

9/14/2020

Dear Alders:

Re: Felland Road Assessment

We would like to thank you for the opportunity to provide input on how the costs for the Felland Road 12 inch water main should be handled. First we continue to be very upset that this project has gone forward at all. Staff has stated that this project was a high priority for the utility because the whole Eastside has hydraulic challenges and supply challenges, because of the two failing wells, and because the system is stressed and lacking redundancy that the utility needs. None of these were problems that affected us or other Felland Road residents.

It was explained at the meetings that the 16 inch main was installed to address these problems. The 12 inch main, on the other hand, was installed to provide water service to residents on Felland road, who had no interest in receiving it. It had nothing to do with alleviating the hydraulic and supply challenge or reducing stress on the system. This project has installed facilities that are likely to go unused for 16 years. The benefits of any favorable pricing are likely to evaporate by the accrual of interest or construction price index charges. Moreover, the road will need to be dug up again and another whole construction crew paid and assessments levied when the sewer lines go in. Proceeding with this project now has done us no favors. Assessing our property in the manner proposed may force us to further subdivide our 5 acre home site and sell our 25 acre agricultural site for development long before we planned. Utilities are supposed to service development, but due to the premature installation of the 12 inch water main, development will be necessary to service the cost of the utilities.

With regard to the extension of lines into unincorporated areas, staff has stated, and I quote, "historically the utility extended these mains as a capital expense and waited without assessments until development occurred and then, rather than utilizing special assessments, in order to connect to the system and receive service there would be a connection charge and it would just be there, kind of waiting, until development was ready to occur." For the undeveloped property in this assessment area, that is exactly how this project should be handled. The cost should be a

capital expense to the water utility and then a connection charge applied when the land is developed whether that be in 5 years or 25 years. Developers expect to pay such costs, homeowners do not. The existing home sites should be assessed with assessments deferred until attachment to the City or connection to the water line with an 8 year payment schedule beginning then. But, we would also like an opportunity to make payments before the assessment is actually levied to provide the opportunity to reduce interest or index costs (whichever time-value adjustment is lower). Further, each existing single family residential parcel (regardless of size) should be assessed the same amount based on the fact that we are all receiving the exact same benefits. (access to city water and fire protection). We feel each parcel should be charged approximately \$1800. (the current assessment of a ½ acre parcel), and if future owners of our parcel, or other larger parcels that could be further subdivided, want to develop further, they would pay a connection charge at that time. We do not want to be forced to further subdivide our home site just so we can afford to pay this assessment.

We have recently retired and if these assessments pass as currently proposed, we will be forced to sell the land we love. I calculated what our assessment would be in 2036. The \$112,500 will balloon to \$171,000 using the 2.65% average construction cost index compounded for 16 years. That means in 2036 we will have to pay \$24,069 per year for 8 years and that's if the interest rate remains at 3%, which is very questionable. We can't afford that type of expense, as we're sure you couldn't either.

Thank you for your help in resolving this issue so it benefits everyone.

Sincerely,

Duncan and Lori Campbell