



Colusa County Civil Grand Jury
P.O. Box 715
Colusa, CA 95932
Phone (530) 458-0431

June 25, 2025

Mayor Ryan Codorniz
City of Colusa
425 Webster Street
Colusa, CA 95932

Re: Enclosed Report: 2024-2025 Colusa County Grand Jury Final Report – Report #1 City of Colusa

Dear Mayor Codorniz,

On behalf of the 2024-2025 Colusa County Grand Jury, I am providing to you the following report or portions thereof:

2024-2025 Colusa County Grand Jury Final Report - Report #1 City of Colusa

The report will be released to the public on June 27, 2025. This report is being provided to you in advance of its general release pursuant to Penal Code section 933.05, subdivision (f), which provides:

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 contents of the report prior to the public release of the final report.**

It is very important that you comply with this confidentiality requirement.

The Penal Code also prescribes the obligations of a governing board or elected county official with regard to responding to the Grand Jury's findings and recommendations. Specifically, if the report contains one or more recommendations directed to you as an elected county official, or to the governing board of which you are a member, you must respond to those recommendations and to the supporting findings, as directed in the report.

The time within which to respond is prescribed by subdivision (c) of Penal Code section 933, which states in relevant part:

- 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

Please be aware that your responses will be a matter of public record and widely read by both community members and local media. Therefore, it is important that your responses be as clear and specific as possible. A response that is vague, does not provide a clear explanation of any action that has or will be taken, or that does not include a specific time frame for implementation, is neither helpful nor legally sufficient. Furthermore, if a response does not comply with the applicable provisions of the California Penal Code, you may be directed by the presiding judge to provide an amended response.

Please send your response addressed to the Honorable Brendan Michael Farrell, Presiding Judge, Colusa Superior Court, 532 Oak Street, Colusa, CA 95932, with a copy to the Grand Jury, within the time period provided in subdivision (c) of Penal Code section 933 (see above).

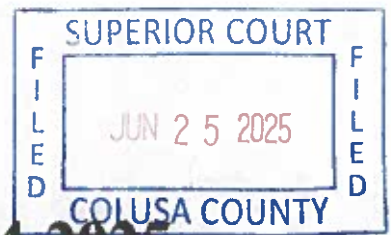
Thank you for your cooperation in providing a meaningful and timely response.

Sincerely,

A handwritten signature in cursive script that reads "Michael Phenicie".

Michael Phenicie
Foreperson, 2024-2025 Colusa County Grand Jury

ENDORSED



CIVIL GRAND JURY | 2024-2025

COUNTY OF COLUSA



Cover Photo Credit: Sara Sandoval



FINAL REPORT

COLUSA COUNTY CIVIL GRAND JURY FINAL REPORT | 2024-2025

JURY MEMBERS | 2024-2025

Michael Phenicie, Foreperson

**Nancy Newlin, Foreperson Pro Tempore &
County Committee Co-Chairperson
& Editorial Chairperson**

Glen Duncan, City Chairperson

Juliana Engrahm, Co-Chairperson, Social Committee

**Barbara Gomes, Chairperson, Criminal Justice Committee,
Co-Chairperson Social Committee**

Sara Sandoval, Secretary

Steven Velazquez, County Committee Co-Chairperson

Rande Brookins

Vicki Burgett

David Carter

Donald Fry

Steven McCullough

Margie Pilgrim

Joana Roa

Catherine Sutton

Shannon Thompson

Tim Vaughn

Tom Vedo

Jill Wright

COLUSA COUNTY CIVIL GRAND JURY FINAL REPORT 2024 2025
CITY OF COLUSA INVESTIGATION (2024/2025)

SUMMARY

Following the direction of the past year's Grand Jury Reports, the Colusa County Civil Grand Jury, 2024-2025, under its statutory authority, has chosen to investigate the City of Colusa (City) procurement methods and procedures. The focus of the Grand Jury's investigation was to try to figure out the procedure the City uses and the payment process for Goods and Services. And to follow up on the City's implementation of past Grand Jury recommendations.

