

Property Owner Survey and Information Sheets

Dear Property Owner, you are receiving this survey form because you are a property owner in the Rio Buena Vista community in the City of Needles. Your Property Owner's Association has reached out to the City to determine if it is feasible for and what the costs might be for the City to take over municipal services in your private community. The services being considered by the City include only the water and sewer systems.

Your response to This Survey is Greatly Appreciated. Although the Property Owner's Association Board is comprised of elected residents to represent the whole of the community, this is YOUR chance to offer your opinion.

Did you know,

- The Rio Buena Vista sewer and water systems were constructed in 1994 and are currently at 2/3's of their 30-year design life.
- The existing water and sewer systems were not constructed to a public system standard.
- Over the life of the facility, the operation and maintenance typically cost 3 times as much as the original capital costs to construct.
- Replacement costs are looming on the horizon.

What Does This Mean to You the Property Owner? As a private community with private service facilities, you the property owner are paying all the costs associated with repairs, operation and maintenance, and ultimately you will be responsible for the replacement costs. Because of the small customer base, 136 units, you are paying top dollar for these services.

How Can the City Help? The City of Needles prepared an in depth inspection and analysis of the existing sewer and water systems serving your community. The City's proposal is to take over the ownership, operation, maintenance and replacement of these systems.

What is the Impact on the Property Owners? In order for the City to take over the services, the systems have to be corrected and brought up to a public service level. The study identified the minimum amount of work and the costs associated with the corrections and upgrades to be approximately \$1,001,592 or \$7,365 per unit. These costs, preliminary for now, would be the responsibility of the property owners.

If I Vote in Favor, Do I Have to Write a Check for \$7,365? No, the City proposes to create an assessment district and purchase municipal bonds to cover

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the cost of the improvements. The property owners in the Rio Buena Vista community would then pay off the bonds as an additional tax annually. However, bond financing would include costs for loan origination, interest and management fees which would be added to the \$7,365. There is typically no penalty for paying the full amount due at any time during the finance period. The Study reviewed the following finance options:

- 10 Year Finance Term – Approximate cost of \$850/year/unit
- 20 Year Finance Term – Approximate cost of \$425/year/unit
- 30 Year Finance Term – Approximate cost of \$280/year/unit

Why Have the City Take Over?

- Economy of Scale – Reduced water costs due to becoming part of a larger customer base.
- The costs for the system operation, maintenance and replacement would be covered by your monthly user costs.
- City Staff includes experienced and properly licensed operators.
- Upgraded facilities meeting a public service level.
- Routine maintenance and cleaning will extend the design life of the facilities.
- Proactive management instead of reactive.

What do I do Next? All assessment district formations require an election. For now, this survey is intended to determine the level of support for the City's proposal and whether to move forward to finalize costs and go to a vote. By participating in this survey you are not making a commitment to pay additional taxes as this is an informational survey only.

Please fill out the attached survey form being careful to include your property address and name, and mail the survey form back using the enclosed self-addressed and postage paid envelope included.

The results of the survey will be made public to all participants.

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Please complete the survey below and return this page via the enclosed self-addressed and pre-paid postage. Your participation is appreciated.

- No, I am not interested in receiving water and sewer services from the City of Needles.
- Yes, I am interested in receiving water and sewer services from the City of Needles.

If you answered yes to the above, choose from one of the following. Remember there is no commitment at this time.

- I would favor a 10-year financing term
- I would favor a 20-year financing term
- I would favor a 30-year financing term

Name (Printed): _____

Address: _____

Signature: _____

Date: _____