

**LAKE ISABELLA PROPERTY OWNERS  
PRIVATE SEWER SYSTEM**

**GROUND RULES FOR MEETING**

- 1. THIS MEETING IS BEING HELD TO DETERMINE INTEREST IN A PRIVATE SEWER SYSTEM; NOT TO DISCUSS OPPOSITION AGAINST SEWERS.**
- 2. INDIVIDUAL HOMEOWNERS OR LOT OWNERS NOT WANTING TO PARTICIPATE IN THIS PRIVATE SYSTEM NEED NOT DO SO.**
- 3. QUESTIONS AND DISCUSSION IS WELCOME BUT, PLEASE TRY TO HOLD YOUR QUESTIONS AND DISCUSSION UNTIL THE END OF THE PRESENTATION.**

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**BACKGROUND**

- LAKE ISABELLA CORPORATION AND ISABELLA COUNTY DEPARTMENT OF PUBLIC WORKS AGREE TO CREATE A SPECIAL ASSESSMENT DISTRICT TO FINANCE A PUBLIC SEWAGE SYSTEM IN OCTOBER 1970.
- DEED RESTRICTIONS OF LAKE ISABELLA GOLF ESTATES II AND LAKE ISABELLA SOUTH REQUIRE THAT EACH PROPERTY OWNER "VOTE IN FAVOR OF THE CREATION OF ANY SUCH SPECIAL ASSESSMENT DISTRICT " FOR SEWERS" AND THAT "THEY CONNECT TO SUCH SYSTEM WITHIN 90 DAYS FOLLOWING THE COMPLETION OF THE SYSTEM AND AGREE TO PAY THE THEN ESTABLISHED CHARGE." (UNBUILDABLE LOTS ONLY).
- LAKE ISABELLA CORPORATION GOES BANKRUPT IN 1982 .

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**BACKGROUND**

- **VARIOUS ATTEMPTS AT RESOLVING SEWER SYSTEM FAIL DURING THE 1980's AND EARLY 1990's.**
  
- **LIPOA COMMISSIONS SEWER FEASIBILITY STUDY WITH PROGRESSIVE ARCHITECTURE ENGINEERING IN AUGUST 1993.**
  
- **SEWER SURVEY COMPLETED FEBRUARY 1993.**
  - **ARE SEWERS NEEDED?                      126    (38%)   YES**
  - **ARE YOU WILLING TO PAY?                      85    (26%)   YES**
  - **LIPOA DETERMINES INSUFFICIENT SUPPORT FOR SEWERS**
  - **TOWNSHIPS/COUNTY DO NOT PROVIDE SEWER BOND ISSUE SUPPORT**

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**BACKGROUND**

- **1994 AD-HOC COMMITTEE FORMED TO PURSUE REMEDIES FOR SEWER SYSTEM REQUIREMENT**
  - **LAWSUIT TOO EXPENSIVE**
  - **CHANGE DEED RESTRICTIONS**
- **MAY 1995 - ATTEMPT TO CHANGE DEED RESTRICTIONS FAILS**
  - **70 OWNERS EXECUTE RECORDABLE AMENDMENTS**
- **JUNE 1995 - DEPARTMENT OF HEALTH CONDUCTS DRILLING TESTS.**
  - **60% OF LOTS CANNOT BUILD WITH SEPTIC SYSTEM**

**BASED ON PAST FAILURES, TODAY'S ONLY INITIATIVE IS TO  
ATTEMPT TO ACCOMPLISH PRIVATE SEWER SYSTEM.  
THE COUNTY AND STATE WILL SUPPORT THIS INITIATIVE.**

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**WHY A PRIVATE SYSTEM?**

- 1. PREVIOUS THINKING THAT A PRIVATE SYSTEM COULD NOT BE FUNDED BY LOT OWNERS EXPRESSING INTEREST WAS INCORRECT! ENOUGH FINANCIAL SUPPORT EXISTS IF ORIGINAL LOT OWNERS EXPRESSING WILLINGNESS TO PARTICIPATE IN THE SEWER SYSTEM CONFIRM THEIR SUPPORT.**
- 2. SUPPORT FROM THE COUNTY AND STATE EXISTS NOW!**
- 3. THE ONLY WAY WE CAN MAKE UNBUILDABLE LOTS BUILDABLE, INCREASE PROPERTY VALUES, FURTHER DEVELOPMENT, AND ENSURE LAKE QUALITY, IS THROUGH A SEWER SYSTEM.**

