

OFFICIAL NOTICE OF SEWER AVAILABILITY

And Obligation to Pay One Time Capacity Fee

November 1, 2010

Dear Property Owner:

In accordance with Chapter 13, Section 13-5-3 of the City Code, you are being notified the City Wastewater System is available to your property for direct connection. The procedures for connecting or deferring a sewer connection are outlined in this letter.

The Sedona City Council finalized changes to residential connection(s) on September 28, 2010 allowing for a variety of choices to homeowners upon receipt of notice of availability. Previously, you should have received a letter dated June 29, 2010 notifying you that you were entitled to the current prevailing \$5,150 capacity fee rate and allowing for your voluntary connection to the city sewer system. This letter now serves as your OFFICIAL NOTICE OF SEWER AVAILABIILITY and sets mandatory timeframes for connection, capacity fee payment and terms of deferral.

There may be special circumstances that apply to you that would create exceptions to the requirements set forth in this letter. These special circumstances include:

- 1. You are no longer the property owner
- 2. Your property is an unimproved lot
- 3. You need an easement to connect
- 4. Your property has already been connected to City sewer

Please contact the Financial Services Department at (928) 204-7205 within thirty days from the date of the notice if any of the above conditions apply to you.

Absent any special circumstances, the following list outlines the various options available to you. You must act no later than April 29, 2011 to maintain compliance with City Code.

- 1. **Connect Now -** Pay your one-time capacity fee at the current rate of \$5,150 within 180 days of this notice and connect to the wastewater system, or
- 2. Pay Capacity Fee now but Defer Connection Pay your one-time capacity fee at the current \$5,150 rate by April 29, 2011, meet the requirements to defer connection and enter into a "wastewater deferred connection agreement," or
- 3. **Defer Payment of Capacity Fee and Defer Connection** Enter into a "wastewater deferred connection agreement" and agree to pay the one-time capacity fee rate prevailing at the time you ultimately connect to sewer. Please recognize that the capacity fee increases substantially from year to year, and that by deferring payment, you will ultimately be paying a higher capacity fee.

The procedures governing these three options are further explained in the attached brochure. An example deferral agreement is also attached.

Failure to Connect or Defer by April 29, 2011 will result in Non Compliance

Environmental Penalty Status - Failure to connect or enter into a deferral agreement within 180 days of this notice will result in your property being assessed an environmental penalty for noncompliance. The environmental penalty is assessed at a rate of two times the monthly rate for regular sewer service. The current rate is \$74.84 per month. Failure to pay the monthly environmental penalty fee will result in late charges and penalties being assessed.

Delinquent Capacity Fee - If you also failed to pay your Capacity Fee and did not chose to enter into a deferral agreement, you will be assessed late charges and penalties on your Capacity Fee. These charges are assessed until you come current on payment and come into compliance with the wastewater code.

A copy of the City's Wastewater Code is available on the City's Website at www.SedonaAz.gov/finance and click on "wastewater rate study."

If you have questions regarding capacity fee payment, financing, prepaid status, or property exceptions contact the Finance Department at 204-7205.

If you have questions regarding a wastewater permit or sewer connection contact the Public Works Department at 204-7111.

Thank you,

Barbara Ashley

Director of Financial Services

Barbara ashley

(928) 204-7205