












Attachment C

List of Attached Correspondence to LAFCo Regarding MSR/SOI for the County Service Areas

-  2021.06.01 R Fenaroli - Wild Wings CSA.pdf
-  2021.06.05 J Bazinet - El Macero CSA.pdf
-  2021.06.06 C Salquist - El Macero CSA.pdf
-  2021.06.07 N Zane - NDM CSA.pdf
-  2021.06.14 B Dendy - El Macero CSA.pdf
-  2021.06.24 R Lauckhart - El Macero CSA.pdf
-  2021.06.30 Wild Wings CSA Response to HOA letter to LAFCO 6-30-21.pdf
-  2021.07.07 G Cochran - Wild Wings CSA.pdf
-  2021.09.29 R Lauckhart - El Macero CSA.pdf
-  2021.10.21 S. White - Dunnigan CSA.pdf
-  2022.05.13 R Lauckhart - El Macero CSA.pdf
-  2022.07.07 R Lauckhart - El Macero CSA.pdf
-  2022.11.01 R Lauckhart - El Macero CSA.pdf
-  2022.11.07 R Fenaroli - Wild Wings CSA.pdf

June 1, 2021

Wild Wings County Service Area

Simply put, the Wild Wings Home Owners Association believes that a Community Services District, managed and directed by members of the community, would be a vast improvement over the current CSA. As a CSD, the community would have a vested interest to effectively manage the CSD. Under Yolo County, sewage rates have increased over 100% in the last three years. A directly elected Board would be accountable to the ratepayers, a process that currently does not exist.

Yolo County assigns a manager (with no special skills or education) to direct the CSA. There have been four managers directing the Wild Wings CSA since 2016. The current CSA utilizes two contractors (*SUSP* for water & sewer and *Kemper* for golf) to perform all the functions except billing. We believe an active Board could easily provide direction and continuity to these vendors, far better than Yolo County has shown. We also believe that a CSD can provide the same or better level of service at the same costs as Yolo County currently charges and will submit a pro-forma budget after completion of investigating current spending.

The Wild Wings HOA filed a lawsuit against Yolo County and the utility operator in January 2019 following the failure of the Waste Water Treatment Plant WWTP in 2017. The HOA feels that the failure of the WWTP was foreseeable based on a history of poor management and control by the County. The Wild Wings Community has been forced to pay over \$1.4M in repairs as a result of decisions made by Yolo County and National O&M (operator). Yolo County refused to hold National O&M responsible for their actions, instead blaming a lack of redundancy of WWTP system. The HOA believes there is no basis for this claim as the system had operated successfully for 13 years with many instances of repairs & service, and the County itself had accepted the WWTP system from the developer in 2004, without any reference to a lack of redundancy and no operator prior to 2017 claimed issues with the system design.

As part of the litigation (1), Yolo County has agreed to the HOA request to fund an independent review of the CSA and pay for any costs associated with formation of a CSD, assuming LAFCo approves such a change. The HOA is continuing their lawsuit against National O&M & EEI for damages as a result of the 2017 WWTP failure.

Yolo County has managed the CSA for 17 years and collected over \$1.2M in fees from ratepayers. Wild Wings amounts to 68% of all CSA spending according to County records (Nov 20-21 actual). The County wants Wild Wings to support the other CSA's. Only Yolo County has profited from this arrangement. The County has no vested interest in providing services as efficiently and effectively as possible. As long as there is no impact to the General Fund, County Staff has seen fit to waste Wild Wings residential taxes as they relate

to the CSA. They (County) have failed miserably to adequately manage the CSA and there has been virtually no accountability over the years. It took the Grand Jury in 2016 to force changes to operations of the CSA, community involvement through the Advisory Committee did nothing.

County has covered up these issues for years and LAFCo has relied heavily on input from County Staff, not service complaints from the community when doing their reviews.

We believe that an objective review of the Wild Wings CSA will show that Yolo County is incapable of managing the CSA. Over 17 years the County through incompetence and lack of accountability, has shown itself unwilling to represent the needs of the community. Investigation will show instance after instance where it was a member of the community that had to identify an issue or problem, not the County. We believe a directly elected Board, accountable to the community as a Community Services District is the best approach going forward.

We ask LAFCo for an objective review, without influence from County Staff, who we believe have a vested interest in keeping Wild Wings a CSA. The Board of Directors and membership of the HOA endorses converting the Wild Wings County Service Area to a Community Services District.

Issues & Problems

1) Lack Of Accountability

- a. Catastrophic Failure Of WWTP in 2017 Due To Actions By County & Operator (National O&M)
- b. County Released Operator From Liability When National Threatened To Sue County **(2)**
- c. Wild Wings HOA Lawsuit A Result Of WWTP Failure And Subsequent \$1.4M In Damages To Community **(3)**
- d. Residents Forced To Pay 100% Of Repairs Resulting From WWTP Failure / No Cost To County
- e. Cover-Up Of Issues To LAFCo During MSR's

2) Incompetence

- a. Failure To Read & Understand Contract Provisions – SUSP Fee Increase
- b. Failure To Insure Water Meters Are Correctly Read
- c. Failure To Charge Additional Fees To Homeowners Who Overuse Water
- d. Failure To Insure Water Balance Report Is Done At Least Quarterly
- e. Failure To Identify & Charge HOA For Water Usage
- f. Failure To Prevent WWTP Failure

3) Gross Mismanagement

- a. Requests Made For Updated Engineers Report Beginning In 2010
- b. Took 14 Years For Updated Engineers Report / Not Done Until 2018 **(4)**
- c. Lack Of Engineers Report Delayed Adequate Funding Of Maintenance Projects
- d. Allowed Operator To Delay Or Cancel Necessary Maintenance Work Leading To WWTP Failure
- e. Failure To Implement Collection Of Arsenic Fees until 2015
- f. Failure To Provide Adequate Amount Drinking Water, Wells Need To Be Lowered

4) Breach Of Fiduciary Responsibility

- a. History Of Ongoing Issues / Website Not Current
- b. No Reported Actual Spending For Last Fiscal Year (2019/2020)
- c. Last Annual Spending Report On Website Is 2018/2019 **(5)**
- d. No County Audit Of Spending
- e. Actual Spending v. Budget Plan Not Aligned
- f. Recent Fee Increase To SUSP (Utilities Operator). Error Was \$21,000 **(6)**
- g. No Reserve Study Ever Done For Sewer Assets To Determine The Base After 2017 Failure Of WWTP. Community Has Requested Study On Several Occasions
- h. No Reporting On Percentage Reserve Funded v. Asset Base
- i. Cavalier Attitude When It Comes To Spending Ratepayer Funds
- j. Not Holding Vendors Accountable To Performance Or Service Guarantees / Warranties (water meters)
- k. Not Holding National O&M Responsible For 2017 WWTP Failure

5) Grand Jury Report (2016)

- a. Unresponsive Community Complaints Prompted Inquiry
- b. Scathing Report On Management & Operations Of CSA (7)
- c. Community Complained For 10 Years About CSA Manager
- d. Grand Jury Report Forced County To Replace CSA Manager & Move Accountability To Another Department
- e. Many Other Issues Regarding Communications & Co-mingling Reserve Funds

6) Prop 218 Election – June 2018

- a. County Used Scare Tactics To Determine Outcome / Porta Potties In Backyards
- b. 140+ Voters Voted No (About 75% of total vote in favor of rejection)
- c. Minimal Info Provided By County Prior To Vote / No Town Hall Meetings
- d. Text Of 218 Notification Purposely Minimizes The 112% Rate Increase For Sewer (8)
- e. County Told Residents That \$450,000 Would Be Borrowed From Water Fund, Then Repaid To Cover WWTP Repairs
- f. Actual Cost For Repairs >\$1.4M
- g. Cover-Up By County Of Poor Maintenance Practices & No Oversight
- h. County Blamed Problem On Lack Of System Redundancy / Not True
- i. No Tracking Of WWTP Expenses Until Request From Community
- j. Loan Repayment Not Entered Until 2020 After Community Inquiry

7) Not Addressing Conservation Measures Adequately

- a. No Enforcement Of Overwatering
- b. Failure To Consider Incentives To Reduce Water Consumption During Drought

8) Storm Water Collection

- a. Refusal To Have LAFCo Change CSA Designation To Include Storm Water After Acquiring Golf Course (9)
- b. Failure To Provide Ownership Or Control Over Parcel ADB

9) Management Turnover

- a. 4 Managers in 5 Years
- b. No Continuity Of Managers Or Administration
- c. No Special Skills Of CSA Administrators
- d. Management Of CSA Has Shifted From Public Works To Administrators Office To Community Services Over 17 Years

10) Arsenic Debacle

- a. Community Requested For Years That Funds Be Collected (10)
- b. County Ordered By State In 2009 To Develop Implementation Plan (11)
- c. County Was Presented In 2012 Various Options For Arsenic Treatment With Pilot Plant Cost Estimated At \$20,000 v. \$300,000 Actually Spent (12)
- d. RFP For Arsenic System Created In 2012, CSA Did Nothing Until 2019 (13)
- e. State Water Quality Control Board Had Agreed To Program Designed To Test Arsenic Levels While Operating Pintail Well (2012)
- f. County Waited Until 2015 To Begin Collecting For Arsenic Treatment
- g. Have Spent Over \$300,000 For Engineering & Studies. No System Operational Today (14)

11) Golf Course

- a. Failure To Hold Kemper Accountable For Low Levels Of Play Prior To Covid-19
- b. Failure To Hold Kemper Accountable For Failing To Meet Income & Expense Projections
- c. Failure To Have Open Bid On Renewal Of Golf Course Contract
- d. Failure To Hold Golf Course Accountable For Water Use / Conservation, Including Ponds
- e. Failure To Investigate Cost Savings Opportunities Within Wild Wings
- f. Failure To Reduce Measure O Costs Below \$1,700 max

12) Lack Of Preparation

- a. Wells Not In Proper Condition For Drought

13) Poor Communications

- a. Website Not Current
- b. Historical Spending Missing

14) Failure To Plan

- a. Lack Of Forward Thinking
- b. No Strategic Plan

- COUNTY ADMINISTRATOR

+ County Administrator Divisions

+ Budget & Finance

+ Yolo County Sustainability

- County Service Areas (CSA)

CSA Meeting Calendar

+ Dunnigan CSA

+ El Macero CSA

+ Garcia Bend CSA

+ North Davis Meadows CSA

+ Snowball CSA

- Wild Wings CSA

Wild Wings Golf Club

Wild Wings CSA Charges

Wild Wings CSA Financial Information

+ Willowbank CSA

Clarksburg Lighting Assessment

Government » General Government Departments » County Administrator » County Service Areas (CSA) » Wild Wings CSA »

WILD WINGS CSA FINANCIAL INFORMATION

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Yolo County is committed to financial transparency. Guided by the principles of operational excellence, the Department of Financial Services is currently working on several initiatives to ensure that relevant and meaningful financial information is available to County staff and the public. One such initiative is the use of technology and web-based tools to provide financial data in a format that is more user-friendly and understandable than standard spreadsheets or financial reports. To this end, Yolo County has partnered with OpenGov to develop an online financial transparency portal where users can view County financial data through an interactive graphical interface.

- To view Wild Wings CSA information via this tool, click this [OpenGov link](#)
- In left-hand menu select **County Service Areas**
- Select **Wild Wings**
- Select service of interest, i.e. Water Operations
 - Choices to filter and view data can be found in the left-hand menu
 - Summary and transactional data can be found below the chart

More information related to OpenGov is available on the OpenGov portal. Meanwhile, while the system is still under development, select reports below for additional budget and fund balance information.

[Wild Wings CSA 2019-20 Budget](#)

[Wild Wings CSA 2018-19 Quarterly Financial Report](#)

















[Wild Wings CSA Water 2017-18 Quarterly Financial Report](#)

[Wild Wings CSA Sewer 2017-18 Quarterly Financial Report](#)

[Wild Wings CSA Golf 2017-18 Quarterly Financial Report](#)

[Wild Wings CSA Actual-Budget 2016-2018
County Financial Reports](#)

List of additional documents submitted:

<input type="checkbox"/> Name	Date modified	Type	Size
 (A1)WW Settlement - Signed 210511.pdf	6/1/2021 8:24 PM	Adobe Acrobat D...	8,739 KB
 (A2)Greenberg Letter to C. Scarlata National O&M 180221.pdf	6/1/2021 8:24 PM	Adobe Acrobat D...	1,618 KB
 (A3)WWTP Costs 2017-2019 201004.pdf	6/1/2021 8:24 PM	Adobe Acrobat D...	108 KB
 (A4)041018FinalEngineersFeeRep.pdf	6/1/2021 8:25 PM	Adobe Acrobat D...	832 KB
 (A5)FY1819FinalQuarterly.pdf	6/1/2021 8:25 PM	Adobe Acrobat D...	403 KB
 (A5a)ActualBudget15-18.pdf	6/1/2021 8:25 PM	Adobe Acrobat D...	283 KB
 (A6) SUSP Fee Increase 2021.pdf	6/1/2021 8:25 PM	Adobe Acrobat D...	7,276 KB
 (A7)Grand Jury Report 2016 WildWingsCountyServiceArea.pdf	6/1/2021 8:25 PM	Adobe Acrobat D...	316 KB
 (A8)Prop218 2018.pdf	6/1/2021 8:27 PM	Adobe Acrobat D...	6,432 KB
 (A9)Storm Water 2012-0404-Letter to HOA and CSA.docx	6/1/2021 8:27 PM	Microsoft Word D...	65 KB
 (A10)CSA Formation 2004 - Arsenic Funding.pdf	6/1/2021 8:27 PM	Adobe Acrobat D...	9,757 KB
 (A11)Arsenic Letter to State 091215.pdf	6/1/2021 8:27 PM	Adobe Acrobat D...	1,140 KB
 (A12)Arsenic Treatment Options 1203.xlsx	6/1/2021 8:27 PM	Microsoft Excel W...	22 KB
 (A13)RFP v3.0 - WILD WINGS COMMUNITY WATER SYSTEM.do...	6/1/2021 8:27 PM	Microsoft Word D...	42 KB
 (A14)FINALWildWingsArsenicPropo.pdf	6/1/2021 8:27 PM	Adobe Acrobat D...	644 KB
 (A15)Current Financials 2105.pdf	6/1/2021 8:27 PM	Adobe Acrobat D...	5,561 KB

Christine Crawford

From: JANICE BAZINET <janbazinet@comcast.net>
Sent: Saturday, June 5, 2021 3:54 PM
To: LAFCO
Subject: El Macero Water

To Whom It May Concern:

A few years ago, I was so excited to learn that El Macero would finally have the same wonderful water that Sacramento enjoys, and we would no longer have dingy faucets and sinks, calcified deposits everywhere, and best of all we would be able to grow azaleas, gardenias, etc.

