



CarsonLLP.com The Harrison

301 W. Jefferson Boulevard, Suite 200

Fort Wayne, IN 46802

260-423-9411

Andrew D. Boxberger
aboxberger@carsonllp.com

JULY 2, 2021

Attn: Property Owner

RE: TIPPECANOE AND CHAPMAN LAKES REGIONAL SEWER DISTRICT

Dear Property Owner:

I. Introduction

If you are receiving this letter, your property in Kosciusko County, Indiana has been included in the preliminary design for the construction of a new sewage collection system (“**System**” or “**Project**”) by the Tippecanoe and Chapman Regional Sewer District (the “**District**”). A District map is attached to this letter. Please review this information carefully as it contains important material concerning the required installation of specialized equipment and sewage-collection line(s) on your property.

Failure to review and act on this information will NOT affect your legal obligation to connect any structure(s) capable of producing sewage on your property to the new System (assuming the District obtains financing and final approval for construction).

IGNORING THIS COULD SIGNIFICANTLY IMPACT THE FINANCIAL COST TO YOU TO CONNECT TO THE SYSTEM.

II. Background

In February of this year, the Board of Trustees of the District (“**Board**”) approved the submission of the Preliminary Engineering Report (“**PER**”) to the Indiana State Revolving Fund for approval to proceed with detailed engineering plans for the System, which is intended to improve groundwater quality in our lakes, streams, and wells. The District anticipates the Project will be publicly bid in late 2021 early 2022 with construction to commence in spring/summer of 2022. We expect the Project to be complete and begin operations in late 2023 or early 2024.

III. Your Connection to the System

As a part of the construction of the System, the District will install equipment on individual properties referred to as a grinder pump system (“GPS”). In as many cases as possible, properties will share a GPS to help keep costs down. The GPS collects wastewater from one or more sewage-producing structures on your property or an adjoining property (likely your home or business), grinds the wastewater to a liquid slurry and will then pump the wastewater to one of the System's main collection lines.

These GPSs, as well as the main wastewater collection lines to which they are connected, will be installed, owned, operated, and serviced by the District. The contractors who will be retained by the District to complete the construction of the System will be required to return your property to a like or previous condition per the terms of their contract with the District, including, but not limited to the re-seeding of any grass with a type of seed similar to your present lawn.

As part of the final phase of the System construction, property owners will be notified by mail that they should connect all required structures capable of producing sewage, on their properties, to the GPS. This connection cost will be your responsibility. The connection must be made within a required period of time to be determined at the conclusion of the construction phase of the System, but it will be no sooner than 90 days from when you receive notice to connect.

IV. Utility Easements

At this time, the District is requesting an easement from you to facilitate the construction of the System and to make the connection of your property to the System more economical. *What is an easement?* An easement (n.) is the right to use the real property of another for a specific purpose. The easement is itself a real property interest, but your legal title to the underlying land is retained by you for all other purposes. The District's rights are limited to installation, maintenance, and preservation of its equipment associated with the System, as spelled out in the Easement Agreement (defined below).

Typically, when a property is acquired, it already has one or more easements recorded for utilities and possibly other purposes. But because you, as a property owner, acquired it before the construction of the System, the District will require a utility easement to install the GPS unit on your property, to connect the GPS to one of the System's main collection lines, to run main collection lines and/or to allow the District's staff and contractors to enter your property to inspect, service, repair and eventually replace any equipment and/or lines over many years to come.

In order to accomplish this, the District requests both a “Temporary Sewer Construction Easement” and a “Permanent Sewer Utility Easement” from you to the District (the “**Easement Agreement**”), and attached you will find a copy of the Easement Agreement. Also, attached to the Easement Agreement is a copy of the deed by which you took title to your property.

V. Location of Easement and GPS

It is the District's desire to create value and to benefit your property with the installation of the System. Whenever possible GPSs will be located at or near your property line with your neighbor to facilitate sharing of GPSs by properties. The District's engineers will determine the best location to allow for the most economical connection of your property to the GPS. Please visit the District's website (www.tippychapmanrsd.com) to review the "**Tippecanoe and Chapman Regional Sewer District Grinder Station Location Guidelines**".

After construction of the System and installation of the GPS upon your property, a 15-foot-wide permanent easement shall remain. More details of this easement are described in the Easement Agreement.

