



SAN JOAQUIN
— COUNTY —
Greatness grows here.

Board of Supervisors

Paul Canepa, Chair, Second District
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September 10, 2025

Honorable Gus C. Barrerra II, Presiding Judge
San Joaquin Superior Court
180 E. Weber Avenue, Suite 1306J
Stockton, CA 95202

Dear Judge Barrerra:

Responses to 2024-2025 Final Grand Jury Report

Pursuant to Section 933.05 of the California Penal Code, attached please find the Board of Supervisors' and departmental responses to the Grand Jury final Report for the following cases:

New Report:

A. Old System, New Costs: Confronting Wastewater Inefficiency in Linne Estates (Case #0124)

Follow-Up Report:

B. Follow-up Report to the 2023-2024 Second Look: Micke Grove Zoo: Honoring the Past, Securing the Future (Case #0218)

If you have any additional questions regarding these responses, please contact County Administrator, Sandy Regalo at (209) 468-3203.

Sincerely,

A handwritten signature in blue ink that reads "Paul Canepa".

Paul Canepa, Chair
Board of Supervisors
County of San Joaquin

Attachments:

- Responses to Grand Jury Reports (2): Attachment A and Attachment B
- Board Letter
- Board Order

c: Sandy Regalo, County Administrator
Dan Wirtz, Director of General Services
Fritz Buchman, Director of Public Works
Edward Kiernan, County Counsel
Irving Jimenez, Judicial Secretary

ATTACHMENT A
Responses to the 2024-2025 Grand Jury Final Report

NEW REPORT:

San Joaquin County, Case #0124 – **“Old System, New Costs: Confronting Wastewater Inefficiency in Linne Estates”**

General Report Clarifications

1. The third paragraph in the Summary of the Grand Jury report (Report) on page 26 states that: *“Over the past 20 years, homeowners’ sewer rates for maintaining and operating the WWTP¹ have consistently increased. Despite these rising sewer rates, there remains a funding deficit from previous repairs, which homeowners attribute to the County approving a poorly designed WWTP.”*

Clarifications:

- a. County Service Area (CSA) 44, Zone G (Zone G) sewer rates remained unchanged between 2007 and 2020 due to a property owner protest of a County rate proposal in 2010 (see Report page 30) intended to address increased maintenance costs and repay loans made to the district to fund repairs. As correctly noted on Report page 31, revenues did not keep pace with gradually rising operating costs because rates remained the same over this 13-year period, which resulted in the large negative district fund balance in 2019.
 - b. The repairs were funded through loans to the district in 2010 that were ultimately forgiven by the Board of Supervisors in conjunction with the 2020 rate increase approved by district property owners. District customers paid nothing for the repairs, so repair costs did not contribute to the accrued operating deficit.
2. The fourth paragraph of Report page 26 states that: *“The homeowners agreed to a significant rate increase to eliminate the deficit over five years. The homeowners agreed to the rate increase because the county stated it would reduce the deficit, but it continues to rise.”*

Clarifications:

- a. While there was a rate schedule proposed during a community meeting in March 2020 that was projected to eliminate the deficit in five years, the rate needed to do so was 26% higher than the rate district customers ultimately agreed to in July 2020². Staff projections in the Board package for the July 2020 rate increase public hearing indicated that the deficit was anticipated to be eliminated in 20 years³.

¹ Wastewater Treatment Plant

² <https://tinyurl.com/bdhkabb6>, Slide 24; Approved 2021-22 rate: \$2,173/yr

³ Download link: <https://tinyurl.com/46bam2th>, Page 2

- b. While the rate increase approved by the Zone G property owners in July 2020 was significant (approximately 49% higher than the rate they approved in 2007), it was lower than what the rate would have been if the 2007 rate had been adjusted annually for inflation (i.e., after adjusting for inflation, the approved 2020 rates were lower than the 2007 rates)⁴. So, the size of the accrued deficit at that time and the rate increase needed to address it were the result of rates not being increased for 13 years.
- c. The approved 2020 rate increase did not reduce the deficit as expected for two primary reasons:
 - i. The remote monitoring system did not reduce labor costs by 25% as expected (they increased slightly) due to more stringent regulatory requirements that, among other things, did not allow for reduced site visits each week.
 - ii. High pandemic-related-inflation resulted in much larger increases in labor and materials costs over several years than the 3% annually the County assumed in the approved 2020 rate proposal.

