



1260 Huntington Drive Suite 104 South Pasadena, CA 91030
Office: (323)349-0865 Fax: (323)349-0875

Dillon Terrace HOA Special Assessment Notice – Sewer Replacement Project Update

Dear Homeowners,

The Board would like to provide an update regarding the **upcoming Sewer Replacement Project** and explain why a **Special Assessment** is necessary to complete this critical infrastructure repair.

Project Background

Over the past several months, the Association's construction consultant, **Ed Gibbons**, has been evaluating the condition of Dillon Terrace's sewer system. Based on his inspection and findings, the existing sewer lines are **failing and require full replacement** to prevent continued deterioration, backups, and potential damage to units.

The sewer system is **original to the property and has reached the end of its useful life**, making replacement necessary to maintain the building's plumbing infrastructure and avoid recurring emergency repairs.

Why This Project Is Necessary:

- The existing sewer lines are **deteriorated** and showing signs of **failure**.
- Continued deterioration increases the likelihood of **sewer backups and damage to units**.
- The repair requires **trenching, removal of the existing pipes, installation of new piping, and restoration of the asphalt** where excavation occurs.
- Addressing the issue now helps prevent **more extensive and significantly higher repair costs in the future**.

Why a Special Assessment Is Required

This project involves major underground infrastructure and exceeds the funds currently available in the Association's reserve accounts. Additionally, the Association does not meet the typical requirements necessary to obtain an HOA loan for this type of project.

A Special Assessment allows the Association to:

- Secure the necessary funds to complete the project in full
- Lock in contractor pricing before costs increase
- Complete the repairs in a **single coordinated construction phase**
- Protect the community's plumbing system, building integrity, and property values

Use of Assessment Funds

All funds collected through the Special Assessment will be used exclusively for the following project-related costs:

- Sewer line replacement
- Required trenching and underground installation work
- Asphalt repair or repaving in areas impacted by construction
- A contingency allowance for unforeseen underground conditions

Any funds not required for the project will be **transferred to the Association's reserve account.**

What Homeowners Can Expect

Once the Special Assessment is approved and funding is secured; construction is estimated to take **approximately four weeks**. Prior to the start of work, the contractor and consultant will provide additional notices outlining:

- Construction schedule
- Access requirements
- Temporary parking or area restrictions
- Safety precautions during the project

The Board and management appreciate your cooperation as we move forward with this necessary improvement to protect the long-term functionality and value of the community.

Should you have any questions, please don't hesitate to contact me.

Sincerely,

Monica Ruiz
Property Manager
Cardinal Management Group
323-949-2160 | monicar@cardinalmg.com