the CalPERS employee contribution rate.

Response 1.7: As the Grand Jury is aware, any changes to employee benefits typically need to be "meet and conferred" (negotiated) as part of a collective bargaining agreement. Certainly, this and a variety of other items are consideration when negotiating a new collective bargaining agreement.

Recommendation 1.8: Require employees to pay for all optional CalPERS benefits.

Response 1.8: As the Grand Jury is aware, any changes to employee benefits typically need to be "meet and conferred" (negotiated) as part of a collective bargaining agreement. Certainly, this and a variety of other items are consideration when

negotiating a new collective bargaining agreement. However, the City of Gonzales does not provide optional CalPERS benefits.

Recommendation 1.9: Place a cap on the maximum amount of sick leave and vacation leave an employee can accumulate.

Response 1.9: Pursuant the City of Gonzales Personnel Rules, Regulations and Procedures, caps are already in place for the accumulation of sick and vacation leave.

Recommendation 1.10: Urge passage of legislation that new hires are limited to 2% @ 60 for miscellaneous employees, 2% @ 55 for Safety employees with a 90% of salary retirement cap, and a 36-month salary base for each.

Response 1.10: For the City of Gonzales, such legislation would have no impact because Safety employees are already at the 2% @ 55 formula, and Miscellaneous employees are at the 2% @ 60 with a 36-month salary base for both.

Recommendation 1.11: Contract for a CalPERS retirement benefit for newly hired employees of 2% @ 55 for Safety employees with a 90% of salary cap and 2% @ 60 for Miscellaneous employees with a 36-month salary base for each.

Response 1.11: For the City of Gonzales, this recommendation has no impact because Safety employees are already at the 2% @ 55 formula, and Miscellaneous employees are at the 2% @ 60 with a 36-month salary base for both.

The following is the City of Gonzales' response to the 2010 Grand Jury Report – Suppression, Intervention and Prevention: Three Pillars of Fighting Gang Activity in Monterey County

GRAND JURY FINDINGS: The grand jury noted 7 findings. The City of Gonzales is required to respond to one finding.

Finding 5.4: Through CalGRIP grant, the Four Cities for Peace have joined in a cooperative effort to reduce gang crime in that area of the Salinas Valley.

Response 5.4: The City of Gonzales agrees with the finding.

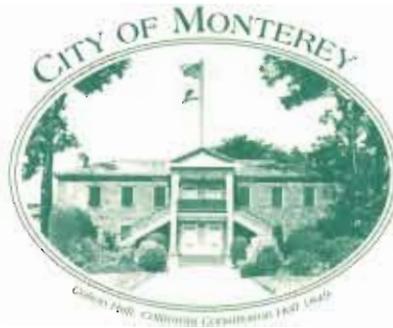
GRAND JURY RECOMMENDATIONS: The Grand Jury has made six recommendations. The City of Gonzales is required to respond to two of the recommendations.

Recommendation 5.4: Every effort must be made by the leaders in the Four Cities for Peace to establish and maintain effective communication and a database of shared information.

Response 5.4: The City of Gonzales agrees with this recommendation. Work continues through a policy level committee and technical level committee to communicate at least monthly, but more frequently if needed to share information, data and trends. In addition, funding was secured for a coordinator and will continue to be pursued in order to develop and improve the databases needed.

Recommendation 5.5: All the ongoing suppression, intervention, and prevention successes should be documented and presented to state and federal agencies on a regular basis to secure continued support.

Response 5.5: The City of Gonzales agrees with this recommendation. The successes of the 4C4P initiative are well documented and being presented to the State and Federal agencies on a continuous basis. Examples of this are through Facebook and instantaneous emails of newspaper clippings and/or news stories.



March 17, 2011

Mayor:
CHUCK DELLA SALA

Councilmembers:
LIBBY DOWNEY
JEFF HAFFERMAN
NANCY SELFRIDGE
FRANK SOLLECTO

City Manager:
FRED MELUREH

The Honorable Adrienne M. Grover
2010 Presiding Judge of the Superior Court
County of Monterey
240 Church Street
Salinas, CA 93901

Judge Grover:

Thank you for the opportunity to respond to the CalPERS and Monterey County Regional Water Project sections of the 2010 Monterey County Civil Grand Jury Final Report. The responses contained in this correspondence were approved by the City of Monterey City Council at their regular meeting of March 15, 2011.

Before responding to the specific findings and recommendations contained in the report, I would like to assure you that the City of Monterey is in a leadership position on both employee retirement and benefits, as well as regional water solutions. To that end you will find the City's responses both distinctive and insightful. Because we consistently strive for improvement, we welcome the Grand Jury's inquiry as part of our continuing self evaluation.

With these thoughts in mind, our comments follow in the order that they were presented in the Final Report. The actual report language is displayed in **bold** type for readability.

FINDINGS

F1.1. The CalPERS retirement system is worth retaining.

The CalPERS retirement system has proven to be an effective retention and recruitment tool for the City. As nearly all other public agencies in the State also contract with CalPERS, or provide similar benefits through an independent retirement system, it would not be prudent to consider an alternate retirement system.

F1.2. Those local agencies that have binding arbitration have ceded their collective bargaining authority and responsibility to an individual arbitrator.

Three City employee groups, through a charter amendment enacted by the voters of Monterey in the November 2002 election, are under binding arbitration. The Monterey Police Officers Association (MPA), the Monterey Firefighters (MFFA), and the Fire Management Association (FMA) are able to invoke binding arbitration should their respective group and the City reach impasse on a meet and confer issue. It's important to note binding arbitration has never been invoked in Monterey.

F1.3. A vote of the electorate before granting increased retirement benefits has not been implemented as a check on overspending.

One of the roles of the City Council, whose members are elected to represent the public, is to **establish a balanced budget for the City each year**. It considers all areas of spending, including the potential for enhanced **benefits** before making a decision it deems best for the City. All budget items the **Council** considers are presented in an open forum, with an opportunity for public comments prior to the Council voting

F1.4. Some agencies may allow retired employees to come back to work part time at the same agency and receive retirement and a salary, provided they don't work more than 960 hours per year, the maximum allowed by CalPERS.

The City of Monterey has allowed retired City employees to return to work, under the CalPERS guidelines. In such instances, the City realizes a budget savings by employing retired employees because the City no longer funds the retirement account, and in most instances retains the employee at half time for the period in which the employee is employed. The ability to rehire retirees is an important business tool that the City uses when necessary. There is significant value in having the ability to rehire seasoned employees for a specific time-frame to lead or assist in critical projects that the retiree may have the greatest knowledge base.

F1.5. Some agencies may have practices that allow employees to increase or "spike" their base year salaries by converting unused sick leave or vacation leave to salary during their last year of employment.

The City of Monterey does not allow such practices.

F1.6. The practice of offering an employee up to two years unearned credit for retirement in exchange for taking an early retirement ("a Golden Handshake"), as authorized by Section 20903 of the Government Code, may be subject to abuse.

The City of Monterey does not offer "Golden Handshakes" to its employees.

F1.7. Some employees do not pay an appropriate CalPERS retirement share.

Each City of Monterey employee pays its employee contribution. CalPERS collects its retirement funds through both employer and employee contributions. The employee contribution is a fixed amount (currently 9.0% for safety employees and 8.0% for miscellaneous employees); the employer contribution fluctuates year to year, based primarily on investment returns and the difference between actuarial assumptions and actual experience (separations, retirements, salary rate, life expectancy, etc.).

Many agencies have chosen to pay some or all of its employees' CalPERS retirement contribution, but the City of Monterey requires its employees to pay their required contribution.

F1.8. Some employees may pay for all optional CalPERS benefits. Some employees may pay for some or a portion of some of these benefits, and some may pay nothing for optional benefits received.

Paying for optional benefits is subject to negotiations. Often, the negotiations process contains much more than retirement benefits, which would make it near impossible to pinpoint which benefits the employees specifically pay for. Again, City of Monterey employees pay the required CalPERS employee contribution (9.0% of salary for safety and 8.0% of salary for miscellaneous). It is important to note that for Safety employees, the City currently contributes 26.334% (increasing to 30.308% on July 1, 2011); for Miscellaneous employees, the City currently contributes 16.924% (increasing to 20.321% on July 1, 2011).

F1.9. Some agencies have no caps on the maximum amount of time one can accumulate in sick leave or vacation leave.

The City of Monterey currently caps vacation leave at 320 hours. Any hours accumulated beyond that level are paid off at the beginning of the calendar year. Sick leave hours are not capped, but do not have cash value upon separation. However, if one retires with the City, they may convert the accrued sick leave time to service credit for retirement calculations. In some instances, safety employees may cash out a portion of their sick leave balance upon service retirement.

F1.10. The California Legislature could enact changes that would limit new employees to 2% @ 55 for Safety with a 90% of salary retirement cap and 2% @ 60 for Miscellaneous in the CalPERS system with a 36-month salary base for each.

Yes, the Legislature could do this

F1.11. CalPERS could be made more affordable to the agencies if new employees were provided, in lieu of benefits accorded to existing employees, a second-tier of benefits of 2% @ 55 for Safety employees with a 90% of salary retirement cap and 2% @ 60 for Miscellaneous employees, each with a 36-month salary base.

Such changes would eventually provide substantial savings to local agencies; the full savings would be realized once all active employees were under the second tier.

F1.12. Some MOUs may not allow the reopening of negotiations to make prospective changes to salary and benefits in the event of unforeseen dire economic circumstances.

Although under no requirement to do so, each of Monterey's employee groups have agreed to reopen their respective Memoranda of Understanding (MOUs) and have provided compensation concessions in order for the City to balance its budget.

F8.1 While the Municipal Advisor role provides valuable public oversight, the appointed members lack long-term continuity and may lack expertise to effectively monitor complex water issues without the assistance of water professionals.

The six Mayors of the Monterey Peninsula (Monterey, Carmel-By-The-Sea, Del Rey Oaks, Pacific Grove, Sand City and Seaside) drafted a protocol describing the Municipal Advisor composition and role. The protocol identifies the requirement

that the Municipal Advisor will be accompanied by appropriate staff when needed and requested. This may ensure more longer-term continuity than the appointment of elected official alone. The City will encourage the Municipal Advisor to hire water professionals, or other outside expertise, to provide advice to the Municipal Advisor.

F8.2 Some cities on the Monterey Peninsula already have constructed small scale desalination plants.

The City of Sand City has constructed a desalination facility with the current capacity to process up to 300 acre-feet/year. The Monterey Bay Aquarium currently operates a small desalination facility. In 2008, the City of Monterey conducted some initial research on development of a small-scale desalination facility, but did not have adequate resources to further pursue the concept at that time. Rather, the City of Monterey elected to support the Monterey County Regional Water Project.

F8.3 The Municipal Advisor role could be improved if the City of Monterey were represented by being a member.

Monterey had taken a position and argued for a Municipal Advisor role having the power to call for arbitration (as identified within the water purchasing agreement only for the settling parties). This power was not granted by the California Public Utilities Commission (CPUC). However, the Mayor of Monterey was selected by the six peninsula Mayors to be one of two Mayors appointed to the Advisory Committee.

RECOMMENDATIONS

R1.1. Continue to participate in the CalPERS retirement system. [Related Finding: F1.1]

The City concurs with this recommendation.

R1.2. Abolish binding arbitration in labor matters. [Related Finding: F1.2]

Because the City of Monterey's binding arbitration is a charter amendment, only the voters of Monterey could abolish binding arbitration for the three labor groups that currently have the binding arbitration right.

R1.3. Require a vote of the electorate as a prerequisite to increase retirement benefits and thereby limit spending. [Related Finding: F1.3]

The City of Monterey does not concur with this recommendation. It is the City Council's role to set the City's budget, taking into consideration all areas of its budget, including retirement benefits and to negotiate compensation terms with its employees. To require a vote on a specific budget or negotiation issue would not only severely delay the entire budget process and negotiations processes, but also restrict the Council's ability to make decisions that the electorate voted them to make.

R1.4. Do not allow those who have retired from the agency to be re-employed by the same agency on a part-time basis. [Related Finding: F1.4]

Retirees who are re-employed by the City are beneficial to the City in several significant ways: First, re-employing a retiree can provide significant budget savings because the City does not pay retirement costs, and in many cases, employs the retiree on a reduced schedule, saving the full time cost of that position during the duration of the retiree's re-employment. Second, a long term employee who retires may be the best selection to return to the agency to work on a specific project for which that retiree has specialized knowledge. To eliminate a retiree as a candidate for a short-term need for the agency limits the agency's talent pool. Third, having the option to retain a retiree for transition purposes can be very useful depending on the vacancy and the needs of the agency. Like any business tool, the use of retired annuitants can be used productively or unproductively for the enterprise. We believe that we have used this tool in a productive fashion. For these reasons, the City of Monterey does not concur with the recommendation.

R1.5. Prevent "spiking" the base salary. [Related Finding: F1.5]

The City of Monterey concurs with this recommendation.

R1.6. Do not offer a "Golden Handshake." [Related Finding: F1.6]

The City of Monterey concurs with this recommendation and does not offer "Golden Handshakes."

R1.7. Require employees to pay the CalPERS employee contribution rate. [Related Finding: F1.7]

The City of Monterey concurs with this recommendation and does require its employees to pay the CalPERS employee contribution rate.

R1.8. Require employees to pay for all optional CalPERS benefits. [Related Finding: F1.8]

If the City considers additional optional CalPERS benefits, it would be part of a negotiations process. Both the City and employees would have to agree to any additional benefits, regardless of the way in which the benefits were funded.

R1.9. Place a cap on the maximum amount of sick leave and vacation leave an employee can accumulate. [Related Finding: F1.9]

The City of Monterey concurs that caps on vacation leaves are important, and have such caps.

The City of Monterey does not concur that caps should be placed on sick leave balances. It is important to have some **form of incentive to maintain** a sick leave balance for **emergencies** when employees **need large balances of** time. Capping leaves is a disincentive for those who do **not use their respective sick banks**. The City of Monterey believes it is best to provide an incentive to building one's sick leave bank through providing a service-time conversion provision as allowed by CalPERS. In addition, for its safety employees, the City of Monterey **allows** its retirees who have a service retirement, not an industrial disability retirement, to

cash-out 25% to 50% of his/her sick leave balance. Such incentives keep the City's sick time at a minimum, allowing for maximum productivity, and reduced overtime for those classifications with minimum staff requirements.

- R1.10. Urge passage of legislation that new hires are limited to 2% @ 60 for Miscellaneous employees, 2% @ 55 for Safety employees with a 90% of salary retirement cap, and a 36-month salary base for each. [Related Finding: F1.10]**

The City of Monterey would support such legislation. Because the City understands that many agencies support local control rather than State enacted legislation for pension reform, it will continue to work with its employee groups to find solutions to reduce pension costs, until potential new legislation is passed

- R1.11. Contract for a CalPERS retirement benefit for newly hired employees of 2% @ 55 for Safety employees with a 90% of salary cap and 2% @ 60 for Miscellaneous employees with a 36-month salary base for each. [Related Finding: F1.11]**

The City of Monterey is in talks with its employee groups about ways in which to address budget concerns. The City's employee groups have voluntarily entered into discussions although each employee groups is under a current MOU. The nature of these discussions is confidential, but the City is hopeful that agreements are reached which help to address not only the current budget challenges, but also ways to address future challenges, such as rising pension costs.

- R1.12. In all future MOUs, reserve the right to reopen negotiations in the event of unforeseen dire economic circumstances to make changes to salary and benefits with no reduction to salary and/or benefits already earned. [Related Finding: F1.12]**

The City of Monterey is unable to address this recommendation. Discussing terms of future MOUs is inappropriate because, by law, terms cannot be predetermined. However, the City is committed to working with its employees to address all economic circumstances, and has been encouraged by the willingness of all of its employees to make concessions that will assist the City in balancing its budget.

- R8.1 The mayors are encouraged to formalize an advisory support function established from the cities' staff members with the most expertise on water issues to enhance their Municipal Advisor role. [Related Finding: F8.1]**

The City of Monterey agrees, and has joined with the other peninsula cities by drafting a protocol describing the Municipal Advisor composition and role. As referenced in the Findings, the protocol identifies the requirement that the Municipal Advisor will be accompanied by appropriate staff when needed and requested.

- R8.2 Grant the Municipal Advisor role a voting position, as many members are familiar with desalination operations. [Related Finding: F8.2]**

The Municipal Advisor role as established by the CPUC does not have the power to call for binding arbitration. This is in opposition to the position taken by the City

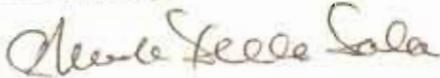
of Monterey. Even without the power to call for arbitration, the City of Monterey has a role on the Advisory Committee.

