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July 26, 2012

**RE: UPDATE ON ROAD PAVING AND SEWER LID FOR LAKE DRIVE, VOYAGE AVENUE,
AND 15TH STREET**

Dear Devils Lake Neighbors:

I am writing you now to update you regarding the effort to make sewer available to existing homes and undeveloped lots and to pave the roads in our neighborhood through a Local Improvement District (LID). As you know, the City required a petition signed by the owners of a majority of the properties in the proposed District to start the process. We filed the petition in February of 2011 signed by approximately 75% of you. The Lincoln City Council acted on the petition and voted unanimously to retain and pay an engineer to determine the feasibility and costs for the project. The engineer completed his comprehensive report in April of 2012. The engineer's report was very thorough and favorable to this project and was consistent with the requirements and cost estimates stated in my original letter to you.

The next step is for the City Council to review the engineer's report and to vote on whether to approve the report as filed, or to approve it with modifications, or to require further information; or to abandon the proposed project. In making its decision, the City Council will undoubtedly consider very carefully the recommendations of the City staff. There will be a public hearing prior to a decision by the City Council, but a favorable recommendation from the City staff is very helpful, if not necessary, to persuade the Council to approve the project. Since the engineer's report was issued, I have been having discussions with the engineer, City Council members, the City Manager, and other City staff to resolve issues that arose after my last letter to you and again after the engineer completed his report. The results of the engineer's report and my discussions with him and the City folks are as follows:

1. Costs.
 - A. LID Sewer Line and Paving.

The costs estimated by the engineer and the City for paving and the installation of the sewer line are about the same as estimated in my original letter to you. Fifty-eight lots (including existing homes) will have sewer made available, and there are forty-four lots on the three streets (15th, Voyage, and Lake Drive) that will be paved. A map showing the planned "Sewer Only" and "Sewer and Pavement" properties is enclosed. One lot next to the Regatta Ground already has sewer so it will be "Pave Only".

The engineer estimates the cost for paving at \$3,175.00 per lot and the cost for the sewer line \$3,397.00 per lot. The City will hire and pay the contractors and will make the actual assessment after completion of the work when the exact costs are known. I have been able to arrange for the City to obtain private financing from a local bank for fifteen years at four percent (4%) interest. These terms will be passed through by the City to the individual property owners. That is, if you finance your assessment and your property is assessed for sewer only, the monthly payment to the City would be approximately \$25.00 per month including 4% interest and would pay off over 15 years. For those receiving both paving and the sewer line in front of their lots, the monthly payment is estimated to be \$49.00 per month.

The availability of private financing is important. That makes it easier for the City to assist other neighborhoods to do similar sewer LIDs around the lake without tying up the City's own funds for which there are other competing needs. For this reason, the City staff has recommended waiver of the City's normal two percent (2%) interest rate "add on" for its services in facilitating assessment financing and collection. This effectively reduces our interest rate from six percent (6%) to the four percent(4%) rate noted above.

B. Sewer Hook-Up Costs.

As of today, the engineer estimates the cost to hook up an existing or new home to the new sewer line as follows:

Engineering for sewer hookup:	\$ 1,400.00
Site Work:	
Tank Excavation and back fill	\$ 1,000.00
Sewer and Power Trenching (60 ft. X \$20)	\$ 1,200.00
Sewer Pump and Tank :	\$ 4,200.00
Installation:	\$ 1,000.00
Control & Alarm Panels	\$ 460.00
Electrician	\$ 600.00
Decommissioning existing septic system (If applicable):	\$ 400.00
Sewer Connection Inspection:	<u>\$ 100.00</u>
 SUB-TOTAL FOR HOOK -UP COSTS:	 \$10,360.00
 Lincoln City's Sewer System Development Charge (SDC):	 <u>\$ 5,573.00</u>
 TOTAL SEWER HOOK-UP COSTS:	 \$15,933.00

Note: In addition to the financing available for the LID sewer line and paving, and as an incentive for early connection, the City may allow property owners to elect at the outset to pay the sewer system development charge (SDC) over fifteen years as well. The City

has not yet made a decision on this point. The engineer recommends that the property owners individually finance the balance of the costs for their own sewage pump, tank and equipment, and construction (a total of \$10,360.00) because these improvements would become part of your property's equity and should logically be financed out-of-pocket, or with a small mortgage or home equity loan if necessary.