What happened? I'm paying lots more for water, but nothing has changed.

Please advise. Thank you.

Jan Bazinet

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Christine Crawford

From: Claudia Salquist <csalquist@gmail.com>
Sent: Sunday, June 6, 2021 9:44 PM
To: LAFCO
Subject: El Macero

LAFCO-pleased with CSA services. Thank you for supporting & protecting us against our residence who wishes to waste funds on lawsuits. Thank you Jim Provenza for supporting El Macero, and helping us have a wonderful community.

Sent from my iPhone

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Christine Crawford

From: Professor Nolan Zane <nwzane@ucdavis.edu>
Sent: Monday, June 7, 2021 5:40 PM
To: LAFCO
Subject: Municipal Services Review of the North Davis Meadows County Service Area

Overall, we are satisfied with the our CSA services. The only recommendation I have would be to have some type of monthly or bi-annual information letter in which all the CAS services and contact information are listed especially with active links so we can access the services in an efficient manner. For example, most NDM residents have grinder pumps that at times need servicing. The contractor for servicing the pumps does have an informative web site but I do not believe that web site info has been disseminated to residents. I had to call the CSA # for grinder pump service and then was given the web site URL to obtain a service call from the contractor. Seems a bit inefficient to me. The publishing of a link that we can then use to access various types of CSA services (e.g., grinder pump service, street light replacement, sewer service) would be helpful.

-Dr. Nolan Zane

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Nolan Zane, Ph.D.
Professor Emeritus
Department of Psychology and Department of Asian American Studies University of California, Davis Mailing Address:
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nwzane@ucdavis.edu

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Christine Crawford

From: Bill Dendy <bdendy38@gmail.com>
Sent: Monday, June 14, 2021 4:15 AM
To: LAFCO
Subject: MSR for El Macero CSA

I have been a resident of El Macero for about 40 years. During that time I have closely observed the governance of the EM County Service Area. During that time we have been fortunate to be in the District represented by a succession of very fine and dedicated County Supervisors: Betsy Marchand, Dave Rosenberg, Mariko Yamada and Jim Provenza. They have always been attentive and responsive to our needs. They have kept an eye on our finances, helped guard against unfair charges by the City of Davis for water and sewer services, and seen to it that our streets are properly maintained. They have listened to the voices in the community, making good use of the CSA Advisory Committee in that regard. For its part, the Committee does a really good job of monitoring and supporting County staff that is assigned to manage CSA affairs, and reaches out to residents to tap into the well of knowledge and expertise here.

In all those years I have never seen any credible evidence of misappropriation of CSA funds; if mistakes were made by County staff, or by the City, they were quickly identified and corrected.

My one recommendation is that the management of CSAs should be made as independent as is reasonably possible within the County organizational structure such that it can oversee and help to protect our unique interests and implement Board policy, free of undue interference from other County departments and free to report directly to the Board.

Sent from my iPad

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Christine Crawford

From: Richard Lauckhart <lauckjr@hotmail.com>
Sent: Wednesday, June 23, 2021 10:26 PM
To: Christine Crawford; Terri Tuck; Mark Krummenacker; Olin Woods
Cc: Bill Aaronson; Paul Guyer
Subject: LAFCO meeting June 24, 2021...Agenda Item 10
Attachments: Complaint v2 re audit.pdf; Matters for Yolo audit Complaint.docx

Commissioner Woods, Ms. Crawford and LAFCO staff-

I will be joining your meeting tomorrow June 24 by phone.

I live in El Macero and write a newsletter called CommonSenseforElMacero.

I am also President of the not-for-profit company "El Macero Owners for Fair Taxes" (EMOFT).

As Christine, Terri and Mark are well aware, EMOFT has serious concerns with how the County is running the El Macero County Service Area (EMCSA)

I have provided documents (evidencing EMOFT concerns) to LAFCO for their review in the current/ongoing El Macero CSA MSR.

I am attaching a few of those documents to this email as follows:

- 1) A copy of the lawsuit that has been recently filed by EMOFT against Yolo County [*Yolo County Superior Court case CV-2021-1097*] (See Attached Complaint). In this Complaint EMOFT is asking the Court to order Yolo County to conduct the legally required and much needed audit of EMCSA funds. \$3 million has gone missing from our funds and the County refuses to explain where that money went and refuses to have the legally required audit conducted.
- 2) A document that describes what EMOFT will be telling the court and the auditors.

It is unclear to me why at this point late in the effort to perform the MSR of the El Macero CSA that LAFCO would decide to delay this work a year. That makes no sense and seems to play into the hands of Yolo County who does not want these matters to be made public now.

I respectfully request that the MSR for the EMCSA not be delayed.

Richard Lauckhart
President
El Macero Owners for Fair Taxes
916-769-6704

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Richard Lauckhart Comments to LAFCO for current MSR review for the El Macero CSA

I. Executive Summary of these comments:

There are many problems with the EMCSA as discussed in the body of these comments. The EMCSA is supposed to be governed by the Yolo County BOS, but they delegate and are hands off. The BOS ignores comments made at their BOS meetings regarding problems with the EMCSA. It appears the BOS simply delegates its responsibilities to its staff. While they delegate, they give no written direction on how to perform the needed work. And while on Oct 26, 2017 the BOS contracted with and paid a consulting firm (NBS Government Finance Group) to perform a review of the County's process and systems for CSA's (review to be performed starting November 1, 2018 and work completed June 30, 2018), the Board inexplicably never provided any report that the consultant prepared as a result of the engagement.

Given these facts, LAFCO should recommend the following:

- 1) Change the billing for El Macero homes for water and sewer to come straight from the City of Davis...removing Yolo County from involvement. Same as is done for Willowbank CSA area.

- 2) Stop the collection of reserve funds for drilling a future well. If El Macero homeowners in the future decide they want to drill a new well (an unlikely decision) those future home owners can figure out how to fund that.

- 3) Stop the collection of reserve funds to repave the Yolo County owned streets in El Macero. The streets have just been repaved. If future home owners want to repave the streets again those future homeowners can figure out how to fund that.

- 4) Stop the water operations charge. With City of Davis doing the billing directly there is no need for this Special Assessment.

- 5) The only purpose for the EMCSA and its Advisory Committee is to deal with the AB8 funds (aka General Funds) that the state allocates to the EMCSA.

- 6) Have El Macero home owners choose the EMCSA Advisory Committee members instead of the BOS appointing them.

II. Background:

The most recent MSR report on the EMCSA was finalized on July 28, 2016. I provided extensive comment to LAFCO during their development of that MSR. The final report was very good and provided a number of excellent recommendations. But the Yolo BOS chose not to adopt most of those recommendations. They did not give any reason for failing to adopt other than saying they were not required to adopt LAFCO recommendations.

LAFCO kicked of its most recent MSR of the EMCSA on February 18, 2021. I provided several key documents to LAFCO and met with Christine Crawford and Mark Krummenacker on June 7, 2021 for an hour to elaborate on the key matters of concern.

That MSR then was formally delayed by LAFCO for a year so that LAFCO could deal with more pressing matters.

The MSR for the EMCSA restarted in the summer of 2022. Hence these comments now.

III. Body of Lauckhart Comments:

I am attaching to these comments the following documents provided to LAFCO in the spring of 2021 regarding this EMCSA MSR;

- a) Key documents I sent to LAFCO on April 1, 2021
 - a. A spreadsheet indicating the lack of progress by Yolo County on the recommendations made by LAFCO in July 28, 2016
 - b. A document entitled "The El Macero County Service Area.... Everything you need to know" dated July/August of 2020.
 - c. A Declaration of a Forensic Accountant describing the problems with EMCSA Accounting of is funds
 - d. Minutes of the meeting with Chad Rinde and members El Macero Owners for Fair Taxes regarding the need for the County to conduct an audit of EMCSA funds
- b) The agenda used for the June 7, 2021 meeting with Christine Crawford and Mark Krummenacker

I include these 2021 documents again in comments I am filing today.

Since the one-year delay of the LAFCO current MSR for the EMCSA a number of important matters have occurred as follows:

- a) Yolo County stated it would not agree to having an audit of EMCSA funds until the EMCSA Advisory Committee recommended they do so. Such an audit request by the Advisory Committee should have been a "no-brainer." But the EMCSA Advisory Committee refused to request the audit be conducted. A shocking decision by the Advisory Committee.
- b) The lawsuit demanding the legal required audit was commenced. The lawsuit pointed out that a decision to conduct and audit would not be a problem for Yolo County since the cost of the audit would be paid for from EMCSA reserve funds. But the County refused to agree to have such an audit and instead elected to charge EMCSA funds to pay for lawyers to oppose having an audit. The County chose to spend \$57,000 of our EMCSA funds to avoid having to spend \$15,000 on an audit. El Macero homeowners are shocked by this decision by Yolo County.

- c) The lawsuit asked the judge to find that Yolo County abused its discretion in deciding not to conduct an audit. He refused to find that Yolo County abused its discretion and the judge did not require the audit be conducted.
- d) Without the audit, El Macero owners are left on their own to find out where the funds they provide to Yolo County go. The Yolo County Comprehensive Financial Review (CAFR) does not provide that information.
- e) While Yolo County provides financial statements at quarterly EMCSA Advisory Committee meetings, they do not provide the supporting invoices that support entries into the General Ledger statements of the EMCSA accounts.
- f) The EMCSA Advisory Committee approves those financial statement without ever reviewing the underlying supporting invoices for those General Ledger entries. The Advisory Committee does not feel it necessary to review these details before approving the financial statements. Any prudent Advisory Committee would review these details before approving the financial statements. The EMCSA Advisory Committee is not well known in the community and does not properly represent homeowners in El Macero.
- g) Given no audit of EMCSA funds and given no other way to determine where our funds went, the only tool El Macero homeowners have to determine how much money we should have in our funds is to make Public Record Act requests.
- h) Since the YOLO BOS refuses to authorize an audit of EMCSA funds, I need to perform my own calculations of annual beginning fund balances, annual fund receipts, annual fund expenditures, interest accruals on balances, and end of year fund balances. I have previously done calculations through June 30, 2020 based on the settlement in my lawsuit in 2016 and what I learned from Public Record Act requests between 2016 and 2020.
- i) On April 12, 2022, I made a Public Record Act request to provide documents showing the expenses we have incurred in our EMCSA funds for FY 2020-2021 and FY 2020-2022. That will allow me to update my fund balances calculations through the end of this Fiscal Year.
- j) On May 24 Kimberly Villa, Community Service analyst for Yolo County, sent to me 295 invoices that were charged to our El Macero accounts. That is a lot of invoices for 2 years of charges to El Macero accounts. Most of these invoices were approved for payment from EMCSA funds by Kimberly Villa of Yolo County.
- k) In reviewing the 295 invoices that Kimberly sent to me last week, **it appears there are not good controls over the procedures Yolo County uses to perform accounting of EMCSA Funds.**
- l) I am not able to find that the BOS (*or anybody at Yolo County*) has developed written procedures/guidelines that the County has given to Kimberly Villa (and her predecessors) for how to deal with invoices provided to her/them.
- m) On October 17, 2017, Yolo County contracted with NBS Government Finance Group (NBS) to perform a formal review of the systems and procedures applicable to CSAs. I provided a number of documents to NBS. NBS promised to address the matters I provided to them in the report they performed for the County. I have not found any document that indicates what resulted from this October 17, 2017 contract between Yolo County and NBS.
- n) On May 31, 2022 I sent a Public Record Act request to Yolo County asking for:
 - 1) Any and all written procedures/guidelines that the County has given to Kimberly Villa (and her predecessors) for how to deal with invoices provided to her/them.
 - 2) Any and all documents that indicate what resulted from this October 17, 2017 contract between Yolo County and NBS.

o) On June 10, 2022 responded as follows:

“The County will provide the applicable documents that govern the CSA Manager’s processing and payment of invoices for the CSAs.” No indication of when that response would be provided.

