



Butte County  
Grand Jury

2023-2024

Final Report



**F** Superior Court of California **F**  
 County of Butte  
**I** JUN 21 2024 **I**  
**L** Sharif Elmallah, Clerk **L**  
**E** By  Deputy **E**  
**D**

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Jun 1, 2024

**The Honorable Michael R. Deems**  
**Butte County Superior Court**  
**1 Court Street**  
**Oroville, CA 95965**

Dear Judge Deems;

The 2023-2024 Butte County Civil Grand Jury respectfully submits our final report to Butte County and the Butte County Superior Court in accordance with California Penal Code §933.05.

The Grand Jury was recruited through a letter sent out to over 7,500 randomly selected residents of Butte County. A list of volunteers responding to the letter was further pared down to nineteen individuals through an interview process by Butte County Superior Court. After empanelment, the Grand Jury was sworn in, completed a two-day training program, and attended a subsequent Report Writing Workshop. Education was provided by a team from the California Grand Jury Association and funded by the Butte County Superior Court.

The Grand Jury completed the mandatory inquiry of the Butte County Jail and Butte County Juvenile Hall Detention facilities. Tours were offered to any interested jurors. Staff answered questions and provided valuable information to jurors who attended. Three jurors participated in the Butte County Election Division's Logic and Accuracy Testing and observed election night vote tabulation.

The Grand Jury received 17 complaints. Jurors reviewed each of the complaints and gave them careful consideration. In all, the Grand Jury completed numerous inquiries resulting in the following investigative reports. The members of the Grand Jury spent considerable time collecting information, conducting interviews, researching laws, and evaluating evidence for each report.

We appreciate the support and guidance that allowed us to be successful in our roles that was provided by the Butte County Superior Court, Court Service Staff, County Staff, County Counsel, and yourself.

Also, we'd like to give special thanks to Plumas Bank and Cal Northern School of Law for allowing us use of their beautiful facilities.

Respectfully Submitted,

James Corey



## Butte County Grand Jury Members 2023-2024

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James Corey	Eddie Babcock	Gail Bellomy
Arlyn Beneke	Charles Boales Jr	Steven Bolton
Margaret Bomberg	Rex Boylan	Gail Corneto
Pauline Daugherty	Keith Herritt	Michael Legg
Joah Rowe	Meagan Smith	Karen Washington
Stephan Wattenberg	Marian Wright	

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We wish to acknowledge those jurors who initially served with the 2023-2024 Butte County Grand Jury but were unable to complete their term. We thank them and appreciate the time they were able to serve.

The 2023-2024 Grand Jury members resided in the following communities in Butte County:

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Chico	Oroville	Gridley	Durham
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# 2023 - 2024 Butte County Grand Jury

## MISSION STATEMENT



The 2023-2024 Butte County Grand Jury is responsible for reviewing various levels, branches, and agencies of government within this county.

These reviews are conducted to ensure the government branches and agencies are performing their duties and operating appropriately, best serving the citizens of Butte County.

When necessary, the Grand Jury may also hear and determine the appropriateness of certain criminal indictments.

## The Role of the Butte County Civil Grand Jury

The Butte County Grand Jury is mandated by Article 1, Section 23 of the California Constitution.

It operates under Title 4 primarily Penal Code sections 888- 939.91, of the California Penal Code, Sections 3060-3074 of the California Government Code, and Section 17006 of the California Welfare and Institutions Code.

**All fifty-eight counties in California are required to have grand juries.**

- The Grand Jury in California has several functions:
- To function as the public watchdog.
- Annually explore the operations, accounts and records of officers, departments or functions of the county including special districts.
- To explore the condition and operations of jails and prisons within the county.
- To respond to allegations of misconduct against public officials and establish whether formal accusations should be presented requesting removal from office.
- To weigh criminal charges and determine if indictments should be returned.

**The Grand Jury has the authority to investigate the following:**

- Public records within the county.
- Records or books of any incorporated city or joint powers authority located in the county.
- Certain housing authorities.
- Taxing or assessing agencies with special purpose entirely or partly within the county.
- Nonprofit corporations established by or operated on behalf of a public entity.
- All portions of the county and city government, including special districts.
- Records, books, and financial expenditures of government agencies including cities, school boards, and commissions.

### History of Grand Juries

In the 18th century, the greatest experiment in human governance began: a new nation founded on a system of citizen-led democracy. In a world dominated by monarchs and dictators, this radical idea of a citizen-run government was met with derision, skepticism, and war. Citizen-led democracy, over 240 years, has proven to be the greatest form of government the world has ever known, creating opportunity for prosperity, peace, and harmony for all who desire it.

The Massachusetts Bay Colony impaneled the first American grand jury in 1635 to consider cases of murder, robbery, and wife beating. Colonial grand juries expressed their independence from the crown by refusing in 1765 to indict leaders of the Stamp Act or bring libel charges against the editors of the Boston Gazette. The union with other colonies to oppose British taxes was supported by a Philadelphia grand jury in 1770. By the end of the colonial period, the grand jury had become an indispensable adjunct of government.

The model of the citizen-run government elevates the requirements of a nation's occupant. Freedom comes with responsibility and requires dedication of time and resources from every citizen. The grand jury serves as one of these responsibilities, crucial to the health and continuity of our society. The grand jury serves as a structure for citizens to voluntarily engage with their local government in a position of authority and acting in a confidential manner.

The grand jury has autonomy to investigate any area of county or city government, and the right to subpoena information if not satisfied with what is provided. The grand jury is a constituent part of the superior court, created for the protection of society and the enforcement of law. The grand jury is free to follow its own inclinations in investigating local government affairs.

The grand jury may act only as a whole body. An individual grand juror has no more authority than any private citizen. Citizens can refer issues of government misconduct to the grand jury, who may proceed with an investigation if deemed appropriate. The subjects of investigations or departmental reviews are determined solely by the grand jury and remain confidential until the end of the one-year term.

**Annual Final Report** At the close of the grand jury term, it submits the final report to the superior court. This report provides an account of the activities and investigative findings and recommendations conducted by the grand jury.

The final report is the voice of the entire grand jury.

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## CALIFORNIA PENAL CODE

The Grand Jury Final Report has been filed on this date pursuant to California Penal Code §933. A copy of the report is enclosed.

§933.

(a) Each grand jury shall submit to the presiding judge of the superior court a final report of its findings and recommendations that pertain to county government matters during the fiscal or calendar year. Final reports on any appropriate subject may be submitted to the presiding judge of the superior court at any time during the term of service of a grand jury. A final report may be submitted for comment to responsible officers, agencies, or departments, including the county board of supervisors, when applicable, upon finding of the presiding judge that the report complies with this title. For 45 days after the end of the term, the foreperson and his or her designees shall, upon reasonable notice, be available to clarify the recommendations of the report.

(b) One copy of each final report, together with the responses thereto, found to be in compliance with this title shall be placed on file with the clerk of the court and remain on file in the office of the clerk. The clerk shall immediately forward a true copy of the report and the responses to the State Archivist who shall retain that report and all responses in perpetuity.

(c) No later than 90 days after the grand jury submits a final report on the operations of any public agency subject to its reviewing authority, the governing body of the public agency shall comment to the presiding judge of the superior court on the findings and recommendations pertaining to matters under the control of the governing body, and every elected county officer or agency head for which the grand jury has responsibility pursuant to Section 914.1 shall comment within 60 days to the presiding judge of the superior court, with an information copy sent to the board of supervisors, on the findings and recommendations pertaining to matters under the control of that county officer or agency head and any agency or agencies which that officer or agency head supervises or controls. In any city and county, the mayor shall also comment on the findings and recommendations. All these comments and reports shall be submitted to the presiding judge of the superior court who impaneled the grand jury. A copy of all responses to grand jury reports shall be placed on file with the clerk of the public agency and the office of the county clerk, or the mayor when applicable, and shall remain on file in those offices. One copy shall be placed on file with the applicable grand jury final report by, and in the control of the currently impaneled grand jury, where it shall be maintained for a minimum of five years.

(d) As used in this section "agency" includes a department.

(Amended by Stats. 2002, Ch. 784, Sec. 538. Effective January 1, 2003.)

§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, therefore.

(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 timeframe for implementation.

