



SANTA CRUZ
COUNTY
GRAND JURY

grandjury <grandjury@scgrandjury.org>

City of Watsonville Response to Grand Jury Report

'Irwin Ortiz' via Santa Cruz Grand Jury <grandjury@scgrandjury.org>

Thu, Sep 7, 2023 at 12:16 PM

Reply-To: Irwin Ortiz <irwin.ortiz@watsonville.gov>

To: "grandjury@scgrandjury.org" <grandjury@scgrandjury.org>, "syda.cogliati@santacruzcourt.org" <syda.cogliati@santacruzcourt.org>

Dear Grand Jury and Honorable Judge Cogliati,

I hope this email finds you in good health. At our August 29, 2023, City Council Meeting, the City Council unanimously approved the response packet to the Grand Jury Report received by the City. We thank you for your patience and your good work. Please see the response packet as approved by our City Council attached to this email.

If you have any questions, please feel free to contact me.



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Please note: Our website domain and emails have changed on 4/17/23 to [watsonville.gov](https://www.watsonville.gov)

 **Item 9.b. Civil Grand Jury Housing & Cyber Response.pdf**
1178K



Agenda Report

MEETING DATE: Tuesday, August 29, 2023

TO: City Council

FROM: COMMUNITY DEVELOPMENT DIRECTOR MERRIAM
INNOVATION & TECHNOLOGY DIRECTOR GILL

THROUGH: CITY MANAGER MENDEZ

SUBJECT: CITY RESPONSE TO THE SANTA CRUZ COUNTY CIVIL GRAND
JURY'S INVESTIGATION OF HOUSING OUR WORKERS AND
CYBER THREAT PREPAREDNESS

RECOMMENDED ACTION:

It is recommended that the City Council by Motion approve the response packets prepared for the 2022-2023 Santa Cruz County Grand Jury's Investigation on two specific topics: 1) Cyber Threat Preparedness: Phishing and Passwords and Ransomware, Oh My! and 2) Housing Our Workers: Essential Workers Need Affordable Housing!

BACKGROUND:

Each year the Santa Cruz Civil Grand Jury (Grand Jury) issues reports and requires certain agencies and departments to respond. In many cases, the respondents are department heads and administrators. In other cases, the respondent is an agency itself. This year the Grand Jury is requiring a response to the reports on Cyber Threat Preparedness and Housing Our Workers from the Watsonville City Council.

DISCUSSION:

The Santa Cruz County Civil Grand Jury prepared two reports addressing issues in the Watsonville community and requested that the Council prepare responses to several findings and recommendations in each report. The County and all four cities within the County received these reports and were compelled to respond.

The Grand Jury looks for contact information, budget data, policies, and procedures, etc. to conduct their investigation. The reports contain findings by the 2022-2023 Grand Jury and offer recommendations for consideration and ongoing improvement of operations.

Both Grand Jury reports are included as Attachments 1 through 4; below is a summary of the areas of interest for each issue reviewed and some highlights of the recommendations made by the Grand Jury:

Cyber Threat Preparedness: Phishing and Passwords and Ransomware, Oh My!:

This report sought to evaluate the overall level of preparedness for a cyber incident against the county or city networks. It performed research across federal and state resources, top cyber security sites, and reputable media sources to build an understanding of the current cyber landscape and a foundation for cyber preparedness. Based on interviews with subject matter experts and resources available from the Cybersecurity and Infrastructure Security Agency (CISA) at the Department of Homeland Security (DHS) and the National Institute of Standards and Technology (NIST) in the U.S. Department of Commerce, the jury delineated key elements of strong cyber hygiene, the security and health of the information systems, and best practices for local governments. They recommend that the cities and county hire staff that focus specifically on cybersecurity, develop a cybersecurity plan, and develop an incident response plan. With the resourcing of the IT department that began a couple of years ago, staff have been proactively working to make improvements system wide. One of the areas has been an increased focus on security to protect against cyber threats. For example, the City recently implemented a double authentication process and as is articulated in the report while some of the recommendations are not yet fully implemented, they are underway and many will be implemented over this current 2-year budget cycle.

Housing Our Workers: Essential Workers Need Affordable Housing!

This report investigated the reasons that housing scarcity and cost has increased over the last 5 years, and its impact on Santa Cruz County works that earn between \$35,000-\$99,999 per year. Specifically, the Grand Jury considered:

- What affordable housing options are available in Santa Cruz County to support middle class workers?
- Are employers offering housing support to their employees?
- What can local city and county planning departments do to provide more housing for these workers?
- What changes are needed in the planning and permit process to make it easier to build more workforce housing in our cities and unincorporated areas?
- How can local jurisdictions leverage recent state bills and initiatives to encourage more housing here?
- How can local agencies work together to help support housing for local workers?
- What changes are needed to plan for the future housing needs of our workforce?
- What is UCSC doing to help house its students, faculty, and staff?

The Grand Jury found that Watsonville should have been more proactive in implementing state regulatory changes, however Watsonville was also commended for being the jurisdiction that continued to build housing in years that other jurisdictions were not.