R8.3 The Monterey City Council should re-evaluate its position. It would be far better for the residents of the City of Monterey to have representation on the Advisory Committee through the Municipal Advisor role. [Related Finding: F8.3]

The City of Monterey has representation on the Advisory Committee through the Municipal Advisor role. In fact, the Mayor of Monterey is one of two Mayors appointed to the Advisory Committee.

We hope that this information addresses the Grand Jury's findings and recommendations. We concur that monitoring employee benefits and remaining actively engaged in the Regional Water Project are essential components of the City's work program. Please contact me if you have any questions or require additional information.

Respectfully,

A handwritten signature in cursive script that reads "Chuck Della Sala".

Chuck Della Sala
Mayor



CITY OF MARINA
211 Hillcrest Avenue
Marina, CA 93933
831-884-1278; FAX 831-384-9148
www.ci.marina.ca.us

April 6, 2011

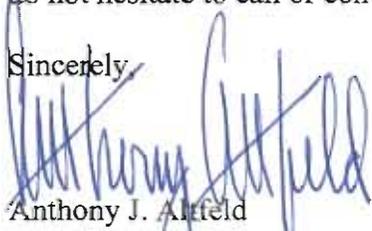
The Honorable Adrienne M. Grover
Presiding Judge, Superior Court of California
County of Monterey
240 Church Street
Salinas, CA 93901

Dear Judge Grover,

On behalf of Mayor Bruce Carlos Delgado and the entire Marina City Council, please find enclosed the City of Marina's responses to the Finding and Recommendations contained within the 2010 investigation of the Public Employees' Retirement System in Monterey County – CalPERS by the Monterey County Civil Grand Jury.

In the event that you have any questions or wish to discuss these responses further, please do not hesitate to call or contact me at (831) 884-1278.

Sincerely,


Anthony J. Altfeld
City Manager
City of Marina

FINDINGS OF THE INVESTIGATION

F1.1. The CalPERS retirement system is worth retaining.

F1.1. Response: The City of Marina agrees with the Grand Jury finding.

F1.2. Those local agencies that have binding arbitration have ceded their collective bargaining authority and responsibility to an individual arbitrator.

F1.2. Response: The City of Marina disagrees wholly with the Grand Jury finding. The decision whether local agencies have binding arbitration for collective bargaining should be left up to the individual jurisdiction.

F1.3. A vote of the electorate before granting increased retirement benefits has not been implemented as a check on overspending.

F1.3. Response: The City of Marina agrees with the Grand Jury finding.

F1.4. Some agencies may allow retired employees to come back to work part time at the same agency and receive retirement and a salary, provided they don't work more than 960 hours per year, the maximum allowed by CalPERS.

F1.4. Response: The City of Marina agrees with the Grand Jury finding.

F1.5. Some agencies may have practices that allow employees to increase or "spike" their base year salaries by converting unused sick leave or vacation leave to salary during their last year of employment.

F1.5. Response: The City of Marina agrees with the Grand Jury finding.

F1.6. The practice of offering an employee up to two years unearned credit for retirement in exchange for taking an early retirement ("a Golden Handshake"), as authorized by Section 20903 of the Government Code, may be subject to abuse.

F1.6. Response: The City of Marina agrees with the Grand Jury finding.

F1.7. Some employees do not pay an appropriate CalPERS retirement share.

F1.7. Response: The City of Marina disagrees partially with the Grand Jury finding. The City does not have sufficient information regarding whether some employees, generally, do not pay an appropriate CalPERS retirement share.

F1.8. Some employees may pay for all optional CalPERS benefits. Some employees may pay for some or a portion of some of these benefits and some may pay nothing for optional benefits received.

F1.8. Response: The City of Marina agrees with the Grand Jury finding.

F1.9. Some agencies have no caps on the maximum amount of time one can accumulate in sick leave or vacation leave.

F1.9. Response: The City of Marina disagrees partially with the Grand Jury finding. The City does not have sufficient information regarding whether some agencies have no caps on the maximum amount of time one can accumulate in sick leave or vacation leave.

F1.10. The California Legislature could enact changes that would limit new employees to 2% @ 55 for Safety with a 90% of salary retirement cap and 2% @ 60 for Miscellaneous in the CalPERS system with a 36-month salary base for each.

F1.10. Response: The City of Marina agrees with the Grand Jury finding.

F1.11. CalPERS could be made more affordable to the agencies if new employees were provided, in lieu of benefits accorded to existing employees, a second-tier of benefits of 2% @ 55 for Safety employees with a 90% of salary retirement cap and 2% @ 60 for Miscellaneous employees, each with a 36-month salary base.

F1.11. Response: The City of Marina agrees with the Grand Jury finding.

F1.12. Some MOUs may not allow the reopening of negotiations to make prospective changes to salary and benefits in the event of unforeseen dire economic circumstances.

F1.12. Response: The City of Marina agrees with the Grand Jury finding.

RECOMMENDATIONS OF THE CIVIL GRAND JURY

R1.1. Continue to participate in the CalPERS retirement system. [Related Finding: F1.1]

R1.1. Response: This recommendation has been implemented. Currently the City participates in the 3% @ 50 plan for Safety employees and 2% @ 55 for non-safety employees.

R1.2. Abolish binding arbitration in labor matters. [Related Finding: F1.2]

R1.2. Response: This recommendation will not be implemented. The City will not implement this recommendation because the City does not believe it is warranted. The City of Marina does not have binding arbitration for collective bargaining. The decision as to whether a local jurisdiction has binding arbitration should be left to the local jurisdiction so that it has the right to decide for itself.

R1.3. Require a vote of the electorate as a prerequisite to increase retirement benefits and thereby limit spending. [Related Finding: F1.3]

R1.3. Response: This recommendation will not be implemented. Given the expense of public elections, the City Council does not believe that it is a good idea to have a public vote every time the City Council votes on this or other such budget adjustments.

R1.4. Do not allow those who have retired from the agency to be re-employed by the same agency on a part-time basis. [Related Finding: F1.4]

R1.4. Response: This recommendation will not be implemented. Since at least 2002, only one (1) employee has retired from the City and been re-employed by the City, so it has not been a problem. The City Council wishes to maintain its discretion to re-hire employees who have retired from the City if the City Council thinks it's the best thing for the City, if necessary.

R1.5. Prevent "spiking" the base salary. [Related Finding: F1.5]

R1.5. Response: This recommendation has been implemented. None of the City's current employee agreements provides for "spiking" as set forth in the Civil Grand Jury report.

R1.6. Do not offer a "Golden Handshake." [Related Finding: F1.6]

R1.6. Response: This recommendation will not be implemented. Since at least 2002, no "golden handshakes" have been offered or provided as set forth in the Civil Grand Jury report. The City Council does not believe that this is a problem and it has many other things the City Council wishes to address on a more urgent basis.

R1.7. Require employees to pay the CalPERS employee contribution rate. [Related Finding: F1.7]

R1.7. Response: This recommendation will not be implemented. Currently, the City pays the 9% employee contribution rate for Safety employees and the 7% employee contribution rate for non-safety employees. Any decision regarding this recommendation by the City of Marina is subject to the “meet and confer” process with its represented employee associations and unrepresented employees. Any future consideration will coincide with labor negotiations.

R1.8. Require employees to pay for all optional CalPERS benefits. [Related Finding: F1.8]

R1.8. Response: This recommendation will not be implemented. Currently, the City (employer) pays for all optional CalPERS benefits as set forth in the City’s current contracts with CalPERS. Any decision regarding this recommendation by the City of Marina is subject to the “meet and confer” process with its represented employee associations and unrepresented employees. Any future consideration will coincide with labor negotiations.

R1.9. Place a cap on the maximum amount of sick leave and vacation leave an employee can accumulate. [Related Finding: F1.9]

R1.9. Response: This recommendation has been implemented. Current employee agreements include “caps” on maximum amount of sick leave and vacation leave an employee can accumulate.

R1.10. Urge passage of legislation that new hires are limited to 2% @ 60 for Miscellaneous employees, 2% @ 55 for Safety employees with a 90% of salary retirement cap, and a 36-month salary base for each. [Related Finding: F1.10]

R1.10. Response: This recommendation will not be implemented. The current consensus of the City Council is that the City Council should not necessarily take a position on State legislation of this kind at this point in time.

R1.11. Contract for a CalPERS retirement benefit for newly hired employees of 2% @ 55 for Safety employees with a 90% of salary cap and 2% @ 60 for Miscellaneous employees with a 36-month salary base for each. [Related Finding: F1.11]

R1.11. Response: This recommendation will not be implemented. Any decision regarding this recommendation by the City of Marina is subject to the “meet and confer” process with its represented employee associations and unrepresented employees. Any future consideration will coincide with labor negotiations. This recommendation may or may not be a part of any such future negotiations.

R1.12. In all future MOUs, reserve the right to reopen negotiations in the event of unforeseen dire economic circumstances to make changes to salary and benefits with no reduction to salary and/or benefits already earned. [Related Finding: F1.12]

R1.12. Response: This recommendation will not be implemented. Any decision regarding this recommendation by the City of Marina is subject to the “meet and confer” process with its represented employee associations and unrepresented employees. Any future consideration will coincide with labor negotiations. This recommendation may or may not be a part of any such future negotiations.



CITY OF PACIFIC GROVE

300 FOREST AVENUE
PACIFIC GROVE, CALIFORNIA 93950
TELEPHONE (831) 648-3100
FAX (831) 375-9863

April 7, 2011

The Honorable Adrienne M. Grover
Presiding Judge
Superior Court, County of Monterey
Civil Grand Jury Office
P.O. Box 414
Salinas, California 93902

Re: Response to 2010 Monterey County Civil Grand Jury Final Report

Dear Judge Grover:

This response was approved upon the unanimous vote of the Pacific Grove City Council at its meeting of April 6, 2011 and is forwarded as the response of the City of Pacific Grove to the Final Report of the 2011 Pacific Grove County Civil Grand Jury (hereafter "Final Report") with respect to two sections: "Public Employees' Retirement System in Monterey County" and "The Monterey County Regional Water Project."

California Penal Code Section 933.05 enumerates an agency's response requirements to the final report. The required responses to report findings and recommendations are summarized below, with additional explanation, as appropriate.

Public Employees' Retirement System in Monterey County

F1.1. The CalPERS retirement system is worth retaining.

Agreed, but only if the system undergoes major reforms. The City provides important benefits to retired employees, and must have reasonable alternatives to provide those benefits. Pacific Grove and other cities are working collaboratively with their employees and employee groups to make the needed changes that we can. However, the most important reforms—such as offering defined contribution plans independent of the defined benefits plans—can be made only at the state level. Further, we believe that CalPERS should be one of the alternatives, but not the exclusive alternative as a provider of benefits. Specifically, a city and its employees should be able to contract with an alternative provider for a distinct and second tier of employees even in the same bargaining unit. Also, a city should be able to offer some benefits from CalPERS and other benefits from an alternative provider, for any particular employee in a bargaining unit. Provided that the needed changes are made by the Legislature and approved by the Governor, to ensure long-term financial sustainability and compatibility with community values, the system should be retained.

F1.2. Those local agencies that have binding arbitration have ceded their collective bargaining authority and responsibility to an individual arbitrator.

The City of Pacific Grove does not have binding arbitration.

F1.3. A vote of the electorate before granting increased retirement benefits has not been implemented as a check on overspending.

Agreed. Neither Pacific Grove nor any other city of which we are aware is considering increases in retirement benefits; quite the contrary, we are looking at decreases. Like all other costs related to City services, retirement costs are considered as part of the City's budget and five-year fiscal forecast.

F1.4. Some agencies may allow retired employees to come back to work part time at the same agency and receive retirement and a salary, provided they don't work more than 960 hours per year, the maximum allowed by CalPERS.

Agreed. The City of Pacific Grove has occasionally, though rarely, employed retired City employees, pursuant to CalPERS rules. In such instances, the City realizes a budget savings, as the City no longer funds the retirement account or other benefits, yet receives the benefit of a seasoned employee's knowledge for a specific time-frame to lead or assist in critical projects or functions.

F1.5. Some agencies may have practices that allow employees to increase or "spike" their base year salaries by converting unused sick leave or vacation leave to salary during their last year of employment.

Agreed. The City of Pacific Grove does not allow such practices.

F1.6. The practice of offering an employee up to two years unearned credit for retirement in exchange for taking an early retirement ("a Golden Handshake"), as authorized by Section 20903 of the Government Code, may be subject to abuse.

Agreed. The City of Pacific Grove has not offered "Golden Handshakes" to any employees in at least the last 10 years, and maybe before then.

F1.7. Some employees do not pay an appropriate CalPERS retirement share.

Agreed, in some cities. However, in Pacific Grove, all CalPERS-eligible City employees pay the entire employee contribution. CalPERS collects its retirement funds through both employer and employee contributions. The employee contribution is a fixed amount (currently 9.0% for safety employees and 7.0% for miscellaneous employees); the employer contribution fluctuates year to year, based primarily on investment returns and the difference between actuarial assumptions and actual experience (separations, retirements, salary rate, life expectancy, etc.).

Many agencies have chosen to pay some or all of its employees' CalPERS retirement contribution, but in the City of Pacific Grove employees pay the entire employees' contribution.

F1.8. Some employees may pay for all optional CalPERS benefits. Some employees may pay for some or a portion of some of these benefits, and some may pay nothing for optional benefits received.

Agreed. Paying for optional benefits is subject to negotiations. Often, the negotiations process contains much more than retirement benefits, which would make it near impossible to pinpoint which benefits the employees specifically pay for. Again, City of Pacific Grove employees pay the required CalPERS employee contribution (9.0% of salary for safety and 7.0% of salary for miscellaneous).

F1.9. Some agencies have no caps on the maximum amount of time one can accumulate in sick leave or vacation leave.

Agreed. The City of Pacific Grove currently caps vacation leave. Sick leave hours are not capped, but have limited cash value upon separation. Under current contracts, if one retires with the City, he or she may convert accrued sick leave time to service credit for retirement calculations.

F1.10. The California Legislature could enact changes that would limit new employees to 2% @ 55 for Safety with a 90% of salary retirement cap and 2% @ 60 for Miscellaneous in the CalPERS system with a 36-month salary base for each.

Agreed. As far as we are aware, the Legislature could take this action.

F1.11. CalPERS could be made more affordable to the agencies if new employees were provided, in lieu of benefits accorded to existing employees, a second-tier of benefits of 2% @ 55 for Safety employees with a 90% of salary retirement cap and 2% @ 60 for Miscellaneous employees, each with a 36-month salary base.

Agreed. As far as we know, Pacific Grove and all other cities in the County have made a commitment to implement two-tier systems, as well as other reforms. Such changes would eventually provide substantial savings to local agencies. Significant savings could be realized after a number of years, once a significant segment of the workforce is under the second tier.

F1.12. Some MOUs may not allow the reopening of negotiations to make prospective changes to salary and benefits in the event of unforeseen dire economic circumstances.

Agreed. Although under no requirement to do so, each of Pacific Grove's employee groups have agreed at one time or another to reopen their respective memoranda of understanding (MOUs) and have provided compensation concessions in order for the City to balance its budget.

R1.1. Continue to participate in the CalPERS retirement system. [Related Finding: F1.1]

The City currently plans to implement the recommendation, as long as it is financially prudent to do so. It is prudent at this time, primarily because it would be cost prohibitive to take an alternative action now or in the foreseeable future. In 2010 the City received a Termination Valuation from CalPERS that showed that it could cost approximately \$30 million to withdraw from the system. The City believes that CalPERS could continue providing value as a

competitive employee benefit, provided urgently needed reforms are made by the Legislature and signed by the Governor, in order to ensure long-term financial sustainability, compatibility with community values, and more flexibility to substitute defined contribution benefits for existing defined contribution benefits.

R1.2. Abolish binding arbitration in labor matters. [Related Finding: F1.2]

This recommendation is not applicable to the City of Pacific Grove, as the City's labor agreements do not include binding arbitration.

R1.3. Require a vote of the electorate as a prerequisite to increase retirement benefits and thereby limit spending. [Related Finding: F1.3]

In 2010, the City implemented an ordinance limiting the City's ability to approve employment-related agreements in which the employer contribution to CalPERS exceeds 10% of salary. That ordinance, which stemmed from a qualified voter initiative, effectively precludes a change in retirement benefits that could increase the City's cost. The City then took a complimentary charter amendment to the voters, which was approved by a wide margin.

R1.4. Do not allow those who have retired from the agency to be re-employed by the same agency on a part-time basis. [Related Finding: F1.4]

The City does not plan to implement the recommendation. We do not perceive the value in doing so. In these times of scarce resources, the City must preserve as many options and tools as possible for utilizing talented part-time labor to meet short term, temporary staffing challenges. Utilizing this type of labor is frequently less expensive than hiring similarly qualified full-time employees. The City believes the more appropriate course of action is to retain this tool, but use it wisely, to avoid any abuse.

R1.5. Prevent "spiking" the base salary. [Related Finding: F1.5]

This recommendation is not applicable to the City of Pacific Grove, as the City's contract with CalPERS prohibits such practices.

