

Independence Ranch

Community Services District

6289 Hawk Ridge Place, San Miguel, CA 93451

www.iranchcsd.org

04.19.2025

Hello from your Independence Ranch CSD Board of Directors,

The Board is attempting to increase the road maintenance fee. Currently, every Independence Ranch parcel owner is assessed \$500/year for road maintenance. This fee has not increased in at least the last 18 years while inflation, wear and tear, and weather has damaged the CSD's budget and roads.

We are proposing to every parcel owner an increase of \$500/year for a total of \$1000 per year.

This additional money will be allocated for road repair ONLY. This increase prepares your CSD for a sustainable financial footing for road maintenance, at all levels, of the roads we all enjoy and value.

Attached is an Official Notice of Hearing and Increase as needed to be in Compliance with Prop 218 Increase Processes, an Engineering Report with spells out the necessary budget needed that dictates the need to increase the fees, an Official Ballot, return envelope.

The Official Notice also provides an explanation of the CSD's current and forecasted financial status.

We hope you will review the documents and make a decision based on your observation of the road status over time, property values, and an overall sense of pride of our community when you complete your Official Ballot and return it by the designated hearing included in the Notice.

We have done a substantial review of road and drainage conditions. A lot of roads are still in reasonable shape but the chip seal is now 10 years old and is starting to show its age and wearing thin. There are several drainage areas which were severely impacted by the wet winter of 2023-2024 which need repairing before they wash out the roads nearby. These are CSD responsibilities which we need to repair or replace. Several areas on existing roads have had multiple repairs replacing the chip with asphalt only to fail again. These areas are known and will require substantial rework.

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At the April 9 meeting we presented a summary of the road repairs needed. If you wish a copy, please email the district at ircsd2022@gmail.com and one will be sent to you. These repairs and replacement of chip seal total well over 1 million dollars, as you will see on the Engineer Report. Even with an increase in fees we will never be able to accomplish all of them, but we assure you we will try to maintain a passible road for the foreseeable future.

As you know, the Board volunteers their time spent directing the execution of repairs and rework of the CSD for your driving safety and ease. We pay the same fees as the rest of the ranch. We do this because we have a sense of pride in the way our ranch is exposed to the general public, we only ask for resources to achieve this mission.

We thank you for your support. You will receive with this explanation a vote which we ask you to return prior to the counting which will occur at our June 11, 2025 meeting as stated in the Notice herein.

Thank you,

IRCSD BOARD OF DIRECTORS

Independence Ranch
Community Services District
6289 Hawk Ridge Place, San Miguel, CA 93451
www.iranchcsd.org

**Prop 218 Notice of Public Hearing Regarding
Proposed Road Maintenance Fee Rate Increase**

Attention Property Owners:

This notice is intended to inform you that the Independence Ranch Community Services District (the "CSD") will hold a special meeting regarding a Road Maintenance Fee Rate Increase for properties within the CSD Service Area. The Proposed Rate Increase will be considered by the CSD at the date, time, and location specified below. Consistent with the requirements of Proposition 218, this notice also provides you with the following information:

- The Date, Time, and Place of the Public Hearing;
- The Reason for the Proposed Rate Increase; and
- The Basis for the Proposed Rate Increase;
- Engineers Report & Cost Analysis / Projections, and
- The Majority Protest & Ballot Tabulation Procedures.

NOTICE OF PUBLIC HEARING

The Public Hearing for the Proposed Rate Increase within the District Service Area will be held on:

Date: June 11, 2025 Time: 6:00 PM
Place: 601 12th Street, San Miguel, CA

At the Public Hearing, the Independence Ranch CSD Board of Directors will consider all public comment in support of and in opposition to the Proposed Rate Increase and whether or not a Majority Protest exists pursuant to the California Constitution (as described below). If approved, the Proposed Rate Increase would become effective on for the upcoming 2025/2026 Tax Roll Payments.

Reason for the Proposed Rate Increase

The Proposed Rate Increase is necessary for the CSD to continue to maintain the roads inside the District Service Area in a safe and sustainable manner. ***The road maintenance fees have not been increased in approximately the last 18 years.*** The factors that have contributed to the need to increase the road maintenance Assessment fee include, but are not limited to: The existing road maintenance fees have not been increased for over 18 years and therefore have not kept up with inflation; In 2014 the CSD took out a \$500,000 loan from the US Department of Agriculture in order to fund a project to chip seal the roads within the District Service Area. The existing Fee Assessment provides adequate revenue to meet the loan payment obligations and cover administrative costs but there is not adequate funding to properly maintain the roads.