(3) The recommendation requires further analysis, with an explanation and the scope and parameters of an analysis or study, and a timeframe for the matter to be prepared for discussion by the officer or head of the agency or department being investigated or reviewed, including the governing body of the public agency when applicable. This timeframe shall not exceed six months from the date of 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, therefore.

(c) However, if a finding or recommendation of the grand jury addresses budgetary or personnel matters of a county agency or department headed by an elected officer, both the agency or department head and the board of supervisors shall respond if requested by the grand jury, but the response of the board of supervisors shall address only those budgetary or personnel matters over which it has some decision-making authority. The response of the elected agency or department head shall address all aspects of the findings or recommendations affecting his or her agency or department.

(d) A grand jury may request a subject person or entity to come before the grand jury for the purpose of reading and discussing the findings of the grand jury report that relates to that person or entity to verify the accuracy of the findings prior to their release.

(e) During an investigation, the grand jury shall meet with the subject of that investigation regarding the investigation, unless the court, either on its own determination or upon request of the foreperson of the grand jury, determines that such a meeting would be detrimental.

(f) A grand jury shall provide to the affected agency a copy of the portion of the grand jury report relating to that person or entity two working days prior to its public release and after the approval of the presiding judge. No officer, agency, department, or governing body of a

public agency shall disclose any report's contents prior to the public release of the final report.

(Amended by Stats. 1997, Ch. 443, Sec. 5. Effective January 1, 1998.)

# 2023-2024 Butte County Grand Jury

June 6, 2024

## Chico Needs a Plan

# Chico Needs a Plan

## 2023-2024 Butte County Grand Jury

### SUMMARY

The City of Chico (City), along with most of California, has been experiencing a major surge in homelessness for about a dozen years. The Butte County Grand Jury (BCGJ) did not find Chico's unhoused problem to be unique. Cities across the state of California are grappling with the same issue. Local emergencies, such as the Camp Fire, the Oroville Dam near-disaster, and the Covid pandemic resulted in the displacement of large numbers of Butte County's residents. Initial efforts to combat the large numbers of the suddenly unhoused were compassionate. Butte County residents soon became concerned with the vandalism, garbage and chaos introduced by some campers. When campers took up residence in Chico's parks and along waterways, the city responded to community feedback.

A lawsuit was filed against Chico (*Warren v. City of Chico*) on behalf of eight unhoused individuals alleging that their civil rights had been violated under the Eighth Amendment (Constitutional protection against imposing excessive bail, excessive fines, or cruel and unusual punishment). This suit cited as precedent a 2019 ruling from lawsuit filed earlier in Idaho called *Martin v. City of Boise*. That case was decided by the Ninth Circuit Court of Appeals, which held that, if an adequate number of shelter beds were not available, citizens could not be cited or evicted for camping or sleeping in public spaces.

In January 2022, a Settlement Agreement (Settlement) was reached in *Warren v. City of Chico*. Chico was to provide temporary housing with the Torres Shelter and Genesis (also known as the Pallet Shelter), both of which function 24 hours a day, 365 days a year. These two facilities do a respectable job, but only serve a limited number of people. Both facilities have requirements that many of the unhoused cannot meet or do not want to meet such as no alcohol or drugs, a one pet limit, mandatory counseling, etc. This Settlement also required one alternate camping site which located at the northwest corner of the Eaton Rd/Cohasset Rd intersection, and two additional alternate camping sites located at the southeast corner of the Eaton Rd/Cohasset Rd intersection.

Under the terms of the Settlement, Chico is constrained in how it may move unhoused individuals off city streets and out of parks and other public property. The Grand Jury found

that the Chico City Council has been as transparent as possible in sharing details while maintaining compliance with the confidentiality requirements of the Settlement.

Genesis is a direct result of the Settlement, and it is the Grand Jury’s consideration that it is a success. Several hundred people have been moved off the streets, are living in an atmosphere where they may be able to recover from their past traumas and are exposed to a variety of services aimed at helping them move toward independence and possible future housing.

The “alternate” site located at the Eaton/Cohasset intersection in north Chico, is not a site of which to be proud. Its current configuration is hazardous and subject to inclement weather, drive-by shootings, medical issues, drug use, deaths on site, and numerous other issues. Those in the site are near food, transportation, and other services. Service providers visit them regularly.

A good preliminary start has been made toward safely getting many unhoused individuals off the streets while also providing an array of services from a variety of government and non-profit service providers (Butte County Behavioral Health, Jesus Center, True North Housing Alliance, etc.). However, there is additional work that needs to be done.

## GLOSSARY

BCGJ	BUTTE COUNTY GRAND JURY
City	City of Chico
LSNC	Legal Services of Northern California
O&E	Outreach & Engagement Team
Settlement	Settlement Agreement from Warren vs. Chico

## BACKGROUND

Nationally homelessness is a growing problem with nearly one third of the unhoused population in the United States residing in California, and the numbers are increasing. The Butte County (BC) 2022 Point-In-Time Count was 1,156 unhoused individuals, which rose by 7% in 2023 to 1,237 unhoused individuals, with the over 65 contingent the largest growing group.

California put aside \$7.2 billion (about \$22 per person in the US) to address homelessness in the 2021-2022 state budget. Last year, there were an estimated 172,000 homeless statewide, which equates to annual spending of nearly \$42,000 per homeless person.

A noticeable increase in the number of unhoused individuals in Chico occurred around 2012. The problem worsened with the 2017 Oroville Dam near-disaster, the 2018 Camp Fire, and the Covid-19 pandemic. Each event prompted individual, community, and government-based

actions including providing meals, developing housing options for the unhoused, monetary contributions for non-profits supporting the unhoused and clothing donations. These efforts were undertaken as part of the fabric of community responsibility. However, as petty crimes and vandalism increased, as businesses suffered, and the general quality of life in Chico deteriorated, sympathies of many citizens waned. Chico's "sit/lie" ordinance did not provide the intended results. Instead, campgrounds in public spaces proliferated, parks and waterways were visibly harmed, and the public's overall sense of safety deteriorated. Ultimately, frustration by all parties involved fueled community-wide divisions.

Unfortunately, many unhoused people remain on the streets despite the availability of several shelter options to include Genesis (previously known as the Pallet Shelter), Torres Shelter (operated by True North Housing Alliance), and the Jesus Center. These facilities function year-round providing shelter for the unhoused who must be assessed for suitability by the city's Outreach and Engagement team before being admitted to one of the facilities.

Issues that aggravate homelessness include changes in employment, higher rent costs and daily living expenses, and medical emergencies, to name a few. Many unhoused people struggle with addiction and mental health issues. Solutions need to be provided giving the unhoused an opportunity to be healed and housed.

Several methods of providing temporary shelter are being used by communities. Pallet shelters, tiny home shelters, and refurbished vacant buildings are appearing all over the state. The grand jury toured a supervised campground that Placer County is supporting in Auburn, CA. The administration provides tents, bedding, bathrooms, showers, and meals inside a secure, fenced enclosure. There is no electricity, heat or air conditioning provided. While more spartan than pallet shelters, the Placer County approach may be more amenable for those who have trouble sleeping inside buildings.

According to Placer County campground administration, the infrastructure is much less expensive than pallet shelters. Although tents need to be replaced annually, they cost \$600 apiece, whereas it costs approximately \$35,000 for a pallet shelter - before adding power, heating, and air conditioning. The Placer County model presents a cost-effective alternative for temporarily sheltering the unhoused.

A root cause of homelessness is the lack of affordable permanent housing available to those experiencing homelessness. Some people are ready for affordable housing now. Many unhoused people sleep during the day because it's safer. Daytime sleep habits add to the challenge of the transition to housing and a "normal" life. Others need wrap-around services to help overcome addictions and mental health challenges.

In addition to the established shelters, Safe Space is a local non-profit that provides short-term temporary shelter from extreme weather conditions. While Safe Space is funded largely by private donations of food, bedding, and sleeping locations often provided by local churches

(along with heavy utilization of community volunteers), it does receive annual funding designed for specific projects from the City.

The Settlement resulting from *Warren v. Chico* obligated the city to provide additional shelter for unhoused people. However, there remains a substantial population who continue to illegally camp outside sanctioned facilities.