R1.6. Do not offer a "Golden Handshake." [Related Finding: F1.6]

The City does not plan to implement the recommendation. The City agrees with Finding F1.6 that the "Golden Handshake" provision is subject to abuse. For this reason, the City of Pacific Grove has not used this tool for at least five years. "Golden Handshake" arrangements, pursuant to PERS law, would only be used if part of a cost-effective workforce transition strategy approved by the City Council.

R1.7. Require employees to pay the CalPERS employee contribution rate. [Related Finding: F1.7]

The City of Pacific Grove implemented this recommendation decades ago. Pacific Grove employees continue to pay the entire CalPERS employee contribution.

R1.8. Require employees to pay for all optional CalPERS benefits. [Related Finding: F1.8]

The City is seeking to implement this recommendation through our contract negotiations with our employee associations, as one method of complying with the Retirement Ordinance adopted in 2010.

R1.9. Place a cap on the maximum amount of sick leave and vacation leave an employee can accumulate. [Related Finding: F1.9]

The City of Pacific Grove agrees that caps on vacation leaves are important. The City's Municipal Code imposes such caps.

The City of Pacific Grove does not plan to implement caps on sick leave balances, as it does not see the value of this recommendation. It is important to have some form of incentive to maintain a sick leave balance for emergencies when employees need large balances of time. Capping leaves is a disincentive for those who do not use their respective sick banks. The City of Pacific Grove believes it is best to provide an incentive to building one's sick leave bank through providing a service-time conversion provision as allowed by CalPERS. The City's Municipal Code provides for payout of 50% of sick leave upon separation of employment.

R1.10. Urge passage of legislation that new hires are limited to 2% @ 60 for Miscellaneous employees, 2% @ 55 for Safety employees with a 90% of salary retirement cap, and a 36-month salary base for each. [Related Finding: F1.10]

The City of Pacific Grove would potentially support such legislation, especially if it was part of a broader package of reforms, including defined contribution plan options. Because the City understands that many agencies support local control rather than State enacted legislation for pension reform, it will continue to work with its employee groups to find solutions to reduce pension costs, until potential new legislation is passed

R1.11. Contract for a CalPERS retirement benefit for newly hired employees of 2% @ 55 for Safety employees with a 90% of salary cap and 2% @ 60 for Miscellaneous employees with a 36-month salary base for each. [Related Finding: F1.11]

The City is in contract discussions with several of our employee associations, and is seeking to implement this recommendation, along with other two-tier retirement systems, as a method of complying with the Retirement Ordinance adopted in 2010.

R1.12. In all future MOUs, reserve the right to reopen negotiations in the event of unforeseen dire economic circumstances to make changes to salary and benefits with no reduction to salary and/or benefits already earned. [Related Finding: F1.12]

The City of Pacific Grove believes that it is unable to unilaterally implement this recommendation. Speculation on terms of future MOUs is inappropriate because, by law, terms cannot be predetermined. However, the City is committed to working with its employees to address all economic circumstances, and has been encouraged by the willingness of all of its employees to make concessions that will assist the City in balancing its budget.

The Monterey County Regional Water Project

F8.1 While the Municipal Advisor role provides valuable public oversight, the appointed members lack long-term continuity and may lack expertise to effectively monitor complex water issues without the assistance of water professionals.

The City disagrees with this finding. The six Mayors of the Monterey Peninsula (Carmel-by-the-Sea, Del Rey Oaks, Marina, Monterey, Pacific Grove, Sand City, and Seaside) have adopted a protocol prescribing the Municipal Advisor composition and role. The protocol specifies 2-year overlapping terms for the two Mayors who serve as the Advisor, indicates that there will be no term limits, and identifies the requirement that the Municipal Advisor will be accompanied by appropriate staff when needed and requested. In addition, the Mayors have continued to meet jointly to discuss the regional water project and share information freely. All of these steps will help ensure more long-term continuity than could the appointment of one elected official alone.

F8.2 Some cities on the Monterey Peninsula already have constructed small scale desalination plants.

Agreed. To our knowledge, only one city-the City of Sand City-has constructed a small-scale desalination facility. Sand City's facility has the current capacity to process up to 300 acre-feet/year. The Monterey Bay Aquarium also currently operates a small desalination facility. In 2008, the City of Monterey conducted some initial research on development of a small-scale desalination facility, but did not have adequate resources to further pursue the concept at that time. Rather, the City of Monterey elected to support the Monterey County Regional Water Project.

F8.3 The Municipal Advisor role could be improved if the City of Monterey were represented by being a member.

The City disagrees with this finding, as the City of Monterey is represented. A majority of the Monterey City Councilmembers had taken a position and argued for a Municipal Advisor role having the power to call for arbitration (as identified within the water purchasing agreement only for the settling parties), in opposition to the recommendation of Monterey staff. This power was not granted by the California Public Utilities Commission (CPUC). It is assumed that the CPUC made its decision influenced by arguments that granting such a power would undermine the ability to finance the regional water project. The other cities agreed to not call for arbitration. Subsequent to the CPUC decision the Mayor of Monterey was selected by the six peninsula Mayors to be one of two Mayors appointed to the Advisory Committee.

R8.1 The mayors are encouraged to formalize an advisory support function established from the cities' staff members with the most expertise on water issues to enhance their Municipal Advisor role.

As referenced in the response to Finding 8.1, the six peninsula cities have adopted a protocol describing the Municipal Advisor composition and role. The protocol identifies the requirement that the Municipal Advisor will be supported and accompanied by appropriate staff when needed and requested.

The Honorable Adrienne M. Grover

April 7, 2011

Page 7

R8.2 Grant the Municipal Advisor role a voting position, as many members are familiar with desalination operations.

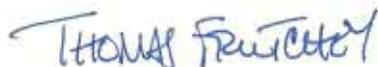
The City of Pacific Grove does not agree that the Municipal Advisor should have the power to call for binding arbitration, as it has been clearly shown that this change could jeopardize project financing. The City of Pacific Grove believes that, even without the power to call for arbitration, the Municipal Advisor participation on the Advisory Committee will provide a strong and meaningful role to pursue the interests of the citizens of Pacific Grove as well as all other peninsula rate payers.

R8.3 The Monterey City Council should re-evaluate its position. It would be far better for the residents of the City of Monterey to have representation on the Advisory Committee through the Municipal Advisor role.

This recommendation has been superseded by subsequent events. As noted in the response to Finding 8.3, the City of Monterey has representation on the Advisory Committee through the Municipal Advisor role. In fact, the Mayor of Monterey is one of two Mayors appointed to the Advisory Committee.

Please contact me should you have any further questions on this matter.

Sincerely,

A handwritten signature in blue ink that reads "THOMAS FRUTCHHEY". The signature is written in a cursive, slightly slanted style.

Thomas Frutchey
City Manager



City of Salinas

CITY CLERK • 200 Lincoln Avenue • Salinas, California 93901 • (831) 758-7381

Presiding Judge of the Superior Court
County of Monterey
240 Church Street
Salinas, CA 93901

SUBJECT: RESPONSE TO 2010 GRAND JURY FINAL REPORT REGARDING PUBLIC EMPLOYEES
 RETIREMENT SYSTEM IN MONTEREY COUNTY – CalPERS

I certify that the attachment is a full, true, and correct copy of the letter approved by the Salinas City Council at their meeting of April 5, 2011, as appears of record in the Salinas City Clerk's Office. A copy of the letter signed by the Salinas Mayor will be forwarded to your office by no later than April 11, 2011.

Dated this 6th day of April 2011.

Ann Camel
Salinas City Clerk



City of Salinas

OFFICE OF THE MAYOR
200 Lincoln Avenue Salinas, California 93901

(831) 758-7201 Fax (831) 758-7368

March 29, 2011

The Honorable Adrienne Grover
Presiding Judge of the Superior Court (2010)
County of Monterey
240 Church Street
Salinas, CA 93901

RE: Response to 2010 Grand Jury Final Report regarding “Suppression, Intervention, Prevention: Three Pillars of Fighting Gang Activity in Monterey County”

Dear Judge Grover:

On March 29, 2011, the Salinas City Council approved the following responses to the findings and recommendations in the 2010 Grand Jury Final Report regarding “Suppression, Intervention, Prevention: Three Pillars of Fighting Gang Activity in Monterey County.” The responses follow the findings and recommendations found on pages 89 - 91 of the Final Report.

Findings:

F5.1. “CASP has made tremendous progress in working with Ceasefire to reduce gang violence in the City of Salinas.”

Response: The City agrees with this finding as it pertains to the City of Salinas. The City is the leading agency and fiscal agent for CASP; however, it is only one of several critical agencies and organizations participating in this multi-disciplinary approach to reduce and prevent gang and youth violence.

F5.2. “CASP continues to modify its programs and goals to maximize its effectiveness by engaging the community.”

Response: The City agrees with this finding.

F5.3. “Ceasefire’s primary strategy is suppression. As a result of its outreach, it is also involved in intervention of gang violence.”

Response: The City disagrees partially with this finding; Ceasefire is a strategy used by the Salinas Police Department to focus primarily on intervention rather than suppression. Those that participate in Ceasefire sessions or “call-ins” are first given an opportunity to take advantage of a range of services to assist in living a non-violent, law-abiding life, including, but not limited to, job training and skills, employment assistance and tattoo removal. Only if and after a participant

decides not to take advantage of the opportunity presented and continues to engage in violent crimes will strong suppression actions take place against the participant and the gang to which the participant belongs.

F5.5. “Salinas is one of six cities in the United States which is receiving special advice and financial aid from state and federal agencies. This is a result of successful gang violence intervention programs such as CASP and Ceasefire.”

Response: The City disagrees partially with the finding in that the City does not receive special financial aid from state and federal agencies as a result of being one of the six chosen cities. The City agrees Salinas receives a special opportunity to engage in an interactive forum with various federal agencies where best practices and local issues are shared and that the City is placed in a better position to receive funding, but to date, the City has not received any such financial aid.

The City agrees with the finding that it was chosen as one of six cities in the United States to participate in the National Forum for Youth Violence Prevention (NFYVP) as a result of successful intervention strategies such as the Ceasefire strategy utilized by Salinas PD and engaging in successful partnerships and collaborations such as the Community Alliance for Safety and Peace (CASP).

Recommendations:

R5.1. “CASP should continue to work with and combine strategies with Ceasefire and all agencies that can enhance the CASP goals.”

Response: This recommendation has been implemented. The City of Salinas continues to be the leading and fiscal agent of CASP and continues to provide staff to coordinate all pertinent programs and services. Staff is also assigned to disseminate grant funding opportunities and submit joint applications on behalf of CASP. CASP partners continue to support Salinas PD’s Ceasefire strategy by providing the “carrot” services involved and many other violence prevention and intervention initiatives.

R5.2. “Because the success of CASP depends on the expanding and continual support of the Salinas community, CASP should continue to find more methods and strategies of drawing public support.”

Response: This recommendation has been implemented. Although the majority of work done by CASP is “Salinas-centric,” many CASP partners represent jurisdictions other than the City of Salinas and have applied the collaborative principals of CASP towards violence prevention and intervention throughout Monterey County.

The City and CASP continue to hold “Dialogues for Peaceful Change” which encourage community residents to discuss issues affecting their neighborhoods as well as offering ideas for solutions, including self-empowerment. The 4th Dialogue for Peaceful Change took place on February 23, 2011 from 6:00 p.m. – 8:00 p.m. at Fremont Elementary School in Salinas; burritos, refreshments and childcare were provided, as well as simultaneous bilingual (English/Spanish)

translation. The City and CASP will continue with these community meetings as the drafting and eventual implementation of the Comprehensive Strategic Work Plan (SWP) is in progress. It is well understood that any comprehensive plan that is created without the assistance and support of the community will be unsuccessful. The City will submit the SWP to the White House initiative, NFYVP, on April 4-5, 2011.

To further ensure meaningful community engagement, CASP, with the assistance of the Office of Justice Programs (OJP), is developing a CASP website that will provide links to service providers, volunteer and mentoring opportunities, and provide information of future community meetings and forums. The website is expected to be in both English and Spanish at www.future-futuro.org.

R5.3. “Since an important part of the Ceasefire strategy is the ongoing support of the gang members who elect to leave the lifestyle, Ceasefire strategy must continue to include Rancho Cielo and the programs offered by that organization.”

Response: This recommendation is already being implemented as it is the current existing practice of Ceasefire to collaborate with Rancho Cielo.

R5.5. “All of the ongoing suppression, intervention, and prevention successes should be documented and presented to state and federal agencies on a regular basis to secure continued support.”

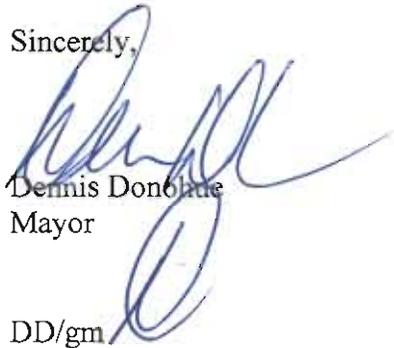
Response: This recommendation has not yet been fully implemented, but protocols are being established to ensure that all successes are documented. Currently, the City of Salinas and other CASP partners and programs such as Ceasefire, are funded by federal and state grants such as the Governor’s Office of Gang and Youth Violence Policy grants (“CalGRIP” grants) that require quarterly and annual reporting of progress and outcomes. For those programs that are being funded by the government, documentation requirements are already being followed. Additionally, Salinas continues to be an active participant in the California Cities Gang Prevention Network by attending in bi-annual conferences where new trends and successful strategies from different parts of the state are shared, as well as by participating as moderators and panelists at state and national conferences.

CASP has recently completed a Comprehensive Strategic Work Plan (SWP) and continues to collaborate with the Naval Post Graduate School to create a successful action plan to implement the SWP strategies. Furthermore, the National Council on Crime and Delinquency has agreed to conduct a formal evaluation of the successes and obstacles of the SWP and provide recommendations for any improvement. Attached is the SWP for your information.

On behalf of the City Council and community of the City of Salinas, thank you for the opportunity to review and comment on the findings and recommendations of the 2010 Grand Jury concerning strategies used to prevent and reduce gang violence.

Response of the City Council of the City of Salinas
Monterey County Civil Grand Jury 2010
March 29, 2011

Sincerely,

A handwritten signature in blue ink, appearing to read "Dennis Donohue", is written over the typed name and extends upwards into the "Sincerely," line.

Dennis Donohue
Mayor

DD/gm

cc: City Manager Artie Fields
City Attorney Vanessa W. Vallarta



City of Salinas

OFFICE OF THE MAYOR
200 Lincoln Avenue Salinas, California 93901

(831) 758-7201 Fax (831) 758-7368

April 5, 2011

The Honorable Adrienne Grover
Presiding Judge of the Superior Court (2010)
County of Monterey
240 Church Street
Salinas, CA 93901

RE: Response to 2010 Grand Jury Final Report regarding "Public Employees' Retirement System in Monterey County – CalPERS"

Dear Judge Grover:

On April 5, 2011, the Salinas City Council approved the following responses to the findings and recommendations in the 2010 Grand Jury Final Report regarding "Public Employees' Retirement System in Monterey County - CalPERS." The responses follow the findings and recommendations found on pages 13 and 14 of the Final Report.

FINDINGS:

F1.1. "The CalPERS retirement system is worth retaining."

Response: The City agrees with this finding as it pertains to the City of Salinas.

F1.2. "Those local agencies that have binding arbitration have ceded their collective bargaining authority and responsibility to an individual arbitrator."

Response: The City agrees partially with this finding and notes that the Salinas City Charter, Section 120, added by the electors of the City on November 3, 1998, provides for impartial arbitration of fire department employee disputes. Charter Section 120 provides that "all matters relating to the wages, hours, and other terms and conditions of City employment, including the establishment of procedures for the resolution of grievances concerning the interpretation or application of any negotiated agreement" must be negotiated with the recognized employee organization which represents members of the City of Salinas Fire Department.

F1.3. "A vote of the electorate before granting increased retirement benefits has not been implemented as a check on overspending."

Response: The City agrees with this finding.

F1.4. “Some agencies may allow retired employees to come back to work part time at the same agency and receive retirement and a salary, provided they don’t work more than 960 hours per year, the maximum allowed by CalPERS.”

Response: The City agrees with this finding.

F1.5. “Some agencies may have practices that allow employees to increase or “spike” their base year salaries by converting unused sick leave or vacation leave to salary their last year of employment.”

Response: The City disagrees with this finding. The practice of “spiking” is not allowed by City employees.

F1.6. “The practice of offering an employee up to two years unearned credit for retirement in exchange for taking an early retirement (“a Golden Handshake”), as authorized by Section 20903 of the Government Code, may be subject to abuse.”