“The request [regarding the NBS work] encompasses certain documents that are subject to the attorney-client privilege and attorney work product doctrine and are therefore exempt from disclosure under Government Code § 6254(k). In addition, the request also encompasses documents that are subject to the deliberative process privilege, and the public interest served by nondisclosure clearly outweighs the public interest served by disclosure of the record. See Gov. Code § 6255. The County has provided all non-privileged documents related to the NBS contract to your attorney in response to your subpoena dated February 5, 2019. The documents are too voluminous to e-mail, so if you are interested in receiving another copy of these documents, please submit a check made out to “County of Yolo” in the amount of \$20 to my attention at 625 Court Street, Room 201, Woodland, CA 95695, and the CD will be burned and mailed to you. If the cost to produce the copies is less than \$20, a refund will be issued.

On June 10, 2022 I responded as follows to the County’s response:

“I have in my possession all the documents provided to my attorney under his subpoena dated February 5, 2019. The information I sent to NBS was included in that response. But there was no final or draft report provided by that subpoena. I can only surmise that for some reason NBS destroyed all drafts of their report.”

Apparently, Yolo County does not intend to provide to the public any information regarding the NBS work. Why would that be?

IV. Findings:

The EMCSA is clearly a mess.

- El Macero homeowner money is being spent on (a) unnecessary legal costs, (b) costs of Yolo County having to respond to Public Record Act requests, and (c) cost of administering billings to El Macero homeowners for water and sewer service provided by the City of Davis.
- The BOS delegates its responsibilities to Yolo County staff without providing any guidance.
- The BOS hired a consultant to review their accounting process and make any suggested recommendations. The BOS never provided El Macero homeowners any draft or final report from that contract.
- The EMCSA Advisory Committee contains members that are (a) well over their term limits, (b) do not ask homeowners about matters when making recommendations to the BOS, and (c) Committee members that that are highly disrespectful to homeowners they disagree with. That kind of behavior should not be tolerated by the BOS who have appointed them to perform public business. The BOS has been advised of these problems and asked to remedy them. The BOS ignores those requests.

A major shakeup of the EMCSA needs to be made. LAFCO needs to make that recommendation.

V. Conclusion

LAFCO should recommend the following:

- 1) Change the billing for El Macero homes for water and sewer to come straight from the City of Davis...removing Yolo County from involvement. Same as is done for Willowbank CSA area.
- 2) Stop the collection of reserve funds for drilling a future well. If El Macero homeowners in the future decide they want to drill a new well (an unlikely decision) those future home owners can figure out how to fund that.
- 3) Stop the collection of reserve funds to repave the Yolo County owned streets in El Macero. The streets have just been repaved. If future home owners want to repave the streets again those future homeowners can figure out how to fund that.
- 4) Stop the water operations charge. With City of Davis doing the billing directly there is no need for this Special Assessment.
- 5) The only purpose for the EMCSA and its Advisory Committee is to deal with the AB8 funds (aka general funds) that the state allocates to the EMCSA.
- 6) Have El Macero home owners choose the EMCSA Advisory Committee members instead of the BOS appointing them.

Respectfully provided by:

Richard Lauckhart

El Macero

Editor of the El Macero "Common Sense for El Macero" newsletter

President of El Macero Owners for Fair Taxes

Matters that will be raised to the court re need for an audit and raised to the auditor

I. The El Macero County Service Area has 6 funds/accounts as follows:

a) **Three Special Assessment reserve funds:**

- 1) \$60/year/lot Special Assessment started in 1992 to fund a new well if/when necessary. This fund ended in 2006 when it was determined no future well will ever be needed because the City of Davis moved from Well Water for El Macero to river water. Neither El Macero home owners nor Yolo County needed the well. The well was turned over to the separate/private El Macero Country Club for their use. Per the Lauckhart/Yolo County Settlement Agreement dated March of 2017, this fund had a balance of \$619,144.10 as of July 1, 2016. Yolo County then took this money away in July of 2017 which they claim they needed to pay to the City of Davis for El Macero water consumption in 2015 and 2016. Annette Stalker, a forensic account has testified that this accounting change was not legitimate and that this money was never paid to the City of Davis and Yolo County just pocketed the money. Further, it would not be a legitimate use of this money to pay for water consumption in El Macero in 2015 and 2016 because the money was paid by homeowners from 1992-2006. By law it could not be used to pay for water consumption by homeowners who lived here in 2015 and 2016.¹
- 2) \$180/year/lot Special Assessment started in 1993 to pay for improvement to Yolo County owned streets that were over and above what improvements Yolo County would normally pay for in other Yolo County owned streets. Per the Lauckhart/Yolo County Settlement Agreement dated March of 2017, this fund had a balance of \$1,210,814.30 as of July 1, 2016. The County is currently collecting \$83,700 per year in additional funds to add to this reserve.

¹ The money that was raised starting in 1992 was to build a reserve to fund a replacement well if the well along Mace (near the 12th green) ever failed. El Macero homeowners were obligated to have a working well along Mace to give to the City of Davis in order for them to incorporate it into their well system to help serve our water needs in El Macero. El Macero homeowners were given a rate break by the City of Davis because we provided them a well.

But in about 2006, the City of Davis concluded their well system needed to be replaced with River Water from the Sacramento River. Interesting story on how they got the rights to the River Water. But the bottom line was that the City told El Macero homeowners we no longer needed to give them a well and they did not want well water any more. El Macero homeowners water rates went up considerably since we no longer got credit for our well and we had to pay for the new system to get Sacramento River water.

The well along Mace was still functional, but was not good quality. So rather than simply abandon it, the El Macero Country Club wanted it to help them water their fairways. So, El Macero homeowners turned the well over to them. The money that had been collected to drill a new well was never used to drill a new well since no new well was needed and the Mace well also was not needed by El Macero homeowners. The problem is that the County decided to use the well reserve money El Macero homeowners had contributed over the years for other county purposes. The County claims they needed to pay the city of Davis that money because of the water consumption El Macero homeowners owed the city of Davis for the years 2015 and 2016. But the County collected from all of us on our property tax bills what we owed the City of Davis for our 2015-2016 water consumption. In effect the County billed El Macero homeowners two times for the same water consumption and pocketed one of those large billed amounts. The Forensic Accountant smoked that out in her research and has written a Declaration to that effect.

3) \$50/year/lot Special Assessment started in 1997 to fund Yolo County administrative costs of orchestrating the pass-through of City of Davis water billings to El Macero homeowners on the Yolo County property tax billings to El Macero homeowners. Per the Lauckhart/Yolo County Settlement Agreement dated March of 2017, this fund had a balance of \$540,191.74 as of July 1, 2016. In the year 2019, this fee was reduced to \$42/year/lot. Because the \$540,191.74 was far more than was needed to pay for its purpose, this Special Assessment should have been reduced to zero. The County conducted an illegal Proposition 218 vote to convert the \$50/year/lot assessment to \$42/year/lot. This matter is being litigated and is currently with the Court of Appeals. The County is currently collecting \$19,530 per year to add to this reserve fund.

b) Two Special assessment “pass through” funds:

- 1) A fund to collect from El Macero homeowners the money they owe the City of Davis for **water consumption**. This fund has never been audited. The City provides the water, reads the meters and then bills Yolo County for the consumption of everyone in the El Macero County Service Area. Sometimes the City is late in billing Yolo County. There are no late fees or other penalties if El Macero is late in paying the bills due to the need to collect the payments from El Macero lot owners via property tax bills. If Yolo County is more than two years late in paying the City of Davis, the only remedy the City has is to require Yolo County to allow the City of Davis to bill/collect directly to/from El Macero homeowners. The City has never taken that step. The collections and payments by Yolo County have never been audited. Annette Stalker, a forensic accountant has testified that for the year 2015-2016 Yolo County collected money for water consumption from El Macero homeowners and paid that money to the City of Davis. She found that the County's claim that it paid for this water consumption from the \$60 Well Reserve fund was in fact not correct. Yolo County is collecting on the order of \$800,000 per year under this EMCSA Special assessment.
- 2) A fund to collect from El Macero homeowners the money they owe the City of Davis for **sewer services**. This fund has never been audited. The City provides sewer services for El Macero lot owners and then bills Yolo County for sewer service for everyone in the El Macero County Service Area. Yolo County is collecting on the order of \$280,000 per year under this EMCSA Special assessment.

- c) **An “AB8” fund.** El Macero gets an allocation of state property taxes under a law referred to as “AB8”: https://www.edcgov.us/Government/Auditor-Controller/PropTax/pages/distribution_of_proposition_13_s_1_general_property_tax.aspx
There has been no comprehensive review of El Macero CSA receipts and expenditures from this fund. The money is supposed to be used as desired by El Macero homeowners. It is not supposed to be used to replenish EMCSA reserve funds that were inappropriately used by the county for Yolo County general purposes. Last year El Macero CSA was allocated \$103,000 by the state under AB8.

The total annual revenues received by the EMCSA funds from these 6 funds is currently \$1,286,230.

- ii. Yolo County does not provide standard income statement and balance sheets for these funds. An “Ad-Hoc” Committee of El Macero residents have provided recommendations on how Yolo County needs to fix its accounting of El Macero CSA funds. Yolo County refuses to make those changes, saying it would be too burdensome. **Yolo County**

needs to comply with Generally Accepted Accounting Principles no matter how burdensome! An audit should make that finding.

- III. There is a major/material difference in what Yolo County says there are in El Macero CSA funds and what others in El Macero believe should be in those funds. In the Three Reserve Funds and the AB8 funds alone there is a material difference. El Macero homeowner calculations for the balances in these three funds as of July 1, 2020 are:

	Balance as of 7/1/2020
Restricted: Water Fund (\$50 fee)	\$ 668,840.37
Restricted: Street Fund (\$180 fee)	\$ 1,225,298.62
Restricted: Water Well Fund (\$60 fee)	\$ 659,355.99
AB8 funds	\$ 1,678,619.04
Total	\$ 4,232,114.02

Yolo County balances are considerably lower than these. At the May 20, 2021 EMCSA Advisory Committee meeting, Tim Lien and Chad Rinde stated *“As of July 1, 2020 our 4 reserve funds combined are probably in the 1.1 – 1.2 Million dollar range.”* Why would they not have a firm accurate balance for that date? Answer: They do not report year end cumulative balances for their funds like they should be doing!

AN AUDIT IS NEEDED!

June 28, 2021

Dear LAFCO,

The Wild Wings HOA sent you a letter regarding Wild Wings switching to a Community Service District (CSD) versus our current County Service Area (CSA). We believe that a substantial amount of information in that letter is either false, partially false or over exaggerated. Please see our response in red that reflect what we believe is more accurate

Sincerely,

Wild Wings County Service Area Advisory Committee Members

June 1, 2021

Wild Wings County Service Area

Simply put, the Wild Wings Home Owners Association believes that a Community Services District, managed and directed by members of the community, would be a vast improvement over the current CSA. As a CSD, the community would have a vested interest to effectively manage the CSD. Under Yolo County, sewage rates have increased over 100% in the last three years. A directly elected Board would be accountable to the ratepayers, a process that currently does not exist. **The Fees are established through the Prop 218 process, which is voted on by the community. The County does not establish any fee increases without going through the Prop 218 process.**

Yolo County assigns a manager (with no special skills or education) to direct the CSA. There have been four managers directing the Wild Wings CSA since 2016. **Early on, we believe that the County staff assigned to the Wild Wings CSA were less than adequate, however, we don't believe this has been an issue especially in the last four years. The County managers have been doing a good job serving our community and they have been accountable and accessible.** The current CSA utilizes two contractors (*SUSP* for water & sewer and *Kemper* for golf) **and Luhdorff and Scalmanini Engineers, Ponticello Engineering, City of Davis WWTP for off hauling, Western Site contractors, Fremouw Hazardous waste haulers, Yolo Flood Control, Nelson Electric, Kirby Pump, Eaton Pump, Odel Pump, and others** to perform all of the functions except billing. **The County provides other**

services besides billing for the CSA. These services are shown on the Financial Statements and appear under the headings of:

- **Prof & Spec SVC – Auditg & Acctg (which covers annual financial audits, billing for sub-contractors, handling of tax assessments, handling of lease agreements for golf course equipment, handling the payments for permits with the state water and wastewater boards and local air boards.**
- **Prof & Spec SVC – Info Tech SVC (which covers IT tech services that are used by the WWTP servers and monitoring equipment and also the golf course computers and printers. They provide the IT equipment and the support.**
- **Prof & Spec SVC – Legal SVC (which covers attorney fees for all the contracts, review of all Requests for Proposals such as the recent tank painting, homeowner issue resolution, vetting of public announcements to the community, vetting lease agreements for golf course equipment etc.)**
- **Prof & Spec SVC – Others (which covers Management by the County CSA manager, which includes attendance at and presentations to the Board of Supervisor meetings, preparation and attendance at CSA meetings, monthly meetings with Kemper, monthly meetings with SUSP, unannounced site visits, preparation of financial documents, preparation of budgets, preparation of RFP's, assessing vendor proposals, Yolo Flood Control Fees for pond management, managing and meeting with Engineering Consultants for water and waste water functions, water meter statements (assembly of data, stuffing and mailing statements), Meetings with the Water Resource Association for drought preparedness and collaboration with other water purveyors. Posting agendas on site, reviewing meeting minutes, posting information to the web sites. Reviewing the monthly operation reports to the Regional Water Control Board, generator reports to air district, review of daily lab reports for the WWTP and water system, bio solids reports for the landfill, review and mailings of the consumer confidence reports, hazardous waste manifests for transporting used chlorine barrels, monitoring**

SCADA alarms at the plant for pump failures, high flow alarms, power outages, etc. and responses to community phone calls and emails.