## METHODOLOGY

The Grand Jury reviewed the following documents:

*Warren v. Chico* litigation Settlement

City of Chico's Amicus Brief to U.S. Supreme Court

University of California at San Francisco's 2021 study on the impacts of homelessness

The National Prevention Science Coalition report published April 4, 2023

New England Journal of Medicine article on hospital visits for the unhoused. (January 4, 2016, updated April 5, 2023)

Representatives of the following organizations were interviewed:

- **Butte County:** Behavioral Health, Continuum of Care, Department of Employment & Social Services, Housing Authority of Butte County.
- **City of Chico:** City Council members (past and present), present and former city officials, Department of Public Works' Operations & Maintenance and Outreach & Engagement Teams, and the Police Department Target Team.
- **Non-governmental Agencies:** North State Shelter Team, Safe Space Chico, United Way, and Youth for Change.
- **Shelter Tours and Interviews:** Jesus Center, Genesis (previously the Pallet Shelter, operated by Jesus Center, under contract with City), True North Housing Alliance/Torres Shelter, Alternate Site (Eaton & Cohasset), Gathering Inn (managed campground in Auburn, CA).
- **Documents/Publications:** *Warren v. Chico* litigation Settlement and related documents, University of California at San Francisco's 2021 study on the impacts of homelessness, The National Prevention Science Coalition published April 4, 2023, New England Journal of Medicine article on hospital visits for the unhoused.
- **Public Media/Alternate Sources:** Radio stations KPAY and North State Public Radio (NSPR) and Stand Up for Chico, Chico Taxpayers Association; ChicoSol, and Save Our Chico.

- **Public:** Interviewed member(s) of the unhoused/recently housed population.

## DISCUSSION

### Historical Costs to the City of Chico

The costs of unhoused services incurred by the City of Chico are roughly \$6-\$7M per year. These expenses cover the Genesis shelter contract, but ~~it~~ also includes the costs of the Police Department's Target Team, Public Works' Outreach & Engagement Team, and Public Works' cleanup efforts on campsites after a sweep. The Eaton/Cohasset campsite is also included in this estimate. In 2023, City of Chico Public Works removed 539 tons of trash, and its Outreach & Engagement Team provided outreach, resources, and assessment to a total of 331 individuals.

Genesis was built at a cost of \$3.29M. The 2022 operating budget (April 25, 2022, opening to April 25, 2023) was just over \$4M, and the contract with the Jesus Center was for approximately \$1.35M.

### Services, Rules, and Expectations by Funding Source

- Privately funded and/or faith-based shelters follow the Board of Directors' instructions. The instructions generally require services provided to be utilized, often with the assistance of a case worker assigned to an individual. Facility rules may also include language regarding illegal substances, weapons, behavior, and limits on personal belongings.
- Government-funded facilities cannot require services to be utilized, as this violates an individual's freedom of choice, but the shelters offer access to information regarding services that are available. However, rules and responsibilities of good citizenship are required.
- Transitional or other specialty housing uses rules for placement and conduct designed for the type of housing and funding. Examples could include youth housing, mental health housing or veterans housing, all with extremely specific settings.
- Emergency Housing/Extreme Weather Shelter, while considered a short term environmentally designated temporary solution, are an integral part of the shelter housing process. Most positions are staffed by community members volunteering their time. Food and bedding often come from private donation sources, and winter sleeping accommodations are often church facilities donated for that purpose.

- The alternate camp site, currently located at Eaton & Cohasset, has a specific set of rules, as set by *Warren v. Chico Settlement*, which designates who is allowed to be assessed for utilization of this sheltering location.

June 20, 2023, University of California San Francisco released a report following an extensive investigation into the unhoused crisis in California. The study concluded the primary reason 30% of unhoused people in the nation live in California is due to unsustainability of housing cost. Anyone seeking the humblest habitation in Chico must compete in the housing market with thousands of California State University of Chico and Butte College students. The housing shortage was further exacerbated in 2018 by the mass of refugees from the Camp Fire. That fire destroyed over 14,000 Paradise homes, limiting available home sales and residential rental markets.

Yet, for all the additional problems one may consider unique to Chico, when compared with surrounding urban areas, the unhoused situation in Chico is not unique. The table below relates the numbers of unhoused in several northern California cities according to the 2023 Point-in-time survey conducted by the Continuum of Care. The city population column reflects the 2020 census. To illustrate the impact of the unhoused within the city's overall population, the third column represents the percentage of unhoused within the city's overall population. The numbers represented by Chico do not stand out. Oroville, for example, has far fewer unhoused people than Chico, but, as its population is also far smaller, their numbers represent a larger portion of the population. The numbers, as shown, give proof that Chico is not a particularly desired destination for the unhoused.

<b>City</b>	<b>Population</b>	<b>Homeless Population</b>	<b>Percentage Homeless</b>
Chico	102338	925	0.9
Oroville	19893	277	1.4
Redding	93462	934	0.99
Santa Rosa	176938	1160	0.66
Roseville	151901	704	0.46
Red Bluff	14588	304	2.1

Chico does not stand out among California cities as to the size of its unhoused problem, but their manner of dealing with the crisis does. Where many cities have followed the "Housing First" model, first promoted by the George W. Bush administration, which has the priority of getting the unhoused off the street, Chico has not followed that model.

Chico operated largely without a written policy detailing how the city addressed the unhoused issue until 2022, when it was entered into a structured settlement which outlined the City's responsibilities for the welfare of its unhoused population. The City's action to address homelessness prior to the Settlement came in 2013 when the City Council passed an ordinance declaring it illegal to "sit or lie" on sidewalks or in building entryways or alcoves in the downtown area. With the City considering an adversarial posture would make the unhoused go away, this law was intended to encourage them to leave Chico.

A three-year study of the law was later conducted by an interdisciplinary group of professors from CSU Chico. The study concluded the actual effect of the "sit/lie" ordinance was to move unhoused people from the city center to other parts of the city, while doubling the cost of enforcement of the ordinance by city police.

The Settlement obligated Chico to address the needs of the unsheltered community. One achievement of the settlement was Genesis (initially named the Pallet Shelter), a facility that has proven to offer eligible unhoused people a secure alternative to living on the streets. This shelter, along with additional actions taken, has addressed the needs of the unsheltered population. Butte County Behavioral Health Outreach personnel estimate the number of unhoused remaining on the street currently to be about one hundred people or more. These unhoused individuals are unable or unwilling to access the city's shelter facilities. This unwillingness causes an ongoing problem for both these individuals and the city. The unsheltered in Chico continue to live in dangerous conditions which are unhealthy and unsecure.

Studies have shown that the most expensive way to deal with these unhoused individuals is to leave them unhoused. The cost of healthcare borne by the taxpayer is much higher to treat the unsheltered and/or unhoused. The unhoused are leading dangerous, unhealthy and unsanitary lives that increase their need for healthcare. These individuals do not address these health concerns which allows simple health issues to become medical emergencies that flood the expensive emergency health system. There is also a significant additional cost to police and jails to enforce illegal camping laws. An article by the National Prevention Science Coalition, published April 4, 2023, cites a study by the New England Journal of Medicine that found that unhoused people spend an average of four days longer per hospital visit than others. This publication further cites a two-year study by The University of Texas which found each unhoused person cost taxpayers \$14,480 per year just to cover overnight stays in a jail.

Currently, any unhoused person spending nights in an unsanctioned space, as identified in the Settlement, is subject to eviction by the police after a seventeen-day notice. After the people leave, Chico Public Works cleans up the debris left behind. Once evicted, the unhoused people typically return to a campsite they had formerly been evicted from and await another seventeen-day eviction from their new location. On top of the already significant cost to taxpayers, this interchange between the city and the unhoused adds a significant cost to the

budgets of the Police and Public Works while further destabilizing an already unstable group of unhoused individuals.

### Understanding the current Settlement Agreement

Provisions of the Settlement directed that the City needed to build a pallet shelter with up to 177 individual rooms. Each pallet was to provide two beds, although individuals referred to Genesis were not to be required to share a room. Onsite services were to include potable water, handwashing stations, garbage disposal, laundry services, a meal and kitchen area, private meeting areas, bike parking and property storage. The shelter was to be low barrier, meaning one did not have to be clean and sober to be a resident. There was also to be no requirement to participate in services, including case management.

