

Dear Homeowner,

On \_\_\_\_\_ 2024 the Independence Ranch Community Service District (IRCSD) Board of Directors discussed the need to increase annual district assessments fees, not increased since 2005, largely due to external inflationary factors such as significant increases in labor and road material costs and higher costs to meet county and state guidelines. All of these factors have impeded the IRCSD's ability to properly deliver necessary road maintenance for many years.

**The IRCSD's top challenges are five-fold:**

1. Fees have only been increased once since the IRCSD's inception in 1993 when fees rose from \$350 to \$500/year in 2005 - nearly 20 years ago.
2. Since 2005, inflation has severely impacted the district's ability to maintain the roads as asphalt paving material prices have increased 240% since 2005 (Sources: Consumer Price Index - U. S. Bureau of Labor Statistics and Producer Price Index by Industry: Asphalt Paving and Roofing Materials) and the overall consumer price index has increased 2.5% a year on average and even more the last two years.
3. In 2013, a previous IRCSD Board indebted IRCSD residents to a 20-year USDA loan of \$500,000 to chip seal nearly every road in the district resulting in a debt equal to nearly 2/3 of the annual assessment collected. Although chip seal has a lifespan of 7 years before resurfacing, IRCSD residents are still committed to pay on the USDA loan another 10 years.
4. The IRCSD Board contacted the USDA to discuss loan terms and requested a two-year loan deferral or USDA grant but these two options are not available to our District until IRCSD parcel owners authorize an increase in fees first.
5. Road use has increased significantly since 2005 due to the increase in new homes and full-time residents, additional vehicles per parcel, secondary residences (ADUs) and publicly accessible businesses increasing traffic and road wear far exceeds planned capacity (which was set at one round-trip road trip per day, per parcel – only 125 trips a day)

In a poll conducted in December 2022, the majority of parcel owners responding supported a modest increase in fees — while not enough to fully meet the needs of the district it will increase the district's ability to resurface many road surfaces highlighted in the engineering report over the next five years if approved. The third-party engineering report and contractor estimate to address that work is available on our website at [iranchcsd.org](http://iranchcsd.org) for review.

To bridge the gap between owner's expectations and needed funding, the Board is proposing a ballot initiative to address higher road demand driven by parcel land use.

Under Article XIII D, section 6(c) it specifies for property-related fees that a one parcel, one vote by a registered property owner requirement be used to determine the 2/3 majority vote of the votes received is needed. If that threshold is not met, no increase can be authorized by the IRCSD Board.

The IRCSD Board voted to approve the following ballot enclosed for parcel owner consideration to validate that there is a majority interest to place a future vote to increase the parcel tax assessment as outlined in the ballot enclosed.

Respectfully submitted,  
The Independence Ranch Community Service District Board

# Official Notice, Public Notice, to determine if there is majority support to vote for a parcel assessment increase

Increase annual IRCSD assessment per parcel from \$500/annually to \$750/annually (a \$250 annual increase) per parcel within the District starting with \$150 in parcel tax assessment year 2024/25, an additional \$50 in parcel tax assessment year 2025/26 and an additional \$50 in parcel tax assessment year 2026/27

Pursuant to California Government Code Section 53753, the District is required to provide notice and a ballot for the following ballot initiative to each record owner of property within the District's area.

**1. Total amount of assessment chargeable within in the District:**

\$81,250 in 2024/25

\$87,500 in 2025/26

\$93,750 in 2026/27 and subsequent years

**2. Annual assessment per parcel:**

\$650 in 2024/25

\$700 in 2025/26

\$750 in 2026/27 and subsequent years

**3. Duration:**

Annually

**4. Reason for Assessment:** Fund road improvements outlined in the November 2023 engineering report commencing from no later than the date the new assessment fees are received by the Independence Ranch Community Service District.

**5. Public hearing date/time to consider assessment:**

\_\_\_\_\_, 2024 from 6:30 p.m. to 8:30 p.m. PT

**6. Location of public hearing:**

Pleasant Valley School

2025 Ranchita Canyon Road, San Miguel, CA 93451

Please use the enclosed envelope to mail the ballot enclosed to the District mailbox at 6289 Hawk Ridge Place, San Miguel, CA 93451. All returned ballots will be kept sealed in their envelope until the public hearing on March 15, 2024 at 6:30 p.m. PT at Pleasant Valley School located at 2025 Ranchita Canyon Road, San Miguel, CA 93451. At that time, all ballots will be publicly opened and tabulated. A vote can be changed in person prior to the end the public hearing. The increased assessment will not be imposed if the ballots submitted in opposition to the assessment exceed the ballots in favor of the assessment.

For the Board of Directors:

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Kerry Davenport, General Manager Independence Ranch Community Service District