LAW OFFICES OF E. PATRICK MORRIS

A PROFESSIONAL CORPORATION
ATTORNEYS AND COUNSELORS AT LAW

2/5/2015

Doreen Farr, County Member
Janet Wolf, County Member
Roger Aceves, City Member
Bob Orach, City Member
Craig Geyer, Special District Member
Jeff Moorhouse, Special District Member
Paul Hood, Executive Officer
SBLAFCO
105 E. Anapamu Street
Santa Barbara, CA 93101

Re: February 5, 2015 Agenda; Business Item 3, Santa Rita Hills Community Services District

Dear Members of the Commission, and Mr. Hood:

As you are well aware, my job is to protect and advance the interests of Giovanni and Clementina Cargasacchi as Trustees of the Cargasacchi Family Trust, as well as John, Laura, Peter and Mark Cargasacchi, all of whom are the owners of Cargasacchi Ranch immediately adjacent to the Santa Rita Hills Community Services District ("SRHCSD").

This office also protects John, Laura, Peter and Mark Cargasacchi owners of lots 2 and 10 of the "Lakeview Estates"; John and Paula Cargasacchi who own lots 25, 26 and 27; and Peter Cargasacchi who owns lots 30, 31 and 36. All of their properties are within the boundaries of SRHCSD and are taxed yearly to support the operations of SRHCSD. These persons pay 20% of the taxes given to SRHCSD, supposedly to spend legally, and for public good.

Once again, I am required to write to you for the record and your consideration, not well in advance of your deliberations, but at the last minute. I am forced to do so because my clients and I cannot obtain open, honest, and transparent information from either Mr. Dillon or Mr. Hood; we have to resort to making formal demands under the California Public Records Act.

That circumstance is so very unfortunate, and expensive, both for my clients, and this Commission. More importantly, it reflects poorly on the efficacy of your commission.

Based upon what we have forced Messrs. Hood and Dillon to produce, and despite our pleas that they correct the mis-information contained in the Executive Officer's ("EO") presentation to you in connection with the above item, we ask that you consider the following issues in deliberating regarding business item 3 on February 5, 2015.

The first error in the EO report is the claim by Mr. Hood that "effective the first Friday in December (December 5, 2014), there is only one sitting director on the Santa Rita Hills SRHCSD board." This information could never have been verified by the EO because it is not true, and could only have come from communications by attorney Seitz, who is know for shading the truth, when he does not ignore it entirely.

As we have previously informed this body, there never was a duly constituted Board of Directors of SRHCSD. SBLAFCO Resolution 03-13, the formation document for SRHCSD, expressly required that any director both live in and be registered to vote in the District. None of the Board members ever met those qualifications. We have provided proof of that fact to Mr. Dillon, but doubt he has shared that information with you.

Immediately after first receiving the Seitz letter of January 7, 2015 (which was withheld from us for more than a week by County counsel despite our request for prompt information), and seeing his claim that Mr. Petersen continues as a board member of SRHCSD as claimed by the EO in his report to you, I confirmed with the Santa Barbara County Elections Office that SRHCSD has no board members, all possible positions having termed out. A copy of the e-mail from the elections office confirming that no one remains on the SRHCSD board is also being sent herewith. Your Commission should find out why its EO claims there is a board member when there is not.

Further, in his report to you the EO has talked in vague terms about some "petition" to form a "successor" agency to SRHCSD, the "Santa Rita Hills Bridge & Highway District."

While it appears true that on January 15, 2015, a limited number of property owners within the Santa Rita Hills CSD submitted a "petition" for formation of a Bridge and Highway District, and Dissolution of the Santa Rita Hills Community Services District, the information you have been given by the EO about that petition is less than complete.

SBLAFCO's EO and counsel have been working for more than six months in secret with two landowners from within SRHCSD, as well as members of its former "board" and lawyers secretly hired by SRHCSD, on preparing the petition. The plan for this petition arose out of a "closed session" meeting of those claiming to be the SRHCSD "Board" in April last year, in which they publicly claimed the need to secretly meet to discuss "land

acquisition," but instead met and plotted the Bridge & Highway District petition because their false voter registration and "Declarations of Candidacy" to serve as Board members had been exposed.

When we inquired about the process SBLAFCO was engaged in with respect to this new "petition," we were told there were no documents that were required to be produced, and Messrs. Hood and Dillon claimed they could not remember what they discussed in several recently completed meetings with the petitioner and their attorneys.