Another stipulation of the Settlement concerned so-called “sweeps,” or the clearing of campsites. This seventeen-day process functions in the following ways currently:

- The city may, if there are shelter beds available in either the Genesis, or at the Torres Shelter, begin the process by providing LSNC with a seven-day notice.
- If there is no objection from LSNC, the city could then provide campers who will be subject to a sweep, or clearing of their camp, with their own seven-day notice.
- A seventy-two-hour notice follows, and then the camp may be cleared.
- Up to three locations may be cleared at a time, and campers not home at the time of the second seven-day notice must have five attempts made to locate and notify them. No more than fifty campers may be cleared from the three encampments at one time, and any seized property must be held for up to ninety days.
- Persons moved out in a sweep are not prevented from going back to the same area after several hours.
- The city may not cite or arrest those campers who may be located elsewhere in the city, including those in residential areas. The Settlement effectively protects certain behaviors, such as camping, for which regular members of the public would be cited or arrested.

A stipulation of the Settlement is that campers to be involved in a sweep must be assessed for suitability to enter a shelter. If deemed suitable, those campers are offered shelter in either the Torres Shelter, or Genesis. However, campers may not be required to accept the placement. Two teams are involved in the assessment process. The Chico Police Department’s Target Team is made up of officers specially trained to work with the unhoused in a neutral capacity. The city’s Public Works Department’s team is called the Outreach & Engagement (O&E) Team. These are the people who contact campers, with the O&E Team completing an assessment of

each camper and recommending placement in a shelter (or not). Those considered not suitable may be assigned to the Eaton/Cohasset "alternative campground."

While O&E assesses a camper, the Target Team is required to maintain a slight distance to allow for privacy. However, the Target Team also spends time with the campers on many occasions, and positive relationships are formed. GJ members visited the site on several occasions as the target team performed the actual task of removing campers and exhibited a respectful attitude. While the team might be dismayed by the terrible conditions in which these people were living, they were never observed to be disrespectful. The team assisted people in sorting out what possessions were to be stored and which were to be taken with them. The Grand Jury believes the Target Team is to be commended for their professional manner in performing this difficult and impactful job.

The City of Chico Public Works department interacts with the unhoused in two ways. First, the O&E Team, in conjunction with the Target Team, is responsible for contacting the unhoused in the sites where a sweep is planned. O&E conducts the actual assessment which determines if one is suitable to be assigned a spot in a shelter, or if they are to go to the Eaton/Cohasset site. GJ members have gone out in the field with O&E on several occasions when advance notices were given and when the actual removal of a camp was implemented. The GJ observed that the O&E Team was respectful and provided necessary information for each camper.

Another group of Public Works employees is engaged in disposing of the trash which results from the encampments.

Genesis operates under a contract with the city and is managed by the Jesus Center. Available on-site at Genesis, upon request, are services provided by organizations such as the Butte County Department of Employment & Social Services and Butte County Behavioral Health. A Housing Navigator is available as are three case managers. The shelter's funding sources mandate a housing-first approach, and residents are not required to engage with any services.

Shelter leadership sees the areas of greatest need as services for substance abuse victims, and for those who have mental health issues combined with addiction (dual diagnosis). Some of these individuals have been diagnosed as not equipped to care for themselves. The soon-to-be-implemented Care Court, currently in a trial phase in several counties, will provide relief to some suffering from these issues.

Genesis is one of the positive outcomes of the Settlement. It consists of 177 individual pallet shelters with heat, air conditioning, and two beds. Although not a settlement requirement, the city felt air conditioning was a necessity given Chico's summer heat. The addition of air conditioning drove the cost of the electrical equipment to just over \$1M. Toilet facilities are on-site, and showers are also available. Three meals per day are provided. Case management is also available on-site; however, residents are not required to utilize the service. The Torres Shelter is much more aggressive with case management with its congregate setting accounting

for its higher success rate at moving people into housing. Genesis residents that engage with case managers experience better outcomes as they move toward independent housing. In the shelter's first year, eleven people found housing, and another twenty were provided Social Security benefits.

Genesis also serves as a navigation center and enables residents to obtain IDs, connect with Social Security benefits, and access a variety of other services in one location. Genesis currently has around two-hundred-twenty people in residence.

There will be additional costs to the city going forward, and the community needs to understand the creation of Genesis is not the final answer. The Eaton/Cohasset campsite cannot be a long-term solution. Some type of organized, rules-based, and closely monitored camp site must be made available. Costs incurred by the Police Department and Public Works regarding the Eaton/Cohasset campsite should be diverted to more productive uses.

The Federal government, the State of California, and the Ninth Circuit Court have combined to put all cities under the Ninth Circuit's overview in an untenable situation. The Supreme Court is poised to take on the questions raised by *Martin v. Boise*, and subsequent decisions that relied upon it. Its decision, which should be available by July 2024, might provide clarity as to how all cities and counties must consistently serve the unhoused.

If the Supreme Court sustains *Martin v. Boise*, all states, not just those under the jurisdiction of the Ninth Circuit, will have to provide legal compliance. If the court strikes down the decision, several community leaders have suggested the city might seek to terminate, or at least allow the operations of Genesis to degrade. Such actions would have negative results for the community such as increased medical and law enforcement costs and a general degradation of the average citizen's sense of security. In 2023, at least twenty-three unhoused people died on the streets of Chico.

## FINDINGS

- F1. The City of Chico precipitated the Warren lawsuit when the unhoused were relocated without adequate shelter.
- F2. The staff and volunteers at the different transitional and emergency housing programs are dedicated, enthusiastic and efficient.
- F3. The City of Chico established the Genesis Shelter (formerly known as the Pallet Shelter) which has served several hundred formerly unhoused individuals.

F4. Due to the notification and site-clearing directions in the Settlement Agreement, the City of Chico is constrained in the handling of complaints regarding the unhoused.

## RECOMMENDATIONS

**R1** The Chico City Council direct the City Manager to develop and implement an internal committee specifically designated to interface with the unhoused population, current service providers and future county, state, and federal homelessness commissions by January 1, 2025.

**R2** The Chico City Council develop a written policy that will deal with how the city will address the unhoused by March 31, 2025.

**R3** The Chico City Council should implement this written policy within all City departments that interface with the unhoused population by June 30, 2025.

**R4** The City of Chico supports the efforts of government and non-governmental service agencies in addressing the special needs required by the unhoused in extreme weather.

**R5** The Chico City Council should expand shelter opportunities for unhoused people who currently live outside sanctioned shelter facilities by June 30, 2025.

**R6** The City of Chico continues funding transitional and emergency housing programs.

## REQUIRED RESPONSES

The following responses are required pursuant to Penal Code § 933 and 933.05:

From the following governing bodies:

Chico City Council - 90 days to respond on

F1, F4 and R1, R2, R3, R5, R6 & R7

Reports issued by the Grand Jury do not identify individuals interviewed. Penal Code § 929 requires that reports of the Grand Jury not contain the name of any person or facts leading to the identity of any person who provides information to the Grand Jury.

## WEBSITE REFERENCES

- Butte County <https://buttecounty.net>
- Butte County Behavioral Health <https://www.buttecounty.net/159/Behavioral-Health>
- Butte County Continuum of Care <https://www.buttehomelesscoc.com>
- City of Chico <https://chico.ca.us/>
- City of Chico Shelter Beds <https://chico.ca.us/City-Services/Housing-Homelessness/Shelter-Bed-Availability/index.html>
- Chico State Today <https://today.csuchico.edu/campus-research-probes-sit-lie/>
- Costs of Homelessness <https://www.npscoalition.org/post/fact-sheet-cost-of-homelessness>
- Orange County Register <https://www.ocregister.com/>
- Safe Space Chico <https://www.safespacechico.org>
- Settlement Agreement [https://chico.ca.us/documents/City-Services/Sheltering-Provisions/Outreach-and-Engagement-for-Homeless-Individuals/warren\\_v.\\_chico\\_-\\_settlement\\_agreement\\_0.pdf](https://chico.ca.us/documents/City-Services/Sheltering-Provisions/Outreach-and-Engagement-for-Homeless-Individuals/warren_v._chico_-_settlement_agreement_0.pdf)
- Supreme Court Briefs pertaining to City of Grants Pass, Oregon v. Johnson, et al. <https://www.supremecourt.gov/search.aspx?filename=/docket/docketfiles/html/public/23-175.html>
- UCSF Homelessness Study <https://homelessness.ucsf.edu/>



2023-2024 Butte County Grand Jury

June 6, 2024

## City of Chico

# Alternate Accommodations for the Unhoused



## SUMMARY

The City of Chico (City), in Butte County, has been operating pursuant to the *Warren v. Chico* litigation Settlement Agreement (Settlement) since January 2022. The Settlement stipulated that unhoused individuals camping illegally within the city could not be cited and could only be made to move if there were available beds in sanctioned shelters.