The Grand Jury found that local jurisdictions should implement local preference policies for both housing projects and construction. The City of Watsonville does have a local preference policy in for-sale ownership projects by way of a lottery system in which local residents or workers get additional entries into the lottery to purchase affordable units. We do not currently have a local preference policy for rental projects. Further, the City adopted

a local hiring procedure (WMC 7-15) in 2002 that requires contractors who enter into contracts for Public Works projects over \$600,000.

The Grand Jury recommended that the City of Watsonville reestablish regular meetings with planners from all agencies in the county to regularly meet to share ideas on housing development and develop joint projects. In addition, it was recommended that Watsonville give local preference to those contractors developing affordable housing.

The answers to these Findings and Recommendations are listed in Attachment 4.

STRATEGIC PLAN:

The response to the Grand Jury 2023 report aligns with Goal 7 of the 2023-2025 Strategic Plan: Efficient and High Performing Government.

FINANCIAL IMPACT:

There is no financial impact associated with filing responses to the Grand Jury report.

ALTERNATIVE ACTION:

The Council may choose not to approve the Response Packet, or to modify the responses, however the responses are due to the Grand Jury no later than August 31, 2023.

ATTACHMENTS AND/OR REFERENCES (If any):

1. Report: "Cyber Threat Preparedness: Phishing and Passwords and Ransomware, Oh My!"
2. Watsonville response to "Cyber Threat Preparedness: Phishing and Passwords and Ransomware, Oh My!"
3. Report: "Housing Our Workers: Essential Workers Need Affordable Housing!"
4. Watsonville response to "Housing Our Workers: Essential Workers Need Affordable Housing!"



The 2022–2023 Santa Cruz County Civil Grand Jury
Requires the

Watsonville City Council

to Respond by August 16, 2023

to the Findings and Recommendations listed below
which were assigned to them in the report titled

Cyber Threat Preparedness

Phishing and Passwords and Ransomware, Oh My!

Responses are **required** from elected officials, elected agency or department heads, and elected boards, councils, and committees which are investigated by the Grand Jury. You are required to respond and to make your response available to the public by the California Penal Code [\(PC\) §933\(c\)](#).

Your response will be considered **compliant** under [PC §933.05](#) if it contains an appropriate comment on **all** findings and recommendations **which were assigned to you** in this report.

Please follow the instructions below when preparing your response.

Instructions for Respondents

Your assigned [Findings](#) and [Recommendations](#) are listed on the following pages with check boxes and an expandable space for summaries, timeframes, and explanations. Please follow these instructions, which paraphrase [PC §933.05](#):

1. **For the Findings, mark one of the following responses with an “X” and provide the required additional information:**
 - a. **AGREE with the Finding**, or
 - b. **PARTIALLY DISAGREE with the Finding** – specify the portion of the Finding that is disputed and include an explanation of the reasons why, or
 - c. **DISAGREE with the Finding** – provide an explanation of the reasons why.
2. **For the Recommendations, mark one of the following actions with an “X” and provide the required additional information:**
 - a. **HAS BEEN IMPLEMENTED** – provide a summary of the action taken, or
 - b. **HAS NOT YET BEEN IMPLEMENTED BUT WILL BE IN THE FUTURE** – provide a timeframe or expected date for completion, or
 - c. **REQUIRES FURTHER ANALYSIS** – provide an explanation, scope, and parameters of an analysis to be completed within six months, or
 - d. **WILL NOT BE IMPLEMENTED** – provide an explanation of why it is not warranted or not reasonable.
3. **Please confirm the date on which you approved the assigned responses:**

We approved these responses in a regular public meeting as shown
in our minutes dated August 29, 2023.

4. **When your responses are complete, please email your completed Response Packet as a PDF file attachment to both**

The Honorable Judge Syda Cogliati Syda.Cogliati@santacruzcourt.org and

The Santa Cruz County Grand Jury grandjury@scgrandjury.org.

If you have questions about this response form, please contact the Grand Jury by calling 831-454-2099 or by sending an email to grandjury@scgrandjury.org.

Findings

F10. After recently expanding its IT Department, the City of Watsonville has improved its IT functions although it does not yet allocate sufficient resources to cybersecurity.

- AGREE**
- PARTIALLY DISAGREE**
- DISAGREE**

Response explanation (required for a response other than **Agree**):

F11. The City does not have an individual whose primary responsibility is cybersecurity for the city networks, leaving cybersecurity oversight to the IT Director—along with a multitude of other IT responsibilities—and lowering the priority for cybersecurity measures.

- AGREE**
- PARTIALLY DISAGREE**
- DISAGREE**

Response explanation (required for a response other than **Agree**):

F12. Watsonville does not have a Cybersecurity Plan that defines security policies, procedures, and controls required to protect its networks and devices, a situation that increases the risks of vulnerabilities.

