

This document is an extract of a larger publication.

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FACTS:

1. Tulare County owns over 300 individual properties, which includes approximately 100 facilities with over two million square feet of space.
2. Tulare County is the landlord of approximately 40 leases. Current income from these properties totals \$ 1,947,686 annually.
3. Tulare County leases (as a tenant) 64 properties totaling 550,000+ square feet. Rent currently paid by the County totals \$9,358,068 annually.
4. Tulare County’s ownership of property totaling 4,479 acres of land includes the following property types:

Agriculture Land	Detention Facilities	Parks
Airport/Airfields	Fire Stations	Ponding Basins
Animal Control Facility	Landfills	Road Yards
Auto Shops	Libraries	Sheriff’s Sub-Station
Borrow Pits	Multi-Purpose Properties	Undeveloped Land
Clinics	Museum	Warehouses
Courthouses	Office Space	Waste Water Treatment Plants
Data Communication Facilities	Parking Lots	Well Sites

5. The above list does not include properties acquired through foreclosure, property tax default or right-of-way. These properties are outside the scope and authority of the PMD.
6. The PMD has a webpage that is accessed through the GSA website under “GSA Divisions” <https://tularecounty.ca.gov/generalservices>

FINDINGS:

- F1. The PMD has written policies and procedures in place for the acquisition and disposition of real estate.
- F2. The PMD maintains a database of Tulare County properties that are:
 - owner/occupied properties
 - properties occupied as a tenant
 - properties leased out as a landlord
- F3. There is a process, which requires the Tulare County Board of Supervisors’ approval, for the sale, purchase and lease of real estate. Many of the procedures are dictated by the State of California.
- F4. The PMD follows a process to retain the services of a real estate brokerage firm on an exclusive basis to represent them in the acquisition and disposition of real estate. The brokerage firm is retained for one year, with the option to extend the contract for another year.

- F5. The PMD's website is outdated and lacking basic information such as: key people, available properties, forms and current Requests for Proposal.

RECOMMENDATIONS:

- R1. That the PMD continue to refine their Real Estate Policy and Procedures Manual.
- R2. That the PMD enhance their website to include: key people, available properties that are for sale and for lease and current Requests for Proposals.

REQUIRED RESPONSES:

1. General Services Agency Director: Findings F1-F4, Recommendations R1-R2
2. Property Management Division Director: Findings F1-F4, Recommendations R1-R2

*****Disclaimer*****

Grand Jury reports are based on documentary evidence and the testimony of sworn or admonished witnesses, not on conjecture or opinion. However, the Grand Jury is precluded by law from disclosing such evidence except upon specific approval of the Presiding Judge of the Superior Court, or another judge appointed by the Presiding Judge (Penal Code Section 911, 924.1 (a) and 929). Similarly, the Grand Jury is precluded by law from disclosing the identity of witnesses except upon an order of the court for narrowly defined purposes (Penal Code Section 924.2 and 929).

“MORE MONEY ON TIME” DELINQUENT ACCOUNTS IN SPECIAL DISTRICTS

BACKGROUND:

Irrigation districts within the lower San Joaquin Valley are in business to provide water resources to agricultural enterprises. The Lower Tule River Irrigation District (LTRID) and Pixley Irrigation District (PID) provide supplemental water to about 150,000 acres in the Tipton area in the Central Valley of California. The LTRID and the PID were both incorporated in the 1950’s with offices located in Tipton, California. The estimated annual revenue for LTRID is \$15.4 million while PID is estimated to generate approximately \$1.2 million.



Community Services Districts (CSD) are governing bodies that can be formed by residents of unincorporated areas to ensure that basic service needs are met. They provide water, sewer, police and fire services, garbage collection, recreation, landscaping, street lighting, mosquito abatement, graffiti abatement, library services and more. Goshen Community Services District (GCSD) provides sewer service in the Goshen area. It was formed in 1958 and in Fiscal Year 2018/2019 had revenues of \$1.5 million.