While the City has made some efforts to address deficiencies in its purchasing procedures in response to the recommendations of the previous Grand Jury, it has not implemented the internal controls available to staff. The Grand Jury's review, which included interviews with City Council members, former staff, and administrators, as well as an examination of the City's website, council meeting attendance, meeting notes, and video recordings revealed that locating specific votes, directives, and discussions is extremely difficult. This lack of accessible documentation presents a significant challenge for any oversight and highlights a broader issue of insufficient transparency.

BACKGROUND

In accordance with its statutory responsibilities and in continuation of oversight efforts from previous Grand Jury investigations, the 2024-2025 Colusa County Civil Grand Jury initiated an investigation into the procurement practices of the City. The focus of this investigation was twofold:

1. To examine and evaluate the methods and procedures used by the City in the procurement of goods and services.
2. To assess the City's progress in implementing recommendations issued in prior Grand Jury reports, particularly those concerning financial controls and transparency.

The Grand Jury sought to gain a comprehensive understanding of the City's current procurement procedures and payment processes. Grand Jury investigation included:

- Conducting interviews with City Council members, former and current administrative staff.
- Reviewing publicly available records, including City Council meeting minutes and videos.
- Attempting to navigate and extract information from the City's official website.
- Attending City Council meetings to observe deliberations and decision-making processes.

Despite indications that the City has made some progress in addressing prior deficiencies, it became apparent that internal control mechanisms remain underutilized. Internal control mechanisms are the policies, procedures, and processes put in place by an organization to ensure the integrity of financial and accounting information, promote accountability, and prevent fraud. These mechanisms are a critical part of good corporate governance and risk management.

Moreover, **transparency remains a critical concern**. Public records of votes (not accurately depicted to reflect how each council member voted), directives, and discussions are difficult to locate or interpret, even for an oversight body such as the Civil Grand Jury. This lack of clarity and accessibility impedes the public's ability to hold local government accountable and undermines confidence in the City's administrative practices.

METHODOLOGY

Information for this investigation was sourced from the following:

- 2021-2022, 2023-2024 Grand Jury Report.
- City Council, Letter of Response 2023-2024 to the Grand Jury Report from 2020 to present.
- City Council Meetings (Agendas and meeting notes).
- Interviews with current and former City Council members, staff and other elected City officials.

DISCUSSION

During the interviews conducted by the grand jury, several interviewees expressed concerns about the implementation of the City's current purchasing policy. These concerns included confusion among City staff regarding the policy's requirements, inconsistencies in how the policy is applied, a lack of transparency in purchase reporting, and inadequate oversight to ensure compliance with the City's adopted procedures. The information provided by these interviewees was consistent across all interviews in which such concerns were raised.

Additional findings point to vague financial reporting, lack of sufficient detail, and largely unusable for informed decision-making. There is consensus that the process suffers from a lack of transparency regarding accounts, fund allocations, and balances. The Grand Jury found it odd that City Council members were not aware of what the annual City budget is, yet they are to approve on an annual basis. Secondly, the City's reserve is reported as being close to the annual budget, which City Council members were aware of, confirmation is needed if this is following City guidelines.

Furthermore, our discussions point to a lack of signatory control for check writing. More than one interviewee shared the case of a past City Council member (no longer seated) signing checks upon request when another city official declined authorization.

Finally, upon further research and discussions with various staff members and officials, it was relayed that the City of Colusa was enrolled within CUPCCAA (The California Uniform Public Construction Cost Accounting Act). This is a state law enacted under Public Contract Code (PCC) Sections 22000–22045. It provides a streamlined and standardized process for public entities in California (such as cities, counties, school districts, and special districts) to procure public construction projects in a more efficient and flexible manner. CUPCCAA allows participating agencies to perform certain public works projects with less formal bidding procedures, depending on the estimated cost of the project.

Once a public entity opts into CUPCCAA (by adoption of a resolution and notification to the State Controller), it can follow the specific procurement thresholds provided under the Act.

- 1 - Projects \$75,000 or less.
 - May be performed by the agency's own workforce.
 - Force account.
 - Negotiated contract.
 - Purchase order.
 - NO BIDDING REQUIRED
- 2 - Projects between \$75,001 - \$220,000 Informal bidding process.
 - The agency must maintain a list of qualified contractors (bondable).
 - Notices are sent to contractors on the list or trade journals.
 - Bids are solicited informally (not publicly advertised).
 - Contracts awarded to the lowest responsive responsible bidder.
- 3 - Projects over \$220,000 Formal bidding process.
 - Publicly advertised bids.
 - Standard competitive bidding procedures must be followed.
 - Awarded to the lowest pre-qualified responsive responsible bidder.