Three sanctioned shelters currently exist in Chico. As a result of the Settlement, Genesis (previously the Pallet Shelter) was built, and three additional public properties (alternate sites) were designated for housing individuals who could not, or would not, accept accommodations at a sanctioned shelter. One alternative site (Site) is currently operating at the corner of Eaton Road and Cohasset Road in Chico. Access to any sanctioned shelter is through an outreach team which performs an assessment to determine which shelter is most suitable for an unhoused individual.

The site has been operating since 2022. The grand jury identified several operating issues affecting health and safety that need to be addressed.

## GLOSSARY

BCGJ	Butte County Grand Jury
CITY	The City of Chico
SETTLEMENT	<i>Warren v. Chico</i> Litigation Settlement (2022-2027)
SITE	Alternate Site, Eaton & Cohasset, Chico, CA

## BACKGROUND

As part of the Settlement resulting from litigation arising from the alleged violation of civil rights, various shelter requirements were established for housing those who were suffering from chronic homelessness within the City. According to The National Alliance to End Homelessness, “Chronic homelessness is used to describe people who have experienced homelessness for at least a year – or repeatedly – while struggling with a disabling condition such as a serious mental illness substance use disorder, or physical disability.”



Three emergency shelters currently operate in Chico:

1. Genesis (operated by The Jesus Center), is a non-congregate 177-bed shelter, organized in a pod community with no more than 50 beds per pod. Specific pods, as required, are available for “special demographics”, such as female, elderly, vulnerabilities, etc.
2. True North Housing Alliance/Torres Community Shelter, a congregate 195-bed shelter, received \$300K in the fall of 2021 to expand services by 50 beds.
3. Jesus Center / Homeless Shelter & Services in Chico is a private non-profit shelter service that currently manages the daily operations of Genesis. Once assessed, an unhoused individual may be given access to one of the first two shelters. The Jesus Center is not a party to the Settlement.

The Settlement also established three alternate sites for unhoused individuals to use if they did not qualify for access to any shelter or refused to access their assessed shelter. These alternate sites are at the junction of Eaton Road and Cohasset Road in Chico. -One of these alternate sites is currently operating, and the Settlement allows the city to move residents to the other alternate sites periodically.

While these shelters continue to have available beds, and the alternate site has space, there continue to be unhoused individuals sleeping on the street. Many needing services don't want to stay at a shelter, no matter how many beds are open.

The judge has retained jurisdiction over the implementation, enforcement, and modification of the Settlement until January 2027, and disputes continue to be resolved confidentially. Local service providers continue to urge unhoused individuals into shelters, via assessments.

## METHODOLOGY

In the BCGJ investigation on the interaction between local government and the unhoused population, representatives of the following departments, organizations, or groups were interviewed and/or documents/websites were reviewed:

- **Butte County:** Behavioral Health, COPE (peer group) Team, Continuum of Care, Department of Employment & Social Services, Housing Authority of Butte County.
- **City of Chico:** City Council members (past and present), present and former city officials, Department of Public Works' Operations & Maintenance and Outreach & Engagement Teams, and the Police Department Target Team.
- **Non-governmental Agencies:** North State Shelter Team, Safe Space Chico, United Way, and Youth for Change.
- **Shelter Tours and Interviews:** Jesus Center, Genesis (previously the Pallet Shelter, operated by Jesus Center, under contract with City), True North Housing Alliance/Torres Shelter, Alternate Site (Eaton & Cohasset), Gathering Inn (managed campground in Auburn, CA).
- **Documents/Publications:** *Warren v. Chico* litigation Settlement and related documents, University of California at San Francisco's 2021 study on the impacts of homelessness, The National Prevention Science Coalition published April 4, 2023, New England Journal of Medicine article on hospital visits for the unhoused.
- **Public Media/Alternate Sources:** Radio stations KPAY and North State Public Radio (NSPR) and Stand Up for Chico, Chico Taxpayers Association; ChicoSol, and Save Our Chico.
- **Public:** Interviewed member(s) of the unhoused/recently housed population.

## DISCUSSION

### Alternate Site Operations

The BCGJ reviewed the Settlement, and its language governing the Site, and local ordinances and legal statutes pertaining to the Site. The BCGJ obtained further details through observations and interviews and applied that knowledge to what we see today at the northwest corner of Eaton and Cohasset in Chico, California.

The Site is a half-acre lot, fenced, with one dumpster, one water source and two portable toilets provided by the city. It has existed since early 2022. The grand jury determined this was the most appropriate physical location to accommodate Settlement requirements, restricting major relocation. The grand jury also determined that the Site is not ADA-friendly.

Residents can pitch tents on the property but not use vehicles or RVs.

The City is prohibited from enforcing its Anti-Camping Ordinances and Regulations at these sites for at least 60 days after notifying an unhoused individual to relocate to these sites.

Two additional sites have been designated should they be needed.

Some residents of the Site indicated they just went there on their own, while others stated they had been assessed to be there.



*Alternate site street view, January 2021 (Google Maps)*



*Alternate site view, April 2024*



*Alternate Site aerial view, April 2024 (Google Maps)*

The City website acknowledges the City's responsibility for providing and operating the Site, and references the Settlement:

Per the Warren v. Chico Settlement Agreement, the City of Chico is required to provide an Alternative Camping Site "Site" for homeless individuals identified by the City's Outreach and Engagement Team who are not eligible for the Torres Shelter or Genesis (the Pallet Shelter). The Site is currently located at Eaton and Cohasset Road and is not available to RVs or vehicles, rather tent camping only. The City has provided portable toilets and dumpsters at the Site that will be emptied twice per week.



*View of tent camps and personal property*

**Mismanagement of Waste**

The grand jury determined that the city inadequately handled waste, both biological and non-biological. -There are two portable toilets available, but they are poorly maintained.



View of portable toilet condition

There is a single dumpster that is reportedly emptied three times per week, but appears to be continually overfull, with additional piles of trash accumulating near the dumpster. The grand jury determined that the city did not empty the dumpster in April 2024 after inspecting the Site and instructing residents to pile debris in the area around the dumpster.



*View of dumpster area on 3/15/2024*



*View of dumpster area on 4/12/2024*

Calrecycle.ca.gov notes the following suggestions for managing solid waste in permitted encampments:

## Management of Solid Waste in Permitted Encampments

Solid waste management provisions should be included in the local government use permit, and should be sufficient to prevent littering of the encampment with rubbish, garbage or other wastes. Suggested inclusions for management are:

- Secure six-foot high fencing around perimeter of the encampment
- Secured area for solid and special waste collection containers
- Provision of securable container lids and securing them on a nightly basis
- Scheduled collection of materials in waste containers
- Facilitation of recycling services for residents, including reimbursement for recyclables
- Utilization of resident management of solid and special wastes
- Facilitation of encampment clean-ups by residents
- Provision of opportunities for encampment residents to be involved in neighborhood clean-up events
- Utilization of advance agreements with property owners to routinely cleanup encampments on their property should be considered.





*View of vehicle on Site*



*View of vehicle within campground (vehicles are not allowed within the campground)*





- *Informal community center*





- *View of the sole water source for the campground*



- *View of campground from water source*

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- While conducting site visits and interviews, BCJG found that many residents are unaware of the local resources, assistance, and services provided through dialing 211 for our local community.

## FINDINGS

The City of Chico is responsible for allowing the appalling conditions at the Site due to neglect.

Many unhoused individuals are unaware of 211 and the resources the hotline provides to the community.

## RECOMMENDATIONS

Chico City Council should consider rotating camp sites to improve and maintain the health and safety at each campsite by July 30, 2024.

Chico City Council should direct the Target & Outreach Team to issue fresh assessments on current Alternate Site residents by July 30, 2024.

Chico City Council should begin the process of closing & cleaning Site #1 by August 30, 2024.