What the EO's report fails to inform this Commission is that, absent the two individuals illegally circulating the petition to create yet another government entity, less than 25% of the parcels to be affected by the legally ineffective petition show any support for any "reorganization" of the now defunct Santa Rita Hills Community Services District. Not even all those who claimed to be the "board," in particular Mario Moreno and Casey Marks, even bothered to sign this "petition."

The EO's report also regurgitates attorney Seitz's false assertion that the proposed "Bridge & Highway District" is somehow "different" than the SRHCSD because it is a "landowner voter district" as opposed to a "registered voter district" like a CSD. There is not now, and never will be, any factual or legal support for such a claim. Nothing in the entire "Bridge & Highway District" law (Streets & Highways Code Section 2700 et seq.) so provides. To the contrary, that law mandates the participation of registered voters, not "landowners."

Additionally, and certainly accurately, the EO noted "The LAFCO application is incomplete at this point because it does not include a map and legal description, a processing fee and other LAFCO application requirements." Curiously, these petitioners, who have previously come before this Commission claiming to represent the "vast majority" of the parcel owners (but who could get less than 25% to sign their names), apparently could not come up with SBLAFCO's filing fee once their access to the tax money purloined by SRHCSD dried up due to our complaint to the County Auditor/Controller that SRHCSD was spending taxpayer money with no elected official oversight.

We are certain that had we not so formally complained, the private landowners controlling SRHCSD would have gone right on spending taxpayer money for the cadre of lawyers and others they amassed to condemn my clients' land, without objection from SBLAFCO based upon the recommendations of Messrs. Dillon and Hood. After all, according to them, our complaints would have been about "expenditures," which they have inaccurately advised you are not within your purview.

Although the EO reports "The applicants have been notified and have agreed to submit the items necessary to complete the application," there is no detail to support this assertion. This Commission should obtain the specifics about the "other LAFCO application requirements not yet met," and request from its EO the details of when and

how the petitioners might be deemed in compliance. Certainly my clients want to know, and Messrs. Hood and Dillon are not willing to explain to us these public facts because there is no law compelling them to do so until and unless my clients file a lawsuit against SBLAFCO.

Is that what this Commission requires, that citizens to be affected by its decisions must file lawsuits against it to obtain information that common sense, transparency of government, and simple decency require be provided? Is requiring such a lawsuit an appropriate use of the public resources? You have the power to direct your staff, particularly Messrs, Dillon and Hood, to openly and transparently promptly communicate all non-privileged material on these issues with me and my clients. Please do so.

This Commission has before it the simple fact that SRHCSD can no longer function. The owners of 9 of the 39 affected lots openly seek its dissolution in their "petition." My clients, 5 persons owning individually and collectively another 20% (8) of the 39 affected parcels seek dissolution of SRHCSD, although for different reasons. Nothing in the law requires this Commission to wait until the end of this year to resolve to perform the necessary Municipal Service Review, which can be ordered "as necessary," as a first step to dissolving this long dysfunctional, now non-functional entity.

Any suggestion by the EO that this Commission should wait a year to start to dissolve SRHCSD is simply a stalling tactic advanced in cooperation with those who subverted the SRHCSD to evade private land use restrictions to which they previously agreed (see the "Memorandum of Agreement"), so as to allow the Bridge & Highway District petitioners (whose petition is useless to form such a District under Streets & Highways Sections 2700 et seq. which does not allow such a petition until after the Board of Supervisors passes an ordinance allowing same) to try to hold on to SRHCSD's taxing authority, its "pot" of existing tax money, and the fruits of its prior, illegal expenditures, for their personal gain.

On April 10, 2015, SRHCSD will again be allowed to collect taxes it cannot spend, from persons whose land it seeks to steal, by re-inventing itself as a "Bridge & Highway District" (an entity even Mr. Dillon admitted he never heard of), with the eminent domain power to condemn my clients land, powers which this Commission denied to SRHCSD. On February 5, 2015 this Commission should take a stand against allowing that to happen.

This Commission should vote to commence a Municipal Service Review of SRHCSD, to be completed in time for this Commission to proceed at its next meeting to further the dissolution of that District, and to suspend SRHCSD's power to collect taxes pending the completion of that review, or any combination thereof. Nothing else is fair, or legal.

Thank you for your consideration of these issues,

Very truly yours,

LAW OFFICES OF E. PATRICK MORRIS

E. Patrick Morris, Esq.

Cc: Clients

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