



**El Dorado Hills**  
Community Services District

January 10, 2019

Bass Lake A Resident  
El Dorado Hills, CA 95762

**RE: BASS LAKE A – LANDSCAPE & LIGHTING ASSESMENT DISTRICT (LLAD #16)**

The El Dorado Hills Community Services District (District) hosted a meeting on January 24, 2018, for the residents of El Dorado Hills who pay into District-managed Landscape and Lighting Assessment Districts (LLADs), specifically those formed without an annual inflationary factor.

A presentation by David Taussig & Associates (DTA) provided an opportunity for residents to ask questions, receive insight to the operations and maintenance obligations provided by the District, and review available options to resolve the maintenance challenges due to insufficient funding of these LLADs.

In response to questions received during the January meeting, the District is providing general background information on the formation process and purpose of LLADs, as well as specific information related to the assessments for Bass Lake A (LLAD #16).

**BACKGROUND**

An LLAD is a funding mechanism, assessed by a levy on parcels, and created to financially assist local governments, such as the District, in providing the administration, operations and maintenance of assets within a defined boundary. Between the late 1980s and mid-1990s, the District formed several LLADs to fund the improvements, operations and maintenance of assets throughout El Dorado Hills, such as irrigation and landscape areas, street lights, fencing, entry monuments, and a variety of other park and open space facilities. The assets and funds associated with the LLADs are individually tracked within the District's budget and reported on an annual basis.

**BASS LAKE A (LLAD #16)**

Bass Lake A ("LLAD #16") was formed in 1995 and is comprised of a number of assets and maintenance areas including:

- 47,769 square feet of landscaping along Bass Lake Road, the entrance, along Alyssum Circle, and Tea Rose Drive. The landscaping includes trees, shrubs, turf, natural grass, and an irrigation system,
- 1,190 lineal feet of wooden rail fence with 27 brick pilasters along Bass Lake Road at the entrance of the project,
- 21 street lights located at the intersections in units 1 and 2,
- 11,058 square feet of concrete walkway along Bass Lake Road,
- Entry sign walls and lighting at entrance to project,
- 115 lineal feet of masonry block wall located on Bass Lake Road street side,
- Tree maintenance at the west perimeter.

At the time of formation, an inflationary factor, also referred to as a Consumer Price Index (“CPI”), was not incorporated into the assessment to fund future increasing costs related to the operations and maintenance for the above referenced assets. For the past 23 years, this has resulted in a “flat” or “level” assessment (currently \$99) to the parcels within Bass Lake A LLAD #16. The major factors supporting the need to include an inflationary adjustment in an LLAD assessment are related to the rising costs for materials, utilities, labor, etc. The exclusion of this inflationary factor has contributed to insufficient funding of the LLAD.

If LLAD #16 had been created with an inflationary factor, similar to other LLADs in the District, the maximum assessment would have increased from \$99.00 in 1995 to \$185.68 in 2018, an annual increase associated to the CPI, which ranged from 0.7% and 5% during that period of time. In order for the District to continue providing operations and maintenance at the original level of service, it is necessary to consider the following options/recommendations:

**OPTION 1**

Residents organize a Homeowners Association (HOA) and dissolve the LLAD completely. With this dissolution, the HOA would be required to manage and provide maintenance services to the area. Should the Bass Lake A residents opt to absorb maintenance operations into a newly formed HOA, formation of a “shell LLAD” would be required to ensure that if the HOA were to fail, the District has the ability to activate the LLAD to fund maintenance operations.

**OPTION 2 (recommended)**

Bass Lake A residents agree to the recommended inflationary increase to their current assessment to meet the operations and maintenance needs. This is the District’s recommended solution to maintain and preserve the current level of service.

The District is open to alternative solutions, should either of the options listed above not occur, i.e., *Option 3 – No Change*, there is important information for you to have.

Bass Lake A LLAD is one of several in this same position, where an inflationary factor was not included and funding is limited. Current regular operations and maintenance costs for LLAD #16 averages \$30,000-\$35,000 annually. In addition to regular annual maintenance, the District also refers to the “Browning Reserve Study”, a deferred maintenance report to identify and schedule repair and/or replacement of the assets within the LLAD. For several years, the District has supplemented LLAD #16 with funds from the District’s General Fund (approximately \$3,100 between years 2014 and 2019) in order to continue the regular annual maintenance.

Some scheduled repairs and/or replacement of assets have not occurred due to the present inability to increase the assessment to match the funds needed to perform that work. The current cost for these improvements is approximately \$19,000 and includes the following:

- Monument painting
- Misc landscape valve and sprinkler repair/replacement
- Turf renovation of approximately 21,000 +/- square feet at entry/walk
- Bedding header – 700 feet of bender board
- 21 street lights – LED bulb replacement
- Landscape – replace 8 trees

Directing District General funds towards backfilling the “underfunded” LLADs is not an equitable way to resolve the issue, as it causes a reduction in funding used for other District-wide obligations.

