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**From:** Regina Mundekis <reggie\_mundekis@me.com>  
**Sent:** Tuesday, May 16, 2023 4:12 PM  
**To:** Michele Richards; npham@ocfairboard.com; nkovacevich@ocfairboard.com; bbagneris@ocfairboard.com; scervantes@ocfairboard.com; dlabelle@ocfairboard.com; nrubalcava-garcia@ocfairboard.com; rruiz@ocfairboard.com  
**Subject:** EQC Operating Deficit is an Illegal Gift of Public Funds

Dear Board and CEO,

The EQC is operating at a deficit which grows larger each month. The 32nd DAA is illegally subsidizing the EQC boarders. There is political pain in discussing the issue let alone acting on the issue.

The 32nd DAA is a part of California government and is not a corporation which can write off the operating deficit. The prohibition on making an illegal gift of public funds (California Constitution, Article XVI Public Finance, Section 6) applies to the 32nd DAA. No part of California government is permitted under law to subsidize activities of any person, company or any entity.

Charging EQC boarders less than actual costs incurred subsidizes the EQC boarders. Allowing EQC boarders to not pay actual costs of operations including full reimbursement for staff and other costs incurred on their behalf is a gift of public funds. It is not clear what the actual size of the illegal deficit is with reported deficit amounts appearing to be the minimum amount and not the actual amount.

A clear plan is not in place on how to both end the subsidy and to collect on the illegal operating deficit which has benefitted the EQC boarders. This is a challenging situation but time does not make the situation better.

Sincerely,

Reggie Mundekis