Chico City Council should provide clearly marked spaces in all Alternate Sites, using the dimension & pod layout directions in the Settlement Agreement by August 30, 2024.

Chico City Council should ensure that care and maintenance supervision of current Alternate Site conforms to health and safety regulations by November 30, 2024.

The city of Chico should provide residents of sanctioned shelters and alternate sites with information about available services, including 211, by February 28, 2025.

## REQUIRED RESPONSES

The following responses are required pursuant to Penal Code § 933 and 933.05:

From the following governing bodies within 90 days of receipt of this report:

City of Chico: respond to F1, F2 and R1, R2, R3, R4, R5, R6

Reports issued by the Grand Jury do not identify individuals interviewed. Penal Code § 929 requires that reports of the Grand Jury not contain the name of any person or facts leading to the identity of any person who provides information to the Grand Jury.

## WEBSITES

Butte County

<https://buttecounty.net>

City of Chico

<https://chico.ca.us/>

Settlement Agreement

[https://chico.ca.us/documents/City-Services/Sheltering-Provisions/Outreach-and-Engagement-for-Homeless-Individuals/warren\\_v.\\_chico\\_-\\_settlement\\_agreement\\_0.pdf](https://chico.ca.us/documents/City-Services/Sheltering-Provisions/Outreach-and-Engagement-for-Homeless-Individuals/warren_v._chico_-_settlement_agreement_0.pdf)

National Alliance to End Homeless

<https://endhomelessness.org/homelessness-in-america/who-experiences-homelessness/chronically-homeless/>



2023-2024 Butte County Grand Jury

May 14, 2024

## Butte County Library System Under Stress

## BUTTE COUNTY LIBRARY SYSTEM UNDER STRESS

2023-2024 Butte County Grand Jury

### SUMMARY

In response to citizen complaints, the Butte County Grand Jury (“Grand Jury”) investigated morale issues and the General Fund’s budget allocation for the Butte County Library Department (“Library”). Through interviews with staff and others, the Grand Jury learned of a significant morale problem affecting the library’s staff in late 2023 and early 2024. Additionally, at the time there was a perceived lack of interest and support from higher levels of Butte County government.

Budget cuts in recent years have affected all the Butte County Departments whose primary funding source is the General Fund (GF). Since the other GF-funded departments are oriented to public safety, the library is the lowest priority department for funding, receiving fewer resources and less attention than its sister departments. The Grand Jury believes this low priority reflects the preferences of the Supervisors’ constituents and is not an anti-Library bias.

In light of the important role which libraries play in the lives of many residents, on-going budget issues, and the strong possibility of a sales tax measure on the November 2024 ballot, the Grand Jury recommends that senior Administrative staff and the Board of Supervisors improve communication with Library staff, volunteers, and patrons to preserve the county’s investment in the Library system and provide the potential General Fund tax measure with the best chance of voter approval.

### BACKGROUND

The library system was established by county charter in 1913. Previously, the state of California had attempted to serve many counties directly, and in several communities, citizens had informal home-based libraries. Oroville's Library was established in 1903. It moved into a Carnegie Library building built on Montgomery Street in 1912. Oroville's Library did not merge into the County system until 1971.

Today, the Library provides many services to the community including books, eBooks, and periodicals. Additionally, various recordings of different types are available, as well as internet-based platforms for subscribers. Computer access is available for patrons, and technology literacy is taught by Library staff. Programs exist for all ages and education levels on topics including literacy, parenting, job skills, and health, in addition to storytelling and author presentations. Finally, the Library provides support in response to crises including excessive heat and cold events, wildfires, and food insecurity.

The library operates six traditional brick-and-mortar libraries (Chico, Oroville, Paradise, Gridley, Biggs and Durham) and extensive web-based services. There is also a "mobile Library" (bookmobile) and a literacy tutoring program based in Oroville which utilizes the branches and other sites in the county.

The Grand Jury's investigation of the library was prompted by citizen complaints following news of budget and staff cutbacks, both actual and potential, and comments made by Library supporters and staff.

Butte County Departments include several primarily funded by state money, some are primarily funded by the County's General Fund, and others which include substantial funding of both types. The library is a General Fund Department funded primarily by Butte County taxpayers, the smallest such Department.

During the investigation, the Grand Jury learned that all Butte County departments, including the library, were impacted by 2022-2023 county-wide salary increases. These salary increases were a result of a classification and compensation study performed by consultants and commissioned by the County to address recruiting and retention challenges. The study determined that Butte County employee salaries were not competitive with other comparable counties in the state.

While salaries increased, revenue did not, and the County was unable to achieve existing budget goals. Based upon multiple interviews, budget cuts were ultimately deemed necessary in all departments, including the library. Various scenarios were proposed by the former Library Director and staff.

In Fiscal Year 2022-2023 (the county fiscal year runs from July to June of the following year) budget cuts were implemented. In the following year, the County provided contingency funding to the library, but the library's service hours remained at a reduced level.

In late 2023, a search for a replacement Library Director was undertaken. One leading candidate was offered the position and declined. The Assistant Library Director was later made the Interim Library Director. The search for a permanent Library Director is currently on hold.

To remedy the General Fund shortfall, the Supervisors reviewed their options and retained another consulting firm to poll Butte County residents and gauge public acceptance for a possible tax increase. The two options considered were a sales tax (which would include the library and other general fund departments) or a parcel tax benefiting the library alone. The parcel tax would require a 2/3 majority and was deemed by the Consultants to be unlikely to succeed. However, a county-wide sales tax measure, which would require only a simple majority, could pass depending on cooperation between interested parties. As of May 2024, a General Fund sales tax increase measure may be placed on the November 2024 election ballot.

The Board of Supervisors, with the aid of the Chief Administrative Officer, are responsible for allocating funds among the General Fund departments: Sheriff's Office, Butte County Fire, District Attorney, Probation and Library. Each Supervisor's opinions may reflect their constituents' views in their respective Districts, but there is a consensus that public safety is the most essential budget priority.

## METHODOLOGY

### Documents

The Grand Jury reviewed the following documents pertaining to the library:

Butte County Budgets

Butte County Library Budget

- 

Consultant's report commissioned by and presented to the Board of Supervisors on the proposed November 2024 election tax measure options

News reports and other public documents pertaining to Library funding

### Site Tours/Meetings attended

Grand Jurors visited three county libraries and attended 2 Library Advisory Board meetings

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### Interviews

The Grand Jury interviewed 9 interested people, including present and former Library staff, elected officials, and county administrative staff.

## DISCUSSION

The library, as well as the Butte County Sheriff's Office, District Attorney's Office, Probation Department and Butte County Fire, is funded by the County's General Fund. The library, as a non-public safety department, receives the smallest share of the General Fund revenues.

Following county-wide salary increases, which necessitated budget cuts in FY 2023-2024, the county still suffered from a budget shortfall. This shortfall was made up on a one-time basis by utilizing contingency reserve funds.

As noted above, the budget problems affecting all General Fund departments in Butte County have had on-going effects on the library: the tangible loss of hours already in place, the potential of even more cuts in hours in the upcoming Fiscal Year, and staff morale issues.

Several Library staff members reported being told that the county charter stipulates that only one library and one librarian must be funded. Citing this minimal requirement led to the fear among Library staff that the Supervisors only wish for, or will settle for, the “one library” minimum. However, the Grand Jury’s interviews with elected officials clarified that there is not a desire to drastically reduce Library services or eliminate branches of the county libraries, but rather a reflection of budget priorities at the county level.

Other comments the Grand Jury has heard from concerned parties include that “only the homeless use the library.” From the Grand Jury’s observation, the statement that homeless people use the library is clearly true. However, to say that “ONLY homeless people use the library” does not fairly assess the library user population. Nevertheless, the need for security guards (funded by the County) and related image issues are a challenge for the daily functioning and the funding crisis affecting the library system.

Library staff are acutely conscious of their clientele, the needed services, and the inherent value of a traditional library as a necessity in a civilized society; others may focus more on “hard data” such as a formal counting of clients and services.

Cities in Butte County with Library branches do not contribute direct funding to their respective libraries' operations. The full burden is placed on the County General Fund. Other funding comes via grants awarded to the library from the state and other sources. These grants can vary from year to year and often restrict their use to specific Library programs.