Response: The City disagrees partially with this finding. Salinas has not offered “Golden Handshake” type packages as they can be expensive. However, the City has offered early retirement/ resignation incentives that provide medical coverage (or a cash equivalent) for two years.

F1.7. “Some employees do not pay an appropriate CalPERS retirement share.”

Response: The City disagrees with this finding as it pertains to Salinas. Salinas employees contribute their entire CalPERS retirement share from their salary -- 9% for public safety employees and 7% for miscellaneous or non-safety employees.

F1.8. “Some employees may pay for all optional CalPERS benefits. Some employees may pay for some or a portion of some of these benefits, and some may pay nothing for optional benefits received.”

Response: The City agrees with this finding.

F1.9. “Some agencies have no caps on the maximum amount of time one can accumulate in sick leave or vacation leave.”

Response: The City disagrees with this finding as to Salinas. The City caps annual leave accruals at 600 hours (there is no distinction between sick leave and vacation leave). The City annually buys back any excess over 600 hours.

F1.10. “The California Legislature could enact changes that would limit new employees to 2% @ 55 for Safety with a 90% of salary retirement cap and 2% @ 60 for Miscellaneous in the CalPERS system with a 36-month salary base for each.”

Response: The City agrees with this finding.

F1.11. “CalPERS could be made more affordable to the agencies if new employees were provided, in lieu of benefits accorded to existing employees, a second-tier of benefits of 2% @ 55 for Safety employees with a 90% of salary retirement cap and 2% @ 60 for Miscellaneous employees, each with a 36-month salary base.”

Response: The City agrees with this finding, although the two-tiered system that is presently being considered by the City is 3% @ 55 for public safety employees and retains miscellaneous or non-safety employees at 2% @ 55.

F1.12. “Some MOU’s may not allow the reopening of negotiations to make prospective changes to salary and benefits in the event of unforeseen dire economic circumstances.”

Response: The City agrees with this finding. The City’s MOU’s are closed contracts and only allow re-opening upon the mutual agreement of the parties.

RECOMMENDATIONS:

R1.1. “Continue to participate in the CalPERS retirement system.”

Response: The recommendation has been implemented.

R1.2. “Abolish binding arbitration in labor matters.”

Response: This recommendation requires further analysis as it will require an amendment to the City Charter (Section 120) that provides binding arbitration of fire department employee disputes. Any amendment to the City Charter will require a vote of the people. The Mayor and City Council are presently considering the formation of a Charter Review Committee to review and make recommendations to the Council. The determination as to the Charter Review Committee (formation, composition, and scope of study) will be completed by June 10, 2011. The next regularly scheduled election in the City where Charter amendments could be considered is November 2012.

R1.3. “Require a vote of the electorate as a prerequisite to increase retirement benefits and thereby limit spending.”

Response: The recommendation requires further analysis as to whether and how such a vote may be legally implemented consistent with State law and the City Charter and code.

R1.4. “Do not allow those who have retired from the agency to be re-employed by the same agency on a part-time basis.”

Response: The recommendation will not be implemented because it is not warranted. The City achieves significant savings and benefits from the re-employment (on a restricted basis) of experienced retirees.

R1.5. “Prevent “spiking” the base salary.”

Response: The recommendation has been implemented.

R1.6. “Do not offer a “Golden Handshake”.”

Response: The recommendation has been implemented.

R1.7. “Require employees to pay the CalPERS employee contribution rate.”

Response: The recommendation has been implemented.

R1.8. “Require employees to pay for all optional CalPERS benefits.”

Response: The recommendation has been implemented.

R1.9. “Place a cap on the maximum amount of sick leave and vacation leave an employee can accumulate.”

Response: The recommendation has been implemented.

R1.10. “Urge passage of legislation that new hires are limited to 2% @ 60 for Miscellaneous, 2% @ 55 for Safety employees with a 90% of salary retirement cap, and a 36-month salary base for each.”

Response: The recommendation requires further analysis. Action by the California State Legislature would simplify the implementation of “two-tiered” plans by local agencies; however local entities should be given the latitude to determine the best formula for their jurisdiction and job market.

R1.11. “Contract for a CalPERS retirement benefit for newly hired employees of 2% @ 55 for Safety employees with a 90% of salary cap and 2% @ 60 for Miscellaneous employees with a 36-month salary base for each.”

Response: The recommendation will not be implemented because it is not warranted. The City is presently negotiating with its public safety groups for 3% @ 55 for new employees, with a 36-month salary base; miscellaneous or non-safety employees would remain at their present formula

Response of the City Council of the City of Salinas
Monterey County Civil Grand Jury 2010
April 5, 2011

of 2% @ 55.

R1.12. "In all future MOU's, reserve the right to reopen negotiations in the event of unforeseen dire economic circumstances to make changes to salary and benefits with no reduction to salary and/or benefits already earned."

Response: The recommendation requires further analysis and discussion with employee bargaining units.

On behalf of the City Council and community of the City of Salinas, thank you for the opportunity to review and comment on the findings and recommendations of the 2010 Grand Jury concerning public employees' retirement system in Monterey county - CalPERS.

Sincerely,

A handwritten signature in blue ink, appearing to read "Dennis Donohue", is written over a light blue rectangular background.

Dennis Donohue
Mayor

DD/vv

cc: City Manager Artie Fields
City Attorney Vanessa W. Vallarta



CITY MANAGER

440 Harcourt Avenue
Seaside, CA 93955

Telephone (831) 899-6701
FAX (831) 899-6227

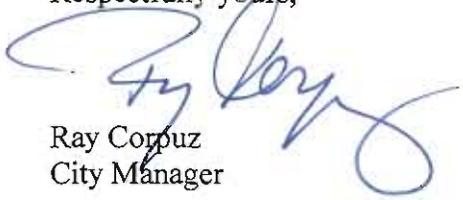
April 5, 2011

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

Dear Judge Grover:

Please find attached the City of Seaside's requested responses to the Monterey County Grand Jury Report dated January 10, 2011. You may contact me if you have any questions or require further information or clarification. I can be reached at 831-899-6701 or via email at rcorpuz@ci.seaside.ca.us.

Respectfully yours,


Ray Corpuz
City Manager

CC: Mayor Felix H. Bachofner
Mayor ProTem Steve Bloomer
Council Member Ian Oglesby
Council Member Dennis Alexander
Council Member Alvin Edwards

**MONTEREY COUNTY GRAND JURY REPORT
JANUARY 10, 2011**

CITY OF SEASIDE RESPONSES

Public Employee's Retirement System in Monterey County – CALPERS

F1.1 The CalPERS retirement system is worth retaining.

The respondent agrees with the finding.

F1.2 Those local agencies that have binding arbitration have ceded their collective bargaining authority and responsibility to an individual arbitrator.

The respondent agrees with the finding.

F1.3. A vote of the electorate before granting increased retirement benefits has not been implemented as a check on overspending.

The respondent does not think a vote of the electorate is appropriate before granting increased retirement benefits. This should be a decision of the legislative body.

F1.4. Some agencies may allow retired employees to come back to work part time at the same agency and receive retirement and a salary, provided they don't work more than 960 hours per year, the maximum allowed by CalPERS.

The respondent agrees with the finding. However, this may be a cost effective way for an agency to obtain quality staffing at a cost less than would be incurred if the agency had to recruit in the marketplace for highly qualified and/or specialized positions. It is an effective way to temporarily fill a position during recruitment.

F1.5. Some agencies may have practices that allow employees to increase or "spike" their base year salaries by converting unused sick leave or vacation leave to salary during their last year of employment.

The respondent disagrees with the finding. CalPERS does not allow this practice.

F1.6. The practice of offering an employee up to two years unearned credit for retirement in exchange for taking an early retirement ("a Golden Handshake"), as authorized by Section 20903 of the Government Code, may be subject to abuse.

The respondent disagrees with the finding. If the practice is allowed by law, it cannot be "abuse" to implement the practice/law. This practice may be a cost effective tool for the agency and the employee in order to reduce staffing in difficult economic times that might otherwise require layoffs.

F1.7. Some employees do not pay an appropriate CalPERS retirement share.

The respondent disagrees with the finding. The term “appropriate” is vague. The CalPERS retirement share is a negotiated benefit decided at the bargaining table between the City Council/Management and the employee groups. The legislative body has the final decision.

F1.8. Some employees may pay for all optional CalPERS benefits. Some employees may pay for some or a portion of some of these benefits, and some may pay nothing for optional benefits received.

The respondent is unable to provide input for the finding as this requires information beyond the respondent’s knowledge.

F1.9. Some agencies have no caps on the maximum amount of time one can accumulate in sick leave or vacation leave.

The respondent is unable to provide input for the finding as this is information beyond the respondent’s knowledge.

F1.10. The California Legislature could enact changes that would limit new employees to 2% @ 55 for Safety with a 90% of salary retirement cap and 2% @ 60 for Miscellaneous in the CalPERS system with a 36-month salary base for each.

The respondent is unable to provide input for the finding as this has ramifications pertaining to negotiations/bargaining, contracts, etc., and requires a legal expertise beyond the responder’s abilities.

F1.11. CalPERS could be made more affordable to the agencies if new employees were provided, in lieu of benefits accorded to existing employees, a second-tier of benefits of 2% @ 55 for Safety employees with a 90% of salary retirement cap and 2% @ 60 for Miscellaneous employees, each with a 36-month salary base.

The respondent agrees with the finding.

F1.12. Some MOUs may not allow the reopening of negotiations to make prospective changes to salary and benefits in the event of unforeseen dire economic circumstances.

The respondent agrees with the finding. This is an item for the collective bargaining process and subject to the agreement of the legislative body.

R1.1. Continue to participate in the CalPERS retirement system. [Related Finding: F1.1]

The recommendation has been implemented.

R1.2. Abolish binding arbitration in labor matters. [Related Finding: F1.2]

The recommendation does not apply to the City of Seaside because the City does not have binding arbitration.

R1.3. Require a vote of the electorate as a prerequisite to increase retirement benefits and thereby limit spending. [Related Finding: F1.3]

This recommendation has not been implemented. The recommendation to submit to a vote of the electorate before granting increased retirement benefits is not appropriate. This is a matter of collective bargaining and ultimately is a decision of the legislative body.

R1.4. Do not allow those who have retired from the agency to be re-employed by the same agency on a part-time basis. [Related Finding: F1.4]

This recommendation has not and should not be implemented as it is not reasonable. The employing entity should have the ability to assess and determine re-employment factors, based on all the information available to the specific agency without oversight. This may be a cost effective way for an agency to obtain quality staffing at a cost less than would be incurred if the agency had to recruit in the marketplace for highly qualified and/or specialized positions. It is an effective way to temporarily fill a position during recruitment.

R1.5. Prevent “spiking” the base salary. [Related Finding: F1.5]

CalPERS does not allow spiking.

R1.6. Do not offer a “Golden Handshake.” [Related Finding: F1.6]

The recommendation has not and should not be implemented as it is not reasonable. The employing entity should have the ability to assess and determine mitigating factors, based on all the information available to the specific agency without oversight. This practice may be a cost effective tool for the agency and the employee in order to reduce staffing in difficult economic times that might otherwise require layoffs.

R1.7. Require employees to pay the CalPERS employee contribution rate. [Related Finding: F1.7]

The recommendation has not and should not be implemented as it is not reasonable. This matter is subject to collective bargaining. The employing entity should have the ability to assess and determine mitigating factors, based on all the information available to the specific agency without oversight.

R1.8. Require employees to pay for all optional CalPERS benefits. [Related Finding: F1.8]

The recommendation requires further analysis as it has ramifications pertaining to negotiations/bargaining, contracts, etc.

- R1.9. Place a cap on the maximum amount of sick leave and vacation leave an employee can accumulate. [Related Finding: F1.9]

The recommendation has been partially implemented and is a mandatory subject of bargaining. Employees are allowed to have no more than two years earned vacation accumulated as of the end of the second pay period in January of any year. There is no cap on sick leave.

- R1.10. Urge passage of legislation that new hires are limited to 2% @ 60 for Miscellaneous employees, 2% @ 55 for Safety employees with a 90% of salary retirement cap, and a 36-month salary base for each. [Related Finding: F1.10]

The recommendation has not and should not be implemented. This is a matter that is subject to the collective bargaining process. The employing entity should have the ability to assess and determine mitigating factors, based on all the information available to the specific agency without oversight. In addition this recommendation requires further legal analysis as it has ramifications pertaining to negotiations/bargaining, contracts, etc.

- R1.11. Contract for a CalPERS retirement benefit for newly hired employees of 2% @ 55 for Safety employees with a 90% of salary cap and 2% @ 60 for Miscellaneous employees with a 36-month salary base for each. [Related Finding: F1.11]

The recommendation has been partially implemented in the City of Seaside. However, this is a matter that is subject to the collective bargaining process. The employing entity should have the ability to assess and determine mitigating factors, based on all the information available to the specific agency without oversight. In addition this recommendation requires further legal analysis as it has ramifications pertaining to negotiations/bargaining, contracts, etc.

- R1.12. In all future MOUs, reserve the right to reopen negotiations in the event of unforeseen dire economic circumstances to make changes to salary and benefits with no reduction to salary and/or benefits already earned. [Related Finding: F1.12]

The City of Seaside MOUs, except fire, contain the following language: "Should circumstances call for a change, the City shall give notice of such proposed change to the Association and the items shall be subject to the meet and confer process if so required by law." This is the language that the City has used to reopen when the "circumstances" were the City's difficult financial situation.

Monterey County Regional Water Project

- F8.1 While the Municipal Advisor Role provides valuable public oversight, the appointed members lack long-term continuity and may lack expertise to effectively monitor complex water issues without the assistance of water professionals.

The City of Seaside disagrees with this finding. The six Mayors of the Monterey Peninsula (Monterey, Carmel by the Sea, Pacific Grove, Sand City, Seaside, and Marina) adopted a protocol describing the Municipal Advisor composition and role. The protocol specifies 2 year overlapping terms for the two Mayors who serve as Municipal Advisors and requires that the Municipal Advisor be accompanied by an appropriate staff member when needed and requested. The Mayors have continued to meet jointly to discuss the regional water project and share information freely. All of these steps will help ensure more long-term continuity than could the appointment of one elected official alone.

- F8.2 Some cities on the Monterey Peninsula already have constructed small scale desalination plants.

The City of Seaside partially agrees with this finding. The City of Sand City has constructed a small scale desalination facility with a capacity of 300 AFY. The Monterey Bay Aquarium currently operates a small desalination facility and the Marina Coast Water District owns a small desalination facility that is currently non-operational. In 2008, the City of Monterey conducted some initial research on development of a small-scale desalination facility, but did not have adequate resources to further pursue the concept at that time. Rather, the City of Monterey elected to support the Monterey County Regional Water Project.

- R8.1 The mayors are encouraged to formalize an advisory support function established from the cities' staff member with the most expertise on water issues to enhance their Municipal Advisor role [Related Finding: F8.2]

The respondent agrees with this finding. The Monterey Peninsula cities have adopted a protocol describing the Municipal Advisor composition and role. The protocol requires that the municipal Advisor will be accompanied by appropriate staff when needed.

The power of arbitration was not granted by the California Public Utilities Commission (CPUC). It is assumed that the CPUC made its decision influenced by arguments that granting such a power would undermine the ability to finance the regional water project. The other cities agreed to not call for arbitration. Subsequent to the CPUC decision the Mayor of Monterey was selected by the six peninsula Mayors to be one of two Mayors appointed to the Advisory Committee.

- R8.2 Grant the Municipal Advisor role a voting position, as many members are familiar with desalination operations. [Related Finding: F8.2]

The City of Seaside disagrees with this finding. The City does not believe that the Municipal Advisor should have the power to call for binding arbitration, as it has been shown that this provision could potentially jeopardize project financing. The City believes that the Municipal Advisor position will provide a meaningful role representing the citizens and rate payers of the Monterey Peninsula.

- R8.3 The Monterey City Council should re-evaluate its position. It would be far better for the residents of the City of Monterey to have representation on the Advisory Committee through the Municipal Advisor role.

As noted in the response to Finding 8.3, the City of Monterey has representation on the Advisory Committee through the Municipal Advisor role. In fact, the Mayor of Monterey is one of two Mayors appointed to the Advisory Committee.

March 9, 2011

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

RE: Response to 2010 Grand Jury Final Report regarding "Suppression, Intervention, Prevention: Three Pillars of Fighting Gang Activity in Monterey County"

Dear Judge Grover:

On March 9, 2011, the Community Alliance for Safety and Peace (CASP) Executive Committee approved the following responses to the findings and recommendations in the 2010 Grand Jury Final Report regarding "Suppression, Intervention, Prevention: Three Pillars of Fighting Gang Activity in Monterey County." The responses follow the findings and recommendations found on pages 89 - 91 of the Final Report.

Findings:

F5.1. "CASP has made tremendous progress in working with Ceasefire to reduce gang violence in the City of Salinas."