We believe an active Board could easily provide direction and continuity to these vendors, far better than Yolo County has shown. We also believe that a CSD can provide the same or better level of service at the same costs as Yolo County currently charges and will submit a pro-forma budget after completion of investigating current spending.

The Wild Wings HOA filled a lawsuit against Yolo County and the utility operator in January 2019 following the failure of the Waste Water Treatment Plant WWTP in 2017. The HOA feels that the failure of the WWTP was foreseeable based on a history of poor management and control by the County. The Wild Wings Community has been forced to pay over \$1.4M in repairs as a result of decisions made by Yolo County and National O&M (operator). Yolo County refused to hold National O&M responsible for their actions,

The county collected \$94,877.39 from National for their actions. The County paid \$192,673 to National to pay the local vendors such as the pump company, and the sewage haulers, and chlorine suppliers, etc. so that the local vendors (not National) would be made whole. County council determined that it would cost less to the CSA to settle with National then to continue the suit. County also paid \$50,000 of County funds to the CSA to pay for a redundancy evaluation of the WWTP.

instead blaming a lack redundancy of WWTP system. The HOA believes there is no basis for this claim as the system had operated successfully for 13 years with many instances of repairs & service, and the County itself had accepted the WWTP system from the developer in 2004, without any reference to a lack of redundancy and no operator prior to 2017 claimed issues with the system design.

Redundancy is a concept that is used to increase reliability in emergency situations rather than for normal operations. Having redundancy reduces the chances of failure of the system when something unforeseen goes wrong. In addition, if there is no redundancy in the system it makes routine maintenance more difficult and costly to perform as there is no constructed place on site that sewage can be moved to once the 3-day capacity emergency pond is full.

Cal Am did alert the committee that it was difficult to do certain repairs without redundancy when they had to re-line the tanks on the WWTP. It was also expensive because they had to bring in portable units to keep the plant operating during the repairs.

In addition, redundancy is required by the State Water Resources Control Board for WWTP's.

As part of the litigation (1), Yolo County has agreed to the HOA request to fund an independent review of the CSA and pay for any costs associated with formation of a CSD, assuming LAFCo approves such a change. The HOA is continuing their lawsuit against National O&M & EEI for damages as a result of the 2017 WWTP failure.

Yolo County has managed the CSA for 17 years and collected over \$1.2M in fees from ratepayers. Wild Wings amounts to 68% of all CSA spending according to County records (Nov 20-21 actual). The County wants Wild Wings to support the other CSA's.

Wildwings accounts for a large percentage of the spending because they are the largest CSA in the county and the only CSA that has a tertiary wastewater treatment system in addition to 2 the wells and tank system, both of which are more expensive to operate and maintain. The County is not allowed by law to use money from one CSA to fund another CSA.

Only Yolo County has profited from this arrangement. The County has no vested interest in providing services as efficiently and effectively as possible. As long as there is no impact to the General Fund, County Staff has seen fit to waste Wild Wings residential taxes as they relate to the CSA. They (County) have failed miserably to adequately manage the CSA and there has been virtually no accountability over the years. It took the Grand Jury in 2016 to force changes to operations of the CSA, community involvement through the Advisory Committee did nothing.

There is no evidence to support that Yolo County has profited from the CSA arrangement. The County has a vested interest based on the fact the community members are voters and the Board of Supervisors (Which is our CSA's Board of Directors) are elected officials. Most of the complaints in the Grand Jury investigation were not very substantial in nature, however there were changes made by the county. One of the complaints was that there was a lack of meetings, this was correct. One reason was that there were only three people on the Advisory Committee due to people moving out of the area and the

difficulty in finding replacements to the Committee making it difficult to get a quorum at that time in order to hold a meeting.

County has covered up these issues for years and LAFCo has relied heavily on input from County Staff, not service complaints from the community when doing their reviews.

We believe that an objective review of the Wild Wings CSA will show that Yolo County is incapable of managing the CSA. Over 17 years the County through incompetence and lack of accountability, has shown itself unwilling to represent the needs of the community. Investigation will show instance after instance where it was a member of the community that had to identify an issue or problem, not the County. We believe a directly elected Board, accountable to the community as a Community Services District is the best approach going forward.

We ask LAFCo for an objective review, without influence from County Staff, who we believe have a vested interest in keeping Wild Wings a CSA. The Board of Directors and membership of the HOA endorses converting the Wild Wings County Service Area to a Community Services District.

Issues & Problems

1) Lack Of Accountability

- a. Catastrophic Failure Of WWTP in 2017 Due To Actions By County & Operator (National O&M)
- b. County Released Operator From Liability When National Threatened To Sue County (2)

County collected \$94,877.39 from National for their actions

- c. Wild Wings HOA Lawsuit A Result Of WWTP Failure And Subsequent \$1.4M In Damages To Community (3)
- d. Residents Forced To Pay 100% Of Repairs Resulting From WWTP Failure / No Cost To County

County paid \$50,000 to the CSA for a Redundancy Report

- e. Cover-Up Of Issues To LAFCo During MSR's

2) Incompetence

- a. Failure To Read & Understand Contract Provisions – SUSP Fee Increase
- b. Failure To Insure Water Meters Are Correctly Read
- c. Failure To Charge Additional Fees To Homeowners Who Overuse Water
A water overage charge of \$0.30/100 gallons is charged to residents who go over their allotment. Originally the charge was \$.06/100 gallons, but was raised through prop 218 in 2013. Refer to tax assessment information
- d. Failure To Insure Water Balance Report Is Done At Least Quarterly

A water balance is provided by SUSP and reported quarterly at the CSA meetings. Refer to the SUSP reports dated January 2021 pg 2 and April 2021 pg 4 for most current results.

- e. Failure To Identify & Charge HOA For Water Usage

The HOA water usage is being tracked and monitored by the CSA. The HOA is not being billed because the homeowners are already paying the HOA portion of the water bill through their water assessment. Refer to the 2018 Engineers Fee Report for a discussion on how the fees are structured. Homeowners pay for all water used by the community as a whole and the golf course pays for all water used by the golf course, on a percentage basis.

- f. Failure To Prevent WWTP Failure

National O&M was primarily responsible for the failure; they were warned regularly by the County to keep up with routine maintenance and repairs. For whatever reason they did not purchase necessary equipment when it was needed. They also discharged sludge into the wastewater pond where the grey water is stored before its used for irrigation on the Golf Course. Cleaning that pond was a considerable expense.

3) Gross Mismanagement

- a. Requests Made For Updated Engineers Report Beginning In 2010 Took 14 Years For Updated Engineers Report / Not Done Until 2018 **(4) The Engineers Fee Reports are now being updated on an every 5-year schedule starting in 2018. Next update is scheduled for 2023. This is now resolved**
- b. Lack Of Engineers Report Delayed Adequate Funding Of Maintenance Projects **resolved**
- c. Allowed Operator To Delay Or Cancel Necessary Maintenance Work Leading To WWTP Failure **resolved**
- d. Failure To Implement Collection Of Arsenic Fees until 2015 **Arsenic fee collection on tax assessments actually began in tax year 2012/2013. The Fee collected is**

\$241/household/yr. Multiplying \$241 x 338 households x 8 years plus interest equates to the \$685,418 that is shown on the financial records for the current balance in the arsenic fund.

- e. Failure To Provide Adequate Amount Drinking Water, Wells Need To Be Lowered

The wells were lowered in 2018 when water levels reached alarming levels. There has been no failure to provide drinking water. The county is working to ensure that that does not occur. One pump needs to be lowered due to the drought covering the western United States. The other pump is already at the bottom of the well. Planning is underway for the drilling of an additional well. It is hoped that the additional well can be installed at the Canvas Back well site so that the existing building, tank and booster pumps can be utilized for the new well. An engineering review of this option for a new well is schedule for later in June 2021.

4) Breach Of Fiduciary Responsibility

- a. History Of Ongoing Issues / Website Not Current

True, currently being updated (issue should be resolved by next week)

- b. No Reported Actual Spending For Last Fiscal Year (2019/2020)

Actual spending was reported and the financial records presented in the December 2, 2020 CSA meeting after the closing of the 2020 Fiscal Year books. Balance sheets were also provided for the 4 preceding years. Refer to meeting minutes for 12-2-2020

- c. Last Annual Spending Report On Website Is 2018/2019 (5)

- d. No County Audit Of Spending ?

- e. Actual Spending v. Budget Plan Not Aligned ?

- f. Recent Fee Increase To SUSP (Utilities Operator). Error Was \$21,000 (6)

True, previously mentioned and resolved prior to any action being taken.

- g. No Reserve Study Ever Done For Sewer Assets To Determine The Base After 2017 Failure Of WWTP. Community Has Requested Study On Several Occasions

**The Engineers Fee Report completed in 2018 after the WWTP issues calculated the amount that needed to be collected for reserves with an inflation amount to be applied. An actual annual reserve study is not required for County operated facilities, unlike HOA's, which are required to have annual reserve studies. The Engineers Fee Report states that \$200,738 plus inflation be collected each year for the WWTP reserves (Annual Capitol Replacement Costs). A full reserve study has been conducted on the CSA holdings in 2021 and the report is about to be released.
Resolved**

- h. No Reporting On Percentage Reserve Funded v. Asset Base
Not required, but will be reported by the County going forward. Resolved
- i. Cavalier Attitude When It Comes To Spending Ratepayer Funds ?
- j. Not Holding Vendors Accountable To Performance Or Service Guarantees / Warranties (water meters) ?
- k. Not Holding National O&M Responsible For 2017 WWTP Failure
Answered above
- l.

5) Grand Jury Report (2016) (This is all in the past – and has been rectified)

- a. Unresponsive Community Complaints Prompted Inquiry
- b. Scathing Report On Management & Operations Of CSA (7)
- c. Community Complained For 10 Years About CSA Manager
- d. Grand Jury Report Forced County To Replace CSA Manager & Move Accountability To Another Department
- e. Many Other Issues Regarding Communications & Co-mingling Reserve Funds

6) Prop 218 Election – June 2018

- a. County Used Scare Tactics To Determine Outcome / Porta Potties In Backyards.

When community members asked in a public meeting what the worst-case scenario *might* be if the WWTP failed to operate the County relayed information as to what had happened to another community in southern Californian

that had their WWTP fail and they had to resort to porta pottys.

- b. 140+ Voters Voted No (About 75% of total vote in favor of rejection)
The Prop 218 is a protest vote. Meaning you are only asked to vote if you are *against* the measure being proposed. *Ultimately the majority of the community did not vote against the increase and according to law, the measure passed.*
- c. Minimal Info Provided By County Prior To Vote / No Town Hall Meetings
As soon as the problems were known to the County the County reported to the CSA at the meetings beginning on February 7, 2018 that WWTP funds were being depleted and that a loan would be needed to bridge the gap, and that further information would be provided at each upcoming CSA meeting. See meeting minutes. Future Agenda Items “Address sewage treatment plant problems and costs”, posted 02-07-18.

CSA Meeting on April 4, 2018 CSA management stated that Engineers Fee report had been completed and that existing sewage fees were not adequate. That a Prop 218 would be requested from the Board of Supervisors on April 24, 2018. That all residents could come to the meeting to be heard. Budgets were also handed out at the meeting assuming that the Prop 218 passed and another showing the financial situation if the Prop 218 didn't pass. New rates were given out at the meeting

Meeting on 6-6-18 CSA management told community that a Proposition 218 fee change was mailed to residents and that the sewer fee would be going up considerably from \$1,385 to \$2,936 for 5 years and then be reduced to \$2,646 after the water loan was repaid. Refer to meeting minutes dated 6-6-18.

The minutes and the Engineers Fee Reports were all posted in a timely manner on the CSA website.

The following is an excerpt from the Prop 218 Notice that was sent to all residents.

“Due to unexpected expenses incurred in 2017-18 as a result of lack of redundancy in the wastewater treatment plant, deferred maintenance of the plant and State discharge permit compliance issues, all available sewer funds were depleted and additional funds needed to facilitate significant rehabilitation of the wastewater recycling facility to ensure continued, uninterrupted service to your homes. A temporary loan of \$450,000 from the Water Fund was necessary to address the deficit in the Sewer Fund, and will be repaid also through the sewer rate change.”

- d. Text Of 218 Notification Purposely Minimizes The 112% Rate Increase For Sewer (8) ?
- e. County Told Residents That \$450,000 Would Be Borrowed From Water Fund, Then Repaid To Cover WWTP Repairs **This is True**
Actual Cost For Repairs >\$1.4M

Residents were told in a CSA meeting on February 7, 2018 that “*Since all sewer reserves will be used and a loan is likely necessary to complete the required rehabilitation of the plant and address the Notice of Violation, we will likely have to pay back a loan and replace the reserve funds in a short time frame. Changes in fees will be discussed during the next CSA meeting.*” from the meeting minutes.

