



LUMMI TRIBAL SEWER & WATER DISTRICT

2156 LUMMI VIEW DRIVE
BELLINGHAM, WA 98226
(360) 758-7167

October 29, 2015

Dear Sandy Point Sewer Customer,

This letter is in regard to the Sandy Point Sewer System Extensions and Improvements

Explanation of the program:

The Sandy Point Sewer Improvement Project was mandated by the U.S. Environmental Protection Agency's (EPA) responsibility under the Clean Water Act (CWA). Many of the septic systems in place were determined to be failing and service for future development would not have been allowed without the 7,700 feet of sewer line extensions completed in July 2014.

The initial work on the project began in 2006 and funding for the project became available in 2009 with passage of the American Recovery and Reinvestment Act of 2009 (ARRA).

The District applied for a low interest ARRA loan from the U.S. Department of Agriculture (USDA) Rural Development Loan Program and the project was launched with a series of three public meetings held to explain the need for the project.

The original Sandy Point sewer system was installed in the late 1970's and early 1980's and was done so with funding provided by the EPA, Indian Health Services (IHS), the WA Department of Ecology (DOE) and USDA. Unlike most systems installed at the time, the Sandy Point sewer system was installed at no cost to the property owners in Sandy Point. In comparison residents of the newly formed Water & Sewer Districts in Birch Bay and in Lake Whatcom Area faced very high assessments that took 30 years to pay off.

Paying for the project:

Due to the uniqueness of property ownership in the Lummi Nation, Lummi Tribal Sewer and Water District had to establish a method of re-payment of the USDA loan in a different manner that would be typical of property in WA State.

The typical manner of repayment of this type of loan would be through the establishment of a Utility Local Improvement District (ULID) and be assessed on the property owners County property tax bill. Since much of the land contained within the Lummi Nation is tribally owned and not subject to County property taxes this option was not available to the District. The District also maintains very low connection fees \$2,500 per sewer connection for grant funding reasons and we could not increase these to pay for the residences served by the sewer line extensions.

All properties in the Sandy Point service area, Tribal and Non-Tribal area will be assessed the fees to repay the USDA loan.

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The assessments are broken into two categories:

Phase #1 – Sewer line extension assessments

269 properties were served by the extension of sewer lines and sewer stubs brought to the property line of these properties.

- Final cost of the Sandy Point Sewer Extensions was \$3,136,294.82
- Assessment amount is \$11,659.09
- The period of repayment of the loan is up to 40 years at an interest rate of 4%
- Monthly payment amount is \$51.73
- The principal can be paid at any time without any pay-off penalty, but will be subject to any administrative fees and other outstanding charges.
- The Assessment is transferrable with the sale of the property.

Phase #2 – Sewer Pump Stations and Wastewater Treatment Plant Upgrades

1,158 properties including the 269 properties that benefitted from sewer extensions have been assessed for the Sewer Pump Stations and Wastewater Treatment Plant Upgrades.

- Final cost of upgrades to existing facilities is \$8,613,883.84
- Assessment Amount is \$7,438.59
- The period of repayment of the loan is up to 40 years at an interest rate of 4%
- Monthly payment amount is \$34.09
- A grace period will be provided to pay the full amount of the principal without any administrative fees being applied. The principal can be paid at any time after that without any pay-off penalty, but will be subject to any administrative fees and other outstanding charges.
- The Assessment is transferrable with the sale of the property.

The repayment of the Phase 1 Assessment for the Sewer Extensions began with the July billing statement, on a separate RED sheet listing the amount of the assessments. The District will begin billing of the Phase 2 Sewer Pump Stations and Wastewater Treatment Plant Upgrades with the November billing for October. This will also appear on the Assessment Billing sheet contained in the monthly statement.

Sincerely,



Charles "Chip" Anderson
District Manager

Lummi Tribal Sewer & Water District