VI. Do I have to connect to the System?

In a vast majority of cases, the answer is **YES!** Once the System is completed, Indiana statute authorizes the District to require properties located in the District's territory and meeting certain additional criteria to connect to the District's System. The District may require a property located in the District's territory to connect to the System if a structure on your property can produce sewage or similar waste and:

- that structure is within 300 feet of the System's main sewer line; or
- if your property is on a body of water, then if your property line is within 300 feet of the System's main sewer line.

Connection Exceptions.

However, Indiana law does provide certain property owners who would otherwise be required to connect to the System an optional and limited exemption, if additional conditions are met. There are two exceptions under Indiana law:

1. Indiana Code Section 13-26-5-2.5(b) provides that you, as a potentially affected property owner, may qualify for an exemption from being required to connect to the System if:
 - a. you or the previous owner of your property installed a septic system within the last ten (10) years;
 - b. the septic system was new at the time that it was installed;
 - c. the septic system was approved in writing by the local health department;
 - d. you provide the District with your written notice of potential qualification for the exemption and your desire to claim the same within sixty (60) days of the date of that notice; AND
 - e. you, at your own expense, obtain and provide to the District, within one hundred twenty (120) days of the District's receipt of your written notification of potential exemption, a certification from the local health department (or the department's designee) that your septic system is functioning satisfactorily.

The initial new septic system exemption is limited to ten (10) years beginning on the date your new system was installed (“**Initial Exemption**”), therefore, if your septic system is more than ten (10) years old, you are not eligible for the Initial Exemption.

If you qualify for the Initial Exemption, then you may be able to qualify for two (2) additional five (5) year exemptions upon the expiration of the Initial Exemption. However, if you later fail to qualify for any of the previously mentioned exemptions, then you will be required to connect to the System at your expense.

You will be provided “official notice” in accordance with the above within ten (10) days of the District submitting its final plans to the Indiana Department of Environmental Management (“**IDEM**”) for approval and permitting. However, we encourage you to act on this now to avoid any unintended exclusions from the System.

2. Indiana Code Section 13-26-5-2.6 provides that the District may not require you to connect to the System if:
 - a. your property, where the structure is located, is at least **ten (10) acres**;
 - b. you can demonstrate the availability of at least two (2) areas on your property for the collection and treatment of sewage that will protect human health and the environment;
 - c. the waste stream from your property is limited to domestic sewage from a residence or business;
 - d. the system used to collect and treat the domestic sewage has a maximum design flow of seven hundred fifty (750) gallons per day; AND
 - e. you, at your expense, obtain and provide to the District a certification from the local health department or the department's designee that your system is functioning satisfactorily.

While you may be eligible for an exemption from the connection requirement, there are at least four reasons why connecting your property to the System is still advantageous to you:

1. **Property value:** The experience in other regional sewer districts has been that the value of real property goes up significantly when the owner connects the property to a public sewer and ceases to use a private septic system.
2. **Enhanced quality of life:** Persons who rely on septic systems frequently are limited in the amount of water they may use because their septic systems can process only so much flow each day. That limitation, in turn, restricts the use of such conveniences as garbage disposals, dishwashers, and washing machines or the number of people who can occupy a property. Connection to a public sewer system usually eliminates those restrictions and allows the owner to enjoy his or her home to a greater degree or for longer periods of time.

3. Environmental Benefit: The impact of connection on nearby bodies of water is apparent almost immediately. The lakes, rivers, and streams from which we draw our drinking water or in which we fish, swim, and play can become clearer within weeks of a Project's completion.
4. Mitigated costs: Septic systems fail, and exemptions expire. When this occurs, you will be required to connect to the System. At that point, you will face significant costs. Those may include the upfront cost to buy a District approved GPS, upfront cost to install the system and related equipment, the cost to connect the structure to the System, and the costs to disable and abandon the old septic system. Owners who connect to the System as part of this Project will not have the upfront costs to buy and install the sewer system infrastructure needed for their property. Instead, those costs will be amortized over the years of the bonds for this Project and recovered through the monthly charges billed to users of the System each month. An owner who connects five or ten years in the future may face not only a capacity fee and upfront charges to buy and install a GPS and all related equipment, but also could find equipment and labor prices that are likely to be higher than they are now.