Reserves at that time were \$582,000. There was not any language that the repairs only cost \$450,000. Rather, it was stated that the reserves of \$582,000 were depleted for the repairs and that an additional amount of \$450,000 would be needed to complete repairs. Due to other issues

arising after that date additional monies were needed to finish the work. That additional money was obtained from the operating budgets during 2018 and 2019.

- f. Cover-Up By County Of Poor Maintenance Practices & No Oversight ?
- g. County Blamed Problem On Lack Of System Redundancy / Not True

As stated above, the county publicly notified the residents on May 10th, 2018 in the Propositions 218 Notice that:

“Due to unexpected expenses incurred in 2017-18 as a result of lack of redundancy in the wastewater treatment plant, deferred maintenance of the plant and State discharge permit compliance issues, all available sewer funds were depleted and additional funds needed to facilitate significant rehabilitation of the wastewater recycling facility to ensure continued, uninterrupted service to your homes. A temporary loan of \$450,000 from the Water Fund was necessary to address the deficit in the Sewer Fund, and will be repaid also through the sewer rate change.”

- h. No Tracking Of WWTP Expenses Until Request From Community
The county tracked expenses throughout the project, that was how it was determined how much money had been spent from the reserves, and how much money needed to be borrowed. Expense information was released to the community upon request.

- i. Loan Repayment Not Entered Until 2020 After Community Inquiry

7) Not Addressing Conservation Measures Adequately

- a. No Enforcement Of Overwatering
In progress, language is being prepared to present to the Board of Supervisors to see if they will adopt enforcement policies.
- b. Failure To Consider Incentives To Reduce Water Consumption During Drought

See above

8) Storm Water Collection

- a. Refusal To Have LAFCo Change CSA Designation To Include Storm Water After Acquiring Golf Course (9)

This issue was brought to the attention of the County in 2010. At that time the county investigated the options regarding the operation and ownership of the community stormdrain system. County counsel Mr. Pogledich concluded that:

“The CSA’s responsibilities are limited to facilities within the physical boundaries of the Wild Wings Golf Course.”

Refer to letter dated May 11, 2012 from Robyn Drivon (County Counsel) to Rick Fenaroli.

- b. Failure To Provide Ownership Or Control Over Parcel ADB
ADB is a lake that in conjunction with lake CO belongs to the Watts Airport. The stormwater on the eastern side of the community flows through these two lakes on its way to the Moore Canal. Watts Airport granted easement rights for the community storm drainage system as follows:

“An Easement for the purpose of digging, constructing, reconstructing, repairing and forever maintaining thereon, a drainage canal, ditch or pipeline and a detention basin of such dimensions as Grantee shall deem necessary for drainage purposes, together with the spoil banks and appurtenant structures thereof, on over and across.”

This easement was granted to Wildwings LLC. That is the company that the developer used to construct the Wildwings community. The developer has since dissolved this company prior to signing over the easement to the HOA or CSA. The other storm drainage easement that was granted to the Wildwings LLC was signed over to the HOA for all future maintenance.

Therefore, even though the CSA did not have the legal requirement to maintain the pond the CSA worked with the property owner to ensure continued access to the Watts property and paid for the maintenance work for the benefit of the community. The county is in the process of resolving the legal standing of the easement.

9) Management Turnover

a. 4 Managers in 5 Years

True, however, the HOA had 7 managers in 6 years

b. No Continuity Of Managers Or Administration

c. No Special Skills Of CSA Administrators

d. Management Of CSA Has Shifted From Public Works To Administrators Office To Community Services Over 17 Years

10) Arsenic Debacle

a. Community Requested For Years That Funds Be Collected **(10)**

b. County Ordered By State In 2009 To Develop Implementation Plan **(11)**

c. County Was Presented In 2012 Various Options For Arsenic Treatment With Pilot Plant Cost Estimated At \$20,000 v. \$300,000 Actually Spent **(12)**

Costs to date for the arsenic project are as follows:

- **\$28,650 for Production and Demand Analysis, Conceptional Design, and RFP for Vendor Treatment System for Pilot Testing. This is the total that has been spent.**

Pilot testing for 2 options are in progress and will cost about:

- **\$15,000 to test AdEdge Adsorption media**
- **\$20,000 to test Applied Process Equipment Adsorption media**

Future spending estimated for the report on the pilot testing results and the engineer's recommendations and to produce final drawings, specifications, and cost estimates so that funding can be obtained is estimated at \$96,835.

- d. RFP For Arsenic System Created In 2012, CSA Did Nothing Until 2019
(13)
- e. State Water Quality Control Board Had Agreed To Program Designed To Test Arsenic Levels While Operating Pintail Well (2012)
- f. County Waited Until 2015 To Begin Collecting For Arsenic Treatment
Already discussed – Collection began 8 years ago in 2012
- g. Have Spent Over \$300,000 For Engineering & Studies. No System Operational Today **(14)**
Already discussed above, \$28,650 has been spent, \$35,000 is in progress.

The following items have been budgeted and contracted for the future and will occur over the next couple of years. \$96,835 for design, \$25,620 for required Environmental Documentation, \$16,060 for Permitting, \$100,260 for bid solicitation, contractor questions, bid review, recommendations, pre-construction meeting and then construction including (inspection, submittal reviews, RFI,s and change order reviews, 20 bi-weekly construction meetings, and 10 milestone inspections, 4 hrs/wk of on-site inspection for 40 weeks. Followed by startup and commissioning for \$24,405, which includes training the operators, ensuring that the facility was built to the specifications and operates to code, preparations of the final reports and as-built drawings, and notifications to the state.

11) Golf Course

- a. Failure To Hold Kemper Accountable For Low Levels Of Play Prior To Covid-19
- b. Failure To Hold Kemper Accountable For Failing To Meet Income & Expense Projections
- c. Failure To Have Open Bid On Renewal Of Golf Course Contract
This was discussed at CSA meetings in the past when a community member asked. The answer was the committee didn't feel comfortable putting out the contract for bid mainly since Kemper was helping us out with cash flow. This has been resolved over time. Also, Kemper has not

raised their management fee in the 13 years they have been with us. It's very likely putting the contract out to an RFP could raise our management fees. An RFP is scheduled for 2023.

- d. Failure To Hold Golf Course Accountable For Water Use / Conservation, Including Ponds

Kemper has not put water into 10 of their 13 ponds since 2015 as part of their conservation measures. During the last drought in 2015 Kemper stopped watering all the native areas and reduced watering to the roughs by 50% which resulted in an overall reduction of about 33% of total water used on the golf course. Kemper went from using about 475,000 gallons per night in the summer to an average of about 320,000 gallons per night which resulted in an overall reduction of about 33%.

Water that is in any of the ponds on the golf course other than the first pond as you enter the community, is not from the golf course adding water to the ponds. But rather, the water is from the storm drainage system and is coming from water draining off the homeowner's lawns, going down the gutter, which then drain into the ponds. On occasion there has been water put into certain ponds to prevent odors that some community members complained about. It was discussed thoroughly at the CSA meetings to keep water in the pond at the entrance for aesthetics. The majority of the community members present were in favor of this. Plus, the water keeps the cattails in check, it cost \$10,000 to clean up the cattail's in the pond at the entrance years ago. No water is being put into any ponds currently due to the severe drought.

Failure To Investigate Cost Savings Opportunities Within Wild Wings ?

- e. Failure To Reduce Measure O Costs Below \$1,700 max

Measure O costs have fluctuated:

- **\$1,492 FY 11/12**
- **\$1,700 FY 12/13**
- **\$1,700 FY 14/15**
- **\$1,700 FY 15/16**
- **\$1,600 FY 16/17**
- **\$1,600 FY 17/18**
- **\$1,700 FY 18/19**
- **\$1,700 FY 19/20**

12) Lack Of Preparation

a. Wells Not In Proper Condition For Drought

- **The first 14 years the pumps were in operation the water levels dropped about 100 feet.**
- **The pumps were lowered by about 100 feet in 2018 and looking at historical data and taking into account future warmer temperatures, and increased pumping from other users, the CSA anticipated that the pumps would be able to operate with that additional cushion of 100 feet of water for 7 to 10 years.**
- **However, in just 2.5 years the water levels have dropped significantly, and the pumps need to be lowered again.**
- **Currently, the water level in the wells have dropped below all historical data and faster than at any time in the past.**

13) Poor Communications

a. Website Not Current

In progress

b. Historical Spending Missing

In progress

14) Failure To Plan

a. Lack Of Forward Thinking

b. No Strategic Plan

Christine Crawford

From: Georgia Cochran <glc49@sbcglobal.net>
Sent: Wednesday, July 7, 2021 5:23 PM
To: LAFCO
Subject: Municipal Services Review - Wildwings

Feedback has been requested for the current MSR being conducted by LAFCO. While I understand that the timetable may have slipped, I want to ensure that a few items that were inaccurately addressed in the prior MSR (2014) are covered again this time.

Page 7 of the prior report indicates that the area lies within the Esparto Unified School District. This is inaccurate - approximately 1/3 of the area lies within the Esparto Unified area (areas west of Wildwings Drive), the remaining two-thirds of the development (areas east of Wildwings Drive and north of Hole #16 on the Yolo Fliers Club are within the Woodland Joint Unified School District.

I hope this can be corrected in the upcoming review.

Page 12 of the prior report 'Water Capacity' indicates that our system has the capacity for an additional 89 domestic water connections - I would surely hope that this gets reviewed again - given that we are spending large \$ to lower the pumps to ensure that our community has a domestic water system, I cannot believe that this system currently has the capacity to add 90 additional connections - while that may be the case in future years to come, given the entire state's water woes and feast (drought) and famine (wet) climate that LAFCO would not somehow attest that this system has any additional capacity.

Page 13 of the report 'Wastewater Capacity' - indicates that the current system has capacity for 220 additional sewer connections. I believe this needs to be re-visited. The system was initially over designed, but given the issues of *treatment* and *odors* the wastewater plant is dealing with and the fact that during certain months of the year, the system is running above capacity - I would hope that LAFCO does not consider any ability for the current system to expand beyond the Wildwings development.

As a member of the County Service Area Advisory Committee for many years - we have received requests on multiple occasions for water and/or sewer connections - I do not know what the County's General Plan has in store for this area, but I believe it would be prudent - that if development occurs in the surrounding area, that it is not dependent upon the current Wildwings water and wastewater systems.

I may have additional comments as I am still reviewing the prior report.

Thanks for your attention.

Georgia Cochran
Wildwings resident since 2005

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Christine Crawford

From: Richard Lauckhart <lauckjr@hotmail.com>
Sent: Wednesday, September 29, 2021 12:34 PM
To: Christine Crawford
Subject: Re: Update on Public Draft of the EMCSA MSR...

Last time your consultant did a very good job. But she was independent. your failure to address the documents I provided to you is inexcusable.

Richard

From: Christine Crawford <Christine.Crawford@yolocounty.org>
Sent: Wednesday, September 29, 2021 12:32 PM
To: Richard Lauckhart <lauckjr@hotmail.com>
Subject: RE: Update on Public Draft of the EMCSA MSR...

We ensured the MSR looked into and addressed the concerns you raised.
The MSR does make reference to resident concerns.
The MSR reviews the CSA and doesn't audit your documents directly.

From: Richard Lauckhart [mailto:lauckjr@hotmail.com]
Sent: Wednesday, September 29, 2021 12:24 PM
To: Christine Crawford <Christine.Crawford@yolocounty.org>
Subject: Re: Update on Public Draft of the EMCSA MSR...

Christine-

Why was there no mention of the lawsuit or other documents I provided you in response to your request before you wrote your draft?

Simple question.

Richard

From: Christine Crawford <Christine.Crawford@yolocounty.org>
Sent: Wednesday, September 29, 2021 11:32 AM
To: Richard Lauckhart <lauckjr@hotmail.com>
Subject: RE: Update on Public Draft of the EMCSA MSR...

Richard,

Your personal attacks of me and my staff are unprofessional and unwarranted.

We will address your comments on the draft in a civil and factual manner when we circle back to the CSAs in early 2022.

I don't appreciate you attempting to manipulate other readers by your bcc. It is obvious you did so because there is no reason otherwise to email LAFCo's draft report back to me.

Christine M. Crawford, AICP
Yolo LAFCo Executive Officer
(916) 798-4618 – mobile
(530) 666-8048 – office

From: Richard Lauckhart [<mailto:lauckjr@hotmail.com>]
Sent: Wednesday, September 29, 2021 11:16 AM
To: Christine Crawford <Christine.Crawford@yolocounty.org>
Subject: Re: Update on Public Draft of the EMCSA MSR...

Christine-

I am shocked that your draft says that the County accomplishes an audit of EMCSA funds through the Annual Financial Review. You have apparently decided that the lawsuit filed by El Macero Owners for Fair Taxes lawsuit is without merit. Not surprising since Eric May is your attorney.

I am also shocked by the income statements and balance sheets you show for the last 5 years. Those are completely different than the ones I provided to you. Apparently, you have decided my income statements and balance sheets are wrong. Your report does not even mention my calculations, nor do you provide any evidence that my calculations are wrong.