- AGREE**
- PARTIALLY DISAGREE**
- DISAGREE**

Response explanation (required for a response other than **Agree**):

F13. Watsonville does not have an Incident Response Plan that provides detailed information on how to respond to an attack, suggesting the City would not be able to respond rapidly and effectively to a cyber attack.

- AGREE**
- PARTIALLY DISAGREE**
- DISAGREE**

Response explanation (required for a response other than **Agree**):

F14. Watsonville participates in some regional information sharing forums, but it does not have the resources to expand its participation or tap into state-level information sharing, thus forfeiting valuable best practices and cyber threat information.

- AGREE**
- PARTIALLY DISAGREE**
- DISAGREE**

Response explanation (required for a response other than **Agree**):

Recommendations

R10. Watsonville should conduct an evaluation of its recently expanded IT Department, critical IT upgrades, and the status of cybersecurity measures by the end of 2023. Based on this assessment, the City should allocate existing or newly identified resources to ensure cybersecurity is adequately addressed going forward. (F10)

HAS BEEN IMPLEMENTED – summarize what has been done

HAS NOT YET BEEN IMPLEMENTED BUT WILL BE IN THE FUTURE – summarize what will be done and the timeframe

REQUIRES FURTHER ANALYSIS – explain the scope and timeframe (not to exceed six months)

WILL NOT BE IMPLEMENTED – explain why

Required response explanation, summary, and timeframe:

A cybersecurity remediation team has been formed and is currently identifying all cybersecurity elements that require remediation. The team is creating a remediation plan as items are identified. If approved in the fy24/25 budget, a position will be reclassified to focus on cybersecurity as a major job function.

R11. Given the size of Watsonville, the City should have a dedicated position for cybersecurity by the end of 2023, to ensure adherence to best practices, mitigation of potential threats, and education of city staff and leadership. (F11)

- HAS BEEN IMPLEMENTED** – summarize what has been done
- HAS NOT YET BEEN IMPLEMENTED BUT WILL BE IN THE FUTURE** – summarize what will be done and the timeframe
- REQUIRES FURTHER ANALYSIS** – explain the scope and timeframe (not to exceed six months)
- WILL NOT BE IMPLEMENTED** – explain why

Required response explanation, summary, and timeframe:

If approved in the fy24/25 budget, a position will be reclassified to focus on cybersecurity as a major job function.

R12. By early 2024 or sooner, Watsonville should prepare and implement a Cybersecurity Plan that addresses all of the best practices for strong cyber hygiene. (F12)

- HAS BEEN IMPLEMENTED** – summarize what has been done
- HAS NOT YET BEEN IMPLEMENTED BUT WILL BE IN THE FUTURE** – summarize what will be done and the timeframe
- REQUIRES FURTHER ANALYSIS** – explain the scope and timeframe (not to exceed six months)
- WILL NOT BE IMPLEMENTED** – explain why

Required response explanation, summary, and timeframe:

Funds for professional services are identified in the FY24/25 budget to assist with plan creation. In addition, the County of Santa Cruz is leading an effort with the City of Watsonville, the City of Capitola, the City of Scotts Valley, and the City of Santa Cruz to create a cybersecurity plan that will support both cities and the county. The Cybersecurity Plan will be substantially completed by Spring 2024.

R13 By early 2024 or sooner, Watsonville should prepare and implement an Incident Response Plan with sufficient detail to serve as a guide in the event of a cyber attack. (F13)

- HAS BEEN IMPLEMENTED** – summarize what has been done
- HAS NOT YET BEEN IMPLEMENTED BUT WILL BE IN THE FUTURE** – summarize what will be done and the timeframe
- REQUIRES FURTHER ANALYSIS** – explain the scope and timeframe (not to exceed six months)
- WILL NOT BE IMPLEMENTED** – explain why

Required response explanation, summary, and timeframe:

Funds for professional services are identified in the FY24/25 budget to assist with plan creation. In addition, the County of Santa Cruz is leading an effort with the City of Watsonville, the City of Capitola, the City of Scotts Valley, and the City of Santa Cruz to create an incident response plan that will support both cities and the county. The incident response plan will be substantially completed by early 2024.

R14. Upon completion of IT structural upgrades and a higher level of cyber maturity, and by the end of 2023, Watsonville should participate in local, regional, and state information sharing initiatives. (F14)

- HAS BEEN IMPLEMENTED** – summarize what has been done
- HAS NOT YET BEEN IMPLEMENTED BUT WILL BE IN THE FUTURE** – summarize what will be done and the timeframe
- REQUIRES FURTHER ANALYSIS** – explain the scope and timeframe (not to exceed six months)
- WILL NOT BE IMPLEMENTED** – explain why

Required response explanation, summary, and timeframe:

Along with participation in the NCRIC (regional) and MS-ISAC (national), the city will subscribe to CAL-CSIC (state) information sharing. Watsonville will also participate in a quarterly cybersecurity focused discussion led by the County of Santa Cruz, with the City of Santa Cruz, the City of Capitola, and the City of Scotts Valley (local) as additional participants.