**A SEWER SYSTEM WILL EVENTUALLY HAPPEN!  
WE CAN MAKE IT HAPPEN NOW!**

***LAKE ISABELLA PROPERTY OWNERS  
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**TYPE OF SYSTEM PROPOSED**

- **BASED ON THE PROGRESSIVE ARCHITECTURE ENGINEERING FEASIBILITY STUDY OF AUGUST 1993, THE RECOMMENDED PRIVATE SEWER SYSTEM WOULD CONSIST OF A SEPTIC TANK EFFLUENT PUMP (STEP) PRESSURE SYSTEM WITH USE OF AN EXISTING AERATED LAGOON TREATMENT FACILITY.**
- **THE PROPOSED SYSTEM OFFERS REDUCED COSTS DUE TO:**
  - **SHALLOWER EXCAVATIONS**
  - **REDUCTION IN/OR ELIMINATION OF ROAD RESTORATION**
  - **ELIMINATION OR MINIMIZATION OF MANHOLES**
  - **EASIER REPLACEMENT OF CLEANOUTS**
- **MAINTENANCE COSTS ARE COMPARABLE TO A NORMAL GRAVITY TYPE SEWER SYSTEM (APPROX. \$15 PER MONTH)**

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**TYPE OF SYSTEM PROPOSED**

- **THE SYSTEM PROPOSED COULD EVENTUALLY HANDLE UP TO 500 HOMES AND CAN BE EXPANDED TO 1,000 HOMES AT ADDITIONAL COSTS.**
- **THE SYSTEMS MAINTENANCE IS PROJECTED TO BE EVENTUALLY HANDLED BY THE VILLAGE OR COUNTY.**

**THE SEWER SYSTEM FEASIBILITY STUDY HAS DETERMINED THAT "CONTINUED DEVELOPMENT OF LAKE ISABELLA WILL NOT BE ABLE TO PROCEED UNTIL A SEWER SYSTEM IS INSTALLED." THE COUNTY AND STATE HEALTH DEPARTMENTS HAVE CONCURRED WITH THIS DETERMINATION!**

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**PROJECTED COSTS OF PROPOSED SYSTEM**

<b><u>ITEM</u></b>	<b><u>COST</u></b>
<b>STEP PRESSURE SEWER COLLECTION SYSTEM</b>	<b>\$444,850</b>
<b>TREATMENT FACILITY</b>	<b>308,000</b>
<b>LAND (40 ACRES) FOR TREATMENT FACILITY</b>	<b><u>50,000</u></b>
	<b>\$802,850</b>
<b>MINUS SEWER ESCROW RELEASED FROM STATE</b>	<b><u>100,000</u></b>
	<b>\$702,850</b>

**NOTE: PROJECTED COSTS DO NOT INCLUDE LOT COSTS OF APPROXIMATELY \$2,000 FOR STUB CHARGE AND ON LOT MATERIALS AT TIME OF BUILD. COSTS ARE NOT NEGOTIATED.**



**LAKE ISABELLA PROPERTY OWNERS  
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**INDIVIDUAL LOT COST ASSUMPTIONS**

<b><u>PARTICIPANTS</u></b>	<b><u>COST</u></b>
100	\$7,029
125	\$5,623
150	\$4,686

**2 DEVELOPERS REPRESENTING 50 LOTS HAVE PLEDGED THEIR PARTICIPATION. AS LITTLE AS 50 MORE INDIVIDUAL PARTICIPANTS CAN MAKE THIS SYSTEM A REALITY.**

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**FINANCING**

- **LOCAL BANKS HAVE EXPRESSED THEIR WILLINGNESS TO PROVIDE FINANCING FOR THE PROJECT. FINANCING MAY BE ARRANGED AS FOLLOWS:**

<b><u>PARTICIPANTS</u></b>	<b><u>COST</u></b>	<b><u>20% DOWN</u></b>	<b><u>* 9% 5 YEARS</u></b>	<b><u>* 9% 10 YEARS</u></b>
100	\$7,029	\$1,500	\$114 per mo	\$70 per mo
125	\$5,623	\$1,000	\$96 per mo	\$58 per mo
150	\$4,686	\$1,000	\$77 per mo	\$46 per mo

\* Projected Interest Rate

**FINANCING IS AVAILABLE THROUGH THE TOWNSHIP, CITY, OR COUNTY BOND ISSUES AS PART OF TYPICAL SEWER ASSESSMENTS. THE ABOVE COSTS AND THE METHOD OF FINANCING FOR THIS PRIVATE SEWER SYSTEM ARE SIMILAR.**

