

Corrine Zack's August 20, 2024 Statement to the County Board of Supervisors.

On 8-12-24, in public comment, I informed the LAFCO Board about the issues concerning the Plumas Eureka CSD's financial mismanagement of the sewer improvement assessments associated with my community, Eureka Springs Subdivision. I also expressed my concerns regarding the CSD's failure to properly disclose and correctly charge the fire protection fees for Eureka Springs. I provided the Board with supporting documentation.

Given that three of you gentlemen are on that board, I will briefly recap those issues and inform you of newfound information. I will also leave supporting documentation for your review.

The Plumas Eureka CSD oversees the water, sewer, and fire services for three subdivisions; Plumas Eureka Estates, Eureka Springs Subdivision, and Village at Plumas Pines.

The recorded resolution that established the initial sewer improvement assessment for Eureka Springs was \$4,500.00. From 1997 moving forward, that sum was supposed to be increased by the CPI each year. Prior to obtaining a building permit, the resolution provides an owner with only 2 payment options: 1- to pay the pro-rata share in lump sum or 2- to have their pro-rata share amortized with interest, for a period of 20 years.

The CSD doesn't refer to the sewer debt as a lump sum. They call the sewer debt "a buyout". As an incentive to pay a lesser sewer rate, the CSD encouraged me to pay "the buyout", rather than amortize the debt. I paid the buyout in the amount of \$6,321.69 and obtained my Will Serve Letter.

Earlier this year, the CSD decided to eliminate the Eureka Springs sewer improvement assessment. As a result, the owners with an existing balance AND the owners of the remaining 11 undeveloped lots, are no longer responsible for the initial improvement debt. With the elimination of the sewer assessment, when considering the buyout I paid, less the supposed savings I was supposed to receive, my calculations reveal that I overpaid the CSD \$3,078.38.

As of 7/1/2024, my annual sewer fee of \$1,431.16 was increased to \$1,640.88. The rate will continue to ~~annual~~ increase and by 2028, ~~with~~ my rate will be \$1,822.68.

annually



For those who benefited from the waived sewer assessment, their annual sewer fee of \$2,170.32 was decreased to \$1,640.88. By 2028, their rate will be the same as mine, \$1,822.68.

On 8-12-24, I went to the County Recorder's office to confirm there were no other recorded documents that concerned Eureka Springs. In my search I found Resolution 2005-50, a document that concerns the sewer improvement assessment for the Village at Plumas Pines. Based on the terms of the resolution, it's evident the CSD is mismanaging this sewer improvement assessment as well.

For example, in 2023, the correct sewer improvement assessment amount should've been \$9,148.68. However, the CSD indicates the sewer improvement assessment is a flat rate of \$3,775.00. That's a \$5,373.68 reduction! In 2023, the annual sewer fee was stated as \$2,170.32. As of July 2024, the annual sewer fee was decreased to \$1,933.68. That's a \$236.64 reduction!

Regarding the fire assessment that attaches to each Eureka Springs lot, for forty years, when an owner obtains building permit, the CSD is not charging the correct fee. The terms of the assessment are outlined in the Development Agreement, a document that is not recorded.

Fire services are critical to all of the communities that fall under the control of the CSD. My intent to bring this to your attention is NOT A DISPUTE OF THE FIRE SERVICES CHARGES. This is a plea for you all to intervene and cause the CSD to take the necessary action that will allow for the proper disclosure of the correct fire assessment amount, when the assessment will be imposed, and if applicable, the duration of the assessment. The disclosure should not be limited to existing owners. The CSD has a duty and responsibility to accurately disclose all fees and assessments in their Will Serve Letter- and to a buyer during an escrow.

The CSD is not solvent. Their 2023 – 2024 budget reveals it is borrowing funds from the water operation account to fund the district maintenance. They also removed \$20,000.00 from County tax revenue to cover district maintenance. An investigation of the CSD's practices is desperately needed now. Thank you for time.

Corrine Zack 8-20-24
Corrine Zack

Blairsdon-District 5

* DURING PUBLIC COMMENT, SUPERVISOR HAGWOOD STOPPED ME FROM COMPLETING MY STATEMENT, EVEN THOUGH I HAD NOT EXCEEDED MY ALLOTTED THREE MINUTES.

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ABOUT
HERE