

EXHIBIT F

Randy Leonard, Commissioner
David G. Shaff, Administrator

1120 SW 5th Avenue, Room 600
Portland, Oregon 97204-1926
Information: 503-823-7404
www.portlandonline.com/water



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February 5, 2009

SUMMARY OF REMONSTRANCES AND FINDINGS TO CITY COUNCIL

Create a local improvement district to construct water main improvements to serve properties located on NE Gertz Circle and NE Gertz Court in the Deltawood Phase I Local Improvement District (Hearing; Ordinance; C-10031)

I. SUMMARY

One (1) written remonstrance was received by the filing deadline objecting to formation of the Deltawood Phase I Local Improvement District (LID). The remonstrance was submitted by the owner of 1 of the 42 assessable properties proposed for inclusion in the LID. Total remonstrances represent 1.5% of the total area of properties included in the local improvement district; 2.9% of the assessable area of properties included in the local improvement district; and 2.4% of the estimated assessment of properties included in the local improvement district. The remonstrance is summarized in Section II below.

Notification of the LID Formation Hearing was erroneously mailed to one (1) property owner, and a corrected mailing was subsequently sent. Detailed information on this mailing error is summarized in Section III below.

II. SPECIFIC RESPONSES TO THE REMONSTRANCE FILED BY PROPERTY OWNER VITO MERCADO JR.

A remonstrance was submitted by Vito Mercado Jr., the owner of the developed property at 9401 NE Gertz Court; State ID #1N1E03DD 3400; #R776800060; Property ID #R271796; legal description SNOOZY'S HOLLOW, LOT 1; pending lien record #146097; see Attachment 1.

ISSUES RAISED BY THE REMONSTRANCE

Issue No. 1: The estimated amount is beyond my capacity to pay, considering the economic crisis nowadays that adversely affected me and my family.

Findings:

- a. The estimated assessment for Mr. Mercado's property is \$11,566.30; however, assessment will not be imposed until after completion of the project.
- b. 5, 10 and 20 year financing will be offered to Mr. Mercado and other property owners in the LID. Based on current financing rates, Mr. Mercado's estimated monthly payment for a 20-year financing plan would be \$91.68 per month, which is subject to change. Mr. Mercado will not be asked to pay the entire amount of the assessment at once.
- c. The Deltawood HOA's monthly dues were recently increased by \$80.10 from \$85.00 to \$165.10 per month. The purpose of this dues increase was to cover a 24-month repayment plan for delinquent City of Portland water and sanitary sewer bills. It is in the intent of the LID Administrator to submit a final assessment ordinance for City Council consideration on a timeline that would result in the LID payments being due after the utility bill delinquency has been rectified, assuming that the Deltawood Homeowners' Association remains current on the back bill. Assuming that the Deltawood HOA were to reduce its dues by \$80.10 per month in 24 months, this would help to defray the cost of the LID for Mr. Mercado and other property owners in the LID.
- d. The alternative means to constructing water main improvements would be for the Deltawood HOA to do so privately. Presumably this would result in the Deltawood HOA imposing a lump sum special assessment for each property owner in lieu of financing the cost over time. The public improvement will be much more manageable for Mr. Mercado's finances than would be a private improvement. Additionally, the City of Portland will provide interim financing for the project during survey, engineering and construction, which could be difficult or impossible for the Deltawood HOA.

Issue No. 2: My weekly paycheck is only enough to the weekly sustenance of my family, with six children. I have a baby to feed; she is almost seven months old. Her formula is quite expensive.

Findings:

- a. See findings "a" through "d" in response to Issue No. 1 above.
- b. The future assessment for this LID must be based on benefit, not upon ability to pay per Oregon law. The Portland Water Bureau has agreed to guarantee and cap most costs of this LID, which would not be the case if the improvement were privately constructed by the Deltawood HOA.

Issue No. 3: As a homeowner, I enjoyed the supply of water since the time I acquired this property and I have not experienced scarcity of the same; hence, no improvement is necessary.

Findings:

- a. Lorna Bracken Baxter, HOA president, said on October 23, 2007 that leakages exist and are beyond “glue and tape”. She also said, “We are in a desperate situation at this time in our area.” See Attachment 2.
- b. On August 20, 2008, Ms. Baxter wrote to Commissioner Leonard requesting a City Council-initiated LID due to continued leakage problems. A copy of this letter was sent to the LID Administrator and is attached as Attachment 3.
- c. The City of Portland and the Deltawood Homeowners’ Association entered into a repayment agreement for delinquent water and sanitary sewer bills on October 23, 2008. The amount of the credit was \$44,614.00. Existing leaks have resulted in higher than average utility bills for the Deltawood HOA resulting from the wasted water.