Response: CASP agrees with this finding.

F5.2. "CASP continues to modify its programs and goals to maximize its effectiveness by engaging the community."

Response: CASP agrees with this finding.

F5.5. "Salinas is one of six cities in the United States which is receiving special advice and financial aid from state and federal agencies. This is a result of successful gang violence intervention programs such as CASP and Ceasefire."

Response: CASP disagrees partially with the finding that the City receives special financial aid from state and federal agencies as a result of being one of the six chosen cities, but agrees that Salinas receives special advice from various federal agencies and that it is placed in a better position to receive funding for the City or for CASP. CASP knows that to date, the City has not received any such funds.

However, CASP agrees with the finding that Salinas was chosen as one of six cities in the United States to participate in the National Forum for Youth Violence Prevention (NFYVP) as a result of successful intervention programs such as Ceasefire and engaging in successful partnerships and collaborations such as CASP.

F5.6. “MCOE administers a wide range of programs to assist the students and young adults within the county. MCOE works as a team in strategic ways to meet the needs of this community in spite of tight budget constraints.”

Response: CASP can neither agree nor disagree with this finding as it is specific to MCOE and not CASP.

Recommendations:

R5.1. “CASP should continue to work with and combine strategies with Ceasefire and all agencies that can enhance the CASP goals.”

Response: This recommendation has been implemented. CASP works closely with the City of Salinas, County of Monterey, MCOE, the faith-based community, community-based organizations, probation department, health department, law enforcement, service providers and residents to further its mission “to build, support and sustain a peaceful community through mobilizing a multidisciplinary leadership team to assess, plan and implement effective strategies, and share resources.” Additionally, City of Salinas staff assigned to CASP disseminates grant funding opportunities and submit joint applications on behalf of CASP.

R5.2. “Because the success of CASP depends on the expanding and continual support of the Salinas community, CASP should continue to find more methods and strategies of drawing public support.”

Response: This recommendation is being implemented. CASP continues to hold community forums called “Community Dialogues for Change,” which encourage community residents to discuss issues affecting their neighborhoods as well as offering ideas for solutions, including self-empowerment. The 4th Community Dialogue for Change took place on February 23, 2011 from 6:00 p.m. – 8:00 p.m. at Fremont Elementary School in Salinas; burritos, refreshments and childcare were provided, as well as simultaneous bilingual (English/Spanish) translation. CASP is, and will continue to be, committed to seeking continuous resident input in their ideas and feedback for a more peaceful community.

To continue meaningful community involvement, CASP, with the assistance of the Office of Justice Programs (OJP), is developing a CASP website that will provide links to service providers, volunteer and mentoring opportunities, and provide information of future community meetings and forums. The website is expected to be in both English and Spanish. Further, CASP has begun a media campaign for hope and a call to action for community residents, which is called “For our Future/ Para Nuestro Futuro.” The business community has demonstrated an interest in participating in this movement as one of the many diverse sectors of the community. The campaign’s message will be spread through the distribution of T-shirts with the logo on them, as well as stickers for kids and posters for businesses and

residents seeking to assist in becoming more involved in solving the community violence problems.

R5.5. “All of the ongoing suppression, intervention, and prevention successes should be documented and presented to state and federal agencies on a regular basis to secure continued support.”

Response: This recommendation has not yet been fully implemented, but protocols have been established to ensure that all successes are documented. Several CASP partners and strategies such as Ceasefire, are funded by federal and state grants such as the Governor’s Office of Gang and Youth Violence Policy grants (“CalGRIP” grants) that require quarterly and annual reporting of progress and outcomes. For those programs that are being funded by the government, documentation requirements are already being followed.

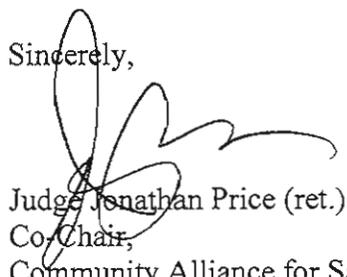
CASP is currently drafting a Comprehensive Strategic Work Plan (SWP) whose successes have not been fully documented; however CASP is collaborating with the Naval Post Graduate School to create a successful action plan to implement the SWP strategies. Furthermore, the National Council on Crime and Delinquency has agreed to conduct a formal evaluation of the successes and obstacles of the SWP and provide recommendations for any improvement.

R5.6. “MCOE should continue to work with the many agencies to keep students interested in education and the future it provides. This should include both traditional schooling and expanded alternative ways of educating.”

Response: This is not a recommendation CASP can implement as it is directed to MCOE, which CASP does not have governing authority over. However, we understand that MCOE, a critical CASP partner, is working on an ongoing basis with many agencies developing new programs and strategies to prepare Monterey County’s students for success in the 21st century. While doing this, they are remaining faithful to those traditional strategies that serve our students well.

On behalf of the Executive Committee and the Steering Committee of CASP, we thank you for the opportunity to review and comment on the findings and recommendations of the 2010 Grand Jury concerning strategies used to prevent and reduce gang violence.

Sincerely,



Judge Jonathan Price (ret.)
Co. Chair,
Community Alliance for Safety and Peace

Response of the CASP Executive Committee
Monterey County Grand Jury
March 9, 2011
Page 4

JP/gm

cc: CASP Steering Committee



MARINA COAST WATER DISTRICT

11 RESERVATION ROAD • MARINA, CA 93933-2099

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DIRECTORS

WILLIAM Y. LEE

President

DAN BURNS

Vice President

HOWARD GUSTAFSON

KENNETH K. NISHI

JAN SHRINER

April 8, 2011

Hon. Adrienne M. Grover
c/o Monterey Superior Court Administration
240 Church St.
Salinas, CA 93901

Re: 2010 Grand Jury Report

Hon. Adrienne M. Grover,

The Marina Coast Water District (MCWD) is pleased to have the opportunity to respond to the findings and recommendations in the Final Report of the 2010 Monterey County Civil Grand Jury concerning the water problems in Monterey County and the District. The MCWD's response to each required finding and recommendation are provided in the attached document.

Sincerely,

A handwritten signature in blue ink, appearing to read "Jim Heitzman", with a long horizontal flourish extending to the right.

Jim Heitzman
General Manager

Enclosure

Monterey County Regional Water Project

Summary

PURPOSE OF THE INVESTIGATION

The 2010 Monterey County Civil Grand Jury investigated the proposed Monterey County Regional Water Project focusing on the desalination plan. Concerns over the fairness of governance, oversight, and feasibility as expressed by newspapers, editorials, and public testimony before the California Public Utilities Commission (CPUC) and the Administrative Law Judge (ALJ) during public hearings prompted this investigation.

The Civil Grand Jury believes that reasonable people in a position of public trust have the responsibility to work together to find solutions for the public benefit. The proposed project provides a solid foundation on which to build. It is the hope of the Civil Grand Jury that, as the project matures and additional public agencies are added, the parties remain flexible and work together to find the most appropriate means to meet the concerns expressed by critics of the project.

The Civil Grand Jury supports the Regional Water Project, but believes it can be improved.

GLOSSARY

CalAm	California American Water Corporation
CPUC	California Public Utilities Commission
MCWD	Marina Coast Water District
MCWRA	Monterey County Water Resources Agency
MPWMD	Monterey Peninsula Water Management District
MRWPCA	Monterey Regional Water Pollution Control Agency
SWRCB	State Water Resources Control Board
Order 95-10	State Water Resources Control Board Order 95-10

BACKGROUND FOR THE INVESTIGATION

After years of inaction, there is finally a critical sense of urgency to find a solution to the Monterey Peninsula's water needs. Our present crisis began 15 years ago when the State Water Resources Control Board (SWRCB), a division of the California Environmental Protection Agency, issued Order 95-10. This order instructed California American Water (CalAm) to terminate all unlawful diversions from the Carmel River and find a replacement source of water. There were several failed attempts to find a new source of water over those 15 years. The deadline is set for December 31, 2016. If another source of water is not available by then, the quality of life and economic viability of the peninsula will be seriously affected. The current desalination project is a means to comply with the provisions of Order 95-10.

It is a widely held opinion that the desalination plant is the best viable long-term solution to the peninsula's water problems. The desalination project consists of a four-party contract between the Monterey County Water Resources Agency (MCWRA), Marina Coast Water District (MCWD), CalAm, and the Monterey Regional Water Pollution Control Agency (MRWPCA). In its most basic terms, each of these entities will provide the following functions:

- MCWRA will own and operate the wells that supply brackish water to the desalination plant
- MCWD will own and operate the desalination facility
- CalAm will install and own the pipes that deliver potable water to the ratepayers
- MRWPCA will take the salts and impurities which are extracted from the desalinated water, process them, and return them to the ocean

INVESTIGATIVE METHODOLOGY

- Interviewed the management and/or directors of:
 - MCWRA
 - MCWD
 - MPWMD
 - MRWPCA
- Interviewed Monterey Peninsula mayors
- Interviewed members of the Monterey County Board of Supervisors
- Attended public hearings held by the CPUC on the proposed desalination projects
- Attended public meetings on the Regional Water Project held in Carmel Valley and Pacific Grove
- Attended a public meeting on the Regional Desalination Project and Agreement held in Monterey by the Division of Ratepayer Advocates on May 4, 2010
- Toured MRWPCA facility
- Toured a local state-of-the-art desalination facility
- Reviewed local media coverage of water issues in Monterey County
- Reviewed MCWD publications including Water for Monterey County: Project Update, June 2009 and the Monterey Regional Water Supply Project (Phase I)
- Reviewed web sites pertaining to Monterey County water issues, including the Regional Water Project, www.waterformontereycounty.org
- Reviewed previous IS years of Monterey County Civil Grand Jury reports pertaining to water issues
- Researched water conservation in Monterey County
- Reviewed Environmental Impact Reports for California Coastal Water Project
- Reviewed Order 95-10 (July 6, 1995) and Order 2009-0060 (October 20, 2009)
- Reviewed all documents filed in Proceeding A.04090 19 currently before the CPUC

DISCUSSION

There have been concerns expressed over parts of the agreement such as transparency, oversight, feasibility, and the restrictions imposed by the Monterey County Water Resources Agency Act.

AGENCY ACT

The Monterey County Water Resources Agency Act prohibits groundwater from being exported out of the Salinas River Groundwater Basin.⁹ This is the underlying requirement that mandates that the fresh water portion of the brine coming from the wells intended for the desalination plant remain within the Salinas Basin. It should be noted that the MRWPCA recycles 11,814 acre feet of waste water that comes from the Carmel River basin and the Seaside aquifer. This reclaimed water is utilized by agriculture in the Salinas Basin. The Carmel River water used by Monterey residents is sent as waste water to MRWPCA and receives tertiary treatment before being distributed out into the Salinas basin as part of the agricultural program near the Salinas River. Currently, there are no plans for reciprocity with the Monterey Peninsula residents for using some of this treated waste water.

TRANSPARENCY

Once the proposed plan is approved by the CPUC and ALJ, the public agencies MCWD, MCWRA, and MRWPCA will conduct their meetings in accordance with California's open meeting law, the Brown Act. This guarantees the public's right to attend and participate in meetings of these legislative bodies. Originally the MPWMD was a party to the agreement and would have provided public representation of the peninsula ratepayers. An agreement couldn't be reached as to the exact role that the MPWMD would play. Consequently, the MPWMD is not one of the governing agencies in this project. The result is a lack of direct representation for some of the ratepayers who are underwriting this project. Some are represented by the Municipal Advisor position, but the unincorporated areas have no direct representation. The Civil Grand Jury was impressed by the depth and scope of the technical expertise that all of these agencies were able to bring to bear in solving the water problem. It is unfortunate that the MPWMD does not have a role, as it could have provided another valuable source of local water expertise. The MPWMD has board members elected by the region receiving the water and water professionals whose experience has been underutilized in this project.

Due to justifiable concern by the public, the city mayors have negotiated for a non-voting seat on the Advisory Committee to fill this perceived void. The Municipal Advisors position provides valuable oversight for the ratepayers. Monterey, the city with the largest population, elected not to participate in this position. This position has no voting rights to ensure that the ratepayers concerns are given appropriate review.

⁹Monterey County Water Resources Agency Act 4/11/95 Section 52-21

OVERSIGHT

The water plan was developed between the four parties, the MCWRA, MCWD, CalAm, and the MRWPCA, who laid out in the contract the activities that each of these members would perform to perfect the plan.

The Civil Grand Jury also found that the current plan did not provide for strong financial oversight. An independent oversight committee could be formed from local experts to provide financial review of major project costs. Several of the communities that will receive this water already have functioning desalination plants and are familiar with their problems. The current desalination plans are designed to furnish only enough water to offset reductions in extraction from the Carmel River to meet the requirements of Order 95-10. Incorporating new areas and adding more communities to the existing water distribution system will necessitate having an agency with the willingness and capability to assume oversight of all the various stakeholders with a vision for serving the water needs of greater Monterey County.

FEASIBILITY

So far, the plans for the current desalination plant as conceived by water experts seem to be viable. A review of other communities in the United States with large scale desalination facilities, however, has shown a high frequency of technical problems over a protracted period of time.

FINDINGS OF THE INVESTIGATION

F8.1. While the Municipal Advisor role provides valuable public oversight, the appointed members lack long-term continuity and may lack expertise to effectively monitor complex water issues without the assistance of water professionals.

F8.2. Some cities on the Monterey Peninsula already have constructed small scale desalination plants.

F8.3. The Municipal Advisor role could be improved if the City of Monterey were represented by being a member.

F8.4. It would be in the public interest for MPWMD to have a role in the project, so as to make available its considerable water expertise.

MCWD partially agrees. MPWMD could continue its role and relationship with CalAm. Disagree that while MPWMD brings considerable expertise in some aspects of water, it does not bring extensive expertise in developing, permitting, financing, designing, constructing, operating, maintaining or reporting on water supplies and or delivery systems.

F8.5. There seems to be no independent financial oversight.

MCWD disagrees. Independent financial oversight is provided by a review of the financial plan by an independent expert party such as Piper Jaffrey. In addition, there are cost controls in the WPA, including value engineering requirements, constructability reviews, oversight provided by the Boards of MCWD, MCWRA, Advisory Committee and by CalAm. Monthly reports are required by the Water Purchase Agreement (WPA) to both the public entities, the Advisory Committee and by CalAm to the Division Rate Payer Advocate. In addition, there is review by the Community Involvement Forum.

F8.6. Peninsula recycled waste water is not being used to offset an equal amount of Salinas Basin water for export.

F8.7. There are many areas of concern In the technical aspects of this large-scale desalination project.

MCWD disagrees. The Project intends to use proven technologies.

F8.8. The current desalination plan is to replace Carmel River water. Vital service upgrades for schools and nursing homes cannot happen without new water.

RECOMMENDATIONS OF THE CIVIL GRAND JURY

R8.1. The mayors are encouraged to formalize an advisory support function established from the cities' staff members with the most expertise on water issues to enhance their Municipal Advisor role. [Related Finding: F8.1]

R8.2. Grant the Municipal Advisor role a voting position, as many members are familiar with desalination operations. [Related Finding: F8.2]

MCWD disagrees. Granting the Municipal Advisor a voting role makes financing the project improbable.

R8.3. The Monterey City Council should re-evaluate its position. It would be far better for the residents of the City of Monterey to have representation on the Advisory Committee through the Municipal Advisor role. [Related Finding: F8.3]

R8.4. MRWPCA, MCWD, MCWRA, and CalAm should continue to work to come to some agreement for participation of MPWMD. Because these agency positions may have become entrenched, the Monterey County Board of Supervisors is encouraged to intervene to facilitate some agreement to include MPWMD. [Related Finding: F8.4]

MCWD disagrees. The California Public Utilities Commission approved the Water Purchase Agreement after the CPUC carefully considered all issues with substantial public input, including input from MPWMD. MCWD, MCWRA and CalAm are the Parties to the WPA and make decisions in consultation with the Advisory Committee. The Regional Desalination Project should proceed as provided in the WPA.

R8.5. Consider the formation of an independent financial overview committee to review major functions of the project. [Related Finding: F8.5]

The recommendation is in place. Independent financial oversight is provided by a review of the financial plan by an independent expert party such as Piper Jaffrey. In addition, there are cost controls in the Water Purchase Agreement, including value engineering requirements, constructability reviews, oversight provided by the Boards of MCWD, MCWRA, Advisory Committee and by CalAm. Monthly reports are required by the Water Purchase Agreement to both the public entities, the Advisory Committee and by CalAm to the Division Rate Payer Advocate. In addition, there is review by the Community Involvement Forum.

R8.6. MPWMD and MCWRA should pursue legal clarification or adjudication to allow Peninsula recycled water to be used to offset an equal amount of Salinas Basin water for export to the Monterey Peninsula. [Related Finding: F8.6]

R8.7. It would be prudent to continue work toward additional solutions for more water because of the technical high risk elements of this plan and to assist communities that need to upgrade their outdated municipal services. MCWRA, MPWMD, MRWPCA, and CalAm should pursue all avenues of finding new water for the community. [Related Findings: F8.7, F8.8]

Agreed and would include MCWD.