Findings and Responses

Finding F1:

If the City of Tracy agrees to an intertie connection, the County could reduce long-term costs for CSA 44 Zones E and G.

Response to Finding F1:

Agree.

Per the term sheets previously negotiated with City of Tracy staff, connecting to the City system for treatment of Zone G and Zone E sewer effluent would be the most economical arrangement long term. However, note that making the interconnection will require several million dollars of infrastructure improvements and likely payment of several million dollars of connection fees to the City. The County's ability to secure grant funds and/or favorable financing terms will greatly affect the amount and timing of sewer rate reductions for CSA 44 sewer customers if an interconnection occurs.

Finding F2:

A single WWTP would function more efficiently than two. Maintenance and operational costs could decrease.

Response to Finding F2:

Agree.

Replacing the two existing WWTPs with a single, modernized WWTP would likely decrease operating costs.

Finding F3:

Both WWTPs are nearing the end of their service lives and require replacement.

Response to Finding F3:

Partially Agree.

⁴ <https://tinyurl.com/7327mb6s>, Slide 18; Approved 2021-22 rate: \$2,173/yr

The WWTPs have been operating for more than twenty years and are likely in the later portion of their useful lives. Useful life determination is a complex analysis involving (i) operation and maintenance (O&M) costs and projected capital replacement costs for the existing facilities versus the replacement facilities and (ii) the capital cost for the replacement facilities. These factors are influenced by economic conditions, regulatory requirements, available technology, and outside funding opportunities.

The planned replacement for the existing WWTPs is a single, more modern WWTP. The County is actively seeking outside funding to further develop the replacement alternatives, which will inform useful life determinations for the WWTPs. The WWTPs are currently performing adequately, and the County expects that automation investments being made in the WWTPs, along with various operational changes, will help reduce or slow down increases in O&M costs and in turn extend their useful lives. Depending on trends for the relevant factors in the coming years, it is possible that the WWTPs will have considerable remaining useful lives.

Finding F4:

The SCADA system that was installed was not a true SCADA system and did not reduce maintenance labor costs.

Response to Finding F4:

Agree.

As discussed with property owners during outreach for the 2020 Zone E and Zone G rate proposals, the County installed remote monitoring in 2021 as a means to reduce the number of weekly staff site visits to the Zone E and Zone G WWTPs. Anticipating the reduced trips, County staff reduced the labor estimates used to develop the 2020 rate proposals by 25%. However, changes to regulatory requirements for nitrogen management eliminated the opportunity to reduce staff visits and instead resulted in slightly higher labor costs.

Note that the remote monitoring systems were never represented to the community as a true Supervisory Control and Data Acquisition (SCADA) system (although the term SCADA was unfortunately used in the Engineer's Report), and the lack of full SCADA functionality was not a factor in the County's inability to reduce labor costs.

Finding F5:

Maintenance costs have exceeded projections.

Response to Finding F5:

Agree.

Operation and maintenance costs since the 2020 rate increase have exceeded projections, primarily due to regulatory changes for nitrogen management that eliminated the opportunity to reduce staff visits as anticipated and high pandemic-related inflation that resulted in much larger increases in labor and materials costs over several years than the 3% annually the County assumed in the approved 2020 rate proposal.

Finding F6:

Employees must first drive to the DPW facility in Stockton before starting work and then return to Stockton. Facilities near the WWTP work site could benefit the southern County sites by reducing labor costs.

Response to Finding F6:

Partially Agree.

Public Works employees assigned to the CSA 44 WWTPs report to the Public Works Hazelton Complex each workday in Stockton (Hazelton), travel to the WWTPs in the Tracy area, and return to Stockton at the end of the day. These employees also report to the sewer lift station site at the San Joaquin General Hospital on almost a daily basis as well.