III. NOTIFICATION ERROR

The Auditor’s Office generated the hearing notices for the February 11, 2009 LID Formation Hearing. During the data entry process into the City of Portland’s lien records system, one digit of the property identification number was entered incorrectly for the property owned by Amy Carroll; the owner of the developed property at 9416 NE Gertz Court; State ID # 1N1E03DD 5800; # R776800780; Property ID # R271829; legal description SNOOZY’S HOLLOW, LOT 34; pending lien record #146130.

The assessment register is typically generated five (5) days prior to date notices are mailed and is proofed by the LID Administrator prior to the mailing by the City Auditor. The LID Administrator was on a leave of absence at the time of this mailing, so this proofing did not occur until February 3rd. This is the first such data entry error observed during his tenure with the City of Portland.

The erroneous notice was mailed on January 21, 2009; see Attachment 4. The owner of this property did not contact the LID Administrator after receiving the erroneous notice.

The LID Administrator left voicemail messages with Ms. Carroll at 11:26 AM and again at 8:13 PM after discovering the error. As of the filing date of this ordinance, neither of these telephone messages have been returned by Ms. Carroll. The corrected notice was mailed to Amy Carroll on February 4, 2009; see Attachment 5. Ms. Carroll was sent proper notice of the Deltawood Phase II LID, which is on the same timeline as the Deltawood Phase I LID, and Ms. Carroll did not file a remonstrance by the filing deadline (see record of the Ordinance submitted for City Council consideration for which local improvement district formation proceedings were authorized by Resolution No. 36660 passed by City Council on December 17, 2008). Ms. Carroll has been sent project-related correspondence for both projects since June 21, 2007 and has not contacting the LID

Administrator in response to any of these mailings, including invitations to two (2) property owner meetings.

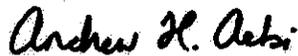
The notification procedure adopted by City Council per Subsection 17.08.070.A.4 of City Code allows City Council to proceed with LID formation notwithstanding the error by the City Auditor:

“A record shall be kept of the mailing, posting and publication of any notice required by this Ordinance. Any mistake, error, omission or failure with respect to publication, posting or mailing notice shall not affect City Council’s jurisdiction to proceed or otherwise invalidate the local improvement proceedings when notice is provided by at least one of the methods in this Section.”

IV. RECOMMENDATION

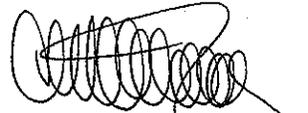
It is the recommendation of the Local Improvement District Administrator that the City Council overrule any and all remonstrances and form the Deltawood Phase I Local Improvement District. It is the further recommendation of the Local Improvement District Administrator that City Council not postpone or continue the LID Formation Hearing as a result of the notification error described in Section III above.

Respectfully submitted,



Andrew H. Aebi
Local Improvement District Administrator

Respectfully submitted,

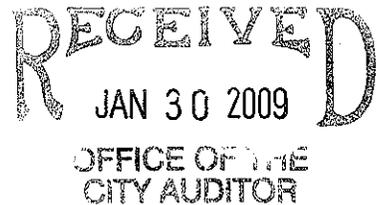


Cynthia Dietz
Development Services Manager

ATTACHMENT 1

9401 NE Gertz Court
Portland, OR. 97211

MR. GARY BLACKMER, City Auditor
Assessments, Finance & Foreclosure Division
1221 SW 4th Ave., Room 136
Portland, OR. 97204-1405



Sir:

This refers to your "Hearings Notice and Cost Estimate" dated January 21, 2009, with Acctn # 146097, Project # C10031 and Tax Acctn # R776800060, regarding the Proposed Construction Water System Improvements in the DeltaWood Phase I Local Improvement Project.

May I have the honor to object to the proposed project and estimated assessments on the following grounds to wit:

- 1.) The estimated assessment is beyond my capacity to pay, considering the economic crisis nowadays that adversely affected me and my family;
- 2.) My weekly paycheck is only enough to the weekly sustenance of my family, with six children. I have a baby to feed, she is only almost seven months old. (Her formula is so expensive), and
- 3.) As a homeowner, I enjoyed the supply of water since the time I acquired this property and I have not experienced scarcity of the same, hence, no improvements is necessary.

In view hereof, equity and justice demands that this objections be given meritorious considerations.

