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BOARD OF SUPERVISORS



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September 9, 2014

Honorable E. Bradley Nelson
Presiding Judge of the Superior Court
Hall of Justice
Department 4, Room 306
600 Union Avenue
Fairfield, CA 94533

The Honorable Judge Nelson,

Re: Response to Grand Jury Report of June 24, 2014 – Fund 173 – Clear as Mud

Pursuant to Penal Code sections 933(c) and 933.05, the Solano County Board of Supervisors responds to Findings 1, 2, 6, 9, and 11 and Recommendations 1(a-d), 2, 6, 9, and 11 contained in the 2013/2014 Grand Jury Report of June 24, 2014 titled Fund 173 – Clear as Mud.

Finding 1

County representation on the Joint Powers Authority Board is lacking. The Solano County Board of Supervisors has the responsibility to ensure that County representation is maintained on the Joint Powers Authority Board.

Response to Finding 1

The Board of Supervisors disagrees because on April 22, 2014, the Solano County Board of Supervisors appointed Moira Sullivan Assistant Director of Health and Social Services to the Community Action Partnership Joint Powers Authority Board and Ronald A. Grassi County Administrators Office Principal Management Analyst as an alternate to the Community Action Partnership Joint Powers Authority Board. Effective August 18, 2014 Ronald A. Grassi will fill the lead role of Moira Sullivan upon her retirement.

Recommendation 1a

Solano County Board of Supervisors appoint a representative and alternate to the Joint Powers Authority Board and take steps to ensure no permanent vacancies exist in the future.

Response to Recommendation 1a

Board of Supervisors: Partially agrees because the recommendation was implemented on April 22, 2014 prior to the issuance of the Grand Jury Report.

Recommendation 1b

Solano County Board of Supervisors work with the member cities to ensure they are fully represented on the Joint Powers Authority Board with alternates in place and actively participating.

Response to Recommendation 1b

Board of Supervisors: The Solano County Board of Supervisors disagrees because the Board of Supervisors has no authority over member cities; however, the County Administrator's Administrators Office has been working with the member cities to strengthen the Joint Powers Authority Board.

Recommendation 1c

The Solano County Board of Supervisors ensure compliance with the terms of the Joint Powers Agreement by all parties.

Response to Recommendation 1c

Board of Supervisors: The Solano County Board of Supervisors disagrees because the Board of Supervisors appoints a member to the Community Action Partnership Joint Powers Agreement; however the Joint Powers Authority is a separate legal entity with representatives from the County and the participating cities. Therefore, the Board of Supervisors is not the governing body and does not have the authority to insure compliance with the terms of the Joint Powers Authority by all parties.

Recommendation 1d

Solano County Board of Supervisors, or their designee, ensure the Joint Powers Authority is a viable, accountable and functioning entity with dynamic leadership to serve the homeless population.

Response to Recommendation 1d

Board of Supervisors: The Solano County Board of Supervisors partially agrees the Board of Supervisors appointed member to the Community Action Partnership Joint Powers Authority has been working with the other members of the Joint Powers Authority to strengthen the leadership to ensure the Joint Powers Authority is a viable accountable functioning entity to serve the homeless population.

Finding 2

Community Action Partnership of Solano, Inc. designated themselves as the Community Action Agency for Solano County in place of the State approved designated Community Action Agency without consultation with the Solano County Board of Supervisors.

Response to Finding 2

Board of Supervisors: The Board of Supervisors agrees with this finding; however, on June 16, 2014 the Community Action Partnership Joint Powers Authority Board took action to move the designation of the Community Action Agency away from the Community Action Partnership of Solano, Inc. back to the Community Action Partnership Joint Powers Authority.

Recommendation 2

Solano County Board of Supervisors confirm the Joint Powers Authority (formerly the Solano Safety Net Consortium) as the Community Action Agency for Solano County.

Response to Recommendation 2

Board of Supervisors – Solano County Board of Supervisors partially agrees with this recommendation. The Board of Supervisors previously designated the Community Action Partnership Joint Powers Authority as the Community Action Agency. Therefore, the action taken by the Joint Powers Authority on June 16, 2014 is sufficient to re-designate the Joint Powers Authority as the Community Action Agency.

Finding 6

A conflict of interest exists in that Board Members of the Joint Powers Authority also serve as Board of Directors for Community Action Partnership of Solano, Inc.