The language in the second sentence of this finding is unclear; however, it seems to indicate that having employees housed at a facility in the Tracy area near the WWTP could result in reduced travel time and therefore lower labor costs for the WWTPs and perhaps other special districts in the Tracy / Southwest County area. As outlined in the response to recommendation R6, such a satellite facility would result in increased labor costs for the CSA 44 WWTPs.

Finding F7:

The County has been transparent with homeowners.

Response to Finding F7:

Agree.

Finding F8:

In 2018, the County adopted a policy that prohibits the formation of CSAs without the approval of the Director of Public Works.

Response to Finding F8:

Partially Agree.

This policy was part of the County General Plan update that the Board of Supervisors adopted in 2016.

Recommendation R1:

By October 1, 2025, the Board of Supervisors should begin negotiations with the City of Tracy to explore the feasibility of an intertie connection to the City of Tracy WWTP.

Response to Recommendation R1:

This recommendation requires further analysis.

A Board representative and/or Board-designated staff will contact the City of Tracy by October 1, 2025, and inquire as to the City's interest in allowing a connection to the City sewer system and treating CSA 44 wastewater; however, the County's ability to begin negotiations depends on the City's willingness to do so.

As the Grand Jury is aware, the County has made numerous attempts to negotiate such an arrangement with the City over the past nine years. County and City staff reached agreement on a term sheet on at least three occasions during that time, and in each of these cases, the

City Manager stopped the proposal from moving forward to the City Council, most recently in September 2023 after the County reached agreement with the previous City Manager in December 2022. While the County is willing to make another good faith attempt at negotiating an agreement, it will only do so if the City expresses genuine interest in providing the requested service.

Recommendation R2:

By October 1, 2025, if the intertie is not feasible, the Board of Supervisors should consider consolidating the two smaller WWTPs into a single, more efficient facility.

Recommendation R3:

By October 1, 2025, the Board of Supervisors should create a plan to replace or upgrade the facilities.

Response to Recommendations R2 and R3:

These recommendations have been implemented.

Given the lack of success to date with connecting to the City of Tracy system, the planned replacement for the existing WWTPs is a single, more modern WWTP. The County is actively seeking outside funding to further develop the replacement alternatives. Senator Schiff and Representative Gray have submitted appropriation requests for the 2026 Federal budget, and if secured, this funding would allow the County to proceed with alternative selection, environmental clearance, and preliminary engineering to some extent depending on the funding amount. Identifying and further developing the replacement alternative will inform useful life determinations for the WWTPs and hopefully help position the replacement project for future outside funding opportunities. Note that district customers will likely need to make a significant contribution to the new WWTP even with grant funding availability, so the County will be in touch with the community to hopefully reach consensus regarding WWTP replacement timing.

Recommendation R4:

By October 1, 2025, the Board of Supervisors should create a plan to install a true SCADA system to reduce maintenance labor costs.

Response to Recommendation R4:

This recommendation has been implemented.

Supervisory Control and Data Acquisition (SCADA) systems for Zone G and Zone E are planned as part of a \$2.6 million grant-funded project to install SCADA in numerous County Public Works-managed utility facilities, and these systems are scheduled to be operational in September 2025. When fully implemented, these SCADA systems are expected to improve service levels and may reduce operating costs as well.

Recommendation R5:

By October 1, 2025, the Board of Supervisors should create a plan with current and projected discharge requirements to reduce operating costs.

Response to Recommendation R5:

This recommendation will not be implemented.

The County is unclear as to what this recommendation is suggesting. There is no way for the County to know in advance what discharge requirement changes might be included in future State regulations or the timing of such changes. Additionally, it is unclear how a plan based on

knowledge of future requirements would necessarily result in lower operating costs. The general trend for wastewater regulations in California is to become more stringent over time, which generally increases operating costs.

Recommendation R6:

By October 1, 2025, the Board of Supervisors assess the feasibility of establishing a satellite office to serve the south county.

Response to Recommendation R6:

This recommendation has been implemented.

A new satellite utilities field office / corporation yard would involve facilities to house employees, technology and communications equipment; secure storage space for equipment, supplies, and vehicles; and possibly land acquisition. This satellite facility would involve a substantial investment that would have to result in significant labor savings to be feasible. As outlined below, a South County facility is expected to increase costs for South County special districts, so the County concludes that such a facility is infeasible.

