



County of El Dorado

OFFICE OF AUDITOR-CONTROLLER

360 FAIR LANE
PLACERVILLE, CALIFORNIA 95667-4193
Phone: (530) 621-5487 Fax: (530) 295-2535

JOE HARN, CPA
Auditor-Controller

BOB TOSCANO
Assistant Auditor-
Controller

September 30, 2022

Kevin Loewen, General Manager
El Dorado Hills Community Services District
1021 Harvard Way
El Dorado Hills, California 95762

Subject: LLADs-Your Letter Dated September 22, 2022

Kevin:

My office struggled with conflicting information we received from your district and from DTA in the summer of 2021 regarding LLADs.

The simplest example is what occurred in the summer of 2021 regarding Carson Creek LLAD #39. Lighting and Landscaping Assessment Districts (LLADs) are created pursuant to the California Streets and Highways Code. The California Streets and Highways Code is extremely clear, your Board of Directors and only your Board of Directors may set LLAD assessments. Last August your consultant, DTA, attested that "the direct charge levies have been verified for accuracy and approved by the district..." The levy for this LLAD submitted by DTA was \$13.74 per parcel. The levy ordered by your Board was \$15.74 per parcel. On August 3rd, I emailed you and Noelle Mattock inquiring about the \$2 difference. You never replied. You had your lawyer reply. Mr. Tyra wrote me and stated, "...the District is opting to levy assessments at the lesser amount of \$13.74 per parcel." There is absolutely no basis in statute for the CSD to levy anything other than what your Board ordered. Let's be clear, the action to change the assessment was illegal. The documents DTA submitted to my office violated the letter and intent of the Streets and Highways Code. Apparently, the CSD then directed DTA to stop ignoring your Board's direction and to change the levy for Carson Creek back to what your Board of Directors ordered on June 10, 2021.

Based on the events of the Summer of 2021, I determined I could not rely on the information that I received from DTA regarding your Board's specific orders regarding LLADs. Accordingly, I asked for written representations regarding the accuracy and lawfulness of the CSD's assessments from you and your Board President, Noelle Mattock. Although Noelle Mattock refused to attest and assert in writing as to the accuracy and appropriateness of the assessments, you did. Based on your willingness to provide my office with written representations, I compromised and placed your assessments on the roll. I did find it enlightening that Ms. Mattock refused to take responsibility for DTA's work product that was conducted on behalf of the Board of Directors.

On June 9, 2022, your Board adopted a resolution regarding LLAD assessments. As we both know, the Streets and Highways Code states, "immediately after the adoption of any resolution confirming... (an) assessment... the (CSD) shall file the...assessment... with the county auditor." DTA's submittal to my office was not immediate. Over 60 days later DTA delivered an electronic text file listing assessments on 15,000 different parcels.

This summer, on July 8, I again asked you and Board President Mike Martinelli for written representations regarding the CSD's LLADs. I made the right decision. Some may ask, why doesn't the County forget the occurrences of the Summer of 2021, and trust the written attestation of the CSD's out of town consultant, DTA. Let me demonstrate why. On August 9, you emailed my office stating that a number of parcels had homes on them. On August 10, DTA submitted a levy that indicated these same parcels were undeveloped lots. There is an apparent breakdown in communication between the CSD and DTA. Your Board is ultimately responsible for the appropriateness and lawfulness of your LLAD assessments. I find it interesting that your Board President, Mike Martinelli, refuses to accept any responsibility for the assessments submitted to my office by DTA in writing.

It was perfectly reasonable for my office to require written attestations from you and your Board President in the Summer of 2021, rather than rely on the electronic signature of your out-of-town consultant. Your Board is responsible for these assessments, not the consultant. It was perfectly reasonable for my office to require written attestations from you and Mr. Martinelli in the Summer of 2022.

Sincerely,


Joe Harn, CPA
Auditor-Controller