## **OTHER IMPORTANT INFORMATION AND CONSIDERATIONS – OPEN SPACE LOTS**

Before Bass Lake A was formed there it was conceptualized to have additional open space within the residential area included in the list of assets maintained. Those open space areas are identified on maps as Lots A, B, C, and they approximate 12 acres in size. Many of your homes backup to that open space. The current status of that open space is that it is overgrown and in need of maintenance. As you can see from this letter all maintenance has an associated cost, however, there are multiple problems presented with performing that maintenance. First, the property is not included in the LLAD and, secondly, the current non-CPI status of the LLAD would not provide sufficient funding to take on this additional maintenance. Should the LLAD members choose to update the CPI status, the District is also interested to find out if you would like to pursue adding this open space area into the menu of assets maintained. Both of the options presented above would afford residents an opportunity to address this unique dilemma within your residential village.

The District is seeking resolution to properly address the LLADs that are insufficiently funded. To assist in this process, your participation is requested.

### **ACTION NEEDED**

1. Complete the enclosed Response Card and return in the addressed stamped envelope provided to: El Dorado Hills CSD, 1021 Harvard Way, El Dorado Hills, Attn: Tauni Fessler, Director of Parks and Planning, or email Tauni Fessler, Director of Parks and Planning, [tfessler@edhcsd.org](mailto:tfessler@edhcsd.org) with your preference.

The District looks forward to working together with our residents to find a solution to provide the appropriate level of service with adequate funding for Bass Lake A LLAD #16, and the other LLADs that are in this same situation. The District will utilize the information collected to make decisions on how best to move forward.

Cordially,

Kevin A. Loewen, General Manager  
El Dorado Hills Community Services District

### Attachment

1. Frequently Asked Questions (FAQs)
2. Response Card



**El Dorado Hills**  
Community Services District

## **FREQUENTLY ASKED QUESTIONS (FAQs)**

### **1. How is the rate of the LLAD determined?**

Assessments are set at the time of formation of the LLAD, usually prior to the purchase of a home. These agreements are set in place between the developer and the District during the village design phase. Assessments are based on several factors including operations, maintenance, repair/replacement of assets such as irrigation and landscape areas, street lights, fencing, entry monuments, and a variety of other park and open space facilities. These costs are divided among the number of units/properties in the LLAD.

### **2. What is the assessment paying for?**

Maintenance and operations of landscape and irrigation, walkways, sign walls, street median, streetlights, fencing, landscape lighting, masonry walls and open space area. As well as, staff costs and administrative overhead, utilities, and the annual engineers assessment.

### **3. Where is this information located?**

Annually the District contracts with consulting companies to provide an Engineer's Report and Deferred Maintenance Study for assessed areas. These reports can be found on the District website at <http://eldoradohillscsd.org/about/administration-finance.html#LLADEngineersReport>

### **4. How much more would I need to pay in an assessment to allow for adequate maintenance of my areas?**

If Bass Lake A carried an inflationary factor similar to other villages in the District the escalated inflationary rate according to the Consumer Price Index (CPI) would have increased over time from \$99.00, set in 1995 to \$185.68 in 2018.

Taking into consideration LLAD #16 has a calculated reserve deficit of approximately 88% since formation; *a minimum increase of \$86.68 would be applied*, to cover present costs including current and future repairs/replacement needed.

### **5. Will I have to back-pay for all of those years?**

No. The District is looking for a solution going forward.

### **6. If I/We don't agree to the CPI, or some other solution, what will really happen?**

An equitable response would be to scale back the services and amenities to match available funding.

### **7. Will the assessment continue to increase each year? Is there a max that I will be expected to pay?**

With approval, an annual CPI adjustment to the LLAD assessment would be applied each year up to the max available to assess. The assessment amount will only be for what is needed for annual

maintenance and budgeted reserves to maintain your LLAD assets. This annual increase will ensure maintenance service remains at an appropriate level for the area.

**8. Is my response card my vote to change this?**

No. A formal voting procedure is required to change your LLAD. This step and your input is going to be utilized by District Staff to make decisions on how to proceed from this point in time.

**9.** If you have additional questions regarding this matter, please contact Tauni Fessler, Director of Parks and Planning at [tfessler@edhcsd.org](mailto:tfessler@edhcsd.org) or call (916) 614-3236.





## RESPONSE CARD

Owner Name: \_\_\_\_\_

Address: \_\_\_\_\_

Please select from the options below or write in alternative:

- Option 1** Residents organize a Homeowners Association (HOA) and dissolve the LLAD completely.
- Option 2** Bass Lake A residents agree to the recommended inflationary increase to their current assessment to meet the operations and maintenance needs.

**Other**

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

- Open Space** – Support addition of Lots A, B, C (approx. 12 acres) to be included in LLAD (please check box), or add comments above.

Delivery options:

- Mail this Response Card **By January 31, 2019** in the addressed stamped envelope to:  
El Dorado Hills Community Services District  
Attn: Tauni Fessler, Director of Parks and Planning  
1021 Harvard Way, El Dorado Hills, CA 95762
- Hand deliver this completed page to the EDHCSD Registration Office, located at 1021 Harvard Way, El Dorado Hills, CA 95762
- Scan completed Response Card to [fessler@edhcsd.org](mailto:fessler@edhcsd.org)