COMMENDATIONS

The MCWRA, MCWD, CalAm, and the MRWPCA are to be commended for setting in motion and following through with a plan to improve the availability of water in Monterey County and on the Peninsula.

REQUIRED RESPONSES

Marina Coast Water District Board of Directors:

Findings: F8.4, F8.5, F8.7
Recommendations: R8.2, R8.4, R8.5, R8.7

Monterey Regional Water Pollution Control Agency Board of Directors:

Findings: F8.5, F8.6
Recommendations: R8.2, R8.4, R8.5, R8.6, R8.7

Monterey Peninsula Water Management District Board of Directors:

Findings: F8.4, F8.5, F8.6, F8.7, F8.S
Recommendations: R8.2, R8.4, R8.5, R8.6, R8.7

Monterey County Board of Supervisors:

Findings: F8.4, F8.8
Recommendation: R8.4

Monterey City Council:

Findings: F8.1, F8.2, F8.3
Recommendations: R8.1, R8.2, R8.3

Pacific Grove City Council:

Findings: F8.1, F8.2
Recommendations: R8.1, R8.2

Carmel-by-the-Sea City Council:

Findings: F8.1, F8.2
Recommendations: R8.1, R8.2

Seaside City Council:

Findings: F8.1, F8.2
Recommendations: R8.1, R8.2

Sand City City Council:

Findings: F8.1, F8.2
Recommendations: R8.1, R8.2

REQUESTED RESPONSES

California American Water:

Findings: F8. 7, F8.8
Recommendations: R8.7, R8.8

Monterey County Water Resource Agency Board of Directors:

Findings: F8.4, F8.5, F8.6, F8.7, F8.8
Recommendations: R8.2, R8.4, R8.5, R8.6, R8.7

Responses must comply with the following:

CALIFORNIA PENAL CODE SECTION 933.05

(a) For purposes of subdivision (b) of Section 933, as to each grand jury finding, the responding person or entity shall indicate one of the following:

- (1) The respondent agrees with the finding.
- (2) The respondent disagrees wholly or partially with the finding, in which case the response shall specify the portion of the finding that is disputed and shall include an explanation of the reasons therefor.

(b) For purposes of subdivision (b) of Section 933, as to each grand jury recommendation, the responding person or entity shall report one of the following actions:

- (1) The recommendation has been implemented, with a summary regarding the implemented action.
- (2) The recommendation has not yet been implemented, but will be implemented in the future, with a time frame for implementation.
- (3) The recommendation requires further analysis, with an explanation and the scope and parameters of an analysis or study, and a time frame for the matter to be prepared for discussion by the officer or head of the agency or department being investigated or reviewed, including the governing body of the public agency when applicable. This time frame shall not exceed six months from the date of publication of the grand jury report.
- (4) The recommendation will not be implemented because it is not warranted or is not reasonable, with an explanation therefor.

OFFICE OF THE SHERIFF MONTEREY COUNTY, CALIFORNIA

RECEIVED

MAR 11 2011

SALINAS-ADMIN

March 11, 2011

Honorable Adrienne M. Grover
c/o Superior Court Administration
240 Church Street
Salinas, CA 93901

Judge Grover:

Attached are the responses which comply with Penal Code Section 933.05 (b) to report on the 2010 Monterey County Civil Grand Jury's Findings and Recommendations applicable to the Office of the Sheriff, Monterey County.

Sincerely,



Scott Miller
Sheriff-Coroner



Monterey County Sheriff's Office

Response to the

Monterey County Civil Grand Jury
2010 Final Report

March 11, 2011

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REPORT TITLE: 2010 Grand Jury Report Agency Response
RESPONSE BY: Monterey County Sheriff's Office
RESPONSE TO: Findings F 5.1 – F5.7

FINDINGS OF THE INVESTIGATION

F4.1. The policy of discontinuing emergency dispatch services for agencies which don't obtain digital trunked radios upon implementation of the NGEN Radio Project is not in the best interest of the public.

The Sheriff's Office disagrees wholly with the finding.

All cities and the county signed an MOU agreeing to enter into a contract with a vendor to provide a new radio system, complete with dispatch consoles in order to provide better radio coverage, improved interoperability, and more efficient dispatch services. All of these goals will have the end result of providing better service and improving public safety for the communities we serve. Discontinuing emergency dispatch services for agencies who don't participate in NGEN is problematic on several levels.

The operational impact and cost associated with the integration of another radio system into the current dispatch center is unknown and unplanned. The costs for computers, network connections and California Department of Justice approval aside, agencies not participating in the NGEN Radio System are responsible for their own microwave links to a transmitter site they have to build in order to dispatch their own public safety units. Infrastructure and site preparation and FCC related costs would make the project cost prohibitive and inevitably the agencies would want to rely on the analog overlay. The analog overlay consists of only two transmit and receive sites, one for fire and one for law and one transmit site used for firefighter voice paging. The analog overlay is a part of the NGEN Radio Project and provides specific functionality for firefighter paging, rural coverage and interoperability. The analog overlay does not have capacity to also function as a service for primary radio communications.

With only one channel dedicated to law agencies for interoperability and the Sheriff's units that leave the trunked footprint, the addition of routine radio traffic by many agencies will result in channel saturation. The impact will be the inability of law agencies to broadcast in an emergency situation. Moving away from our current method of doing business, a dedicated repeater for each public safety agency, to a trunked system is the best use of the available spectrum.

Digital trunked systems for use by public safety agencies have been used for decades throughout the United States. There are many different types of digital trunked systems. The contracted system in Monterey will have at its core a digital trunked system that is based on a nationwide standard called Project 25 (http://en.wikipedia.org/wiki/Project_25). Most large or regional public safety systems in the United States are presently using or planning to use this standard, including those in San Francisco, San Mateo, Oakland, Alameda and Contra Costa Counties. The Request for Proposal that was developed to procure the system was based on functional requirements of local public safety personnel

REPORT TITLE: 2010 Grand Jury Report Agency Response
RESPONSE BY: Monterey County Sheriff's Office
RESPONSE TO: Findings F 5.1 – F5.7

and did not specify technical solutions. Responding vendors were responsible for supplying the technology best suited to our needs. Our Selection Committee conducted numerous telephone

interviews and site visits before making a recommendation. Monterey County followed a proven process for procuring the system and is implementing a system that is neither pioneering nor fully mature – it is a current state of technology that is established and will also allow for future growth.

F4.2. If they are denied access to Monterey County 9-1-1 dispatching services, agencies facing tough financial circumstances might be able to reduce their overall communications costs by foregoing participation in the NGEN Radio Project and finding or establishing a dispatching service alternative to the Monterey County 9-1-1 dispatch center.

The Sheriff's Office disagrees wholly with the finding.

All cities in Monterey County and the county signed an MOU agreeing to participate in NGEN. The MOU was reviewed by each agency's city manager or district board, in addition to their counsel prior to signing the MOU. Each signatory had ample knowledge of the ongoing financial commitment and the long term impacts to their own entity. To allow signatories the opportunity to bow out of NGEN would place the entire project in peril, and place the non-participating agencies at risk of being unable to meet the FCC mandate, which states that all public safety radio systems shall narrowband by January 1, 2013. Agencies leaving NGEN would also place the funding burden upon the remaining agencies.

See response F4.1 above.

F4.3. The scarcity of and demand for uncongested public safety radio frequencies in our region make clear the importance of protecting existing FCC licenses against unintended expiration and securing needed new licenses as rapidly as possible.

The Sheriff's Office agrees with the finding.

F4.4. It is appropriate for client agencies wishing to do so to obtain and maintain FCC licenses in their own names for the frequencies that they use.

This issue is not in the Sheriff's purview. Nevertheless, due to historical issues, the Sheriff's Office disagrees with this finding.

In the past, agencies were allowed to engage in the uncoordinated purchase and licensing of frequencies in their own names, for their specified use. As a result, frequencies were not properly

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maintained. Some were inadvertently left to expire. This lapse would have permitted another entity to take the frequency for their use. Also, other agencies in the County were not protected from adjacent channel or co-channel interference.

Adjacent channel or co-channel interference often occurs when a frequency is right next to a frequency or shares the same frequency. The result can be public safety personnel not being able to use the radio system due to their repeater being hit with the adjacent or co-channel frequency. The Sheriff's office experienced this problem in the late 1990's, when the Santa Clara County Sheriff's Office legally obtained a frequency next to ours. When Santa Clara County used their repeater, ours would not function. Deputies were not able to communicate with dispatch in emergency situations. We currently suffer co-channel interference on our Sheriff's secondary channel from a legally licensed site in Marin County. This interference has the effect of limiting our repeaters ability to "hear" the deputies when they use their portable radios. Currently, Sheriff's channel two is interfering with the Jackson Police Department's primary channel; so much so that Jackson PD frequently cannot use their channel due to their repeater's inability to "hear" their radio traffic.

NGEN is designed to accomplish a coordinated, interoperable county wide telecommunications and dispatch system free from the interference seen today. If NGEN partners are not coordinated in frequency acquisition and deployment, new frequencies could cause interference to others.

RECOMMENDATIONS OF THE CIVIL GRAND JURY

R4.1. Allow agencies not wishing to participate in the NGEN Radio Project or which don't obtain digital trunked radios to continue to receive dispatch services (operating on the analog overlay, if necessary). [Related Finding: F4.1]

The recommendation will not be implemented by the Sheriff's Office because it is not reasonable.

The analog overlay only consists of two transmit and receive sites, one for fire and one for law and one transmit site used for firefighter voice paging. The fire repeater is to be used for mutual aid calls or other calls where an interoperable frequency is needed. The law repeater is to be used primarily by the Sheriff's Office when outside the trunked footprint or for law mutual aid.

The Sheriff's Office, as a participant in the NGEN process, gave up the stringent coverage requirements needed in and rightly accorded to the cities, because they knew they could use the analog overlay or rely upon the vehicular repeater system to be installed in Sheriff's vehicles.

The only area where the fire repeater is intended to be used by a specific fire agency is along the Big Sur coast. There, the Big Sur volunteer fire brigade will use the fire repeater as its operations channel, if a tactical channel will not suffice. The Sheriff's Office will also use the law repeater as its primary channel for dispatching calls for service and managing crime scenes. This method of operation with the analog overlay is feasible along the Big Sur coast due to the very low volume of calls for public safety services.

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With only one analog channel allocated for fire and one for law, one can see the analog overlay was not designed to accommodate routine dispatching of many units to calls for service. It is only intended for occasional use, when public safety units are in areas not covered by the NGEN trunked system or for mutual aid. Also, the county does not have the requisite number of clean VHF frequencies to add to the analog overlay. To use any of the additional frequencies would possibly subject other users to interference or cause us to suffer interference, which could not be remediated.

See response F4.1 above.

R4.2. After fulfilling any existing contractual commitment but before making any further substantial purchases of radio equipment, evaluate the feasibility of cash-strapped fire agencies contracting with CAL FIRE or with others for fire dispatch services. [Related Finding: F4.2]

This recommendation will not be implemented by the Sheriff's Office because it is outside the purview of the Sheriff.

R4.3. After fulfilling any existing contractual commitment but before making any further substantial purchases of radio equipment, evaluate the feasibility of Monterey Peninsula police agencies contracting with the City of Carmel-by-the-Sea or with others for police dispatch services. [Related Finding: F4.2]

This recommendation will not be implemented by the Sheriff's Office because it is outside the purview of the Sheriff.

R4.4. After fulfilling any existing contractual commitment but before making any further substantial purchases of radio equipment, evaluate the feasibility of South Monterey County police agencies contracting with others or cooperating to establish their own joint police dispatch services. [Related Finding: F4.2]

This recommendation will not be implemented by the Sheriff's Office because it is outside the purview of the Sheriff.

R4.5. Immediately obtain and secure the use of FCC licenses for all frequencies anticipated to be used in or in connection with the NGEN Radio Project and continue to maintain all licenses for frequencies already in use by client agencies, to the extent that such licenses are not already being maintained by the agencies. [Related Finding: F4.3]

This recommendation will not be implemented by the Sheriff's Office because it is outside the purview of the Sheriff.

REPORT TITLE: 2010 Grand Jury Report Agency Response
RESPONSE BY: Monterey County Sheriff's Office
RESPONSE TO: Findings F 5.1 – F5.7

R4.6. If requested by a client agency, transfer existing licenses or obtain new licenses from the FCC for the frequencies used by that agency, naming the agency as licensee and bearing as the contact information such person and address as the agency may designate. [Related Finding: F4.4]

This recommendation will not be implemented by the Sheriff's Office because it is outside the purview of the Sheriff.

REPORT TITLE: 2010 Grand Jury Report Agency Response
RESPONSE BY: Monterey County Sheriff's Office
RESPONSE TO: Findings F 5.1 – F 5.7
Recommendations R5.1 - R5.7

SUPPRESSION, INTERVENTION, PREVENTION: THREE PILLARS OF FIGHTING GANG ACTIVITY IN MONTEREY COUNTY

The Monterey County Sheriff agrees with all findings and recommendations of the 2010 Grand Jury Report regarding gangs.

We agree that in order to adequately address gang violence in Monterey County we must embrace the “three pillars” of suppression, intervention and prevention. None of these strategies individually will suffice in what needs to be an all-out community effort against the scourge of gang violence.

The Sheriff's Office is committed to on-going collaborations with CASP, Rancho Cielo, the County Office of Education and our law enforcement partners to maximize our effectiveness in addressing gang issues. We are ready and willing to participate in ANY efforts shown to reduce violence.

The only potential problem on the near horizon in terms of dealing adequately with gang violence is an economic one. As financial resources shrink our approach to gangs may take different paths than those currently being utilized. The costs of staffing a multi-agency Gang Task Force have been funded in large part by Federal earmarks, which appear to be an endangered species. At the same time, local revenues and resources are dwindling as well. We will need to be creative and adaptable with new and proven approaches to gang intervention. Due to the growing strength of our community partnerships we should be able to maintain most of our momentum going forward.

Fighting gang activity will likely remain the number one law enforcement challenge facing Monterey County into the foreseeable future. We are not lacking in resolve to improve our community through collaboration, determination and effort. Together we will make a difference.



Monterey County Office of Education

Leadership, Support, and Service to Prepare All Students for Success

*Dr. Nancy Kotowski
County Superintendent of Schools*

April 15, 2011

The Honorable Adrienne Grover
2011 Presiding Judge of the Superior Court
County of Monterey, Salinas Courthouse
240 Church Street – East Wing, 2nd Floor
Salinas, CA 93901

***Re: Required Response to the Monterey County Civil Grand Jury 2010
Final Report***

Dear Judge Grover:

Attached please find the Monterey County Superintendent of Schools' response to the Monterey County Civil Grand Jury 2010 Year-End Final Report.

This response is filed in accordance with the requirements set forth in Sections 933 and 933.5 of the California Penal Code.

The response by the Monterey County Superintendent of Schools should be deemed and accepted by the Presiding Judge of the Superior Court of Monterey County and the Monterey County Civil Grand Jury as the response of the Monterey County Office of Education.

The required responses included within this correspondence address the Findings and Recommendations in the Grand Jury's Final Report section titled "Meeting the Educational Needs of Students in Monterey Peninsula Unified School District" (Findings F3.1 and F3.2; Recommendations R3.1 and R3.2) and the section titled "Suppression, Intervention, Prevention: Three Pillars of Fighting Gang Activity in Monterey County" (Finding F5.6 and Recommendations R5.5 and 5.6).

**SECTION: "MEETING THE EDUCATIONAL NEEDS OF THE STUDENTS IN
MONTEREY PENINSULA UNIFIED SCHOOL DISTRICT"**

FINDINGS OF THE INVESTIGATION

F3.1 *"There is no required time limit between teachers requesting a SST meeting and when it occurs."*

*Monterey County Office of Education Response to
The Monterey County Civil Grand Jury 2010 Final Report Page 1*

*901 Blanco Circle ♦ P.O. Box 80851 ♦ Salinas, CA 93912-0851 ♦ www.monterey.k12.ca.us
Salinas: 831.755.0300 ♦ Monterey: 831.373.2955 ♦ Fax: 831.753.7888*

Response: The respondent disagrees with Finding F3.1 as it pertains to the Monterey County Office of Education.

The Monterey Peninsula Unified School District's (MPUSD) Student Study Team process is not under the jurisdiction of the Monterey County Office of Education.

F3.2 *"Tracking of students through this process is deficient or lacking."*

Response: The respondent disagrees with Finding F3.2 as it pertains to the Monterey County Office of Education.

The Monterey Peninsula Unified School District's (MPUSD) Student Study Team process is not under the jurisdiction of the Monterey County Office of Education.