2. Sewer Connection Requirement

As stated previously, the owners of existing homes will not be required to hook up to the sewer line immediately. However, the biggest point of contention since the engineer issued his report has been whether or not the City would require existing homes to connect to the sewer by a certain date in the future. The Oregon Department of Environmental Quality (DEQ) and Lincoln County (which contracts with DEQ to enforce septic system requirements locally) would generally not require the owner of an existing home to hook up after installation of the sewer line unless and until that owner's existing septic system failed. The engineer recommended in his report that the City should avoid requiring all existing homes to connect within an established time frame. However, Lincoln City has an ordinance requiring hook up within 120 days of installation of the sewer line. City staff had originally agreed to recommend a waiver of this requirement and the City staff is still agreeable to recommending a waiver of that 120-day requirement to the City Council, but the staff feels strongly that the City should incorporate some requirement for a "must connect" date.

After much discussion with the City Manager, City staff, and some City Council members, it became apparent to me that the City Manager and/or City staff would not recommend approval of the sewer/paving LID, nor would the City Council be inclined to approve the project, without a future "must connect" date. Rather than risking abandonment of the project by the City, I agreed to recommend to you that you accept a "must connect" date of fifteen (15) years from the date the sewer line is installed, if you have an existing home. (Of course, an owner of an unimproved lot will not be required to hook up unless and until that owner decides to build a home. If an owner of an undeveloped lot never builds a home, that owner will never have to hook up to the sewer.) The City Manager initially urged a much earlier "must connect" date, but he has agreed to recommend this fifteen (15) year mandatory hook up requirement to the City Council. So, this represents a substantial compromise on the City's side as well as ours.

The other requirement insisted upon by the City Manager and City staff was that, if an existing home is sold within the 15-year period, the new owner will be required to hook up to the sewer upon purchase of the home. And, of course, DEQ and Lincoln County will still require hook up to the sewer if and when an existing septic system fails after installation of the sewer line.

In exchange for agreeing to extend the "must connect" date to fifteen years, the City will require an inspection of each existing system at five year intervals, i.e., the first inspection to be five years after the sewer line is installed and the second inspection to be ten years after the sewer line is installed. The City is presently working with the County on a mandatory septic system inspection ordinance, so an inspection may be required anyway. The cost of the inspection is estimated to be \$300 to \$500. If the inspection reveals that the septic system has failed to the extent that a repair or replacement permit is required from DEQ, the home would have to be hooked up to sewer.

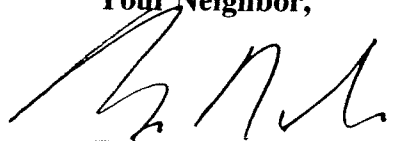
In my opinion, I think we should still support the project because the vast majority of existing septic systems in the proposed LID are more than twenty-five years old. By the time most owners of existing homes on septic are required to hook up to the sewer line, their systems will be 40 years old or more. My research indicates that the useful life of a septic system is not more than 30 years. So, almost all of the systems should be replaced within the next 15 years anyway. And at the end of the useful life of a septic system, the cost of replacing it with a septic system meeting today's requirements is likely to be equal to or greater than the cost of hooking up to sewer outlined above.

To my knowledge, there are very few systems (2 or 3?) in the proposed LID that are now less than 10 years old. The owners of those systems may be able to obtain an extension beyond 15 years to hook up to sewer. This is undecided at this time so those of you with such younger systems who would like to have an extension should make your views known now and at the public hearing on this project.