The funding problem may well be addressed by a sales tax measure in the November 2024 election, apparently favored by most of the Board. The sales tax ballot will likely be announced in July 2024. To explore options for funding the General Fund Departments at an acceptable level in future, the County retained Consultants to evaluate the possible electoral success of either a parcel tax measure to benefit only the library, or a sales tax measure to benefit all the General Fund Departments.

Within the limits set by law about campaigning by county staff, the proposed measure is expected to be supported by the unions representing the employees of their respective General Fund departments. It is expected that funds generated by a tax increase will be sought by all departments funded by the General Fund. No commitment has been or can be made by the Supervisors regarding proportional allocations to the General Fund departments. If budget allocations follow historical levels, the library will be funded at a much higher level than in previous years.

The Consultant's report also examined a possible parcel tax, but data showed that a parcel tax measure to benefit only the library would not likely pass. However, a sales tax measure to benefit all General Fund Departments could pass with the unified support of all the supporters of General Fund Departments. Without this unified support the measure would likely fail. Reviewing the Consultant's report, the success of even the General Fund tax measure is not assured. Between 20% and 28% of those surveyed opposed the tax under any circumstances. Another 12% lean towards a no vote. The Consultant did not assess whether Library supporters were in favor of the General Fund tax increase, but assuming that they are to some extent, this is critical to passage of the measure. Support for a Library-only measure is at a solid 34% with another 11% to 14% as probable 'yes' votes. By contrast, the General Fund support is between 27% and 37%. Any reduction of support by Library patrons could threaten the passage of the sales tax measure resulting in significant cuts to both Library and public safety budgets.

The success of a tax increase is not assured, and some individuals and factions oppose any tax increases. In reviewing the Consultant's report, solid Library support is at 34% and support for the General Fund measure ranges from a high of 66% to a low of 51%. Without the votes of Library supporters, the measure will be less likely to succeed. Discussion of the Library's fate, should a sales-tax increase fail, have included seeking support from Butte County city governments, with or without further reduction of hours or branch closures.

Some interviewees have indicated that Library supporters will vote for the measure despite the lack of guarantees, or recognition, because they lack alternatives. Even a slight shift in support could mean the General Fund measure does not achieve a majority and thus fails.

## FINDINGS

- F1. Butte County cannot continue to provide the present level of library-related services without substantial funding enhancements. The likeliest way to continue to fund the library at current or expanded levels, while at the same time maintaining or expanding services provided by the other General Fund Departments, is through a successful sales tax ballot measure which will require the involvement of the supporters of all the General Fund Departments.
  
- F2. Funding and communication issues during FY 2023 to 2024 and the sudden departure of the previous Library Director adversely affected morale of Library staff and patrons at the time.

## RECOMMENDATIONS

- R1. So that all Butte County residents may be heard on levels of county service and taxation questions, the Grand Jury recommends that the Board of Supervisors place a sales tax measure on the November 2024 ballot to benefit all the General Fund departments, including the Library, no later than July 15, 2024.
  
- R2. The Grand Jury recommends that if they wish to maximize support of the sales tax measure prior to the November 2024 election, the Board of Supervisors and county administration should immediately enhance their engagement and communications with Library supporters and professional staff.
  
- R3. The Grand Jury recommends that the Board of Supervisors should initiate a discussion with the leadership of the cities that host library branches to explore the potential for municipal funding in support of library operations,

## REQUIRED RESPONSES

Pursuant to Penal Code section 933.05, the following response is *required*:

The Butte County Board of Supervisors: respond to R1-3 within 90 days of receipt of this report.

Responses are to be submitted to the Butte County Superior Court in accordance with the provisions of Penal Code section 933.05. Responses must include the information required by Penal Code section 933.05.

Reports issued by the Grand Jury do not identify the individuals who have been interviewed. Penal Code section 929 requires that reports of the Grand Jury not contain the name of any person or facts leading to the identity of any person who provides information to the Grand Jury.



# 2023-2024 Butte County Grand Jury

June 16, 2024

Multiplicity of Sewer Districts in the Oroville Area

BUTTE COUNTY BOARD OF SUPERVISORS

## Multiplicity of Sewer Districts in the Oroville Area

### 2023-2024 BUTTE COUNTY GRAND JURY

#### SUMMARY

In March of 2024, the Butte County Grand Jury (BCGJ) was asked to review the overlap or duplication of wastewater services to the Oroville area. The duplication was believed to be inefficient and not cost-effective. As a result, the grand jury initiated an inquiry into the agencies providing and overseeing these services.

LAFCo, or the Local Agency Formation Commission, is an agency authorized by the State of California to look at county and city governments, city boundaries, special districts, and other public entities. Each county has a LAFCo. Butte County's LAFCo has formulated 20-year growth plans and conducts Municipal Service Reviews (MSR) in which it notes opportunities for greater efficiency.

LAFCo performed an MSR in 2022, when it looked at the agencies making up the wastewater resources in the Oroville area. The agencies involved are Lake Oroville Area Public Utilities District (LOAPUD); the City of Oroville (COOR); Thermalito Water & Sewer District (TWSD); and the Sewerage Commission - Oroville Region (SC-OR).

In its extensive research, LAFCo identified redundancies in the services provided by these entities. While SC-OR is the wastewater treatment, the other three agencies are the collectors. Each agency has its own Board of Directors, with representatives paid for each meeting they attend. These same representatives are paid for attending meetings of SC-OR as well. There are also identified overlaps of areas served. Each of the entities must cope with miles of outdated sewer infrastructure, with no overarching plan for efficiency's sake. Duplication of equipment was also noted, as each agency stands alone at this point. LAFCo noted that those people performing the actual work would likely continue to be needed should any consolidation of services occur. Nevertheless, substantial cost savings could be realized via consolidation of administration. A major benefit of consolidation would be the ability for the presumed joint agency to develop a master plan, utilizing the knowledge of each of the current three collectors.

LAFCo endorsed the idea of consolidation in its MSR conclusions. Given the extensive benefits to be gained through consolidation, the BCGJ also supports the coming together of these entities to develop a plan for a joint power's agreement, like how SC-OR came into existence, when separate processing plants were integrated as a solution to a building moratorium in

Oroville. LAFCo presented several options by which this consolidation could be achieved. It made this recommendation in prior years, and the BCGJ believes that now is the appropriate time for this to be undertaken.

## GLOSSARY

- COOR - City of Oroville
- DUC - Disadvantaged Unincorporated Community
- I/I - Infiltration and Inflow
- JPA - Joint Powers Authority
- LAFCo - Local Area Formation Commission
- LOAPUD - Lake Oroville Area Public Utility District
- MSR - Municipal Services Review
- SC-OR - Sewerage Commission - Oroville Region
- TWSD - Thermalito Water and Sewer

## METHODOLOGY

In the Butte County Grand Jury investigation of special sewer service districts in the Oroville Area, representatives of the following departments, organizations or groups were interviewed and/or documents/websites were reviewed:

- Butte County Board of Supervisors
- Local Agency Formation Board (LAFCo)
- City of Oroville (COOR)
- Thermalito Water & Sewer District (TWSD)
- Lake Oroville Area Public Utility District (LAOPUD)
- Sewerage Commission - Oroville Region

Municipal Service Reviews by LAFCO dated 2006, 2009 and 2022

## BACKGROUND AND DISCUSSION

In March of 2024, a citizen's complaint was received regarding the overlap or duplication of wastewater services to the Oroville area. It was alleged that this duplication of services was inefficient and not cost-effective. As a result, the BCGJ initiated an inquiry into the agencies providing and overseeing these services.

During the investigation, the BCGJ learned about Butte County LAFCo, the agency authorized by the State of California to conduct municipal service reviews (MSR), to improve efficiency in county and city governments, city boundaries, special districts, and other public entities. Each county has a LAFCo; they were established in 1963 to control California's urban sprawl that occurred in the 1950s. We also learned LAFCo is authorized to perform Municipal Service Reviews, or MSRs, to evaluate the efficiency in public services. LAFCo also develops 20-year plans for growth. It is charged with overseeing the logical, efficient and most appropriate formation of special districts.

In 2022, Butte County LAFCo did an MSR on wastewater services for the Oroville area. It had previously looked at the same issue in 2006 and 2009, with the goal of greater efficiency. The three service providers considered were COOR, LOAPUD, and TWSD. LAFCo and prior grand juries found that "as individual entities, the wastewater special service districts functioned in an open and transparent manner."