RECOMMENDATIONS OF THE CIVIL GRAND JURY

R3.1 *"MCOE should establish a reasonable time limit between when teachers request SST meeting and when it occurs."*

Response: The respondent disagrees with Recommendation R3.1 as it pertains to the Monterey County Office of Education.

The Recommendation cannot be implemented by the Monterey County Office of Education. Each school district is responsible for developing its own Student Success Team and Student Study Team (SST) processes.

The SST is a general education function and not a special education function. While most students who are referred to special education have gone through the SST process before the special education referral, the SST remains a general education function that is within the authority of the local school district.

Neither the Monterey County Office of Education nor the Special Education Local Plan Area (SELPA) has the authority or responsibility to develop the SST process for school districts, nor the authority or responsibility to track students referred to the SST within a local school district. For emphasis, policies and procedures to "establish a reasonable time limit between when teachers request SST meeting and when it occurs" are local district issues and not a matter

within the scope of jurisdiction of the Monterey County Office of Education.

- R3.2 *"MCOE should create a method for tracking the students through this process to be used by all schools in Monterey County. Administrators at the schools should be responsible for tracking the students' progress and supplying the information to their districts, which should then provide the information to MCOE."*

Response: The respondent disagrees with Recommendation R3.2 as it pertains to the Monterey County Office of Education.

The Recommendation will not be implemented because each local school district is responsible for developing its own SST processes and, therefore, it is not reasonable.

The explanation is that if the Monterey County Office of Education were to take action in this matter, it would be supplanting the authority and responsibilities of local school districts' elected trustees and professional staff.

SECTION: "SUPPRESSION, INTERVENTION, AND PREVENTION: THREE PILLARS OF FIGHTING GANG ACTIVITY IN MONTEREY COUNTY"

FINDINGS OF INVESTIGATION

- F5.5 *"Salinas is one of six cities in the United States which is receiving special advice and financial aid from state and federal agencies. This is a result of successful gang violence intervention programs such as CASP and Ceasefire."*

Response: The respondent agrees with this Finding.

The Monterey County Office of Education is engaged in a network of strong, highly coordinated partnerships with school districts, public agencies, organizations and community groups to address gang violence throughout Monterey County.

We work with our local partners in education, government and business to develop programs that address youth and gang-related violence and victimization. Through the identification and implementation of best practices, a

comprehensive city and countywide strategy is underway to focus on prevention, intervention, suppression and enforcement initiatives.

Our strategies are based on the concept of reconnecting disconnected at-risk and gang-involved youth. These strategies comprise a combination of existing program models that create optimum environments for developing a healthy, risk free, inclusive, and youth-friendly community.

The MCOE, along with our community partners, has developed numerous programs to address youth and gang violence.

Rancho Cielo and the Silver Star Program

MCOE operates the school for truants at the Silver Star Resource Center (Center). The school, created in conjunction with the County of Monterey's Truancy Abatement Program, is located at the Center so students may receive services provided by multiple agencies. These agencies include, but are not limited to, Monterey County Probation, Second Chance Youth Program, Office of Employment Training, the District Attorney, Partners for Peace, and Monterey County Behavioral Health.

In addition to the academic program, students have access to such services as personal and family counseling, drug and alcohol counseling, parenting and anger control classes, tattoo removal, and employment referrals.

The MCOE similarly operates the community school at Rancho Cielo where, in conjunction with a vast array of governmental and non-profit agencies and groups, the students are provided with wrap-around services in addition to their education. Here the students attend an extended school day and receive many career and life skills beyond their academics.

Both the Rancho Cielo and the Silver Star Program have been awarded the prestigious Golden Bell Award from the California State School Boards Association, recognizing them as outstanding model programs in California.

Community Schools

The MCOE also operates several other community schools and programs throughout Monterey County, working closely with Probation and other county agencies.

The MCOE operates a facility and educational program for high-risk elementary school students at the Boronda Community Day School in Salinas.

In addition, the MCOE staffs the Court Schools that work with incarcerated youth. The MCOE is the lead agency, working closely with Probation and Behavioral Health, in administering a special Transition Program for youth leaving the Youth Center and becoming reoriented back into society.

Working together, the Monterey County Office of Education and our partners are transforming the lives of at-risk students and preparing them for success and equipping them with skills to address the unique challenges they face.

F5.6 *"MCOE administers a wide range of programs to assist the students and young adults with the county. MCOE works as a team in strategic ways to meet the needs of this community in spite of tight budget constraints."*

Response: The respondent agrees with this Finding.

The MCOE operates community and court schools to assist young adults in Monterey County. Examples of the variety of programs operated by the Monterey County Office of Education include:

- **Boronda Elementary Community Day School** — Serves elementary students in grades 4-6 who have been expelled from their local elementary district, or referred by school site principal or district student services director.
- **Community Schools** — Serve as an integral part of the School Districts' expulsion plans. Community Schools are a viable educational option for those students expelled from the school districts, involved in the Juvenile Justice System, or referred by parents through the inter-district transfer process.

- **Court Schools** – The Monterey County Office of Education serves as the educational provider for incarcerated students.
- **Independent Studies Studies** – An educational option for students in grades 7-12 throughout Monterey County. Students meet with a highly qualified instructor for individualized learning by appointment at least weekly. Students are supported in achieving a minimum of 20 hours of core curriculum weekly.
- **Silver Star Truancy Abatement** — In close cooperation with the Office of the District Attorney for Monterey County, the Monterey County Office of Education provides educational programs for students who have been referred due to chronic truancy as a part of the truancy mediation/abatement program.
- **Transitional Services** — Transitional specialists assist in successfully aiding students who are transitioning back into school districts from our court/community school facilities. Our “Through and Beyond” program assists to successfully transition youth who are being released from the Monterey County Youth Center.
- The Monterey County Office of Education is also a partner in a grant application for the Juvenile Offenders Community Health Services (JOCHS) project. This project is to establish a collaborative re-entry and transition center designed for youth leaving the Wellington M. Smith, Jr. Juvenile Hall in Salinas, California. Together Monterey County Probation, Behavioral Health, Department of Social and Employment Services and Office of Education will develop a program to assist in the transition of detention into the community by ensuring opportunities of education, physical and mental health services. The goal is to change the opportunities available to young offenders, a population that is predominantly comprised of underrepresented low-income Hispanic/Latinos boys by connecting these youth with needed services and to increase their well-being.

RECOMMENDATIONS OF THE CIVIL GRAND JURY

R5.5 *"All of the ongoing suppression, intervention, and prevention successes should be documented and presented to state and federal agencies on a regular basis to secure continued support."*

Response: The respondent agrees with this Recommendation.

The Monterey County Office of Education is continually seeking funding opportunities to expand services and secure additional services for students within the service groups.

Student data is collected in the California Longitudinal Pupil Achievement Data System (CALPADS), the cornerstone for compliance with federal law. CALPADS was enacted by Education Code (EC) sections 49084 and 60900 in September 2002 to enable California to meet the federal requirements of No Child Left Behind (NCLB) Act of 2001.

CALPADS is the foundation of California's K-12 education data system, enabling the migration from the current numerous aggregate data collections to a flexible system based on quality student- and teacher-level data. CALPADS will include student demographic, program participation, grade level, enrollment, course enrollment and completion, discipline, and statewide assessment data.

The Monterey County Office of Education is working with local agencies (District Attorney, Behavioral Health, Probation, etc.) on systems to document and share data across agencies while protecting the privacy of affected individuals and complying with various legislative acts regarding the sharing of data.

In addition the MCOE and Social Services have recently initiated a new data system to help better serve the needs of the County's Foster Youth.

R5.6 *"MCOE should continue to work with the many agencies to keep students interested in education and the future it provides. This should include both traditional schooling and expanded alternative ways of educating."*

Response: The respondent agrees with this Recommendation.

MCOE continues to work collaboratively with the Monterey County Probation Department, the Office of the Monterey County District Attorney, the Workforce Investment Act (WIA), several non-profit organizations, Social Services, Behavioral Health and several municipalities and school Districts to create special programs such as: truancy abatement, Silver Star, Rancho Cielo, Salinas Community Day School, the Through and Beyond Transition Program, and the Safety Community, Violence Prevention Grant which provides gang intervention counseling and transition services.

Working with the Office of Employment Training, and with the use of WIA funds, the MCOE has given students the opportunity to concurrently attain academic credit, job skills, and work experience. Similarly, students studying at the MCOE's Media Center for Art, Education and Technology and at Rancho Cielo are provided with job skills along with their academic training. Students from the MCOE's community schools are concurrently enrolled in Hartnell's Bridge program where they are being prepared and motivated for future academic and career endeavors.

Respectfully,



Nancy J. Kotowski, Ph.D.
Monterey County Superintendent of Schools



April 8, 2011

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

Subject: Final Report of the 2010 Monterey County Civil Grand Jury

Dear Judge Grover:

The Monterey Peninsula Water Management District (MPWMD or District) is pleased to have the opportunity to respond to the findings and recommendations in the Final Report of the 2010 Monterey County Civil Grand Jury concerning the Monterey County Regional Water Project. The District's response to each required finding and recommendation is provided below.

Findings of the Grand Jury

F8.4. It would be in the public interest for MPWMD to have a role in the project, so as to make available its considerable water expertise.

MPWMD agrees with Finding 8.4.

F8.5. There seems to be no independent financial oversight.

MPWMD partially disagrees with Finding 8.5. Throughout the proceedings before the California Public Utilities Commission (CPUC), both the Monterey County Water Resources Agency (MCWRA) and the Marina Coast Water District (MCWD) testified that each organization would exercise independent financial oversight through its public budgeting process. In addition, it is MPWMD's understanding that Monterey County plans to hire its own financial experts, Nixon Peabody LLP, to conduct an independent analysis of the proposed financing plan for the Regional Water Project. It is also MPWMD's understanding that this analysis will be separate from the analysis to be conducted by a different firm, Piper Jaffray Companies, for the Monterey County Water Resources Agency.

F8.6. Peninsula recycled waste water is not being used to offset an equal amount of Salinas Basin water for export.

MPWMD agrees with Finding 8.6. Notably, the MPWMD Board has included recycled water in its current priorities to increase water supplies within the District (see R8.7).

F8.7. *There are many areas of concern in the technical aspects of this large-scale desalination project.*

MPWMD agrees with Finding 8.7.

F8.8. *The current desalination plan is to replace Carmel River water. Vital service upgrades for schools and nursing homes cannot happen without new water.*

MPWMD agrees with Finding 8.8 and notes that the recent CPUC Decision (D.11-03-048) directing tariff modifications to recognize the moratorium mandated by the State Water Resources Control Board (SWRCB) formalizes this situation. The decision does, however, allow for the possibility of service for “demonstrated and compelling” institutional public health and safety water, subject to approval by the SWRCB.

Recommendations of the Grand Jury

R8.2. *Grant the Municipal Advisor role a voting position, as many members are familiar with desalination operations. [Related Finding: F8.1]*

MPWMD supports the recommendation to grant the Municipal Advisor a voting position on the Regional Project’s Advisory Committee. However, because MPWMD is not presently a party to the Settlement Agreement that was approved by the CPUC and is not a member of the Advisory Committee, MPWMD does not have the ability or authority to grant the Municipal Advisor a voting position. In this regard, it is MPWMD’s understanding that this recommendation will not be implemented by the settling parties. During the CPUC proceedings, MPWMD consistently recommended that the Municipal Advisor be afforded an effective, representational voice in the Regional Project management decisions. Specifically, MPWMD recommended that the Municipal Advisor be granted full party status with full voting rights, and the ability to dispute decisions reached by the Advisory Committee.

R8.4. *MRWPCA, MCWD, MCWRA, and CalAm should continue to work to come to some agreement for participation of MPWMD. Because these agency positions may have become entrenched, the Monterey County Board of Supervisors is encouraged to intervene to facilitate some agreement to include MPWMD. [Related Finding: F8.4]*

MPWMD supports the recommendation that the settling parties continue to work to come to some agreement for participation of MPWMD in the Regional Project. MPWMD welcomes efforts by the Monterey County Board of Supervisors to facilitate an agreement to include MPWMD as part of the Regional Project. MPWMD’s participation would ensure that the citizens and ratepayers in the Monterey Peninsula area are adequately represented and that management of the water resources in the area is coordinated. However, given that the current Water Purchase Agreement has established the role for each of the settling parties and excludes MPWMD, it is MPWMD’s understanding that this recommendation will not be implemented. Nonetheless, MPWMD remains open to further discussions and is willing to participate in the planning and implementation of the Regional Water Project.

R8.5. *Consider the formation of an independent financial overview committee to review major functions of the project. [Related Finding: F8.5]*

MPWMD supports the recommendation to form an independent financial overview committee to review major functions of the Regional Project. Given the high capital costs to construct the project, i.e., \$297M for the brackish water source wells, desalination plant, and pipelines and \$107M for Cal-Am facilities, an independent financial oversight committee would provide greater assurance that all interests, including Cal-Am ratepayers', would be considered. MPWMD is encouraged that Monterey County and MCWRA have indicated that they will retain separate experts to analyze the proposed financing plan for the Regional Project. In addition, as part of the CPUC decision, Cal-Am is required to submit quarterly status reports on the permitting, financing, design, bidding, and construction of the Regional Project to the CPUC's Division of Ratepayers Advocates (DRA) and Division of Water and Audits (DWA). In this regard, the recommendation will be partially implemented.

R8.6. *MPWMD and MCWRA should pursue legal clarification or adjudication to allow Peninsula recycled water to be used to offset an equal amount of Salinas Basin water for export to the Monterey Peninsula. [Related Finding: F8.6]*

MPWMD supports the recommendation to pursue legal clarification to allow Peninsula recycled water to be used to offset an equal amount of Salinas Basin water for export to the Monterey Peninsula area. If the assertion that MRWPCA recycles 11,800 acre-feet of waste water from the Carmel River and Seaside Groundwater Basins and distributes this recycled water to agricultural users in the Salinas Basin is correct, then this quantity of water should be considered in the Salinas Basin water balance. If this recycled water is determined to be "imported" water, it would eliminate the need to leave the fresh water portion of the brackish water pumped from the Salinas Basin for the Regional Desalination Plant in the Salinas Basin. If confirmed, this clarification would increase the amount of potable water available to the Monterey Peninsula area until MCWD requires its share of the Regional Desalination Plant's annual yield, i.e., MCWD's "permanent allocation" of 1,700 acre-feet per year. This recommendation requires further analysis, especially in light of the agreements between MCWRA, MRWPCA, and MCWD. Given MCWRA's direct involvement with the Regional Project and its Agency Act, MPWMD believes that MCWRA should take the lead in developing the scope and timeline for further analysis.

R8.7. *It would be prudent to continue work toward additional solutions for more water because of the technically high risk elements of this plan and to assist communities that need water to upgrade their outdated municipal services. MCWRA, MPWMD, MRWPCA, and CalAm should pursue all avenues of finding new water for the community. [Related Findings: F8.7 and F8.8]*

MPWMD supports the recommendation to continue work toward additional solutions for more water. This recommendation is consistent with Finding 29 in the CPUC decision approving the Regional Project (D.10-12-016) which encourages parties to "search for all possible water supplies that can reduce the need for desalinated water, as additional components of the Regional Project, Phase 2 are studied and analyzed". This recommendation has been implemented. Specifically, MPWMD has identified a number of smaller water supply projects that could provide new water to the Monterey Peninsula community. These projects include expansion of the existing Aquifer Storage and Recovery (ASR) Project, partnership with MRWPCA on the Seaside Basin Groundwater Replenishment Project, and a possible smaller-scale desalination facility located at the former City of Monterey Water Treatment Plant. In addition, MPWMD and the other agencies are in the process of applying for state funding for specific projects through the Integrated Regional Water Management Planning Program.

The Honorable Adrienne Glover
April 8, 2011
Page 4 of 4

Sincerely,



Darby Fuerst
General Manager

Cc: MPWMD District Board
MPWMD General Counsel
Keith Israel, MRWPCA General Manager
Jim Heitzman, MCWD General Manager
Curtis Weeks, MCWRA General Manager
Craig Anthony, CAW General Manager

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Monterey Regional Water Pollution Control Agency

*"Dedicated to meeting the wastewater and reclamation needs
of our member agencies, while protecting the environment."*

Administration Office:
5 Harris Court, Bldg. D, Monterey, CA 93940-5756
(831) 372-3367 or 422-1001, FAX: (831) 372-6178
Website: www.mrwPCA.org

April 7, 2011

Honorable Adrienne M. Grover
Past Presiding Judge, Superior Court of California
County of Monterey
240 Church Street
Salinas, CA 93901

Dear Judge Grover

SUBJECT: Final Report of the 2010 Monterey County Civil Grand Jury

The Monterey Regional Water Pollution Control Agency (MRWPCA) provides the following response to the findings and recommendations of the 2010 Monterey County Civil Grand Jury Report.