Special districts in South County provide several types of utility services:

- **Water:** The County operates six water districts south of Stockton, two in the Manteca area and four in the Tracy area. Regular staff visits to these districts average roughly once per week, and several districts are generally covered in a single trip. Due to the need for specialized skills and certifications, staff performing water system maintenance generally do not work on other types of utilities. Given the small number of districts, the low frequency of visits, and sharing of travel costs between districts, the County concludes that a new satellite facility would result in a net cost increase to South County water systems.
- **Storm Drainage:** The County operates eight storm drainage systems south of Stockton, five in the Manteca area. Storm drainage facilities are managed through the Public Works Road Maintenance Division, whose crews are assigned to one of three separate geographical areas in the County: North, Central, and South. Regular staff visits to these districts average roughly two to three times per year, and several districts are generally covered in a single trip. Given the low frequency of visits, sharing of travel costs between districts and geographic assignment of crews, the County concludes that a new satellite facility would result in a net cost increase to South County storm drainage systems.
- **Street Lighting:** The County administers street lighting districts in the South County; however, more than 90% of street lighting is owned and operated by Pacific Gas & Electric, and the remainder are maintained by a County contractor. Consequently, no County facilities are needed to support streetlight maintenance.
- **Sanitary Sewer:** The County operates two sewer systems south of Stockton within County Service Area 44 in the Tracy area. Due to the need for specialized skills and certifications, staff performing sewer system maintenance generally do not work on other types of utilities. Two staff visit the CSA 44 sites essentially every working day, so travel costs are more significant than for the other South County utility services; however, due

to operational changes made in the last year, the travel cost estimates in Table B on Report page 37 are overstated.

Staffing: The norm today is to staff the WWTPs with one Utility Maintenance Division (UMD) Worker (top billing rate @ journey level \$111/hr) and one UMD Trainee (top billing rate \$89/hr). Staffing with two UMD Workers now only occurs about 10% of the time.

Travel Time and Charges: Staff assigned to the CSA 44 WWTPs are also assigned to the San Joaquin General Hospital sewer lift station. Travel charges to CSA 44 are split between Zone E and Zone G. According to Google Maps, weekday morning travel time between Hazelton Ave. in Stockton and CSA 44 early on a weekday morning is 24 - 35 minutes (say 45 minutes). The same staff assigned to the CSA 44 WWTPs also make daily trips to the San Joaquin General Hospital sewer lift station, and travel time from CSA 44 to the lift station and from the lift station to Hazelton Ave. is charged to the lift station.

Table 1 below summarizes estimated travel cost charges to the CSA 44 WWTPs:

Table 1

Crew	CSA 44 Daily Travel Time (hr)	Annual Trips ¹	Hourly Crew Rate ²	Annual Travel Labor Cost
UMD Worker + UMD Trainee	0.75	234	\$200	\$35,100
Two UMD Workers	0.75	26	\$222	\$4,329
Gross Annual Labor Savings:				\$39,429

¹ Five days per week; 52 weeks per year

² Top of payscale fully burdened rate, including salary, benefits, and overhead

So, based on the assumptions set forth in Table 1, gross travel time savings associated with having a satellite facility at one of the CSA 44 WWTPs would be just under \$40,000 annually. The net cost savings would be significantly less than this when factoring in costs associated with the satellite facility, including but not limited to: design, construction, and operation of a facility to house employees and a secure storage area for vehicles, equipment, and supplies; technology and communications equipment; travel for mandatory trainings in Stockton, occasional trips to the County's pump vendor in Stockton, and other incidental travel needs. However, the additional labor cost considerations outlined below obviate the need to estimate these facility- and location-related costs.