Very truly yours

Ntho J. Mercado Jr.
Homeowner

Mr. Vito B. Mercado Jr.
9401 NE Goaty Ct.
Portland, OR. 97211

7008 1830 0002 1812 3820

PLACE STICKER AT TOP OF ENVELOPE TO THE RIGHT
OF THE RETURN ADDRESS FOR A DOTTED LINE

CERTIFIED MAIL™



7008 1830 0002 1812 3820

Gary Blackman, City Auditor
Assessments, Finance & Foreclosure Division
1221 SW 4th Ave, Room 130
Portland, OR. 97204-1905

972041905



0000



97204

U.S. POSTAGE
PAID
PORTLAND, OR
97217
JAN 29, '09
AMOUNT

\$3.12

00084386-03

Aebi, Andrew

From: Lorna Bracken Baxter [dooncookie@yahoo.com]
Sent: Wednesday, October 24, 2007 5:27 PM
To: Aebi, Andrew
Subject: Re: FW: Deltawood Water and Sewer project

Thanks Andrew.

Lorna

"Aebi, Andrew" <Andrew.Aebi@pdxtrans.org> wrote:

Lorna, unfortunately I was not successful in scheduling a meeting for later this week due to others' scheduling conflicts. I have rescheduled this meeting to mid-November and will contact you with an update.

Regards,

Andrew Aebi

-----Original Message-----

From: Abma, Shane
Sent: Tuesday, October 23, 2007 3:25 PM
To: 'Lorna Bracken Baxter'; Abma, Shane; Aebi, Andrew
Subject: RE: Deltawood Water and Sewer project

Sorry Lorna to hear of the situation. Andrew is working on scheduling a meeting I believe. I'm sorry that the City has been somewhat slow to respond to this so far, but both Andrew and I need others to make decisions before (1) he can begin the LID process, and (2) I can help out with knowing what exactly you guys will ultimately owe. Hopefully this meeting will again spur people into action.

Shane

From: Lorna Bracken Baxter [mailto:dooncookie@yahoo.com]
Sent: Tuesday, October 23, 2007 11:58 AM
To: Shane Abma; Andrew Aebi
Subject: Deltawood Water and Sewer project

Hi Shane and Andrew,

First off I did receive your message Andrew. Thank you.

Since you are both working on different angles of our water situation, Shane in the financial arena and Andrew with the LID project. I wanted to let you know of our current water situation. We have had in the past, two areas with slow water leaks. Currently, the area by our Gertz Road entrance has broken through it's "repair tape", for the second time and is now providing us with a lovely pool. We had the plumber out last week who let us know both leakages are beyond "glue and tape". He will need to replace the pipes, which of course, your guess on the cost would be most correct.

We are in a desperate situation at this time in our area. In order to know which way to go at this time to meet the need of getting our water pipes repaired. I need to know from you both, what our options could be currently on your side. Will we be able to be forgiven for the past due amount on the water bill? Is there a possibility of us getting a grant to assist us in putting in new pipes? Will the LID project be something that may happen soon, to where we can wait on fixing the pipes?

I am trying to work with this as well as with the Board on future cost plans to beautify our area, modestly of course. If you need to review our financials I have a copy I can email to you.

Please up date my contact numbers as below.

Thank you,

Lorna Baxter
Deltawood HOA President
Cell 503-449-5981, Home 503-285-1196

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Tired of spam? Yahoo! Mail has the best spam protection around
<http://mail.yahoo.com>

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<http://mail.yahoo.com>

August 20, 2008

RECEIVED
AUG 21 2008

Office of City Commissioner Randy Leonard
Attention: Ty Kovatch
1221 SW 4th Ave, Room 210
Portland, OR 97204

TRANSPORTATION

Mr. Leonard,

I am the President of the Deltawood, AKA Snoozy's Hollow Homeowner's Association Board. We are a community that consists of 42 lots which have 41 houses built in the 1940's. We share one water meter and have a situation with our water and sewer pipes in that they are cracking and leaking and beyond repair. We have been working with the City of Portland, Local Improvement District Administrator, Andrew Aebi, Portland Water Bureau, Cindy Dietz and Mari Moore and City of Portland, Environmental Services, Matthew Hickey. We also work with a management company, NW Community Management, Candra Cole, to assist in all aspects of our property management, financial and issues such as the LID project.

The problem

19 percent of the property owners did not respond to the LID petitions. This percentage never responds to any mailings or meetings. The non respondent owners in some cases are off sight owners or financial institutions.

