

## **Private Sewer Lateral Update Including First Cost Estimate**

**October 10, 2017**

**RE: Private Sewer Lateral Update Including Preliminary Cost Estimate**

Dear Harbor Pointe Homeowners:

Your Harbor Pointe Board of Directors continues to work through the challenging issues related to compliance with the East Bay Municipal Utility District (EBMUD) Regional Private Sewer Lateral Ordinance. To date, we have complied with every requirement and have met all deadlines.

### **Preliminary Cost Estimate – \$1 Million to 1.5 Million (\$21,000 to \$32,000 Per Home)**

Over the last year, your Board has contacted several plumbing contractors to conduct a condition assessment and provide an estimate of the costs to make necessary repairs and/or replacements so that our system would pass the required EBMUD inspection and certification. Only one company responded; they conducted video inspections of our entire sewer system, which identified several areas of our mostly clay pipe system that need replacement. Their cost estimate ranges from \$1 million to \$1.5 million, which would amount to something between \$21,000 and \$32,000 per home.

### **The Latest Actions**

This summer, we applied for regulatory relief – requested that we be excused from the requirements of the ordinance due to mitigating factors we have on our property (separate stormwater collection system and paved road over 90+% of our private sewer system) and what we feel is an unreasonably high cost to comply. However, our request for relief was denied by EBMUD. In their denial, EBMUD stated that they have no option to excuse homeowners or associations from the requirements of the ordinance and that cost is not a consideration in determining applicability of the ordinance.

Following this denial, we submitted a request to the Director of EBMUD for reconsideration. To build our case, we hired a civil engineer to quantify the effectiveness of our stormwater system. We even wrote our California State Assemblyman seeking support for our case. However, again, our request was denied by EBMUD. We have now exhausted all of our options for obtaining relief from this ordinance.

### **What's Next?**

The Board is working, with the help of EBMUD, to identify other contractors who are capable of (and interested in) performing the necessary work, hopefully at a lower cost than our first estimate. However, this expense will undoubtedly be major, no matter who does the work.

The next step required by the ordinance is for our association to submit a Corrective Action Work Plan, which is due no later than July, 2021. This plan will describe our actions, including our proposed timeline, for correcting deficiencies in our sewer system. The Board will need to decide, with your input, the timing for submitting our Corrective Action Work Plan and for getting started with this necessary work.

There are legitimate arguments for submitting the plan and doing the work sooner than later. Harbor Road is long overdue for repaving and its deteriorated condition is degrading the appearance of our property. Since the sewer work will require portions of our road to be opened, we may want to complete the sewer work sooner than later so we can repave Harbor Road and enjoy the benefits that come with a new road. Again, your input will be an important part of our planning process.

The Board is beginning to look at options for paying for this work. Since repairing/replacing nearly all of our sewer pipes is not a normally anticipated, on-going maintenance or repair expense, a one-time, special assessment may be the most appropriate way to pay for this project. The Board is also looking into bank financing options for our association and/or for individual homeowners. Our goal is to have as many options available to us as possible. The work to identify possible financing options continues.

We are also exploring the idea of working with other HOAs in Harbor Pointe who have may have similar private sewer laterals. The idea is to try to gain better pricing from a contractor for a project that has a larger scope of work than ours alone.

### **What You Can Do**

I know that this is very unpleasant news. However, we must move forward and address the realities of this challenge with your input and help. The Board will be seeking your input on all major decisions that must be made. We are developing a communications plan that will give all homeowners many opportunities to help shape our actions on this important project moving forward.

Over the next many months, we will hold meetings, conduct surveys and speak with as many neighbors as possible to gain your input on any major decision that affect our association. Major expenditures, such as those anticipated to address our sewer system, will need your approval, by vote.

So, please do your part to stay informed – visit our web site ([www.harborhoa.com](http://www.harborhoa.com)), attend monthly Board Meetings, attend the annual Homeowners Meeting in March, provide your input on any surveys that you receive and speak with your Board members. Watch for notices and letters announcing meetings where the Board will discuss and decide matters related to complying with the Regional Private Sewer Lateral Ordinance.

As we move forward, we will undoubtedly be faced with difficult choices. However, working together, we can deal with the realities at hand and meet these challenges in the best way possible for all of us here at Harbor Pointe.

On behalf of your Board of Directors,

Carl J. Fritzsche  
President, Harbor Pointe HOA