The City of Oroville is a municipality; the City Council serves as its board of Directors, Governing Board. LAFCo's MSR shows COOR's 2021-2022 revenue as \$4.3M, with expenditures of \$5.4M. It has 3,700 sewer connections.

TWSD and LOAPUD are independent special districts. Independent special districts are accountable only to the residents within each one's boundaries. TWSD has its own board and general manager; in 2021-2022 its revenues were \$4.3M, with expenditures of \$3.5M. It has 2,365 sewer hookups. LOAPUD has its own board and general manager, with revenues for 2021-2022 at \$2.4M and expenditures of \$2.0M. It has 5,733 sewer connections.

LAFCo also reviewed the Sewerage Commission-Oroville Region (SC-OR), as it performs the treatment of the wastewater collected from these three service providers. Its revenues for the same period as above were \$5.7M, with expenditures of just under \$2.8M. It also has a board and general manager. Note, that in addition to the various boards, each of the three "collector" agencies sends two representatives to the SC-OR meetings, for which they are paid.

The MSR analysis described several key issues regarding service provision. The most significant issue was related to the of duplication of the current service provisions within the Oroville region, including three independent sewer collection systems." Another issue was the geographic overlap between service providers' boundaries and/or Sphere of Influence. LAFCo looked at these agencies' financial stability, present and planned capacities, and opportunities for shared facilities. As noted above, each of these agencies has a board of directors, a general manager, administrative staff, and the actual workers, along with various items of equipment. COOR, LOAPUD, and TWSD each have miles of sewer pipeline, some 150 years old. Each

company services its own pipelines, spending millions of dollars per year, but LAFCo noted that a good amount of Infiltration & Inflow, or I/I, occurs, particularly in times of extreme weather. LAFCo noted significant issues with I/I for two of the three entities which have potential growth inhibitor in the south county. Storm water can enter leaky pipes, causing a surge of wastewater to SC-OR, sometimes taxing its capacity. In a worst-case scenario, wastewater could be discharged/exfiltrated into the Feather River. LAFCo and prior Grand Juries have consistently suggested that cost savings and efficiencies could be realized were the three collectors to be placed under one administration. This would allow for a general plan for remediation to exist. However, this idea has been resisted by the entities, and LAFCo has no mechanism by which they can mandate consolidation.

A similar dilemma was faced by Marin County, CA in 2008 following a series of large storms. A massive amount of I/I occurred, with the result that millions of gallons of raw sewage were “exfiltrated” (discharged), into the San Francisco Bay. At that time, Marin County had nine separate special districts, and the public uproar over the spill meant that something had to change. Each of the nine entities was unwilling to give up its autonomy voluntarily. Another consolidation method would have been to have a special election in each district, but for consolidation to occur, all nine districts would need a yes vote. Because this appeared to be an intractable problem, special legislation was passed by the State which enabled LAFCo in that county to mandate consolidation.

SC-OR, which operates the area’s single sewage treatment plant, came into being in 1973. Just prior to that time, because of the limited capacity of the several existing Oroville-area sewage treatment plants, a moratorium was declared regarding any new housing construction. As a result, the entities came together and formed SC-OR, which is a JPA, or Joint Powers Agreement entity. Each of the three collector entities has representatives to SC-OR, and each representative is paid for attending meetings. This JPA will expire in 2030, and LAFCo considers the looming expiration date as a propitious time to consider a reorganization of the three collector agencies, like what took place in 1973.

There are issues with the current alignment. Both LOAPUD and TWSD provide service within COOR boundaries. LOAPUD has several Disadvantaged Unincorporated Communities, or DUCs. These are defined as areas with a median household income, or MHI, below \$60,188. In addition, Palermo has experienced water contamination during severe weather. Some areas have a high percentage of septic tanks. Connection to the sewer system for these communities, and allowance for new growth, would be facilitated by a reorganization of present services.

Although LAFCo has strongly recommended consolidation, so far, the three collectors have been unwilling to move forward with such a plan. Consolidation could be achieved by calling a special election in each of the districts, but all three districts would need to provide a yes vote. Should one district not pass the measure, no consolidation would occur. Simple attrition is

another way consolidation could occur. And finally, legislative action could be taken. In its 2022 MSR, LAFCo outlined several ways in which consolidation could occur without disrupting service.

- Should consolidation take place, several benefits would be realized. Administrative costs would be reduced. One administrative staff could manage the new entity, which could be established as its own JPA. Most line workers could be retained, as the need for inspection and repair to the miles of pipe would still exist. Equipment redundancies would be eliminated as well. Residential costs could be reduced, or at least stabilized (note that Oroville’s city council just approved sewer cost increases). LAFCo stated that “it may be efficient to have the collection system operated under a single agency with one set of comprehensive policies and procedures umbrella.”

The benefits of consolidation will include;

- One central team of managers;
- One central plan for the upgrade of infrastructure
- One equipment purchasing and maintenance system;
- Better use of existing personnel, equipment and infrastructure
- A better financial plan to meet the present and future needs for infrastructure upgrades and maintenance
- Retention of local control and management of the system

## Findings

**F1.** - Each of the wastewater districts operates independently with its own management and staff resulting in extensive administrative overhead.

**F2** - Consistent with previous grand juries, this Grand Jury found that as individual entities, the wastewater special service districts function in an open and transparent manner. **F32** - There are four components to the Oroville sewer system. There are three special districts, City of Oroville wastewater service, Lake Oroville Area Public Utility District, and Water and Sewer

District which provide for the collection and transmission of wastewater. The wastewater ends up at the water treatment plant operated by the Sewer Commission-Oroville Region (SC-OR). Each of the districts operates independently with its own management and staff, resulting in extensive administrative overhead. The public would be better served by consolidation.

**F3** - The Butte County Local Area Formation Agency (LAFCO) conducts periodic Municipal Service Reviews (MSR) of service districts in the county, including those involved in wastewater management. Each is doing what is required to make the system function, but it would be in the public interest for the operations to be consolidated going forward.

**F4** - The system infrastructure, 150 years old in some sections, is failing due to age, antiquated materials and a lack of maintenance resulting in inflow, infiltration and exfiltration in the system. This means that sewage is leaking from the system, water leaking into the system and storm water is being discharged directly into the system. The result is pollution and the potential, and actual, overload of the water treatment facilities. The cost of addressing these problems related to aging wastewater infrastructure and meeting future water quality mandates is substantial and beyond the resources of the individual districts. and can best be addressed by consolidation.

**The advantages of consolidation include:**

- One central team of managers,
- One central plan for the upgrade of infrastructure,
- One equipment purchasing and maintenance system,
- Better use of existing personnel, equipment and infrastructure,
- A better financial plan to meet the present and future needs for infrastructure upgrades and maintenance,
- Retention of local control and management of the system.

## Recommendations

**R1.** By the end of calendar year 2024, the Butte County Board of Supervisors use its influence begin discussions with COOR, SC-OR, TWSD and LOAPUD to begin the process of consolidating wastewater services in the Oroville area with the goal of eliminating duplication of services, increasing efficiency, and providing for the upgrade of infrastructure and facilities while retaining local control.

R2. The Butte County Board of Supervisors tries to consolidate Oroville area wastewater services as part of the 2030 County General Plan.

## REQUIRED RESPONSES:

Pursuant to Penal Code section 933.05, the following responses are required:

Butte County Board of Supervisors - Recommendations R1,2 within 90 days of receipt of this report.

Responses are to be submitted to the Butte County Superior Court in accordance with the provisions of Penal Code section 933.05. Responses must include the information required by Penal Code section 933.05.

Reports issued by the Grand Jury do not identify the individuals who have been interviewed. Penal Code section 929 requires that reports of the Grand Jury not contain the name of any person or facts leading to the identity of any person who provides information to the Grand Jury.

## GLOSSARY

COOR - City of Oroville

DUC - Disadvantaged Unincorporated Community

I/I - Infiltration and Inflow

JPA - Joint Powers Authority

LAFCo - Local Area Formation Commission

LOAPUD - Lake Oroville Area Public Utility District

MHI - Median household Income

MSR - Municipal Services Review

SC-OR - Sewerage Commission - Oroville Region

TWSD - Thermalito Water and Sewer