It appears that Eric May and the County have hijacked this MSR.

Richard Lauckhart
President
El Macero Owners for Fair Taxes

From: Christine Crawford <Christine.Crawford@yolocounty.org>
Sent: Wednesday, September 29, 2021 10:10 AM
To: Richard Lauckhart <lauckjr@hotmail.com>
Subject: RE: Update on Public Draft of the EMCSA MSR...

Hi Richard,

The draft MSR was posted this morning. Here's the link: <https://www.yololafco.org/county-service-areas>

I don't anticipate getting back to working on the MSR for the CSAs until early 2022 – FYI.

Thanks,
Christine

From: Richard Lauckhart [<mailto:lauckjr@hotmail.com>]
Sent: Friday, September 24, 2021 6:12 PM
To: Christine Crawford <Christine.Crawford@yolocounty.org>
Subject: Update on Public Draft of the EMCSA MSR...

Christine-

When do you expect to release the Public Draft of the EMCSA MSR?

Richard Lauckhart

El Macero

916-769-6704

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Christine Crawford

From: Susan W <skilwit@gmail.com>
Sent: Monday, October 25, 2021 11:04 AM
To: LAFCO
Subject: Dunnigan County Service Area (CSA) Input

Hi,

I don't know if it's too late, but I had some input regarding the Dunnigan area.

I'm a resident of Dunnigan.

One issue I have witnessed on multiple occasions in my part of Dunnigan is the Dunnigan Creek overflowing easily during rains - flooding roads and nearby properties. It needs to be dredged deeper to handle the water capacity.

Another concern is the siren on top of the Adam's Dryer on County Road 99W. It is unnecessary due to modern communication methods, and it a constant nuisance.

Not sure if these are areas of control lafco has regarding the issues I noted, but figured I'd let you know in case they are. If possible, could you forward these issues to appropriate authorities if they are out of your realm of authority?

Thank you for your time.

Sincerely,

Susan White

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Christine Crawford

From: Richard Lauckhart <lauckjr@hotmail.com>
Sent: Friday, May 13, 2022 12:54 PM
To: Christine Crawford
Subject: Re: Your attendance tonight was very helpful....

There is some confusion on this matter. **You can ask the City of Davis who they think own the water and sewer infrastructure in El Macero.**

But from my perspective, that is not the key matter in the matter of the audit.

The key matter is whether or not the County abused their discretion when they refused to conduct and audit. And the County said they would have agreed to conduct the audit if the EMCSA Advisory Committee recommended they do so. We will soon learn how much of El Macero money the County spent on legal fees trying to avoid spending \$15,000 on an audit when the County responds to my Public Records Act request.

And at some point all those Advisory Committee members will need to be replaced because they have termed out. Hopefully at the point we can get Advisory Committee members appointed that care about the 50 members of "El Macero Owners for Fair Taxes."

Meanwhile, here is a question for you. You have scheduled a June 30 LAFCO meeting re the Stille Property Annexation to El Macero. **Can I comment on that matter in writing now? If so, how do I do that?**

Richard Lauckhart
El Macero
916-769-6704

From: Christine Crawford <Christine.Crawford@yolocounty.org>
Sent: Friday, May 13, 2022 12:32 PM
To: 'Richard Lauckhart' <lauckjr@hotmail.com>
Subject: RE: Your attendance tonight was very helpful....

Hi Richard,

Look at IV Term of Agreement lines 18-24: "all property...which shall have been operated and maintained pursuant to the provisions herein, shall remain the property of the County of Yolo acting by and through the CSA".

Thanks for sharing the agreement,
Christine

From: Richard Lauckhart <lauckjr@hotmail.com>
Sent: Thursday, May 12, 2022 9:36 PM
To: Christine Crawford <Christine.Crawford@yolocounty.org>
Subject: Your attendance tonight was very helpful....

Christine-

As usual there was very small attendance at the EMCSA AC meeting tonight. Your attendance had a very settling effect on the dynamics. People were reluctant to disrespect me with you in attendance.

Regarding the matter of who owns the water and sewer infrastructure in El Macero, I am attaching:

1) The Water Agreement between the City of Davis and Yolo County re El Macero. At III, it says the City shall finance, operated and maintain the water system as long as County makes timely payment. At III (F) it says that for each year the City operates, maintains and develops the water system County shall pay City, only from revenue derived from the County Service Area, an amount equal to the City's operation and maintenance costs. There is nothing in this agreement that says the County owns the water and infrastructure in El Macero.

2) Michael Thomas (attorney for El Macero Owners for Fair Taxes) Declaration in Audit lawsuit. This Declaration includes transcripts of the depositions of Chad Rinde and Kimberly Villa. Note, both Rinde and Villa testify that the water and sewer infrastructure located in El Macero are owned by the City of Davis. What caused the Judge to write in his opinion that the water and sewer infrastructure in El Macero is owned by Yolo County? That statement is wrong as is well understood by many in El Macero.

We can discuss further when you restart the MSR for El Macero CSA.

Richard Lauckhart
916-769-6704

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Christine Crawford

From: Richard Lauckhart <lauckjr@hotmail.com>
Sent: Thursday, July 7, 2022 11:20 AM
To: Christine Crawford
Cc: Paul Guyer; Bill Aaronson; mark.krummenacker@yolocounty.org; Mark Krummenacker
Subject: Re: Balances in EMCSA reserve funds as of June 20, 2022...
Attachments: Settlement adjusted through 2022 with AB8 Balances thru 2022.xlsx; LAFCO MSR draft comments June 2022 v5.docx

Follow Up Flag: Follow up
Flag Status: Completed

Christine-

Attached is the spreadsheet I referred to. My June 13, 2022, email to the EMCSA Advisory Committee (provided below) discusses this document.

Attached are the draft El Macero Owners for Fair taxes comments and recommendation on the LAFCO EMCSA MSR. This draft may be modified as we get further into the process.

Richard Lauckhart

From: Christine Crawford <Christine.Crawford@yolocounty.org>
Sent: Thursday, July 7, 2022 11:01 AM
To: 'Richard Lauckhart' <lauckjr@hotmail.com>
Cc: Paul Guyer <guyerjpaul@gmail.com>; Bill Aaronson <ecmaa392@gmail.com>; mark.krummenacker@yolocounty.org <mark.krummenacker@yolocounty.org>; Mark Krummenacker <Mark.Krummenacker2@yolocounty.org>
Subject: RE: Balances in EMCSA reserve funds as of June 20, 2022...

Hi Richard,

Your email mentions forwarding a spreadsheet, but I do not see it attached. Could you please resend it?

Please also go ahead and email me the El Macero Owners for Fair Taxes comments and recommendations on the LAFCo MSR and I'll start taking a look at them.

Thanks,
Christine

From: Richard Lauckhart <lauckjr@hotmail.com>
Sent: Wednesday, July 6, 2022 7:13 AM
To: Christine Crawford <Christine.Crawford@yolocounty.org>; mark.krummenacker@yolocounty.org; Mark Krummenacker <Mark.Krummenacker2@yolocounty.org>
Cc: Paul Guyer <guyerjpaul@gmail.com>; Bill Aaronson <ecmaa392@gmail.com>
Subject: Fw: Balances in EMCSA reserve funds as of June 20, 2022...

Christine and Mark-

Christine advises me that "Mark Krummenacker is already working on the 5-year financial trends for the remaining CSAs and bringing El Macero CSA up to 2022".

It sounds like there are some things happening on the El Macero CSA MSR. I do not want to miss an opportunity to bring things to your attention early in this restart process.

First, I am forwarding the email and spreadsheet I sent to the Advisory Committee on my calculations of EMCSA Reserve fund balances as of June 30, 2022. **See Email below** in which I suggest a sit down with the EMCSA Advisory Committee to go over my calculations. They have not responded to my request. The County has provided income statements and balance sheets for EMCSA funds, but they only provide the general ledger numbers and do not provide any legitimate back-up for the numbers they enter into the General Ledger. That is not legitimate accounting practice. The Advisory Committee does not ask for such back-up from Yolo County. The Advisory Committee is not properly representing El Macero homeowners including the 50 members of the non-for-profit company, "El Macero Owners for Fair Taxes.."

I offer to sit down with Mark to go over my attached spreadsheet as he brings the El Macero CSA up to 2022.

Second, the Board of "El Macero Owners for Fair Taxes" has prepared extensive comment and recommendation for the LAFCO MSR for the El Macero CSA. I would like to send that to you and meet with you about those extensive comments early enough in the restarted EMCSA MSR process that they can get proper attention. **When would you suggest I do that?**

I note that Yolo County LAFCO is one of the few LAFCOs in the state who do not have their own staff. Because of funding issues, Yolo County LAFCO relies on Yolo County staff. That may be OK for some purposes, but I find it a huge conflict of interest for Eric May to be legal counsel for LAFCO. He is Yolo County's lead lawyer in opposing my efforts to fix things such as having an audit of Yolo County funds. Mr. May is the attorney that advised NBS to not finish their report on CSA accounting procedures and to destroy all drafts. Mr. May has written many emails to me criticizing my efforts and my approach to trying to get problems fixed. I am not sure what you can do about this, but **the LAFCO Board should be made aware of the conflict of interest.**

Richard Lauckhart
President, El Macero Owners for Fair Taxes
916-769-6704

From: Richard Lauckhart
Sent: Monday, June 13, 2022 10:29 PM
To: zLIEN <timlien@sbcglobal.net>; zLYNCH <srldds@sbcglobal.net>; dcronan646@sbcglobal.net
<dcronan646@sbcglobal.net>; Sandy Uhrhammer <scuhammer40@gmail.com>; John McDonough
<jmcdonoughattyguy@yahoo.com>
Cc: Kimberly Villa <Kimberly.Villa@yolocounty.org>
Subject: Balances in EMCSA reserve funds as of June 20, 2022...

EMCSA Advisory Committee-

I have previously used Public Record Act requests to compute balances in the EMCSA reserve accounts through June 30, 2020. That balance was \$4,231,737.36.

Based on the response to my Public Record Act request to get copies of the invoices charged to these EMCSA Reserve Accounts for the next two Fiscal Year, I have now updated my calculations to June 30, 2022. The balances is now \$4,811,212.90.

Attached is the updated spreadsheet showing my calculations.

Steve Lynch recently publicly stated he spent many hours trying to understand my earlier calculations but could not figure out what I did. I suggest that Steve (and others with interest) sit down with me and my attached spreadsheet and discuss what I did and how I got my detailed numbers.

Because of the many problems I have documented regarding the 295 invoices I received from my PRA request, I did not include most of the cost from these invoices because the documents either were improperly charged to EMCSA accounts or because there was not sufficient information provided for many of the charges to agree they were properly charged. For example, there was no legitimate back-up for the legal charges expensed to the El Macero General Fund (aka AB8) account.

Let me know if you want to have a sit down to go over my attached spreadsheet so I can answer your questions.

Richard Lauckhart

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Richard Lauckhart Comments to LAFCO for current MSR review for the El Macero CSA

I. Executive Summary of these comments:

There are many problems with the EMCSA as discussed in the body of these comments. The EMCSA is supposed to be governed by the Yolo County BOS, but they delegate and are hands off. The BOS ignores comments made at their BOS meetings regarding problems with the EMCSA. It appears the BOS simply delegates its responsibilities to its staff. While they delegate, they give no written direction on how to perform the needed work. And while on Oct 26, 2017 the BOS contracted with and paid a consulting firm (NBS Government Finance Group) to perform a review of the County's process and systems for CSA's (review to be performed starting November 1, 2018 and work completed June 30, 2018), the Board inexplicably never provided any report that the consultant prepared as a result of the engagement.

Given these facts, LAFCO should recommend the following:

- 1) Change the billing for El Macero homes for water and sewer to come straight from the City of Davis...removing Yolo County from involvement. Same as is done for Willowbank CSA area.

- 2) Stop the collection of reserve funds for drilling a future well. If El Macero homeowners in the future decide they want to drill a new well (an unlikely decision) those future home owners can figure out how to fund that.

- 3) Stop the collection of reserve funds to repave the Yolo County owned streets in El Macero. The streets have just been repaved. If future home owners want to repave the streets again those future homeowners can figure out how to fund that.

- 4) Stop the water operations charge. With City of Davis doing the billing directly there is no need for this Special Assessment.

- 5) The only purpose for the EMCSA and its Advisory Committee is to deal with the AB8 funds (aka General Funds) that the state allocates to the EMCSA.

- 6) Have El Macero home owners choose the EMCSA Advisory Committee members instead of the BOS appointing them.

II. Background:

The most recent MSR report on the EMCSA was finalized on July 28, 2016. I provided extensive comment to LAFCO during their development of that MSR. The final report was very good and provided a number of excellent recommendations. But the Yolo BOS chose not to adopt most of those recommendations. They did not give any reason for failing to adopt other than saying they were not required to adopt LAFCO recommendations.

LAFCO kicked of its most recent MSR of the EMCSA on February 18, 2021. I provided several key documents to LAFCO and met with Christine Crawford and Mark Krummenacker on June 7, 2021 for an hour to elaborate on the key matters of concern.

