

June 30, 2021

Dear Wild Wings Community,

The Wild Wings HOA sent a letter to LAFCo 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 than 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, Conceptual 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