Basis of the Proposed Rate Increase

Background:

Independence Ranch Community Services District (District) was formed in 1992 by a vote of the registered voters pursuant to Government Code Section 61100. The District was formed to provide road improvement and road maintenance services within the District Service Area. The District Service Area includes 125 parcels and has traditionally been used for large single-family residential lots. However, more recently, a number of parcels have been developed into small business, creating more intense traffic usage by large trucks and passenger vehicles using the District roads and have increased the maintenance needs on the more heavily traveled roads.

The District maintains approximately nine miles of private roads within the Service Area. The District is funded with an annual Fee Assessment to each parcel collected on the County Property Tax Rolls and then transmitted to the District. The roads within the Service Area were chip sealed by June 2014. This was accomplished by obtaining a \$500,000 loan from the US Department of Agriculture (USDA) Rural Development loan program. The current road maintenance Fee Assessment for each of the 125 parcels is \$500 per year. This provides an annual operating budget of \$62,500.

Our road fees were created and still are for the **special benefit to each property owner** that results in the ability for our IRCSD roads and drainage to be maintained, repaired and to facilitate the operation and costs incurred to execute the same in an on-going basis.

Current Road Conditions:

As noted above, all of the roads within the District were chip sealed in 2014. However, some of the lesser used roads were only provided a single layer chip seal while the main arterial roads were provided with a double chip seal. With below normal rainfall from 2014 - 2016, the roads held up pretty well. However, with normal and above normal rainfall the past few seasons, the continued normal use of the roads since last chip and seal and the increase in traffic and type of traffic has resulted in the condition of the roads deteriorating exponentially. The District has spent a majority of the road maintenance budget on repairing pot-holes and applying local seal coating to areas in need, but it is not enough especially in light of expense. The District Board of Directors have determined that an increased effort is needed to maintain the roads and has prepared an evaluation, recommended maintenance activities, a budget and a proposed rate structure that would support the loan repayment, administrative costs and road maintenance program budget.

Proposed Road Maintenance Program and Estimated Cost to Implement the Maintenance Program:

TOTAL NEW FEE ASSESSMENT PROPOSED FOR THE INDEPENDENCE RANCH COMMUNITY SERVICES DISTRICT INCREASE IS \$500.00 (per Assessment No.) It is generally accepted that chip seal surface roads should be re-chip sealed every 7 -9 years in order to maintain the integrity of the road. This is especially true in IRCSD since the District has invested \$500,000 to bring the dirt roads up to the current condition. The estimated cost to provide and chip seal on the District roads once every 9 years is exponentially higher than before, as well as just maintaining any new chip and seal, potholes, drainage issues and our normal budget expenses relating to the operation of IRCSD.

The Costs/Locations of the Board's best assessment of the current road repair needed is in the attached Official Licensed Engineer Report for your review and consideration.

The District's FY General Approved budget includes:

Revenues of \$125 X \$500 = \$62,500 Current Approximate Expenses (It can change a bit due to inflation changes) of

Admin Costs and Reserves	\$14,000
Debt Service	\$36,000
Road Maintenance	<u>\$12,500</u>
Total	\$62,500

How Do I Protest the Proposed Rate Increase

Pursuant to Section 6 of Article XIII D of the California Constitution, the following persons may submit a written protest against the Proposed Rate Increase to the IRCSD Board of Directors before the close of the Public Hearing referenced above.

- An owner(s) of property parcel(s) within the District Service Area. If the person(s) signing the protest/Official Ballot, as an owner, is not shown on the last equalized assessment roll as the owner of the parcel(s) then the protest/Official Ballot must contain or be accompanied by written evidence that such person signing the protest is the owner of parcel(s) receiving services;

You have the option of executing a valid written protest letter stating your reasons, however it must contain a statement that you protest the Proposed Rate Increase, the address or Assessor's Parcel Number (APN) of the parcel or parcels you own, and a signature by the owner of the parcel or parcels **along with returning your Official Ballot** within the 218 Proposed Road Maintenance Fee Rate Increase Ballot Voting Process using your Ballot as your Protest Opposition or Consent in Favor for the aforementioned fee rate increase to the IRCSD Board of Directors by the end of the hearing at the location, date and time stated at the beginning of this Notice.

