

TWO WATER OFFICIALS QUIT RESIGNATIONS COME AFTER INVESTIGATION, REPORT OF MISSPENT \$500,000.

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SANTA CLARITA - The two top officials of the Newhall County Water District resigned after a yearlong investigation found that \$500,000 was spent in violation of board policy, most of it on an unlicensed contractor.

General Manager Thomas Shollenberger and Operations Manager Jeffrey Maupin resigned Friday night, following a heated closed-door board meeting. Neither has returned phone calls since then.

Board President Randall Pfister said it was unclear whether the expenditures were a result of "incompetent" staff members or criminal misdeeds. District policy prohibits the hiring of unlicensed state contractors.

An internal investigation started by an employee and a board member is ongoing, but no outside authorities have been notified, Pfister said.

Most of the expenditures in question involve Santa Clarita Valley Construction Inc. The Castaic company received hundreds of thousands of dollars worth of NCWD contracts for paving projects, traffic control and equipment rental, agency records show.

In fact, on May 17 - one week before the five-member board was informed of the yearlong investigation and the accounting discrepancies concerning the company - the board paid the company \$366,811 for work done in March and April.

Director Lynne Plambeck said she was kept in the dark about the investigation, and thus joined the unanimous decision to pay the construction company.

"I was horrified to find out that we were investigating this company, when we had just paid them with hundreds of thousands of taxpayer dollars," she said.

During that investigation, agency officials found that Santa Clarita Valley Construction Inc. was not licensed by the state to perform construction work. State officials confirmed that Tuesday.

That could expose the Newhall County Water District - and the taxpayers - to litigation in the event of a mishap or claim.