

Brian and Leslie R. Green
1490 NE Lake Drive
Lincoln City, OR 97367
Home: (541) 994-5552

August 5, 2010

Dear Lake Drive Neighbors:

I am writing today to ask if you would support improving our neighborhood by paving our roads and installing an affordable sewer line.

We could have a sewer line installed to serve Lake Drive and Voyage, and also pave Lake Drive, Voyage, and 15th Street, at a cost of approximately \$43.00 per month per lot. My discussions with many of you indicate there is more support for making both sewer and paving improvements than for doing only one or the other, so we are proceeding on the basis that the LID will be for both paving and sewer.

Until recently the topography of our neighborhood has made connecting to sewer prohibitively expensive. Now, thanks to technology that has now proved its reliability over many years of service in other parts of the state and country, the City of Lincoln City will permit us to bring a 2 inch sewer line from Lake Drive and Voyage Streets to the pump station at Regatta Grounds Park. A map is enclosed that shows the area that could be included. This sewer system would be similar to systems recently installed in other parts of Oregon, and functions basically as follows: Anything drained or flushed from the home flows into a subsurface tank on your property. The tank contains a small grinder pump. The pump grinds any solid material to fine particles allowing them to pass easily through the pump, check valve, and small diameter pump lines to the 2 inch sewer line in the road in front of your house or lot, and then to the Regatta Grounds pump station.

If you already have a home with a septic system on your lot, you would not have to hook up to sewer. But you would always have the option to do so. The hookup would NOT be mandatory unless your septic drainfield fails. If your drainfield fails, the cost of replacing it to today's standards, which you would be required to do, would likely be more than hooking up to the new sewer line anyway.

If you have an undeveloped lot, you would know that you could build and it will cost less to install and hook up to this sewer system than to install a septic system meeting today's standards. You would also have greater flexibility in determining the size, type, and location of the home you want to construct because you would not have to reserve space for a septic drainfield and repair area.

The project cost includes paving the streets. The City has assured me that, as part of this project, it will NOT also require installation of curbs, sidewalks, and storm drains as normally required when roads are paved as part of a new development. This greatly reduces the cost. Also, the City will require that we pave only a 16 foot width of roadway, and not the minimum of 40 feet normally required. This cuts the cost by another 60%. And, once the roads are paved, maintenance and repairs (including re-paving from time to time) will be the sole responsibility of the City.

To make this happen, a majority of lot owners in our neighborhood will have to sign a petition requesting the City of Lincoln City to form a Local Improvement District (LID) to install the new 2 inch sewer line and to pave the roads. Below is an estimate of the total costs, broken down into two parts: There is no up front cost to you if we get a majority vote to proceed. Part I would have to be paid initially BY EVERYONE (homeowners and undeveloped lot owners) only if and when we establish the LID to install the sewer line on Lake Drive and to pave the roads. Part II will have to be paid later ONLY IF AND WHEN you hooked up your existing or future home to sewer. The estimate of the cost of installation of the sewer line is based on an actual bid for the engineering cost, the actual installation costs (parts and labor) of other similar sewer systems, and the cost of paving roads in other areas of Lincoln City.

Part I. Estimated Costs of Installation of Sewer Line and Paving:

Engineering:	\$ 18,556.00	
Sewer Line Installation (parts and labor include a lateral sewer line to each property required by the City so the paved road will not have to be torn up every time someone connects to the sewer system):	\$ 71,400.00	
Parts and labor for connection to Regatta Grounds pump station:	\$ 7,000.00	
Paving: (Includes paving NE 15 th all the way to West Devil's Lake Road. \$81,000 if 15 th from Voyage to West Devils Lake Road is excluded.)	\$ 93,600.00	(2,925 lineal feet; 16 ft. wide; \$2.00 per sq ft.)
Lincoln City's administrative fee (10%):	\$ 15,175.00	
<u>TOTAL ESTIMATED COSTS OF INSTALLATION OF SEWER LINE AND PAVING:</u>	<u>\$205,731.00</u>	

The total cost of installing the sewer line and paving (\$205,731.00) would be divided by the number of lots served (48). This is approximately \$4,300.00 per house or lot. This cost can be paid in a lump sum or to the City in installments over ten years. The current rate on the installment method is 2.55%, so the monthly payment would be approximately \$42.00 per month per home or lot if you elect the installment method. This is the ONLY amount you would be required to pay.