Official Ballot Summary of Tabulation & Instructions

One Official Ballot per Assessee/Owner shall be counted in calculating a majority protest or Agreement to the Proposed Rate Increase subject to the requirements of Section 6 of Article XIII D of the California Constitution. Written protests will not be accepted by e-mail or by facsimile. Verbal protests will not be counted in determining the existence of a majority protest. To be counted, a protest must be received in writing by the IRCSD Board of Directors before the close of the Public Hearing referenced above.

Written protests regarding the road maintenance fee rate increase may be mailed to:

**Independence Ranch Community Services District Attn: Clerk of the Board
6289 Hawk Ridge Place San Miguel, CA 93451**

If valid Ballot protests are presented by a majority of owners of parcels within the District Service Area, then the district will not adjust/increase the rates for the services.

**INDEPENDENCE RANCH COMMUNITY SERVICES DISTRICT
ENGINEERS REPORT**

**Report on the Condition of the Roads and the Drainage in the Independence Ranch
CSD as required for a proposition 218 Vote of the Electorate**

Prepared By George W. Tracy PE

Proposition 218 requires that a registered Professional Engineer do an assessment of the current state of the facilities in the Governing District prior to an electoral vote of property owners of the District. The report must identify the parcels that will receive a special benefit and be impacted by the proposed fees, the capital costs of the improvements and/or services provided, the duration of the assessment and changes in the future for the assessment. This report will provide the state of the District currently and the responsibilities toward the costs of the maintenance roads and drainage in the future and to support the Fee Increase proposed to the Homeowners.

The table below lists the streets in the Ranch, their current condition and an estimate of the repairs needed to bring the road to a satisfactory condition for safe operation. This table was a combination of Board review, street by street, and note compilations / reports issued by the board members over the last four months on road repair, drain conditions and contractor estimates for chip sealing existing roads.

Street Name	Current Condition and Repairs	Estimated Cost of repairs
Independence Ranch Place	Pavement has several potholes; Minor repairs needed currently. Chip seal repair in 2 to 4 years. Major Drainage work needed to remove bushes and rework swales on both sides from Hawk Ridge to end; Southside from Hawk Ridge to entrance swale needs rework. Needed now in the next two years	Pavement potholes-\$2000 Drainage-\$19,000 Chip seal- \$225,000
Cerros Pioneros	Pavement has several potholes; Minor repairs needed currently. Drains appear to be working. Chip seal 4 to 5 years away.	Pavement potholes-\$2000 Chip seal -\$46,700
Hawk Ridge Place	Pavement has several potholes; Minor repairs needed currently. Future may require completion of chip seal to Sweetie lane. Future chip seal of existing in 5 or more years. Drainage needs to be resurrected on hill near Falcon way.	Pavement potholes- \$3500 Drainage-\$5600 Chip seal-\$50,000
Ojas Azure Place	Pavement has minor potholes; Chip seal is future 6-8 years away. Drainage is acceptable but several culverts need cleaning.	Pavement potholes -\$1500 Culvert cleaning-\$ 500 Chip seal-\$62,000

Avenida Trinidad Place	Pavement has several potholes; Major repair needed to replace sections subject to multiple failures. Drains require establishing swales on both sides and cleaning culverts. Future chip seal needed in the next three years	Pavement potholes-\$15,000 Drainage -\$3500 Chip seal-\$138,000
Falcon Way	Pavement has several potholes; minor repairs needed. Drainage at Hawk Ridge needs repair. Chip seal in 3 to 5 years	Pavement Potholes-\$500 Drainage see Hawk ridge above. Chip seal -\$20,000
Golden Eagle Way	Pavement has minor potholes; minor repairs needed. Drainage is acceptable. Chip seal in 8 to 10 years	Pavement Potholes-\$500 Drainage-0 Chip seal- \$36,000
Rancho Lomas Way	Pavement Has several potholes that appear to be recurring; Major repairs needed at several spots. Drain repairs needed at Valle Mirada intersections. Chip seal sections in 2 years whole road in 8.	Pavement potholes-\$5000 Drainage repair-\$2500 Chip seal- \$230,000
Valle Mirada Way	Pavement has been eroded substantially. Major repair needed. Drains at intersection with Rancho Lomas needs repair. Chip seal is mandatory soon.	Pavement repair-\$19,000 Drain repair- see Rancho Lomas above
Presidio Way	Pavement has major erosion and some potholes. Need potholes now and chip seal in 3 to 4 years Drainage from large culvert needs repair. Rip rap and large sections of recycled pavement needed	Pavement repair-\$12,000 Drainage repair \$2000
Gray Hawk Way	Pavement has a few Potholes: minor repairs needed. Drainage at Bald Eagle needs rebuilding and paving. Drainage at first culvert needs rework by owner. Chip seal in good shape needs rework in 9 to 10 years	Pothole repairs-\$500 Drainage repair- \$2500 Chip seal-\$93,000
Bald Eagle	Pavement is in need of major repairs: Potholes and cracking of repaired areas persist because of drainage conditions as this area is major route for water to Estrella river. Drains 1/3rd of Ranch area similar to Independence Ranch Place. Chip seal was the first tried when ranch was coated. Thin sections are evident.	Pavement Potholes-\$3500 Drainage repair- \$15,000 Chip seal- \$100,000

