

Weott Community Services District
PO Box 218
Weott, CA 95571
707-946-2367 Office
707-223-4569 Dan Arreguin-GM
707-932-0800 Bonnie Mullaney-Administrative Manager

Case #202206355- Julie Santibanez

To the Humboldt County District Attorney and whomever it may concern,

We are writing to you as the sitting board of the Weott Community Services District, asking for a resolution to case # 202206355. Our former Administrative Manager, Julie Santibanez, was suspended in December of 2022, due to allegations of embezzlement and theft of Weott CSD's funds. Based on the District's review, we are concerned and believe there is a total of \$72,783.40 of missing funds over the past 5 years. We are continuing to investigate the purchases and waiting for confirmation receipts. We currently have all bank statement information assembled available for the District Attorney's office investigation and will provide all transaction receipts as soon as we can. The District asks the District Attorney's office to utilize any and all victim restitution options available to it to attempt to recover proceeds for the District.

We are a small town with a population of 219, according to the 2020 census. We have 136 water meters, and run on a very tight budget. We have taken measures to ensure this situation never repeats. Almost our entire board is new as of November of 2022 as well as our staff. We now have an experienced General Manager and Administrative Manager, both that have deep roots in the community, with about 20 years experience in this industry. We now receive accurate quickbook and financial reports, one board member and one employee signature on checks, no debit or credit cards, an approved budget, are creating policies regarding transparency, are working on more efficient and accurate system operations, and have close communication with all government agencies related to our district business.

Our board, consisting of homeowners in this beautiful small town, and employees, are working diligently to get our services district back on track and functioning properly.

Some of the ways the missing funds and mismanagement have negatively affected us are:

- The town is understandably suspicious and skeptical about what the board is doing to fix this situation. As much as we, as a board, would like to update our friends and neighbors on the status of the investigation, we have been advised to refrain from doing so at this time. Although the case is currently pending, the lack of transparency makes it difficult for us to regain trust from our community. That creates hardship for our board and employees who are trying to create better relationships with our community members.

- The district is supposed to have savings accounts for emergencies, and system upgrades. It is non-existent as a result of the alleged theft and mismanaged funds.
- Payroll has significantly increased due to the investigation of missing funds, as well as, the reorganization of finances and customer payments. We are in dire need of a new rate structure, and infrastructure upgrades, but our funds that were allocated for these projects are now gone. We are looking at getting grants for some of those projects, but we will need an audit, which also costs money. Finding an auditor is proving difficult because of our situation and outstanding bill on our previous audit from 2021.
- There were \$40,000 in previous accounts payable that were not paid.
- The system infrastructure is in serious need of improvements. We were able to finally lift the boil water notice on 3-28-23 that was put in place on 10-20-22. It's been incredibly difficult, financially, to make improvements with no funds in our bank accounts and our vendor accounts on hold with local businesses due to non-payment. We are working on grants but that can take years. In December of 2022, our checking account was in the negative. We have almost depleted our County Fund, trying to repair the system and the organization due to our situation. We are in the middle of doing a rate study, a capital improvement plan, and a rate increase, but the process will take several months. We are running out of options and may be faced with getting a loan to get through this financial devastation.

Please assist us in regaining the trust of our community by investigating the alleged theft and embezzlement. Our small town deserves some justice and retribution. Your assistance would be greatly appreciated, and we would like to offer our support in any way possible.

Respectfully, the Board of the Weott CSD,

Board President:

Alan Aitken

Date

04/24/23

Board Members:

Callie Buck

Date

04/24/23

Marjorie French

Date

4.24.23

Dave Sundberg

Date

4/24/23

General Manager:

Dan Arreguin

Date

04/24/23

Administrative Manager:

Bonnie Mullaney

Date

4-24-23