Benefits for Public Entities.

- ✓ Faster project delivery (reduces delays on smaller projects by avoiding lengthy formal bid processes).
- ✓ Lower administrative costs (informal bidding and force account work reduce overhead).
- ✓ Increased flexibility (greater discretion on handling smaller projects).
- ✓ Encourages local participation (maintained contractor lists promote engagement with local businesses).

Upon numerous requests for the City's submission, documentation could not be provided for CUPCCA representation. Through the Grand Jury's research on the State Controllers web site, we confirmed that the City of Colusa was in fact a CUPCCAA participant since 1991. To date, we still have not been provided with a copy of the City's Resolution passing this directive by the City Council.

From our interviews with current and former administration staff and current City Council Members, we found that no one was aware of the CUPCCAA guidelines and or procurement methods, including what CUPCCAA acronym meant.

Considering the issues identified in the 2021–2022 Grand Jury report concerning the purchasing policy and based on the investigation and interviews conducted by the current Grand Jury, it is concluded that the City of Colusa should undertake a thorough review of its current purchasing policy for City purchases in all departments. All necessary and appropriate revisions should be made to ensure that the expenditure on public funds for City purposes is conducted in a professional and transparent manner.

FINDINGS

The Grand Jury finds that.

F1 - The City has chosen to implement new purchasing procedures selectively; however, from information gathered within Grand Jury interviews, the current procedures are not in compliance with the applicable public procurement thresholds under CUPCCAA.

F2 – City of Colusa is registered as a CUPCCAA entity, but CUPCCAA procurement methods and thresholds are not being followed. Direction to City staff from management appears to be ineffectual.

F3 - The City's accounting and procurement procedures are outdated and inefficient. Current financial reporting is vague, lacks sufficient detail, and is largely unusable for informed decision-making. There is consensus that the process suffers from a lack of transparency regarding accounts, fund allocations, and account balances.

F4 – The City's check-writing and disbursement procedures lack a formalized approval process, and there is insufficient clarity regarding control measures and signatory authority roles, which raises concerns about accountability and oversight.

F5 – Lack of detailed minutes from City Council meetings and poor quality of video/voice recordings leads to further lack of transparency.

RECOMMENDATIONS

R1 – The Grand Jury recommends adopting and making public, “City Accounting and Procurement Procedures” (Accounting Manual) as an adopted resolution.

R2 – The Grand Jury recommends that the City of Colusa visit CUPCCAA guidelines and implement a training procedure for all staff and mandatory training for new hires and include into your existing Accounting Directive. Training is available through the State Controllers website. A CUPCCAA approved list of prequalified contractors (bondable) is to be created and posted on the City of Colusa website. This will need to be maintained annually per CUPCCAA guidelines.

R3 – The Grand Jury recommends that the City of Colusa update accounting software to a more user-friendly software and applicable to a City Account system/process. Generate reports and present them monthly to the City Council (fund balances and forecast budget).

R4 – The Grand Jury recommends a process to be created and implemented as follows.

- Creation and implementation of a “Check Request” form to accompany any purchase order request and processing of a check.
 - Cost accounting (coding) for project/purchase reference
 - Mandatory 2 part signature.
 - 1 – City Treasurer
 - 2 – Mayor and/or Pro Tem Mayor
- January of each fiscal year, new updated signatory cards are filed and recorded with the bank of use. This needs to be done immediately and the removal of any past Council members that are presently assigned signatory capabilities.

R5 – The Grand Jury recommends the City Council approves and directs an upgraded Audio/Visual system be purchased and implemented within 3 months for improved public information and participation.

REQUEST FOR RESPONSES

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

From the following individuals and governing bodies:

City of Colusa

- Findings F1 – F5
- Recommendations R1-R5

DISCLAIMER

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

This report on the City of Colusa is issued by the full 2024-2025 Grand Jury. No Grand Jurors recused themselves from this investigation.