VII. Important Information Regarding Your Rights as a Property Owner

It is the District's responsibility to inform you of your rights, including your right to request compensation for the easement, in that the district is requiring the attached easement on your property to be included in the construction phase of the System. However, it is the position of the District that the benefits to you as a property-owner of connecting to the System, minus the costs associated with a determination of fair-value of the easement by way of obtaining professional valuations exceed the fair-value of said easement for many reasons, including but not limited to:

- potential increase in usable area of your property due to elimination of septic system and leach field;
- potential additional options for further development on your property and/or remodeling and expansion of existing structures,
- the elimination of risks of septic system failure, back-up, and limited capacity; and
- potential for increased market-value of your property as well as increased appeal to a larger pool of potential buyers.

If you have any questions regarding your rights, please review the enclosed handout titled Uniform Relocation Assistance and Real Property Acquisition Policies.

VIII. What is Next?

At this time, the District asks that ALL owners of your property (as reflected on your deed) carefully review these documents and sign the Easement Agreement in the presence of a Notary Public, and return it to the District. Also, please complete, to the best of your ability, the attached "Information Sheet". This will allow the Project engineers to get the information of where some of the utilities on your property are located. Your assistance will reduce time and effort on the Project leading to lower costs which can then be passed on to customers in lower

rates. If you do not know for sure, that is ok as well. Please follow the instructions on the enclosed Information Sheet and there is a list of contacts at the end of this letter you may call or email for questions.

The District will begin office hours at the Community Center in North Webster, located at 301 N. Main St., North Webster, IN, starting July 12, 2021. Staff members will be present to help you answer your questions and a notary will be available, if needed, to get easements signed. The days and times are as follows:

Monday, Wednesday, and Friday: 9 a.m. – 4 p.m.
Saturday, July 17th and 31st: 8:30 a.m. – 11:30 a.m.
Saturday, August 14th and 28th: 8:30 a.m. – 11:30 a.m.

The District has scheduled 2 dates for an **Open House** for the public to review the project, and maps and ask questions. The meetings will be held at the Community Center on:

Saturday, July 31, 2021, 8:30 a.m. - 11:30 a.m.
Saturday, August 28, 2021, 8:30 a.m. – 11:30 a.m.

Finally, if you would like to schedule a digital signing, please contact Dave Bolton at Metropolitan Title of Indiana, LLC; and they can facilitate the signing of your Easement Agreement via a video conference following Indiana's Remote Notary statutes. The cost of this service is \$150.00. Dave's contact information is dbolton@metrotci.com, or 260.460.7982. In addition, below is a link that will walk you through the online account opening and pre-closing process should you choose to use the service.

<https://www.youtube.com/watch?v=BvT1LI26uHo&feature=youtube>.

Metropolitan Title of Indiana, LLC also has an office in Syracuse, Indiana, located at 801 N. Huntington St. Suite 6, Syracuse, IN 46567. They have offered to notarize documents free of charge.

IX. Implications of Failure to Participate and Provide Easement

As indicated in the introduction, if you fail to or choose not to provide an Easement Agreement to the District to enable your property to be included in the Project, it does NOT change your legal obligation to connect your structure capable of producing sewage to the System. However, it DOES significantly change your obligation in these ways:

- you may be responsible to procure the GPS at your own expense;
- you will be responsible to procure the materials required to connect the GPS equipment to one of the System lines at your own expense;
- you will be responsible for hiring and paying a licensed contractor to install the GPS on your property and connect the GPS to one of the District's System lines at your own expense;

- unless further action is taken upon installation, you will be responsible for all scheduled maintenance, repairs and eventual replacement of the GPS and other materials and equipment at your own expense (the lifespan of a GPS is 8-10 years).

Thank you for reviewing the above information. Please take the time to properly complete the Easement Agreement and have it notarize, along with the Information Sheet and either email or mail both to Jones Petrie Rafinski Corp, Attn: Jennifer Ransbottom, 222 Pearl St., Fort Wayne, IN 46802 or jransbottom@jprlsource.com.

Your cooperation is very much appreciated. An efficient process for getting this phase of the Project completed dramatically decreases costs, which savings are passed on to you the customer.

Contacts for questions:

Jennifer Ransbottom
jransbottom@jprlsource.com
tippy-chapman@jprlsource.com
#574-226-8468

District's Website: www.tippychapmanrsd.com

Mail Completed Documents:

Jones Petrie Rafinski
c/o Jennifer Ransbottom
222 Pearl Street
Fort Wayne, IN 46802

Respectfully yours,

CARSON LLP

A handwritten signature in dark ink, appearing to read "Andrew D. Boxberger", with a long horizontal flourish extending to the right.

Andrew D. Boxberger

ADB/JR