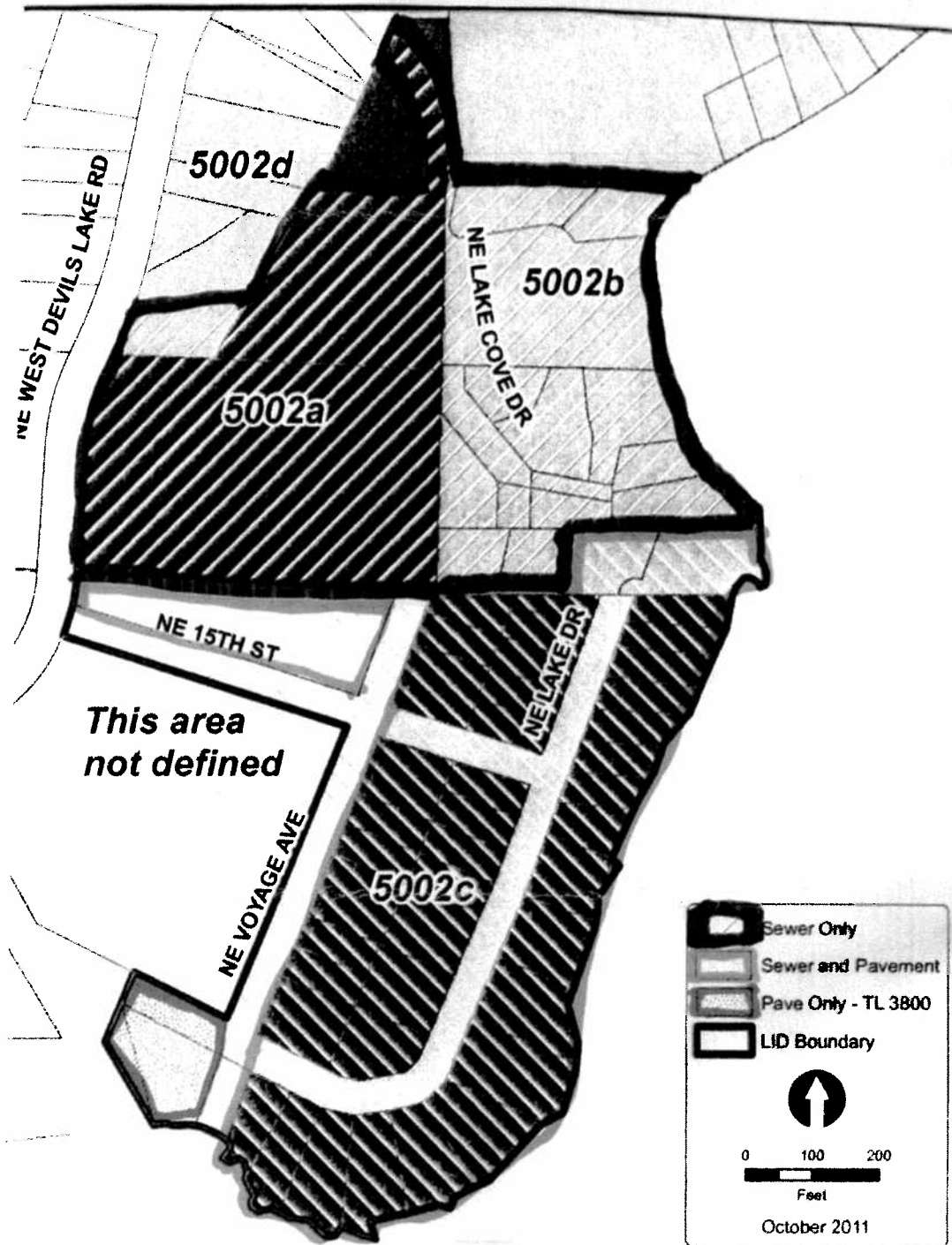
Thank you for bearing with me through this difficult and time-consuming process. I know that you will keep in mind that this LID is intended to be the model for replacing septic systems with sewers in other areas around Devils Lake. Assuming the majority of you still support the project, we will ultimately be rewarded with a functioning model for the sewerage of all of Devil's Lake. In the 34 years I have lived on Devils Lake, this is the first proposal with a realistic chance to finally start the process of sewerage of the lake. I am currently a member of the Board of Directors of the Devil's Lake Water Improvement District and I can assure you that the DLWID is interested and willing to devote the manpower necessary to help to extend this sewer model to the rest of the lake. All of us have an interest in protecting and improving the water quality of Devils Lake, and the fifteen year "must connect" requirement and the inspection requirement will help to eliminate failing systems rather than allowing old septic systems to continue indefinitely to contribute unwanted nutrients to the lake.

Before this sewer/paving LID is submitted to the City Council for approval, the City staff and members of the City Council and I want to make sure that a majority of you are still in favor of the project. About 75% of you replied to my last letter and expressed support for this project, and signed the petition for the LID. Approximately fifteen percent of you did not reply and the remaining ten percent were opposed. For those of you who signed the petition in support, as well as those who have previously expressed opposition, please let me know within twenty (20) days of the date of this letter if you have changed your position based upon the information in this letter or for any other reason. **IF YOU DO NOT REPLY WITHIN THE 20-DAY PERIOD WE WILL ASSUME THAT YOUR POSITION OF SUPPORT OR OPPOSITION REMAINS THE SAME AS YOU HAVE PREVIOUSLY EXPRESSED.** For the few of you who did not reply to my original letter, or if you have purchased your home or lot since then, please feel free to express your support or opposition at this time. I look forward to hearing from you. My email address is on the letterhead above. You may also call me (541) 921-3150 or (541) 994-5552 or contact me by regular mail (see letterhead).

Your Neighbor,



Brian Green




5002d


5002b

5002a

5002c

This area
not defined

 Sewer Only
Sewer and Pavement
Pave Only - TL 3800
LID Boundary



0 100 200
Feet

October 2011