Notice and contact efforts

We have made every effort to open lines of communication with all homeowners and gave contact information so as to have any questions or concerns answered. We have had several conversations with the City on this project, HOA meetings including City members and City staff organized two LID meetings one in the summer of 2007 and one this spring of 2008. Following the City's LID meeting, we sent notices and held an HOA meeting to have further discussions on the LID project. Once the City sent out LID petitions to all homeowners, one of our neighbors who was for the project, went door to door with her copy of the LID petition to aid any homeowner in understanding their notice if they needed and to insure they knew who to contact if they had any questions. The only turn out or response to the meetings has been from the same people who have responded positively to the LID survey. One person who showed up at two of the meetings expressing opposition, was trying to get us to use their friend to install new pipes. He was not a homeowner.

Condition of water

We have had several water pipe repairs. Currently we have two large water pipe leaks that were previously fixed by being wrapped. We have been told by pipe repair companies, at this point the pipes are in such a brittle state, they are beyond repair. The only repair is to replace all pipes. The cost to lay new water pipes privately, as you would know, would not be the same financial arrangement verses a 20 year LID. The Deltawood Board members as well as the City members, have informed the homeowners that if we do nothing, we will still have to deal with the water situation. And the City would still have to get involved, but not as in the same capacity as in the LID project. It isn't a matter of "if", but "when" a further crisis with our water system will happen again.

Due to our water situation, it is urgent that we be able to enter in to the LID project. We the elected Board members are just your average people volunteering our time to deal with this very important matter. Elections take place every February and depending on who is elected and desire to serve, the direction with the HOA could change drastically. We hope, for the better. We cannot afford to have anything less than the City's involvement in financing to rectify our water situation.

Commissioner Leonard, I am requesting your review with the City Council, the possibility of the Deltawood, AKA Snoozy's Hollow Homeowners Association, being able to proceed with this LID project with only having 31 percent response.

Thank you for your time and attention in this matter.

Respectfully yours,

Lorna Baxter
Deltawood HOA President
9512 NE Gertz Circle
Portland, OR 97211
503-285-1196

cc Andrew Aebi, LID Administrator

VOLUME: 215
 CITY OF PORTLAND
 OFFICE OF THE CITY AUDITOR
 LIEN5405
 ASSESSMENT NOTICE REGISTER

PAGE: 235
 RUN DATE: 01/16/09

FORMATION: ORDINANCE #: 36661 DATE: 12/17/2008
 ASSESSING: ORDINANCE #: 0 DATE: 00/00/0000

AUDITOR'S FILE NO. C10031 DELTAWOOD PHASE 1 LID
 CONSTRUCT WATER SYSTEM IMPROVEMENTS IN THE DELTAWOOD
 PHASE 1 LOCAL IMPROVEMENT PROJECT

DATE OF NOTICE: 01/21/2009
 OBJECTION DATE: 02/04/2009
 HEARING DATE: 02/11/2009

ACCOUNT NUMBER
 LEGAL DESCRIPTION

PROPERTY ADDRESS
 MAILING NAME
 MAILING ADDRESS

ASMT AMT
 ASSESSED VAL

TAX NMBR: R766800780 CNTY CODE: M ACCT #: 00146130 CT \$ 11,566.30
 PROPERTY ID: R269887 - BOOK: 11 PAGE: 1 GRESHAM OR 97080
 LEGAL DESC: SHIMMERING PINES; LOT 34 BLOCK 1 \$ 0.00

ADDL LEGAL DESC:

INV #:
 SQ FT: 0.00
 # BRANCH: 0.00
 FINANCE PLAN: 0001
 OPTION: 01

TAX NMBR: R776800060 CNTY CODE: M ACCT #: 00146097 CT \$ 11,566.30
 PROPERTY ID: R271796 - BOOK: 11 PAGE: 1 PORTLAND OR 97211
 LEGAL DESC: SNOOZY'S HOLLOW; LOT 1 \$ 0.00

ADDL LEGAL DESC:

INV #:
 SQ FT: 0.00
 # BRANCH: 0.00
 FINANCE PLAN: 0001
 OPTION: 01

TAX NMBR: R776800080 CNTY CODE: M ACCT #: 00146098 CT \$ 11,566.30
 PROPERTY ID: R271797 - BOOK: 11 PAGE: 1 PORTLAND OR 97211
 LEGAL DESC: SNOOZY'S HOLLOW; LOT 2 \$ 0.00

ADDL LEGAL DESC:

INV #:
 SQ FT: 0.00
 # BRANCH: 0.00
 FINANCE PLAN: 0001
 OPTION: 01

VOLUME: 215
 PAGE: 235