REASON FOR INVESTIGATION:

On August 2, 2019 LTRID and PID published a PUBLIC NOTICE in newspapers throughout the County which identified accounts which were delinquent. This action prompted the Tulare County Civil Grand Jury (TCCGJ) to initiate an investigation into Special Districts with delinquent accounts and how they are collected.

METHOD OF INVESTIGATION:

1. Conducted interviews
2. Reviewed relevant documents and data
3. Analyzed delinquent account data from 40 districts

FACTS:

1. For the fiscal year July 1, 2018, to June 30, 2019, the TCCGJ reviewed the accounts of those districts with the highest delinquent accounts reported.
2. The highest delinquent irrigation districts accounts reviewed were LTRID’s at \$1.4 million and PID’s at \$261,000.

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3. On October 31, 2019, GCSD had 368 delinquent accounts owing approximately \$237,884 which was the highest owed to a Community Services District.
4. Irrigations Districts have the legal authority to foreclose on properties that have been in delinquency for 5 years.
5. In 1993 the Tulare County Board of Supervisors sold Goshen's water rights to the California Water Services Company. Therefore, GCSD has been rendered the only CSD that does not provide water services to its customers.
6. GCSD has a process to add delinquent accounts to property tax rolls for collection.

FINDINGS:

- F1. Only 2 properties have been foreclosed upon by LTRID and PID in the last 25 years.
- F2. The legal process required to foreclose on delinquent accounts adds an administrative burden to LTRID and PID.
- F3. 85% of GCSD's accounts are paid prior to going on the tax rolls.
- F4. The lack of cash flow due to delinquent accounts has created annual operational problems for GCSD.

RECOMMENDATIONS:

1. The Boards of LTRID, PID and GCSD review their collection policy annually.

REQUIRED RESPONSES:

1. Lower Tule River Irrigation District. Findings F1, F2 Recommendation R1
2. Pixley Irrigation District. Findings F1, F2 Recommendation R1
3. Goshen Community Services District Findings F3, F4 Recommendation R1

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BUSES: GETTING FROM HERE TO THERE

BACKGROUND:

Gone are the days of the Wells Fargo and Butterfield Overland stage coaches. What remains is the daily necessity of traveling from Point A to Point B. Many people, if not most, choose to do so in private automobiles. Others by choice or necessity, choose their communities' public transportation that includes: fixed route bus service, Dial-A-Ride service, trolley service and light rail.

In Tulare County, Tulare County Area Transit (TCAT) provides fare-based bus service through the various population centers in the unincorporated and rural communities of the county. However, most of the public transportation service provided in Tulare County, as measured by people served and fare dollars spent, is by Visalia Transit (VT). VT also provides bus service to the cities of Farmersville and Exeter. VT is a part of the General Services Department of the City of Visalia.

With an annual budget of approximately \$16.2 million, VT's presence in Tulare County is both a template for public transportation delivery and a force of economic impact in reference to employment and local prosperity.

REASON FOR INVESTIGATION:

The Tulare County Civil Grand Jury (TCCGJ) is given broad authority by the California Penal Code to perform functional audits of county and city departments or agencies, thereof. The decision is not necessarily based on suspicions of illegalities or malfeasance. It can be, as in the case of TCAT and VT, to provide the general public of Tulare County with information regarding an important aspect of daily life. For users and non-users, public transportation services are visible in the streets, in the local economic cycle and as a topic of political discourse.

METHOD OF INVESTIGATION:

1. Interviewed witnesses
2. Reviewed documents
3. Made site visits



FACTS:

1. The City of Visalia finances VT through a combination of fare revenue, Tulare County's Measure R Transportation Development Act (sales tax) and Federal Transit Administration (FTA) Section 5307 funds. There are additional grants (state, federal and local) and revenue sources. Some grants are automatic, while others are very competitive. Fare revenue accounts for 20% of the total operating budget.
2. VT operates by contracting with a transportation provider, First Transit Inc. Below are the various services provided and the number of riders, shown in parentheses for the fiscal year ending June 30, 2019:
 - Fixed Routes (1,236,081)