

Santa Lucia Community Services District

One Rancho San Carlos Road
Carmel, California 93923

April 15, 2021

DIRECTORS

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Dear Preserve Property Owner,

Each year, the Board of Directors of the Santa Lucia Community Services District (the "District") adopts a budget that includes the costs of operating and maintaining the water service, wastewater system (includes septic and sewer), as well as the maintenance and servicing of the roads and drainage facilities, security services and gate operations. This approved budget serves residents and property owners in the District and provides for capital improvements which enable the District to repair and expand these utilities and facilities, as necessary. The Board of Directors feels strongly that our revenues should grow at the slowest rate that supports both careful expense management and adequate reserves.

During the fiscal 2012-2016 planning cycle, we had capital spending of \$6.1 million and capital-like spending of \$1 million, mostly for road maintenance (for a total of \$7.1 million). During the current planning cycle (fiscal 2017-2021), we had capital spending of \$2.6 million and capital-like spending of \$3 million, split almost equally between road maintenance and the fiber optic project (for a total of \$5.6 million).

As a governmental agency, the District provides related services and activities based on the actual cost of operating and maintaining each utility and facility. To ensure full recovery of these costs and to replenish and maintain appropriate capital reserves, the District proposes to increase the annual fees for water services, wastewater systems, road/drainage maintenance, and security/gate operations. The proposed increase for water services, wastewater systems, roads/drainage maintenance and security/gatehouse operations are 4% for Fiscal Year 2021-22 and the 4% annual increase is proposed to continue for the four subsequent years, that is, through June 30, 2026, the end of FY 2025-26. This will increase the annual fees for those on sewer to \$22,126 or \$851/year for 2021/2022. For those on septic, this will increase the annual fees to \$19,879 or \$765/year for 2021/2022.

The District is also providing a Notice asking residents to consider adopting a fee to allow an increase in Fire prevention and suppression efforts. The legal description of the proposed fee is Brush Management and Fire Safety Infrastructure. The fee of \$1,411.00 per parcel would be collected annually over the next 5 years. This fee, like those discussed above, would be collected on the Monterey County tax roll.

A copy of the District Five-Year Plan is enclosed for your review. For detailed information on District budgets or to see past versions of the five- year plan, you may also refer to the CSD website: <https://www.santaluciacs.org/>

The enclosed Notices provide information regarding the proposed fees commencing with Fiscal Year 2021/2022 and the initial requirement for a public hearing. As described in the guidelines, each parcel owner may protest the fees in writing over the 45-day period. And in order to discuss the proposed fees increases and take public testimony, the Board of Directors will hold a public hearing on **June 1, 2021**, at 9:00 a.m., by Zoom. Information is included on the notices.

Following the public hearing, unless there is a written majority protest against them, the Board may approve the increased water service and wastewater system fees.

Unless there has been a majority protest against the proposals for the roads/drainage maintenance, security/gatehouse operations increase and brush management and fire safety fees, following the hearing the District will conduct a mail-ballot election to separately approve each of these four fees. Ballots will be mailed to each property owner. This process will span an additional 45-day timeframe, with ballots due back to the District on a date shown on the ballots, which will be on **July 27, 2021**. Each of the fees will then go into effect if approved by a majority of the property owners votes cast.

Please read the attached Public Hearing Notices for more information about proposed, new, or increased water service, wastewater system, road/drainage maintenance, security/gate operation and brush management and fire safety fees and the public hearing and protest procedures.

If you have any questions, please contact the District at csd@santaluciapreserve.com.

Board of Directors of the Santa Lucia Community Services District.