

CONTRACT SCANDAL GROWS WATER AGENCY LOSSES MAY HIT \$1 MILLION.

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NEWHALL - The Newhall County Water District may have overpaid by as much as \$1 million to an unlicensed contractor and close friend of one of two top officials who were forced to resign, the board president said Friday.

The board had previously pegged the loss at about \$500,000.

“Right now, we're looking at a ballpark figure between a half-million (and) maybe up to a million dollars,” the board president, Randall Pfister, said.

An audit is scheduled for next week and, if necessary, will be followed by an independent, in-depth review of the books to determine whether there was any wrongdoing other than using an unlicensed contractor in violation of state law governing public agencies, two board members said.

The district, which sells water to customers in parts of Newhall, Canyon Country and Castaic, is continuing its in-house investigation and has not turned any information over to the Los Angeles County District Attorney's Office or to any other outside agency, Pfister said.

“We're addressing that in a very slow and methodical manner,” Pfister said. “We don't want a lynch-mob mentality.”

District General Manager Thomas Shollenberger and Operations Manager Jeffrey Maupin were asked to resign and placed on paid administrative leave a week ago.

Shollenberger's resignation takes effect today, and he is scheduled to turn in his district-owned Ford Explorer, the board members said. Maupin's resignation will take effect in two weeks.

Maupin's contract will expire in August and Shollenberger's in nine months, and it is possible the board will buy out both contracts, Pfister said.

Karin Russell, finance director, is temporarily running the operation under Pfister.

Thursday, the board will vote on a recommendation to replace Shollenberger and Maupin. The first step will be to run ads in trade publications to recruit job candidates, Pfister said.

Already, resumes are coming in, Pfister said. “We're a small community, and news travels fast.”