Having a crew permanently assigned to a remote satellite facility triggers the need for involvement of a UMD Supervisor position. Based on discussions with County Human Resources, two scenarios were evaluated: one involving a UMD supervisor who travels to and spends two hours per day at the facility (Table 2), and one involving upgrading the UMD Worker position assigned to the facility to a UMD Supervisor classification (Table 3):

Table 2 - Part-time UMD Supervisor and Travel Cost

	CSA 44 Daily Travel Time (hr)	Annual Trips ¹	On-Site Time ¹ (hr)	Hourly Rate ²	Annual Labor Cost
UMD Supervisor	0.75	260	2	\$159	\$113,685

¹ Five days per week; 52 weeks per year

² Top of pay scale fully burdened rate, including salary, benefits, and overhead

Table 3 - Position Upgrade Cost

	CSA 44 Daily Hours	Days/Yr ¹	Incremental Hourly Rate ²	Annual Labor Cost
UMD Supervisor vs. UMD Worker	6	260	\$48	\$74,880

¹ Five days per week; 52 weeks per year

² Top of pay scale fully burdened rate, including salary, benefits, and overhead

Of the two supervisor scenarios, upgrading the full-time UMD Worker to a UMD Supervisor classification is the cheaper alternative; however, the associated \$74,880 annual cost more than offsets the \$39,429 annual gross travel cost savings associated with the satellite facility. Consequently, the County concludes that a satellite facility for South County sewer service would result in increased labor costs and is therefore infeasible.



ATTACHMENT B
Responses to the 2024-2025 Grand Jury Final Report

FOLLOW-UP REPORT:

San Joaquin County, Case #0218 – “Follow-up Report to the 2023-2024 Second Look: Micke Grove Zoo: Honoring the Past, Securing the Future”

Finding 1.0:

After reviewing previous Civil Grand Jury reports and MGZ's 2021-2026 Strategic Plan, attending a presentation by officials, and touring the MGZ, the 2024-2025 Civil Grand Jury found a renewed commitment to revitalizing the MGZ.

Response to Finding 1.0:

Agree.

Finding 2.0:

The Civil Grand Jury found the Board of Supervisors is committed to County Parks and MGZ, as reflected in the County's five-year Capital Improvement Plan, which began in fiscal year 2023-2024. The county's 2024-2025 budget also allocated \$10 million to county Parks, including \$1 million specifically earmarked for MGZ. These investments will support infrastructure upgrades such as fencing, electrical improvements, and water/sewage systems. Additionally, on February 5, 2025, an extra \$66,500 was allocated for a new van, as well as a site survey and conceptual design for a future primate exhibit.

MGZ has been accepted into the AZA Pathways Program. A representative has visited MGZ and provided a list of items that must be accomplished before accreditation can be considered. The list is expected to take three years to complete. Once MGZ is accredited, it can expand its species collection, beginning with a high-priority orangutan exhibit at the entrance.

Parks and Recreation has hired a public relations firm to boost the promotion of County Parks and the MGZ, starting with updating websites and placing billboards throughout the county. MGZ also plans to reinvigorate its educational program, reintroduce and create new community events, and expand opportunities such as animal-themed birthday parties.

Response to Finding 2.0:

Agree.

Finding 3.0:

The new Parks and Recreation Director's first task will be to develop a Master Plan for the county's parks, including MGZ. The plan will explore expanding MGZ's footprint to accommodate more exhibits beyond the current 100 species, building an animal-themed mini golf course, and sourcing a new train for the existing tracks.

Response to Finding 3.0:

Agree.

Recommendation 1.0:

By October 1, 2025, the Board of Supervisors will continue efforts to restore and expand MGZ and secure accreditation.

Response to Recommendation 1.0:

Has been implemented.

The Micke Grove Zoo (MGZ), under the direction of the General Services Department, Parks and Recreation Division, began participating in the Association of Zoos & Aquariums' (AZA) Pathway Toward Membership program in 2024-2025. This program helps to prepare non-member zoos to apply for accreditation, typically over a period of up to five years. The MGZ has begun working with its assigned peer consultant, and staff expect to apply for AZA accreditation within the next five years. AZA accreditation will increase the MGZ's eligibility for non-County funding and grants, promote operational excellence, and improve the ability to attract and retain high-quality staff.

Recommendation 2.0:

By October 1, 2025, the Board of Supervisors will direct the Parks Department to identify and develop additional revenue streams, such as concessions, a gift shop, and special events, to help the MGZ become financially self-sustaining.