Part II. Additional Costs For Undeveloped Lots or Existing Homes Converting from Septic to Sewer: (Again, Part II is voluntary. These are the charges you would have to pay only if and when you build on your bare lot OR if you decide to convert your existing septic system to sewer):

**E-One WH 231 Grinder Pump
(including polyethelene tank,
check valve, alarm system, and
and controls - all per specs required
by City - and shipping):** \$ 4,900.00

The pump has a 2-year warranty from date of installation. The annual electricity cost is approximately the same as a 40-watt light bulb. The tank has enough capacity to withstand a 3-day power outage. It also has a generator receptacle in case you want to have the capacity to withstand power outages of longer duration, and battery backup and warning diagnostics are built into the alarm system. The system is very reliable. There is no scheduled maintenance or service. That's why the City allows this system. In the unlikely event repairs are required, E-One's local distributor handles repair calls. You can get more information on the pump and this type of sewer system at www.eone.com.

Installation: \$ 2,000.00

**Lincoln City Sewer System Development
Charge (SDC) and Hook-Up Fees** \$ 5,076.00*

TOTAL FOR PART II **\$11,976.00**

*The City is actively considering permitting you to pay this SDC charge over ten (10) years in the same manner as the LID assessment IF you sign up for the SDC assessment at the same time as the LID assessment is levied. Those of you with bare lots planning to build within the next ten or even fifteen years, or those of you who intend to convert to sewer within that time frame, might consider this option.

You will not have to pay the City's monthly sewer charge unless and until you hook up your home to the sewer. You might also want to keep in mind that, if you already have a home on septic and your drainfield failed, the cost to hook up to this sewer system, even given the cost of decommissioning your septic tank and the addition of the City's monthly sewer charge, would probably be less than putting in a new drainfield or, more likely, a new sand-filter system or advanced technology treatment (ATT) system to meet the present requirements of Lincoln County and the Department of Environmental Quality. So, if you have an existing septic system, you would have the assurance of being able to hook up to this system in the event your drainfield fails at any time in the future. You will also be able to build additions to your home without also being required to add to your existing septic tank capacity and drainfield, if such additional capacity is even available to you.

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In addition to the benefits and advantages of sewer listed above, installing sewer systems around the lake will improve the water quality of Devils Lake because it will reduce nutrient loading that promotes weed growth in the lake. It is important to remember that the health and vitality of Devil's Lake is the most important single factor influencing our property values. Just for our own personal financial considerations, we should make sewer available in our neighborhood and provide a model for other property owners around the lake to do the same. This is the only realistic, affordable way to get it done.

I have included a stamped and self addressed postcard for you to fill out to let me know the level of your interest in pursuing these sewer and paving improvements for our neighborhood. Please take a minute to give me a "yes" or a "no".

If a majority of you indicate that you will sign a petition asking the City to construct the sewer system, I will start the LID process by circulating a Petition for you to sign requesting the City to install the sewer line and pave our roads. The City Council will then direct the City staff to prepare a report that includes the design, estimated cost of the sewer system and paving, the cost per property, and the method of assessment to fairly apportion the cost of installation of the sewer line and paving among the properties (estimated at \$42.00 per lot if you elect monthly installment payments). The City Council will then act on the report and, if the City Council adopts a resolution to install the sewer line and pave the roads, there will be a public hearing to hear testimony for or against paving our roads and installation of the proposed sewer line, the method of payment, etc.

If the Council adopts a resolution establishing the LID and providing for paving and construction of the sewer line, then the City will complete the final design for construction of these improvements, and prepare a list showing each property in the LID and the amount to be assessed against each property. This is the "Part I" cost estimated above. Each of you would then receive a notice stating the amount of the assessment and your right to state an objection to the assessment and the City Council would consider these objections at a public meeting. Thereafter, the City Council would adopt an ordinance assessing the properties in the District in accordance with the assessment list as adopted by the Council. Once all of this is complete, you would be notified to either pay the assessment in a lump sum or apply to make installment payments, as described above. If you elect to make installment payments, the City has indicated a willingness to add the LID assessment payment to your water bill, to accept an automatic payment, or to allow you to pay by separate billings. If the billing is separate, I am assured the City will consider our input regarding monthly, quarterly, semi-annual, or even annual payments.

Please let me know by mailing the enclosed card or by email (bdg@aka-law.net) within the next ten (10) days whether you support or oppose the paving of our roads and bringing this small sewer line to our area. As stated above, if there is sufficient support, I will send out the initial petition to be signed by you and then present it to the City requesting the City to initiate the formation of the LID.

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If you have any questions, please feel free to give me a call. My office number is 541-994-2744, home phone is 541-994-5552, and cell is 541-921-3150.

Sincerely,

Brian D. Green

BDG:jw

Enc.

Lake Drive Neighbors Letter.wpd