

## **Local Improvement District FACT SHEET**

This fact sheet provides information for property owners about Local Improvement Districts (LID) formed to provide sanitary sewer service. General costs, financing options, connection requirements, incentives, and deferrals for property owners are discussed.

### **LID Costs to Property Owners**

There are generally four costs associated with constructing and connecting your home or business to the public sanitary sewer through an LID: 1) assessment, 2) connection permit, 3) private plumbing construction costs, and 4) monthly sewer service charge. Specific cost information for any LID will be developed in the Engineering and Assessment Report for that project. Each cost is described in detail below.

#### **1. Assessment**

Each property owner participating in an LID pays an assessment. Clean Water Services (District) designs and constructs the public sanitary sewer, and extends a private sewer lateral to serve each property in the LID. All property owners in the LID share the costs to design and construct the sewers, including surveying, easements, construction contracts, landscaping, and administration. The LID participants choose the assessment method for their project, which may assess each lot equally or vary by lot size.

Before an LID is formed, the District develops a Preliminary Engineering and Assessment Report which estimates the assessment cost to help property owners decide whether to support the LID. If the LID is formed, District staff reviews the estimated assessment after they receive construction bids. If the assessment is expected to increase more than 10% above the original estimate, LID participants may choose not to proceed with the project.

After the construction bid has been accepted and project costs are known, property owners will be notified of the exact assessment. A public hearing will provide a final opportunity to object before the Board of Directors will levy the assessment on the benefited properties. After the public hearing, each property owner will receive detailed information about payment options, which include paying the assessment in full or financing through the District. Property owners must select a payment option within 20 days.

#### Assessment Financing

Clean Water Services will provide assessment financing to any property owner. The normal loan payment period is 10 years. The interest rate is based on the Oregon Bond Index plus 2 percent, and interest is computed semi-annually on the unpaid balance. Twice annually, property owners receive a billing statement.

Important details:

- a. Additional payments on the principal may be made at any time without penalty.
- b. Balance may be paid in full at any time without penalty.
- c. If the property is sold, the District allows the financial obligation to transfer with the sale, but lenders may require payoff.

### Assessment Deferral

Property owners may choose to defer payments on their assessment until they actually connect to the sanitary sewer. While payments are deferred, interest accrues at the Oregon Bond Index effective when the LID was established.

### Incentive to Connect

Clean Water Services offers an incentive to encourage LID participants to connect to the public sewer within one year. Property owners who connect within one year of the sewer being available will not pay the engineering and administrative costs which are typically 10 to 15% of the project costs. The amount of the incentive will be stated in the preliminary and final assessment reports.

## **2. Connection Permit**

A permit fee is required to connect to the public sewer system. This fee, also known as a system development charge, pays for upgrades to the sewer system beyond the LID and the wastewater treatment plants to handle the additional flow. The connection permit fee is currently \$2700. It is subject to change as the Board of Directors reviews all rates and charges annually.

### Connection Financing

The connection permit fee may also be financed under a separate agreement, with terms similar to those offered for the assessment—10-year loan with interest equal to the Oregon Bond Index plus 2 percent.

### Connection Requirements and Extensions

Generally, developed properties are required to connect to the sewer line within 3 years from the date the sewer is available. However, there are two types of extensions:

**New System Extension**--Property served by a new on-site sewerage disposal system that was legally installed or significantly repaired within seven years of the date of sewer availability may apply for a New System extension. Upon District approval, connection may be extended up to ten years after the installation or repair date.

**Functional System Extension**--Properties with older systems may apply for a 2-year extension if their on-site sewerage disposal system is properly functioning. District approval is based upon proper documentation of inspection (solids level test, dye test, or internal plumbing inspection). Property owners may apply for more than one extension, up to a maximum of 10 years.

**All developed property is required to connect to the public sewer system within 10 years of sewer becoming available.**

## **3. Private Plumbing Construction Cost**

A private sewer lateral will be constructed from the main line to the property line as part of the LID project. Costs that are the property owner's responsibility include a plumbing permit, connection to the house plumbing, and decommissioning of the septic system. The owner may do this work or hire a licensed contractor. The cost will be determined by the owner or the contractor. A reasonable estimate is \$10.00 to \$30.00 per lineal foot of sewer installed on private property. Pumping and decommissioning the septic tank is estimated to cost \$400-\$600. Also, a plumbing permit from Washington County Department of Land Use and Transportation is required before starting this work.

Private Plumbing Financing

If the property owner connects within 6 months of sewer becoming available, up to \$2,000 of the cost of the private lateral and decommissioning the septic tank may be financed under a separate agreement with the District, with terms similar to those offered for the assessment—10-year loan with interest equal to the Oregon Bond Index plus 2 percent. To qualify, property owners must provide proof of inspection and documentation of the costs.

**4. Monthly Sewer Service Charge**

Like all public utilities, there is a monthly sewer service charge. This charge pays for the ongoing operation and maintenance of the public sewer system and treatment plants. The charge is billed every other month, and has two components, the “base” and “use” charges. The Base charge is \$17.81 per dwelling unit or equivalent per month. The Use charge is \$1.23 per CCF (hundred cubic feet) per month, and averages \$9.84 per month.

*Sample Cost*

The property owner’s total initial cost to be fully connected to the public sewer system is the assessment cost, plus the connection permit fee, plus the construction cost of the private sewer lateral from the house to the property line. This is a sample of what an LID property owner might expect to pay, without the connection incentive.

Assessment	\$ 14,000.00	
Connection Permit Fee	2,700.00	
Private Sewer Lateral	3,000.00	(Assuming 150 feet at \$20 per foot)
Plumbing Inspection Fee	31.50	
<b>Total Cost</b>	<b>\$19,731.50</b>	

**For More Information**

Please call (503) 681-3615 for more information about your project.

*Note: Fees and costs are current at the time of printing. Actual fees and costs may vary slightly.*