Response to Finding 6

Board of Supervisors: The Board of Supervisors agrees with this finding; however, on July 14, 2014 the Community Action Partnership of Solano Inc. took action that the representatives who also served Community Action Partnership Joint Powers Authority resigned from the Community Action Partnership of Solano Inc. Board and will now only serve on the Community Action Partnership Joint Powers Authority Board.

Recommendation 6

The Solano County Board of Supervisors immediately terminate the Memorandum of Understanding between Community Action Partnership of Solano - Joint Powers Authority and Community Action Partnership of Solano, Inc.

Response to Recommendation 6

Board of Supervisors – Solano County Board of Supervisors disagrees with this recommendation because the Board of Supervisors appoints a member to the Community Action Partnership Joint Powers Agreement; however the Joint Powers Authority is a separate legal entity with representatives from the County and the participating cities. Therefore, the Board of Supervisors does not have the authority to immediately terminate the Memorandum of Understanding between Community Action Partnership of Solano - Joint Powers Authority and Community Action Partnership of Solano, Inc. The Memorandum of Understanding does expire in December 2014.

Finding 9

The deficit existing in Fund 173 of \$322,767.77, plus interest, is owed and acknowledged by Community Action Partnership of Solano-Joint Powers Authority. This amount remains outstanding and unpaid.

Response to Finding 9

Board of Supervisors: The Solano County Board of Supervisors concurs with Health & Social Services response below to Finding # 9.

Health & Social Services: Health and Social Services partially agrees with this finding; because, on June 24, 2014 the Board of Supervisors took action to write off \$102,178 of uncollectable Housing and Urban Development Audit exceptions and disallowed cost from Caminar Inc. Youth & Family Services and Vacaville Social Services. Thus, reducing the deficit to \$220,000; also the FY2013/14 payment of \$86,975 due the CAP Solano JPA for is being credited to the remaining \$220,000 deficit which reduces the debt to \$133,025. The Auditor Controller and County Administrator's Office are continuing to pursue a repayment with the Cap Solano nonprofit who provides staff support to the CAP Solano JPA for the remaining balance owed.

Recommendation 9

The Solano County Board of Supervisors (or its designee) aggressively pursue collection of these taxpayer funds with public notification following collection and/or resolution of this matter.

Response to Recommendation 9

Board of Supervisors: The Solano County Board of Supervisors concurs with Health & Social Services response below to Recommendation # 9.

Health & Social Services: Health and Social agrees with this recommendation and on June 24, 2014 recommended the Board of Supervisors take the action described in Response to Finding # 9.

Finding 11

Recordkeeping by Contractors and Subcontractors receiving Grant Funds is an ongoing issue. Lack of appropriate records contributed to the outstanding deficit and its resolution.

Response to Finding 11

Board of Supervisors: The Board of Supervisors disagrees with the finding because a memorandum of understanding designated the County Action Partnership Joint Powers Authority the task of managing the HUD Grant Funds. Contract language was included which allowed Health and Social Services to recover over 400,000 of HUD claim reimbursements.

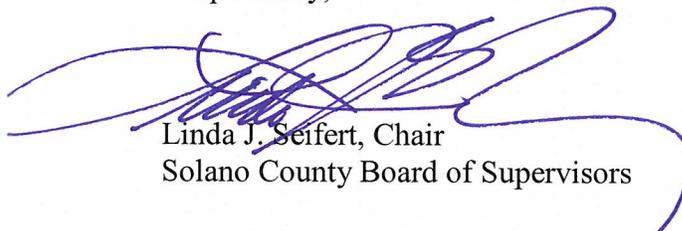
Recommendation 11

All Solano County departments receiving grant funds modify contracts with Contractors and Subcontractors to include language that all required documentation be available both on paper and digitally for a period of no less than three years after notification that the Grant Funding has received its final audit.

Response to Recommendation 11

Board of Supervisors: The Board of Supervisors disagrees with this finding because the County does have policies in place regarding documentation to be available if receiving contracts and grant funds.

Respectfully,



Linda J. Seifert, Chair
Solano County Board of Supervisors

cc: Solano County Board of Supervisors
Clerk of the Board, Solano County Board of Supervisors
Patrick Duterte, Interim Director, Health & Social Services, Solano County
Simona Padilla-Scholtens, Auditor-Controller, Solano County
Birgitta Corsello, Solano County Administrator
Dennis Bunting, County Counsel, Solano County
Grand Jury Office