That MSR then was formally delayed by LAFCO for a year so that LAFCO could deal with more pressing matters.

The MSR for the EMCSA restarted in the summer of 2022. Hence these comments now.

III. Body of Lauckhart Comments:

I am attaching to these comments the following documents provided to LAFCO in the spring of 2021 regarding this EMCSA MSR;

- a) Key documents I sent to LAFCO on April 1, 2021
 - a. A spreadsheet indicating the lack of progress by Yolo County on the recommendations made by LAFCO in July 28, 2016
 - b. A document entitled "The El Macero County Service Area.... Everything you need to know" dated July/August of 2020.
 - c. A Declaration of a Forensic Accountant describing the problems with EMCSA Accounting of is funds
 - d. Minutes of the meeting with Chad Rinde and members El Macero Owners for Fair Taxes regarding the need for the County to conduct an audit of EMCSA funds
- b) The agenda used for the June 7, 2021 meeting with Christine Crawford and Mark Krummenacker

I include these 2021 documents again in comments I am filing today.

Since the one-year delay of the LAFCO current MSR for the EMCSA a number of important matters have occurred as follows:

- a) Yolo County stated it would not agree to having an audit of EMCSA funds until the EMCSA Advisory Committee recommended they do so. Such an audit request by the Advisory Committee should have been a "no-brainer." But the EMCSA Advisory Committee refused to request the audit be conducted. A shocking decision by the Advisory Committee.
- b) The lawsuit demanding the legal required audit was commenced. The lawsuit pointed out that a decision to conduct and audit would not be a problem for Yolo County since the cost of the audit would be paid for from EMCSA reserve funds. But the County refused to agree to have such an audit and instead elected to charge EMCSA funds to pay for lawyers to oppose having an audit. The County chose to spend \$57,000 of our EMCSA funds to avoid having to spend \$15,000 on an audit. El Macero homeowners are shocked by this decision by Yolo County.

- c) The lawsuit asked the judge to find that Yolo County abused its discretion in deciding not to conduct an audit. He refused to find that Yolo County abused its discretion and the judge did not require the audit be conducted.
- d) Without the audit, El Macero owners are left on their own to find out where the funds they provide to Yolo County go. The Yolo County Comprehensive Financial Review (CAFR) does not provide that information.
- e) While Yolo County provides financial statements at quarterly EMCSA Advisory Committee meetings, they do not provide the supporting invoices that support entries into the General Ledger statements of the EMCSA accounts.
- f) The EMCSA Advisory Committee approves those financial statement without ever reviewing the underlying supporting invoices for those General Ledger entries. The Advisory Committee does not feel it necessary to review these details before approving the financial statements. Any prudent Advisory Committee would review these details before approving the financial statements. The EMCSA Advisory Committee is not well known in the community and does not properly represent homeowners in El Macero.
- g) Given no audit of EMCSA funds and given no other way to determine where our funds went, the only tool El Macero homeowners have to determine how much money we should have in our funds is to make Public Record Act requests.
- h) Since the YOLO BOS refuses to authorize an audit of EMCSA funds, I need to perform my own calculations of annual beginning fund balances, annual fund receipts, annual fund expenditures, interest accruals on balances, and end of year fund balances. I have previously done calculations through June 30, 2020 based on the settlement in my lawsuit in 2016 and what I learned from Public Record Act requests between 2016 and 2020.
- i) On April 12, 2022, I made a Public Record Act request to provide documents showing the expenses we have incurred in our EMCSA funds for FY 2020-2021 and FY 2020-2022. That will allow me to update my fund balances calculations through the end of this Fiscal Year.
- j) On May 24 Kimberly Villa, Community Service analyst for Yolo County, sent to me 295 invoices that were charged to our El Macero accounts. That is a lot of invoices for 2 years of charges to El Macero accounts. Most of these invoices were approved for payment from EMCSA funds by Kimberly Villa of Yolo County.
- k) In reviewing the 295 invoices that Kimberly sent to me last week, **it appears there are not good controls over the procedures Yolo County uses to perform accounting of EMCSA Funds.**
- l) I am not able to find that the BOS (*or anybody at Yolo County*) has developed written procedures/guidelines that the County has given to Kimberly Villa (and her predecessors) for how to deal with invoices provided to her/them.
- m) On October 17, 2017, Yolo County contracted with NBS Government Finance Group (NBS) to perform a formal review of the systems and procedures applicable to CSAs. I provided a number of documents to NBS. NBS promised to address the matters I provided to them in the report they performed for the County. I have not found any document that indicates what resulted from this October 17, 2017 contract between Yolo County and NBS.
- n) On May 31, 2022 I sent a Public Record Act request to Yolo County asking for:
 - 1) Any and all written procedures/guidelines that the County has given to Kimberly Villa (and her predecessors) for how to deal with invoices provided to her/them.
 - 2) Any and all documents that indicate what resulted from this October 17, 2017 contract between Yolo County and NBS.

o) On June 10, 2022 responded as follows:

“The County will provide the applicable documents that govern the CSA Manager’s processing and payment of invoices for the CSAs.” No indication of when that response would be provided.

“The request [regarding the NBS work] encompasses certain documents that are subject to the attorney-client privilege and attorney work product doctrine and are therefore exempt from disclosure under Government Code § 6254(k). In addition, the request also encompasses documents that are subject to the deliberative process privilege, and the public interest served by nondisclosure clearly outweighs the public interest served by disclosure of the record. See Gov. Code § 6255. The County has provided all non-privileged documents related to the NBS contract to your attorney in response to your subpoena dated February 5, 2019. The documents are too voluminous to e-mail, so if you are interested in receiving another copy of these documents, please submit a check made out to “County of Yolo” in the amount of \$20 to my attention at 625 Court Street, Room 201, Woodland, CA 95695, and the CD will be burned and mailed to you. If the cost to produce the copies is less than \$20, a refund will be issued.

On June 10, 2022 I responded as follows to the County’s response:

“I have in my possession all the documents provided to my attorney under his subpoena dated February 5, 2019. The information I sent to NBS was included in that response. But there was no final or draft report provided by that subpoena. I can only surmise that for some reason NBS destroyed all drafts of their report.”

Apparently, Yolo County does not intend to provide to the public any information regarding the NBS work. Why would that be?

IV. Findings:

The EMCSA is clearly a mess.

- El Macero homeowner money is being spent on (a) unnecessary legal costs, (b) costs of Yolo County having to respond to Public Record Act requests, and (c) cost of administering billings to El Macero homeowners for water and sewer service provided by the City of Davis.
- The BOS delegates its responsibilities to Yolo County staff without providing any guidance.
- The BOS hired a consultant to review their accounting process and make any suggested recommendations. The BOS never provided El Macero homeowners any draft or final report from that contract.
- The EMCSA Advisory Committee contains members that are (a) well over their term limits, (b) do not ask homeowners about matters when making recommendations to the BOS, and (c) Committee members that that are highly disrespectful to homeowners they disagree with. That kind of behavior should not be tolerated by the BOS who have appointed them to perform public business. The BOS has been advised of these problems and asked to remedy them. The BOS ignores those requests.

A major shakeup of the EMCSA needs to be made. LAFCO needs to make that recommendation.

V. Conclusion

LAFCO should recommend the following:

- 1) Change the billing for El Macero homes for water and sewer to come straight from the City of Davis...removing Yolo County from involvement. Same as is done for Willowbank CSA area.
- 2) Stop the collection of reserve funds for drilling a future well. If El Macero homeowners in the future decide they want to drill a new well (an unlikely decision) those future home owners can figure out how to fund that.
- 3) Stop the collection of reserve funds to repave the Yolo County owned streets in El Macero. The streets have just been repaved. If future home owners want to repave the streets again those future homeowners can figure out how to fund that.
- 4) Stop the water operations charge. With City of Davis doing the billing directly there is no need for this Special Assessment.
- 5) The only purpose for the EMCSA and its Advisory Committee is to deal with the AB8 funds (aka general funds) that the state allocates to the EMCSA.
- 6) Have El Macero home owners choose the EMCSA Advisory Committee members instead of the BOS appointing them.

Respectfully provided by:

Richard Lauckhart

El Macero

Editor of the El Macero "Common Sense for El Macero" newsletter

President of El Macero Owners for Fair Taxes

Christine Crawford

From: Christine Crawford
Sent: Tuesday, November 1, 2022 1:11 PM
To: 'Richard Lauckhart'
Cc: Paul Guyer; Bill Aaronson
Subject: RE: Further comments on your draft MSR...

The admin draft for the EM CSA was just posted [HERE](#) for tomorrow's advisory committee special meeting (as noted in my 10/28 email).

If you have any written (and hopefully consolidated) comments, I will be combining all the CSA MSRs and incorporating any warranted edits into a public draft that will post on the LAFCo website (to coincide with the public hearing notice published in the Davis Enterprise and Woodland Democrat on Nov 9th, 21-day notice before the 12/1 LAFCo hearing). And LAFCo will continue to take public comments up until the close of the public hearing on 12/1.

Regarding the Fire Protection Agencies MSR, I met with the East Davis FPD fire commissioners specifically.

From: Richard Lauckhart <lauckjr@hotmail.com>
Sent: Tuesday, November 1, 2022 12:15 AM
To: Christine Crawford <Christine.Crawford@yolocounty.org>
Cc: Paul Guyer <guyerjpaul@gmail.com>; Bill Aaronson <ecmaa392@gmail.com>;
mark.krummenacker@yolocounty.org; Mark Krummenacker <Mark.Krummenacker2@yolocounty.org>
Subject: Re: Further comments on your draft MSR...

We would prefer you talk with us before releasing your draft. But if you choose not to do that we assume we will be afforded the same opportunities to talk with you after you release the draft that the fire area folks requested and got.

Rich

Sent from my iPhone

On Oct 31, 2022, at 3:39 PM, Christine Crawford <Christine.Crawford@yolocounty.org> wrote:

Please see my previous email. As I have stated, LAFCo staff have reviewed all the information submitted, investigated your allegations, and will address them in the El Macero MSR.

From: Richard Lauckhart <lauckjr@hotmail.com>
Sent: Monday, October 31, 2022 3:25 PM
To: Christine Crawford <Christine.Crawford@yolocounty.org>
Cc: Paul Guyer <guyerjpaul@gmail.com>; Bill Aaronson <ecmaa392@gmail.com>;
mark.krummenacker@yolocounty.org; Mark Krummenacker <Mark.Krummenacker2@yolocounty.org>
Subject: Re: Further comments on your draft MSR...

What is disturbing to many of us is that Yolo County is charging our accounts for invoices that they should not be doing. And not carrying over unused AB8 funds. Will you be looking in to these matters? What suggestions would you have for dealing with these matters? An audit would seem to be the sensible thing to do I am unclear on why you are getting bothered by what we are asking.

Richard

Sent from my iPhone

On Oct 31, 2022, at 2:10 PM, Christine Crawford <Christine.Crawford@yolocounty.org> wrote:

Richard –

Are you really suggesting and expect others on this email string to believe that if I don't agree with your demands/allegations the only logical conclusion must be that I'm part of some corrupt conspiracy and my head should roll? I am very confident in my professional integrity. I'm open to your passionate expression of opinions but not you bullying and threatening me. As I have stated, LAFCo staff have reviewed all the information submitted, investigated your allegations, and will address them in the El Macero MSR.

As always, I will share correspondence with the LAFCo members in the staff report packet but I need to create some boundaries after these disturbing emails and I'm not going to directly engage with you further on this.

Christine

From: Richard Lauckhart <lauckjr@hotmail.com>
Sent: Sunday, October 30, 2022 3:30 PM
To: Christine Crawford <Christine.Crawford@yolocounty.org>; Paul Guyer <guyerjpaul@gmail.com>; Bill Aaronson <ecmaa392@gmail.com>; mark.krummenacker@yolocounty.org; Mark Krummenacker <Mark.Krummenacker2@yolocounty.org>
Subject: Further comments on your draft MSR...

Christine-

When it comes to Finance and Government, questions arise as to whether things are being done legitimately or is there corruption. Corruption in government is not uncommon in our country.

Who deserves our trust?

With respect to El Macero, Yolo County has to distinct parts:

- a) Yolo County general - Accounting Legitimate?
- b) EMCSA - evidence shows accounting is not legitimate!

Questions are:

- 1) Where is the EMCSA money?
- 2) Who is helping the money disappear from the EMCSA accounts?

What was the crime and who all conspired to take that money from El Macero funds?

Another question is, will LAFCO help unwind the problem? Or is LAFCO in fact a part of the conspiracy...either (a) by being asleep on the job or (b) by being an active part of the conspiracy.

El Macero homeowners are getting smarter about these matters and are **expecting** LAFCO to wake up and help address the problems. Homeowners would like to believe that LAFCO would act to stop the stealing of our money, but they are beginning to wonder if that will happen.

As I have previously mentioned, Yolo Financial reports indicate expense **amounts**, but do not provide the invoices that **support** those expenses. LAFCO itself acknowledged this fact in your last MSR for the EMCSA and recommended that Yolo County fix that problem. Yolo County has chosen not to do that. So, I had to make a Public Record Act requests for the invoices supporting the expenses charged to El Macero accounts over the last two years. It took Yolo County over two months to provide that information. They provided 295 invoices. As I have previously advised you, the majority of the money expensed to EMCCA accounts from those invoices was not properly charged to EMCSA accounts. I would expect LAFCO to investigate to see if my findings are not correct. **I would like to sit down with whoever does that investigation.**

It would be a huge injustice if LAFCO does not perform that investigation in this MSR.

