

# EXHIBIT

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# LOCAL

rt, B2

# Utility hookup deadline looms

## Residents face higher fees if they wait

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Residents of 334 homes in township "islands" within the city of Ann Arbor face a decision by March 31.

That's the last day before the cost of hooking up to Ann Arbor water and sewer goes up - way up.

Right now the cost of hooking to the city services can be as low as several hundred dollars. After March 31, the new prices will be \$10,738 for water hookup and \$16,536 for sewer, a 10-to-16-

fold increase.

The deadline is crucial to the residents because many, if not all, eventually will have to hook up to the services. That time usually comes when a resident's well or septic field fails and they are not allowed for health reasons to install a new field.

Of the homes, 282 are now in Ann Arbor Township, 25 are in Scio Township and 27 are in Pittsfield Township.

Once they agree to hook up to water or sewer, the owners must agree to immediate annexation to the city - and pay city taxes. The exception is 254

parcels in Ann Arbor Township that have a negotiated grace period until Dec. 31, 2007, but will eventually have to be annexed if they get city utilities.

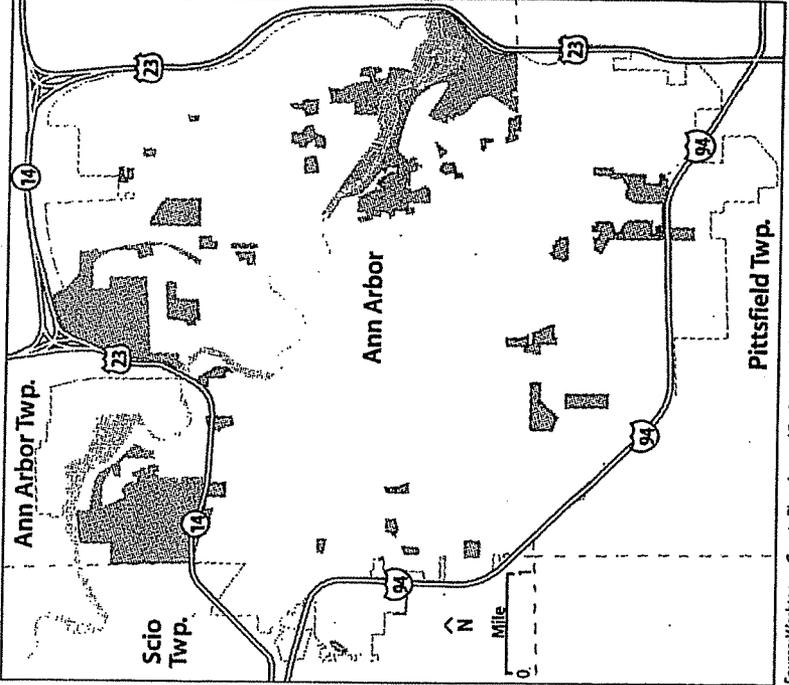
Some of the residents subject to the fee increases were surprised when they first heard of it in a letter from a private contractor.

"None of us were expecting to have to confront this hookup issue (now)," said Daniel Atkins, a Newport Road resident whose home is in Ann Arbor Township. A couple weeks ago, Atkins

SEE HOOKUP, B3

### Fee deadline areas

The areas identified in color below are the portions of Scio, Pittsfield and Ann Arbor townships subject to the tap-in fee deadline.



Source: Washtenaw County Planning and Environmental Department

HOOKUP FROM B1

## City says it won't extend March 31 deadline

received a letter from Improvement Technologies Co. of Hamburg stating that his cost for hooking up to the city water system starting April 1 would go from \$1,144 to \$10,738. The company offered to do the hookup for Atkins now, saving him \$9,593.

As did many other residents who received similar letters, Atkins said he was left with more questions than answers, and wondered why he had not been notified sooner by the city or township government.

"The question is, why did we have to learn about this through a private contractor?" he said.

There are 542 other township parcels within the city where the deadline will make no difference either because the parcels are zoned for commercial use or because there are no water or sewer lines close enough for them to hook up now. If and when those parcel owners hook up to city services, they will have to pay the higher rates and be immediately annexed to the city.

The Ann Arbor City Council approved the higher fees in January 2004. It made the new fees immediate for all new construction, but set the March 31 deadline this year to the township "island" residences. However, the city is just now getting around to sending letters to property owners telling them of

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Sue McCormick, Ann Arbor's utilities director

the higher fees and the deadline.

Sue McCormick, Ann Arbor's utilities director, said that because of the complicated system of figuring the old fees — based on the cost of installing water mains decades ago — the city had to build a database with information specific to each property. She said letters with information specific to properties eligible to get hooked up before the deadline would go out this week to property owners.

McCormick called the letter from Improvement Technologies Co. "unfortunate." She said the city sent a letter last week to all residents who had received the company's letter telling them to expect the city's own mailing.

"We are trying to help people manage the anxiety," she said.

Ryan Sawall, president of Improvement Technologies Co., said his company used the Freedom of Information Act to get

the names and addresses and hookup cost information of people who will see a substantial increase in hookup fees, and wrote a letter to those people offering to do the work. His company sent 198 letters to people in Ann Arbor, Scio and Pittsfield townships, Sawall said.

"I just wanted to let people know that we're out here and it's going to be less costly if they decide to connect (before April 1)," Sawall said.

McCormick said the city did not communicate directly with the township property owners earlier out of concern that partial information would have generated too many phone calls from property owners wanting more specific information.

"(Each one) could be a two- or three-day research project," she said.

She thinks the individualized letters are going out in time to allow people to make an informed decision, she said.

"Frankly, I think two months is plenty of time to make this decision," McCormick said.

Atkins said the city should extend the time for residents to make a decision, but McCormick said that would not happen.

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