**LAKE ISABELLA PROPERTY OWNERS  
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**REAL ESTATE MARKET ANALYSIS**

**PRESENT VALUES WITHOUT SEWER SYSTEM**

<b>UNBUILDABLE VACANT OFF LAKE LOTS</b>	<b>\$2,000</b>	<b>-</b>	<b>\$12,795</b>
<b>Current List and/or Sale Prices</b>			
<b>UNBUILDABLE VACANT LAKE LOTS</b>	<b>\$5,000</b>	<b>-</b>	<b>\$25,000</b>
<b>Current List and/or Sale Prices</b>			
<b>BUILDABLE VACANT LAKE LOTS</b>	<b>\$30,000</b>	<b>-</b>	<b>\$65,000</b>
<b>Current List and/or Sale Prices</b>			

**PROJECTED VALUES WITH SEWER SYSTEM**

<b>OFF LAKE LOTS</b>	<b>\$12,000</b>	<b>-</b>	<b>\$20,000</b>
<b>LAKE LOTS</b>	<b>\$45,000</b>	<b>-</b>	<b>\$100,000</b>

**WHETHER YOU ARE AN INVESTOR BUILDING ON AN OFF LAKE LOT OR LAKE LOT, YOUR PROPERTY WILL BE WORTH MORE WITH SEWERS!**

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**OTHER ASSUMPTIONS**

- **THE PRIVATE SEWER SYSTEM WILL BE RUN BY ELECTED COMMITTEE.**
- **THE SEWER SYSTEM WILL NOT BE "HANDED OFF" TO ANOTHER ENTITY WITHOUT A MAJORITY DECISION.**
- **ORIGINAL PARTICIPANTS FINANCING THIS PROJECT WILL HAVE COSTS DEFRAID BY LOT OWNERS OR HOME OWNERS PAYING FOR HOOK-UP AFTER THE SYSTEM IS CONSTRUCTED. THAT IS, IF THE FIRST 100 PARTICIPANTS COMMIT AT \$7,029 DOLLARS, EACH PARTICIPANT WILL BE REQUIRED TO PAY \$7,029 DOLLARS. AFTER COMPLETION, THESE MONIES WILL BE SHARED EQUALLY AMONGST THE FIRST 100 PARTICIPANTS (UP TO 500 PARTICIPANTS). CONCEIVABLY, AN INITIAL PARTICIPANT COULD PAY NOTHING.**

**TAKE THE RISK! SIGN UP NOW! SHARE IN THE PROFITS!**

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**OPTIONS FOR DISCUSSION**

- 1. DETERMINE PARTICIPATION IN PRIVATE SEWER SYSTEM AND EVERY PARTICIPANT SHARES EQUALLY IN COST OF SYSTEM. INCENTIVE FOR ORIGINAL PARTICIPANTS IN THAT THEY SHARE EQUALLY IN PROCEEDS OF THOSE SIGNING UP AFTER COMPLETION.**
- 2. LAKE LOT OWNERS PAY A HIGHER AMOUNT THEN OFF LAKE LOT OWNERS. STILL ALLOW FOR INCENTIVE TO ORIGINAL PARTICIPANTS BUT LAKE LOT OWNERS RECEIVE HIGHER PERCENTAGE OF MONIES AFTER COMPLETION.**
- 3. EACH PARTICIPANT DETERMINES WHAT THEY CAN OR WANT TO PAY. SHARE IN MONIES AFTER COMPLETION BASED ON THIS AMOUNT.**

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**WHAT DO WE NEED TO DO?**

- **DETERMINE WHICH OPTION WE SHOULD PURSUE IN PAYING FOR THE PRIVATE SEWER SYSTEM.**
- **EACH PARTICIPANT (LOT OWNERS, HOMEOWNERS, DEVELOPERS) MUST EXECUTE A NOTARIZED DOCUMENT PLEDGING THEIR PARTICIPATION IN A PRIVATE SEWER SYSTEM INCLUDING THEIR COMMITMENT TO THE OPTION SELECTED.**
- **ELECT A COMMITTEE TO ESTABLISH THE NECESSARY ORGANIZATION SO AS TO ESTABLISH FINANCING AND CONSTRUCTION BIDS AND NEGOTIATE AND EXECUTE THE REQUIRED CONTRACT WITH A SELECTED FIRM. THE FIRM WILL PROVIDE ALL ENGINEERING, LEGAL AND ADMINISTRATION REQUIREMENTS INCLUDING CONSTRUCTION OR CONSTRUCTION MANAGEMENT.**

**WORK COULD BEGIN AS EARLY AS SPRING 1996!**