Response to Recommendation 2.0:

Has been implemented.

The MGZ, under the direction of the General Services Department, Parks and Recreation Division, will explore options to enhance revenue streams in addition to establishing new agreement(s) with organizations to support the MGZ to reduce the reliance on the County's General Fund and become more financially self-sustaining. The Department and the County Administrator's Office are in ongoing negotiations to potentially contract with the San Joaquin Zoological Society for fund-raising activities subject to Board of Supervisors approval.

Recommendation 3.0:

By October 1, 2025, the Board of Supervisors will direct General Services to present a Master Plan for the county's parks, which includes MGZ.

Response to Recommendation 3.0:

Has been implemented.

The General Services Department, Parks and Recreation Division, in cooperation with the Purchasing and Support Services Department, released a Request for Proposals (RFP) #25082 – Ten Year Master Plan for Parks and Recreation (including the MGZ) on July 3, 2025. Proposals were due no later than August 22, 2025. In Fall of 2025, a recommendation to award a contract for master planning services will be presented to the Board of Supervisors.



September 9, 2025

Board of Supervisors
County Administration Building
Stockton, CA

Dear Board Members:

Approve Responses to 2024-2025 Grand Jury Reports

RECOMMENDATION

It is recommended that the Board of Supervisors:

1. Approve the responses to the 2024-2025 Grand Jury Reports; and
2. Authorize and direct the Chairman to sign a letter with attached responses to the Presiding Judge of the Superior Court.

REASON FOR RECOMMENDATION

The 2024-2025 San Joaquin Grand Jury issued the following:

New Report:

- A. *Old System, New Costs: Confronting Wastewater Inefficiency in Linne Estates (Case #0124)*

Follow-Up Report:

- B. *Follow-up Report to the 2023-2024 Second Look: Micke Grove Zoo: Honoring the Past, Securing the Future (Case #0218)*

California Penal Code (PC) Section 933 requires that specific responses to all findings and recommendations contained in the report be submitted to the Presiding Judge of the Superior Court on the Grand Jury's findings and recommendations within 90 days of issuance. PC Section 933.05 designates responses to findings must be: 1) Agrees with the finding; or 2) Disagrees, wholly or partially with the finding. Responses to recommendations are limited to: 1) Has been implemented; 2) Has not yet been implemented, but will be within a certain timeframe; 3) Requires further analysis and timeframe for further determination within six months; or 4) Will not be implemented, and reasons therefor.

A summary of the departmental responses/actions reflecting the Grand Jury's findings and recommendations are attached.

FISCAL IMPACT

Except for staff time, there is no fiscal impact to approve and submit the responses.

ACTION TO BE TAKEN AFTER APPROVAL

The Clerk of the Board will submit the responses to the Presiding Judge of the Superior Court.

Very truly yours,



Sandy Regalo
County Administrator

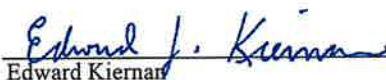
Attachment(s):

Letter to Presiding Judge
Responses: Attachments A and B

c: Dan Wirtz, Director of General Services
Fritz Buchman, Director of Public Works
Edward Kiernan, County Counsel
Board Clerk for Agenda 09/09/25

BL09-01
SR:BK

Reviewed by County Counsel's Office:


Edward Kiernan

9/4/2025

Before the Board of Supervisors

County of San Joaquin, State of California

B-25-492

Approve Responses to 2024-2025 Grand Jury Reports

THIS BOARD OF SUPERVISORS DOES HEREBY:

1. Approve the responses to the 2024-2025 Grand Jury Reports; and
2. Authorize and direct the Chairman to sign a letter with attached responses to the Presiding Judge of the Superior Court.

I HEREBY CERTIFY that the above order was passed and adopted on September 9, 2025 by the following vote of the Board of Supervisors, to wit:

MOTION: Rickman/Dhaliwal 5-0

AYES: Gardea, Canepa, Dhaliwal, Ding, Rickman

NOES: None

ABSENT: None

ABSTAIN: None

ATTEST: RACHÉL DeBORD
Clerk of the Board of Supervisors
County of San Joaquin
State of California



By: **Rachél DeBord**