

South Indian River Water Control District

Voluntary Hook-up Financing Program

Frequently Asked Questions

Q. When can I sign up for the financing program?

A. The sign-up period is from August 15, 2007 to June 30, 2009.

Q. What is the structure of the financing program?

A. The District has arranged a Line of Credit (LOC) to fund the hook-up fees of participants. The LOC will be available for a two-year period. Assessments made during the sign-up period will be for interest only. In July 2009, the District will convert the LOC into a permanent 15-year term loan. The annual assessment will then include principal and interest.

Q. What are the annual assessments expected to be?

A. During the sign-up period for the 3/4" meter an assessment of \$250.00 will be included in the tax bill you will receive from the Palm Beach County Tax Collector in November 2008 and 2009. For the years thereafter, the annual assessment is estimated to be from \$434.00 to \$454.00 per year.

Q. Can I prepay the assessment?

A. The assessment can be prepaid prior to June 30, 2009. Thereafter, it cannot be prepaid.

Q. Will I be notified before the end of the prepayment period?

A. Yes, the District will send notices to the Landowners in May 2009.

Q. What size meter is required?

A. For homes less than 4,000 square feet (air conditioned area) using your well for irrigation, or less than 3,500 square feet (air conditioned area) using Town water for irrigation, a 3/4" meter is required. Larger homes would require 1" meter service.

Q. How much are the hook-up fees?

A. The cost for a 3/4" meter and associated fees is \$3,952.18. The cost for the next largest meter and associated fees, (1" meter) is \$9,427.95 (includes security deposit and processing fee).

Q. What is the expected annual assessment for a 1" meter?

A. Please contact the District Office for assessment information regarding the 1" size meter.

Q. What interest rate is being used?

A. During the sign-up period, the base interest rate is 5.80%, plus collection costs. The interest rate on the permanent loan will not be known until shortly before the conversion in the summer of 2009.

Q. What are the collection costs?

A. There are certain ongoing costs to the District to put assessments on the Tax Roll. The District must pay the Palm Beach County Property Appraiser for maintaining the tax roll and the Palm Beach County Tax Collector for collecting the taxes. Additionally, when setting assessment rates the District must assume that all landowners will be taking the 4% early discount. The total of these costs adds .05% to the interest rate.

Q. How do I enroll in the program?

A. To enroll in the program you must complete the Declaration of Restrictive Covenant, have it witnessed and notarized, and return it to the District's office in the self-addressed envelope included for your convenience. Do not fax this document. The Covenant enclosed is for the 3/4" meter size. If you will require a 1" meter, contact the District office for the Declaration of Restrictive Covenant for your size meter, or download it from the SIRWCD website at www.sirwcd.org.

Q. Is the financing program voluntary?

A. Yes, it is completely voluntary. You also may pay the hook-up fees to the Town of Jupiter directly or secure your own financing. *(see other side)*

Q. Will I forfeit any rights if I do not enroll in the financing program?

A. You will not forfeit any rights by not enrolling in the financing program.

Q. If the loan program is for seventeen years, why does the Declaration of Restrictive Covenant show a twenty-year period?

A. The Covenant period has to be longer than the loan period to ensure that all assessments that are due can be collected. However, assessments will only be collected while the Hook-up Financing Program loan is outstanding.

Q. If I do not sign up for this program, will another one be offered in 2010?

A. The District has no plans to continue this program beyond June 30, 2009.