SALINAS VALLEY WATER PROJECT RUBBER DAM

Findings:

F7.4 The OGS (Obermeyer Gate System/Rubber Dam) has improved water conservation and in combination with recycled water provides an alternative to ground water extraction for agriculture

Response: We agree with the Finding.

RECOMMENDATIONS:

R7.3 The MRWPCA should continue to find new ways to use recycled water in the community

Joint Powers Authority Member Entities:

Boronda County Sanitation District, Castroville Community Services Water District, County of Monterey, Del Rey Oaks, Fort Ord, Marina Coast Water District, Monterey, Moss Landing County Sanitation District, Pacific Grove, Salinas, Sand City, and Seaside.

Response: This recommendation has not yet been implemented, but will be implemented in the future. MRWPCA member entities, in coordination with MCRWA, are continuing to investigate ways and methods to use and/or store "winter waste water" that is currently discharged to the ocean outfall. Example projects include: Expanding Urban Recycle Water and Ground Water Replenishment. The goal of MRWPCA is to have facilities in place that will ultimately result in "zero" discharge of municipal wastewater to the Monterey Bay.

MONTEREY COUNTY REGIONAL WATER PROJECT

Findings:

F8.5 There seems to be no independent financial oversight.

Response: We partially disagree with this finding. The MRWPCA supports and is a participant in the Regional Water Project. For our part, expenditures associated with desal brine disposal will be budgeted and available for public review and comment. As we understand it, an equivalent process will be used by the signees of the Water Purchase Agreement.

F8.6 Peninsula recycled waste water is not being used to offset an equal amount of Salinas Basin water for export.

Response: We agree that the Finding is factual.

RECOMMENDATIONS:

R8.2 Grant the Municipal Advisor role a voting position, as many members are familiar with desalination operations. [Related Finding: F8.2]

Response: This recommendation will not be implemented. Several of MRWPCA entity cities are Cal-American water customers and, therefore, may have a vested interest in the Municipal Advisor role. The MRWPCA as a body has deferred this issue to its members as it does not impact MRWPCA regional policy.

R8.4 MRWPCA, MCWD, MCWRA, and Cal Am should continue to work to come to some agreement for participation of MPWMD. Because these agency positions may have become entrenched, the Monterey County Board of Supervisors is encouraged to intervene

to facilitate some agreement to include MPWMD. [Related Finding: F8.4]

Response: This recommendation will not be implemented. The MRWPCA as a body has deferred this issue to its members as it does not impact MRWPCA regional policy. However, in regards to our proposed Groundwater Replenishment Project, we are working with the MPWMD to jointly develop this project.

R8.5 Consider the formation of an independent financial overview committee to review major functions of the project. [Related Finding: F8.5]

Response: This recommendation will not be implemented. As mentioned above, the MRWPCA has a very limited role in the financial aspects of the overall Regional Water Project. Regarding brine disposals, these activities and expenditures will be available for public review and comment.

R8.6 MPWMD and MCWRA should pursue legal clarification or adjudication to allow Peninsula recycled water to be used to offset an equal amount of Salinas Basin water for export to the Monterey Peninsula. [Related Finding: F8.6]

Response: This recommendation requires further analysis. Recommendation R8.6 is not completely clear to us. For example, there are restrictions for export of water from the Salinas Basin. Perhaps the two parties mentioned in the recommendation could clarify this in their responses.

R8.7 It would be prudent to continue work toward additional solutions for more water because of the technical high risk elements of this plan and to assist communities that need to upgrade their outdated municipal services. MCWRA, MPWMD, MRWPCA, and Cal Am should pursue all avenues of finding new water for the community. [Related Findings: F8.7, F8.8]

Response: This recommendation has not been implemented but will be implemented over the next five years as new opportunities are identified. For example, about 7,000 AFY of treated waste water flows to Monterey Bay in the

winter, etc. MRWPCA along with some or all of the above parties will continue to work to find cost-effective methods for beneficial use. In this regard, MRWPCA, MCWD, and MCWRA have adopted a series of MOU's and agreements for that purpose:

1. 1992 Joint Agreement with MCWRA to produce recycled water for delivery to CSIP to slow seawater intrusion; some recycled water retained by MRWPCA for future urban recycled water projects
 - a. Amendment 1, 1995 – provided interim financing for CSIP and SVRP
 - b. Amendment 2, 1998 – outlined operational responsibilities to operate and maintain CSIP and SVRP
 - c. Amendment 3, 2002 – specified quantity and time of water for future urban recycled water projects
2. Joint MOU between MRWPCA and MCWD (April 2009) – Planning and Use of MRWPCA Outfall for Brine Disposal
3. Joint MOU among MRWPCA, MCRWA and MCWD (June 2009) – Cooperative Planning and Joint Analysis for Monterey Regional Water Supply Program,
4. Joint MOU among MRWPCA, MCWRA and MCWD (June 2009) – Monterey Regional Water Supply Program – Recycled Water Three-Way Agreement
5. Joint MOU between MRWPCA and MCWD (June 2009) – Regional Urban Water Augmentation Project (RUWAP)

At this point MRWPCA is currently working on two specific projects (Groundwater Replenishment and expanded recycled water for the Monterey Peninsula).

Let us know should you need further information or clarification of our responses.

Respectfully yours,



Keith E. Israel
General Manager



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MAR 10 2011

SALINAS-ADMIN

March 8, 2011

The Honorable Adrienne Grover
Presiding Judge of the Superior Court
County of Monterey
240 Church Street
Salinas, CA. 93901

Dear Honorable Judge Grover,

Please find enclosed the City of Sand City's responses to the findings and recommendations of the 2010 Monterey County Grand Jury Final Report.

If you have any questions or need additional information, you may reach me at: (831) 394-3054 ex. 20. Thank you

Sincerely,

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1 Sylvan Park,
Sand City, CA
93955

Linda K. Scholink
Administrative Services Director/City Clerk

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Incorporated
May 31, 1960

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Enc: Sand City Response



TOPIC: PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Grand Jury Findings of the Investigation

F1.1 The CaIPERS retirement system is worth retaining.

Sand City Response: The City of Sand City agrees with this finding. The City of Sand City is a member of the CaIPERS system.

F1.2. Those local agencies that have binding arbitration have ceded their collective bargaining authority and responsibility to an individual arbitrator.

Sand City Response: The City of Sand City has not ceded its collective bargaining authority.

F1.3. A vote of the electorate before granting increased retirement benefits has not been implemented as a check on overspending.

Sand City Response. As a statement of fact, the above finding is correct. The City of Sand City believes that a vote of the electorate is not required and should not be required to increase or decrease retirement benefits. It is the responsibility of the legislative body to administer a sustainable budget and to attract the top talent available for city operations.

F1.4 Some agencies may allow retired employees to come back to work part time at the same agency and receive retirement and a salary, provided they don't work more than 960 hours per year, the maximum allowed by CaIPERS.

Sand City Response: Agreed. This type of activity is currently allowed by CaIPERS. The City of Sand City believes this is an acceptable activity and can be quite economical if that part-time, retired employee provides work that was previously done by a full-time employee, or an equivalent amount of savings is provided.

F1.5 Some agencies may have practices that allow employees to increase or "spike" their base year salaries by converting unused sick leave or vacation leave to salary during their last year of employment.

Sand City Response: Sand City is within a small agency pool of CaIPERS where the accumulation of up to 800 hours of sick leave can be used as additional service credit in the CaIPERS system, we do not allow spiking of salary.

F1.6 The practice of offering an employee up to two years of unearned credit for retirement in exchange for taking an early retirement ("a

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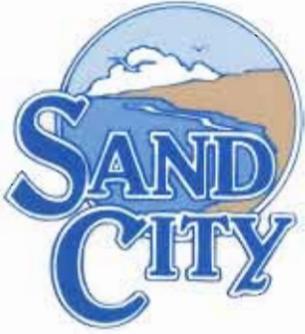
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golden handshake”) as authorized by Section 20903 of the Government Code may be subject to abuse.

Sand City Response: The City of Sand City has no way of knowing if this is a correct statement. To date, the City has not instituted this kind of “golden handshake”.

F1.7 Some employees do not pay an appropriate CaIPERS retirement share.

Sand City Response: The City of Sand City currently pays the employee’s share of CaIPERS retirement benefits. However, should our budget continue to tighten, the City will consider a change to this policy.

F1.8 Some employees may pay for all optional CaIPERS benefits. Some employees may pay for some or a portion of some of these benefits and some may pay nothing for optional benefits received.

Sand City Response: The City of Sand City currently pays the employee share of CaIPERS retirement pay benefits and health care benefits. However, should our budget continue to tighten, the City will consider a change to this policy.

F1.9 Some agencies have no caps on the maximum amount of time one can accumulate in sick leave or vacation leave.

Sand City Response: The City of Sand City believes in the mental health benefit of taking time off for health problems or for the recreational needs of the human spirit. For this reason, the City limits the accumulation of paid time off for vacation and sick leave to a cumulative total 800 hours.

F1.10 The California Legislature could enact changes that would limit new employees to 2% @ 55 for Safety with a 90% of salary retirement cap, and 2% @ 60 for Miscellaneous in the CaIPERS system with a 36-month base for each.

Sand City Response: Based on the terrible condition of the state budget, The City of Sand City would support such a two-tiered system for state employees. For local cities, however, the type of retirement benefits offered should be based on the competitive local employment market and what individual city budgets can afford.

F1.11 CaIPERS could be made more affordable to the agencies if new employees were provided, in lieu of benefits accorded to existing employees, a second tier of benefits of 2% @ 55 for Safety employees with a 90% of salary retirement cap and 2% @ 60 for Miscellaneous employees, each with a 36-month salary base.

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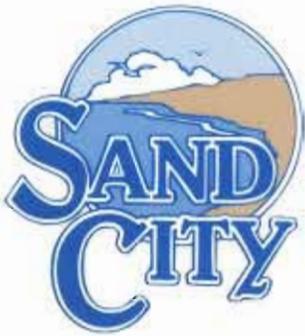
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Sand City Response: This statement is mathematically correct and savings to CalPERS would be significant once “existing employees” under the first tier cycle through the system and future employees then become part of the second tier of benefits. A thorough analysis regarding the sustainability of CalPERS needs to be addressed by the state, and not as a college post graduate product. At the beginning of the Great Recession, the CalPERS fund balance was as low as \$160 billion. As of February 14, 2011, the fund balance is currently at \$230 billion.

F1.12 Some MOUs may not allow the reopening of negotiations to make prospective changes to salary and benefits in the event of unforeseen dire economic circumstances.

Sand City Response: The City of Sand City has no such language in any of its agreements with employees.

Grand Jury Recommendations

R.1.1 Continue to participate in the CalPERS retirement system.

Sand City Response: The City of Sand City will continue to participate in the CalPERS system.

R1.2 Abolish binding arbitration in labor matters.

Sand City Response: The City of Sand City has provided for binding arbitration in certain matters involving employee grievances. The City of Sand City believes this type of alternative dispute resolution mechanism is more efficient and cost effective than resolution through a court trial. The City of Sand City has not provided for binding arbitration in matters involving labor contract negotiations.

R1.3 Require a vote of the electorate as a prerequisite to increase retirement benefits and thereby limit spending.

Sand City Response: The City of Sand City believes that a vote of the electorate should not be required to increase or decrease employee retirement benefits. It is the responsibility of the legislative body to administer a sustainable budget and to attract the top talent available.

R1.4 Do not allow those who have retired from the agency to be re-employed by the same agency on a part-time basis.

Sand City Response: The City believes that this type of prohibition would unnecessarily punish both the retiree and the agency. The City believes this is an acceptable activity and it can be economical if the part time employee provides a

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service that saves money for the agency. The part time employee, returning to work, has significant, unique expertise (such as “institutional memory”) that can still be used by the agency.

R1.5 Prevent “spiking” the base salary.

Sand City Response: The City believes that spiking the “last year” salary of officials should not be allowed. There may be some unique circumstances of an employee which justify some adjustment to an employee’s salary base, but those circumstances need to be considered on a case-by-case basis. For example, if an employee agreed to a 20 percent pay cut during devastating economic times, that pay cut should otherwise be accounted for in his retirement benefit, particularly if that employee has performed well.

R1.6 Do not offer a “Golden Handshake”.

Sand City Response: To date, the City of Sand City has not offered a golden handshake to any employee as a means to encourage early retirement, and does not intend to.

R1.7 Require employees to pay the CaIPERS employee contribution rate.

Sand City Response: The City of Sand City currently pays the employee contribution rate to CaIPERS in order to stay competitive in seeking talented employees. Should it become more of the norm in the industry for employees to pay their share of the CaIPERS rate, the City will reconsider its current policy and negotiate with employee groups, if necessary to change the policy.

R1.8 Require employees to pay for all optional CaIPERS benefits.

Sand City Response: As the city’s budget continues to tighten, the City Council may change its policy regarding retirement health care benefits afforded to employees. During the next fiscal year budget, the City will contract for an actuarial study to determine the economic benefits of a two-tiered employee benefit package that requires lowering the percentage rate for retirement benefits for new employees, having second tier employees pay their share of CaIPERS retirement costs, and having second tier employees pay their share of retirement health care benefits. The City of Sand City has a very small employee base (about 20 employees), so cost savings are not anticipated to be very large, however, they will still be important to consider.

R1.9 Place a cap on the maximum amount of sick leave and vacation leave an employee can accumulate.

Sand City Response: The City of Sand City currently has a cumulative total 800 hour cap of for unused sick leave and vacation leave.

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R1.10 Urge passage of legislation that new hires are limited to 2% @ 60 for Miscellaneous employees, 2% @ 55 for Safety employees with a 90 % of salary retirement cap, and a 36-month salary base for each.

Sand City Response: The City of Sand City supports this type of retirement benefit for all state employees considering the number of employees that are hired by the state and the state's severe financial problems. This type of retirement benefit would save the state a lot of money and would help avoid the state from trying continuous new schemes to take money away from local government.

R1.11 Contract for a CalPERS retirement benefit for newly hired employees of 2% @ 55 for Safety employees with a 90 % of salary cap and 2% @ 60 for Miscellaneous employees with a 36-month salary base for each.

Sand City Response: While the City of Sand City supports this type of retirement benefit for all new hires at the state level, benefit reductions to City employees would be based on a full analysis of all revenue adjustments and cost adjustments that can be made. The City believes it needs to be competitive with the municipal labor market to attract and retain highly qualified employees and would base its future benefit package on that type of consideration.

R1.12 In all future MOUs, reserve the right to reopen negotiations in the event of unforeseen dire economic circumstances to make changes to salary and benefits with no reduction to salary and/or benefits already earned.

Sand City Response: The City reserves the right to reopen negotiations for all employee agreements and has done so recently in light of current economic circumstances. Our agreements do not preclude this option.

TOPIC: THE MONTEREY COUNTY REGIONAL WATER PROJECT

Grand Jury Findings of the Investigation

F8.1 While the Municipal Advisor role provides valuable public oversight, the appointed members lack long-term continuity and may lack expertise to effectively monitor complex water issues without the assistance of water professionals.

Sand City Response: Agreed. The municipal advisor members will likely need to check in with their respective public works experts from time-to-time as implementation of the Regional Water Project (RWP) proceeds.

F8.2 Some cities on the Monterey Peninsula already have constructed small

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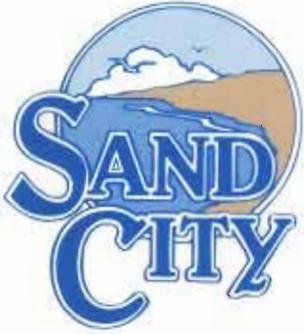
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scale desalination plants.

Sand City Response: This is true. The City of Sand City received unanimous Coastal Commission approval for the construction of a small desalination facility that is currently in operation and helping to reduce water extractions from the Carmel River system. The project is also recognized as part of the RWP which recently received approval from the California Public Utilities Commission (CPUC). Marina Coast also has a small desalination facility, however, the City of Sand City does not know the status of that facility.

Grand Jury Recommendations

R8.1 The mayors are encouraged to formalize an advisory support function established from the cities' staff members with the most expertise on water issues to enhance their Municipal Advisor role.

Sand City Response: If there is any "extra capacity" of existing public works staff in any of the cities, the City of Sand City does not know of any given the current "lean and mean" days of public employment. Therefore, this type of staff advisory role would likely have to be gathered from an additional paid position with a pro rata charge to all of the cities involved. Again, this additional cost will be difficult in these tough budgetary times.

R8.2 Grant the Municipal Advisor role a voting position, as many members are familiar with desalination operations.

Sand City Response: The Municipal Advisor will have a vote, but that vote cannot lead to arbitration on any key positions taken by all of the parties involved. One study commissioned by the City of Monterey found that to give the Municipal Advisor such power would make any public bonding unmarketable, and would therefore derail the project.

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