Richard Lauckhart
President - El Macero Owners for Fair Taxes

From: Richard Lauckhart <lauckjr@hotmail.com>
Sent: Friday, October 28, 2022 10:40 PM
To: Christine Crawford <Christine.Crawford@yolocounty.org>; Paul Guyer <guyerjpaul@gmail.com>; Bill Aaronson <ecmaa392@gmail.com>; mark.krummenacker@yolocounty.org <mark.krummenacker@yolocounty.org>; Mark Krummenacker <Mark.Krummenacker2@yolocounty.org>
Subject: Regarding the email you sent me today about the El Macero MSR....

Christine-

Your email to me sent at 4:45 PM today indicates that you have read through my comments and made sure the MSR covers the Common Sense for El Macero issues. I am not sure what you read through but attached are two documents I

sent you on July 7, 2022, that should be addressed in your draft. It seems to me that many of the items are missing. For example, there appears to be no reference to the missing \$4 million. [*See attached excel spreadsheet and compare to Yolo County balances in these accounts.*]

Also, there is no mention of the 295 invoices that Yolo County charged our account, which invoices clearly are charging things to EMCSA accounts that should not be charged to the EMCSA accounts.

There is no mention of the LAFCO recommendations from the last MSR that Yolo County has refused to adopt. Why have LAFCO do all of this work if Yolo County simply ignores the LAFCO recommendations? While that may be technically legal, it seems that LAFCO should be pointing out the problems with your doing a lot of work and Yolo County simply deciding to ignore the work.

When the elected politicians to the Yolo BOS, (a) ignore concerns about missing EMCSA funds, (b) refuse to have an audit performed, and (c) do not respond in any way to the many comments I make to them at their Board meetings; that is intentional taking of our El Macero funds and using them for things the BOS wants to use them for rather than using them in El Macero like the BOS is supposed to be doing. **That is classic political CORRUPTION!**

LAFCO NEEDS TO AT LEAST ATTEMPT TO POINT OUT THESE PROBLEMS. [Note, when people learned that the Security and Exchange Commission (SEC) was told that Bernie Madoff was running a Ponzi Scheme, but the SEC ignored that fact for 16 years, heads eventually rolled at the SEC].

El Macero Owners for Fair Taxes feel that somebody needs to be listening to what we have learned about how the Yolo County BOS is being corrupt in its treatment of El Macero homeowners.

LAFCO is supposed to be a watch dog. If you fail to raise these points you are as problematic as was the SEC when it came to Bernie Madoff.

We look forward to your meeting with us as soon as possible.

Richard Lauckhart
President, El Macero Owners for Fair Taxes

From: Richard Lauckhart <lauckjr@hotmail.com>
Sent: Thursday, July 7, 2022 11:19 AM
To: Christine Crawford <Christine.Crawford@yolocounty.org>
Cc: Paul Guyer <guyerjpaul@gmail.com>; Bill Aaronson <ecmaa392@gmail.com>; mark.krummenacker@yolocounty.org <mark.krummenacker@yolocounty.org>; Mark Krummenacker <Mark.Krummenacker2@yolocounty.org>
Subject: Re: Balances in EMCSA reserve funds as of June 20, 2022...

Christine-

Attached is the spreadsheet I referred to. My June 13, 2022, email to the EMCSA Advisory Committee (provided below) discusses this document.

Attached are the draft El Macero Owners for Fair taxes comments and recommendation on the LAFCO EMCSA MSR. This draft may be modified as we get further into the process.

Richard Lauckhart

From: Christine Crawford <Christine.Crawford@yolocounty.org>
Sent: Thursday, July 7, 2022 11:01 AM
To: 'Richard Lauckhart' <lauckjr@hotmail.com>
Cc: Paul Guyer <guyerjpaul@gmail.com>; Bill Aaronson <ecmaa392@gmail.com>; mark.krummenacker@yolocounty.org <mark.krummenacker@yolocounty.org>; Mark Krummenacker <Mark.Krummenacker2@yolocounty.org>
Subject: RE: Balances in EMCSA reserve funds as of June 20, 2022...

Hi Richard,

Your email mentions forwarding a spreadsheet, but I do not see it attached. Could you please resend it?

Please also go ahead and email me the El Macero Owners for Fair Taxes comments and recommendations on the LAFCo MSR and I'll start taking a look at them.

Thanks,
Christine

From: Richard Lauckhart <lauckjr@hotmail.com>
Sent: Wednesday, July 6, 2022 7:13 AM
To: Christine Crawford <Christine.Crawford@yolocounty.org>;
mark.krummenacker@yolocounty.org; Mark Krummenacker
<Mark.Krummenacker2@yolocounty.org>
Cc: Paul Guyer <guyerjpaul@gmail.com>; Bill Aaronson <ecmaa392@gmail.com>
Subject: Fw: Balances in EMCSA reserve funds as of June 20, 2022...

Christine and Mark-

Christine advises me that "*Mark Krummenacker is already working on the 5-year financial trends for the remaining CSAs and bringing El Macero CSA up to 2022*".

It sounds like there are some things happening on the El Macero CSA MSR. I do not want to miss an opportunity to bring things to your attention early in this restart process.

First, I am forwarding the email and spreadsheet I sent to the Advisory Committee on my calculations of EMCSA Reserve fund balances as of June 30, 2022. **See Email below** in which I suggest a sit down with the EMCSA Advisory Committee to go over my calculations. They have not responded to my request. The County has provided income statements and balance sheets for EMCSA funds, but they only provide the general ledger numbers and do not provide any legitimate back-up for the numbers they enter into the General Ledger. That is not legitimate accounting practice. The Advisory Committee does not ask for such back-up from Yolo County. The Advisory Committee is not properly representing El Macero homeowners including the 50 members of the non-for-profit company, "El Macero Owners for Fair Taxes.."

I offer to sit down with Mark to go over my attached spreadsheet as he brings the El Macero CSA up to 2022.

Second, the Board of "El Macero Owners for Fair Taxes" has prepared extensive comment and recommendation for the LAFCO MSR for the El Macero CSA. I would like to send that to you and meet with you about those extensive comments early enough in the restarted EMCSA MSR process that they can get proper attention. **When would you suggest I do that?**

I note that Yolo County LAFCO is one of the few LAFCOs in the state who do not have their own staff. Because of funding issues, Yolo County LAFCO relies on Yolo County staff. That may be OK for some purposes, but I find it a huge conflict of interest for Eric May to be legal counsel for LAFCO. He is Yolo

County's lead lawyer in opposing my efforts to fix things such as having and audit of Yolo County funds. Mr. May is the attorney that advised NBS to not finish their report on CSA accounting procedures and to destroy all drafts. Mr. May has written many emails to me criticizing my efforts and my approach to trying to get problems fixed. I am not sure what you can do about this, but **the LAFCO Board should be made aware of the conflict of interest.**

Richard Lauckhart
President, El Macero Owners for Fair Taxes
916-769-6704

From: Richard Lauckhart
Sent: Monday, June 13, 2022 10:29 PM
To: zLIEN <timlien@sbcglobal.net>; zLYNCH <srldds@sbcglobal.net>; dcronan646@sbcglobal.net <dcronan646@sbcglobal.net>; Sandy Uhrhammer <scuhammer40@gmail.com>; John McDonough <jmcdonoughattyguy@yahoo.com>
Cc: Kimberly Villa <Kimberly.Villa@yolocounty.org>
Subject: Balances in EMCSA reserve funds as of June 20, 2022...

EMCSA Advisory Committee-

I have previously used Public Record Act requests to compute balances in the EMCSA reserve accounts through June 30, 2020. That balance was \$4,231,737.36.

Based on the response to my Public Record Act request to get copies of the invoices charged to these EMCSA Reserve Accounts for the next two Fiscal Year, I have now updated my calculations to June 30, 2022. The balances is now \$4,811,212.90.

Attached is the updated spreadsheet showing my calculations.

Steve Lynch recently publicly stated he spent many hours trying to understand my earlier calculations but could not figure out what I did. I suggest that Steve (and others with interest) sit down with me and my attached spreadsheet and discuss what I did and how I got my detailed numbers.

Because of the many problems I have documented regarding the 295 invoices I received from my PRA request, I did not include most of the cost from these invoices because the documents either were improperly charged to EMCSA accounts or because there was not sufficient information provided for many of the charges to agree they were properly charged. For example, there was no

legitimate back-up for the legal charges expensed to the El Macero General Fund (aka AB8) account.

Let me know if you want to have a sit down to go over my attached spreadsheet so I can answer your questions.

Richard Lauckhart

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Christine Crawford

From: Rick Fenaroli <borgotaro@sbcglobal.net>
Sent: Monday, November 7, 2022 10:29 AM
To: Christine Crawford
Cc: Rick Fenaroli
Subject: Wild Wings MSR

Hi Christine,

Hope this finds you well. The message board has been running your ppt for about a month. Don't know if you've had any feedback.

Regarding the community input itself, the historical complaint regarding past MSR's was that nearly all the responses used in the report came from County Staff and included no investigation of concerns or complaints from the community. Responses from the County were considered factually accurate, without checking. How can the MSR be based primarily on County input, when of course life is rosy from their perspective? They neither pay the bills nor are they accountable.

Georgia Cochran voiced her concerns at the meeting and she along with others have provided input that has not been included or acted upon. These are many of the complaints about the CSA that have continued for years. The 2015-2016 Grand Jury Report slammed the County for general management, fiscal issues, and lack of transparency. To review the contents of the 2014 MSR and compare it to the GJR, you would think it was two different entities. I will be curious as to whether there is any reference to the Grand Jury Report in this latest MSR? It was only because of the GJR that the County finally took action after years of receiving complaints.

At the October CSA meeting you witnessed discussions about the desire to remove Kemper as the manager of the golf course. Nothing is new here as the community has been complaining for years about Kemper. It now takes a crisis before we act. This is the same way the CSA has operated for years. We don't even follow parliamentary rules when it comes to voting. There are 6 members on the Board and only 3 members were present, not enough for a quorum. Yet we voted, and Staff has taken this to the Board of Supervisors as an "official" vote when it's not. This is yet another example of poor service provided by the the County.

The water delivery system (wells) have been an ongoing issue for years. The County never took proactive measures to improve the performance or volume of water from the wells until 2019 (or so) then it became a mad rush to lower pump wells or install larger motors. The collection of funds for arsenic removal was authorized back when the community was built in 2004/5, but funds were never collected until residents complained that we were operating for years with only (1) potable well. Back in 2012 residents provided multiple options for arsenic removal. The County never adopted any of the suggestions, then 8 years later hired consultants to spend residents money to study the problem and make recommendations. To date, we haven't done anything (equipment) related to arsenic.

When the WWTP failed in 2017 the County failed to hold the operator responsible. The County itself refused to accept any responsibility. If anything describes the dysfunctionality of the CSA, it was this event. In the end, the HOA had to sue the County to protect the interests of the residents. Will the MSR include any reference to the HOA suing and recovering damages from the County regarding management of the CSA?

There are countless examples of County mismanagement of the CSA and their ongoing failure to hold vendors accountable. You saw the example of Kemper's management of the golf course. Here are two others;

Last year, Staff went to the BOS with a request to increase the pay to the operator of the water/sewer system (SUSP). They asked for a 5% increase per the contract. In reality the request was for over 8.5% (\$26,000). In addition Staff had not read the contract and SUSP was only entitled to 1.4% (\$5,000). The BOS voted to approve the increase. It was only because the public questioned the fee increase that Staff realized the error and the BOS voted to rescind the fee increase. I don't remember the exact difference between what was proposed and what was actually due, but I recall something like \$21,000 additional in fees that residents would have been paying because of lack of oversight. Staff had never communicated with the CSA Advisory Committee in advance of the fee increase.

Staff just submitted an RFP for review by community members for potential utility (water/sewer) connections with other agencies. I happened to be one of the two community members who volunteered to review the proposals. The scoring only has cost as 5% of the total evaluation criteria, vendor references had more value. We were never told the costs of each proposal. When questioned, County Procurement said "it (cost) doesn't matter because there are enough funds in the grant to cover all of the proposals". As a taxpayer, I find that attitude by Staff to be completely unacceptable.

Management of the CSA is certainly better with Kim Villa, she is by far the best manager the CSA has ever had. She does a good job from my perspective. That said, there is still no ownership or accountability. As long as there is no fee impact to the general fund, the BOS rubberstamps everything they see. The County fought the inclusion of an independent voice on the CSA, finally giving the HOA representation on the CSA this year. The County still controls the other 5 seats and only selects citizens aligned with County perspectives.

The only meaningful changes in 17 years have occurred when the Grand Jury investigated the CSA. I think it's time for another "look under the hood" from an impartial 3rd party, to see what's really happening.

Regards,

Rick

Rick Fenaroli

Borgo Taro Partners PO BOX 8003, Woodland, CA 95776

borgotaro@sbcglobal.net

530.304.7149 fax 530.666.5984

Business Analysis- Project Mgt - Process Engineering - CA Lic #869065

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