Lazy Hill Road	Pavement is class 2, Needs chip seal Drainage acceptable till intersection with Gray Hawk and Bald Eagle above. Needed in 10 years	Chip seal to properties lines \$20,000. New culvert at Gray Hawk- \$5000
Total estimated costs will be: \$1,136,800.00	Costs are staggered over 10 years	Pavement Potholes-\$29000 Drainage repairs-\$55600 Chip seal-1,051,700

The estimate can be further shown by the estimated year of execution. As shown below, using the table descriptions above as to timing. Loan payments are included in the costs to be paid as they are fixed and unlikely to be modified.

	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
potholes	15K	14k	\$10	15k	10k	15k	10k	10k	15k	20k
drainage	\$55.6 K		\$5k	5k						10k
Chip seal	7k	\$53k	\$53K	58k	69k	65k	71k	71k	70k	78k
Loan payments	\$35K	\$35K	\$35K	\$35K	\$35k	\$35k	\$35K	\$35K	\$33K	0
Current budget for repairs	\$15k	14K	\$13K	\$12K	\$12k	\$11k	\$11k	\$11k	\$12k	45K
Additional income K\$ Roads only	62.5	63.75	65	66.3	67.6	69	70.4	71.8	73.2	108

In addition, It is unlikely that all roads will need to be chip sealed as time progresses, however, only those roads that show substantial degradation will be chip sealed. Yet, in time, all roads will eventually degrade at various times and will need to be chip sealed. The cost of chip sealing will likely escalate substantially over time as well. Please keep this in mind as you review the chart above.

The board will establish these rates at their June meeting each year.

This would be the first increase in 20 years. **The board will authorize the increases if the Proposition 218 assessment passes.** The alternate to the increases is to not enact the increase. The assessment would remain at 2024 levels. The result will be a gradual continued degradation of the roads. This will greatly reduce any IRCSD Board from having the revenue needed to maintain road maintenance as well as the effects on your home and ranch values. Many streets will become as they were before as dirt roads subject to additional erosion. It is not recommended that this course of action be continued.

OFFICIAL FEE ASSESSMENT BALLOT

THIS IS THE OFFICIAL ASSESSMENT BALLOT TO AUTHORIZE THE PROPOSED ASSESSMENT FOR IRCSD. YOUR VOTE IS NEEDED TO REGISTER YOUR SUPPORT OR OPPOSITION TO THE ASSESSMENT.
THANK YOU FOR YOUR PARTICIPATION!

TOTAL NEW FEE ASSESSMENT PROPOSED FOR THE INDEPENDENCE RANCH COMMUNITY SERVICES DISTRICT INCREASE IS \$500.00 (per Assessment No.)

**PLEASE USE RETURN ENVELOPE TO MAIL
BACK YOUR VOTE TO:**

Independence Ranch Community Services
District Attn: General Manager
6289 Hawk Ridge Place
San Miguel, CA 93451-9527

ASSESSMENT NO:

ASSESSEE/OWNER INFO:

MAILING ADDRESS:

OFFICIAL ASSESSMENT BALLOT:

Select One:

- IN FAVOR OF ASSESSMENT
- OPPOSE ASSESSMENT

I hereby declare under penalty of perjury that I am the record owner of the parcel identified on this ballot or am authorized to submit a ballot on behalf of the record owner.

Signature of Property Owner

Your Name: _____ Date: _____

Ballots may be mailed or delivered in person but must be *RECEIVED* by the end of the public hearing at 6:00 PM on Wednesday June 11, 2025, at the San Miguel Senior Center, 601 12th St, San Miguel CA 93451

BEFORE PLACING YOUR BALLOT IN THE ENVELOPE, PLEASE ENSURE YOU HAVE DONE THE FOLLOWING:

**MARKED THE BALLOT
AND
SIGNED AND PRINTED YOUR NAME AND DATE**