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**From:** [REDACTED]  
**Sent:** Tuesday, November 15, 2022 11:24 PM  
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**Subject:** Letter to Financial Monitoring Committee Re SA-006-23YR Lopez Works, Inc. Horse Feeding, Box Stall Cleaning & Arena  
**Attachments:** LettertoFinancialMonitoringCommittee.pdf

Dear Financial Monitoring and Audit Committee members,

Please find a letter attached pertaining to SA-006023YR Lopez Works, Inc. Horse Feeding, Box Stall Cleaning and Arena Maintenance on the consent calendar for the Board Meeting on November 17<sup>th</sup>.

Thank you for your consideration,

Leigh-Ann Kazolas

November 15, 2022

Dear Financial Monitoring and Audit Committee,

Thank you for your comments and clarification on the board's perspective on the Equestrian Center during last week's Budget Study Session. I do, however, respectfully disagree that the Equestrian Center is a "Start Up" business. The Equestrian Center has been in business since 1979, was operated by the District as a public boarding and horse show venue until November 2003 when an RFP was issued and a contract awarded to the current operator.

In the current "Start Up" plan proposed, there is actually nothing new or innovative being added. In fact, boarded horses will be losing some of the daily services they have now and at extraordinary cost to the District. The only "Start Up" is the proposed contracting company, Lopez Works Inc (LWI) who is starting an "Equine Care and Equestrian Facility Maintenance" branch of their Street Sweeping and Commercial Cleaning company and like all start-ups, they should expect to lose money in the first few years of operation. It is obvious, however, in their proposed bid costs, which are 300-400% higher than industry standard, that they are trying to mitigate their start-up losses at great taxpayer expense. We will be presenting these facts and figures in subsequent correspondence and at the Board meeting.

We understand that the District wants to understand the costs of operations in order to make future decisions. An over-priced, piece-meal contract awarded to a private start-up is not the way to do that. There are very well-established business models of equestrian centers on public land (that also provide great public programming and host income-generating horse shows) that can provide the information you seek. Year after year, core operating and maintenance costs are covered through rental income like the current EqC has been doing for years. Capital expenses are often paid for by accrued profits. Public programming can happen from a variety of funding sources. This is a well-established income-generating public-serving industry.

The Board needs to direct Staff to halt this fiscally irresponsible proposed award. Staff needs to do their due diligence and have the proposed numbers verified by other public equestrian center operators or industry professionals to determine if LWI's numbers come close to industry standard for the daily caretaking of an equestrian center. The job structure itself needs to be questioned. The "per task" payment structure makes sense for "one-off jobs" like site cleaning after an event, but not for ongoing daily caretaking. It is not the industry standard for public boarding facilities for a reason.

Instead of the Equestrian Center being a facility that benefits the public, as was the main thrust of the Strategic Plan and impetus for this management change, it will immediately, upon award, become one that greatly benefits an inexperienced private company's expansion efforts. The contract could be restructured as an all-encompassing "Facility Caretaking Contract" and awarded at a rate commensurate with industry standards, and the currently predicted losses with which you are comfortable could instead be directed towards public programming and capital improvements and therefore achieve what we all desire - a public-serving "best-in-breed" venue for generations to come.

Sincerely,  
Leigh-Ann Kazolas