

**MINUTES FOR THE
BLACK CANYON CITY WATER IMPROVEMENT DISTRICT
June 15, 2006 REGULAR BOARD MEETING and PUBLIC RATE HEARING**

Chair Jim Evans opened the meeting at 7:31 PM and welcomed the Public, noting the good turnout. The Chair called for the customary reflection period to be observed by the Board and Public

Roll Call showed a quorum with ALL Board members present; in attendance with the Chair indicating Floyd (Ballinger) was the "new" Board member and welcoming him aboard:

Jim Evans, Chair Ron Lee, Secretary
Floyd Ballinger, Treasurer Mary Brown, Member-at-large

Also in attendance: Water Management - Randall Hrabina and Sarah Hrabina

Public: Mr. & Mrs. George Balfe, Polly Ballinger, Jeri Coslett, Bob Cothorn, Marlene Evans, Mike Ezell, John & Marietta Heyer, Jack Horton, J Leonard/"Sundown", Linda Tomecsko, Robert Torgerson, and Darrell Zimmerman all Owner/Users; Also in attendance Cindy Brannan and Bruce Colbert from the Big Bug News (and Mrs. Colbert)

Agenda Item #4: Board Member Reports

F Ballinger stated he went on a "tour" of the system with Management, noting it was quite extensive and would need another one because it was overwhelming.

Agenda Item #5 Approval Board Minutes

M Brown indicated she read the minutes thoroughly and motioned to accept the minutes as written. F Ballinger moved to second the motion and upon vote the motion to accept the minutes from the May 18, 2006 regular Board meeting was approved unanimously.

FYI-Book – Chair Evans stated the book was available for public inspection and noted the items included for the month.

Agenda Item #6 Treasurer's Report (as of 5/31/2006)

F Ballinger noted this was his first time reporting the Treasurer's Report and provided the beginning and ending balances for all accounts:

Account	Beginning	Ending
General Fund	\$258,305.21	\$236,511.97
Security Deposits	\$ 39,250.00	\$ 39,250.00
Capital Reserve	\$133,114.59.	\$142,019.44
Arsenic Sinking Fund	\$ 30,348.34	\$ 33,730.09
Bank of the West	\$ 10,089.58	\$ 17,242.31

F Ballinger also noted there was no change in the set-aside funds frozen by Yavapai County back in '02 with the ending balance reported at \$11,571.09.

May billing totaled \$33,585.77 with 818 active accounts. The gallonage for the month was reported at 8,546,000 as compared to 5,548,000 the previous month, noting the large jump in just one month. The '05 comparison was 5,700,000 gallons. Total year to date total was reported at 71,223,000 gallons.

Cash Management Reports show total receipts of \$33,783.33 and disbursements of \$26,505.80. The financials for the month included Qbook invoices 685 through 693 and the Taabs audit numbers were 7309 through 7358 and the accounts receivable balanced in both at \$34,087.07. Three (3) impact fees were collected in May- Audit #7323, a/c#762; Audit#7350, a.c#763 and audit #7351, a/c#764. The Treasurer indicated the monthly budget analysis and general journal entries were also attached for approval.

Chair Evans stated he would entertain a motion for accept the report with R Lee so moving. The motion was seconded by M Brown and upon vote the Financial Report for the period ending 5/31/2006 was passed unanimously.

Agenda Item #7 Operations Report (as of 06/13/06)

R Hrabina presented an overview to the Board and Public: 30 Completed Work Orders, 12 Blue Stakes marked and 30 "Pink Slips" for past due accounts were processed. Water samples (for bacteria) for the month were negative and it was noted the second quarter MRDL (Maximum Residual Disinfection Level) report was mailed to ADEQ. R Hrabina indicated the maximum level allowed is 4.0 (mg/l – milligrams per liter) and stated the District's average was 0.10 (mg/l); It was reported six (6) new water services were installed including three on Scenic Loop (Indian Hills), Lisa Drive, Albins St and Azlynn Way

Well Stats were reported with R Hrabina noting there has been a slight change (since May report)-

Big John #1 Water level at 20' 6"; Draw to 24';

Big John #2 Water level at 20' 6"; Draw to 45'

Running time is 6 ½ to 9 hours a day

GOA #1 Water level at 20' 6"; Draw to 24';

GOA #2 Water level at 20' 6"; Draw to 47'

Running time is 9 to 14 hours a day

Oasis #1 Water level at 25'; Draw to 55'

Oasis #2 Water level at 25'; Draw to 50'

Running 5 to 6 ½ hrs a day

Gallons pumped from 5/12/06 to 6/12/06 - 9,888,000 gallons with R Hrabina indicating it to be the reason for the increased draw down. It was also noted the total is an all time high. People need to be aware and conserve.

Updating the capital improvement project, R Hrabina indicated the new storage tank for the Big John site was delayed (reported last month delivery expected the first week of June) and is now expected the first or second week of July.

Management reported the meter installed on Lisa Drive was for the customer the Board approved at the 2/16/06 Board meeting allowing them to pay \$100.00 with the balance of fees due of \$1,800 to be paid in \$100.00 monthly installments. If you remember it was approved due to hardship; their well went dry.

R Hrabina indicated he did have one other item he wanted to report although it was not included in the (written) report – with the past discussions about whether the District's Emergency Plan should be given out as a "public record", we (Management) called the County and asked for a copy of their Emergency Plan and it was indicated it is NOT given out. When Sarah (Hrabina/Management) asked County Attorney Randy Schurr what is the County's policy he indicated (in an e-mail) the County's policy is on a "case by case" basis. R Hrabina indicated Management did that for informational reasons only.

Chair Evans indicated he would accept a motion and M Brown moved to accept the Operations Report. R Lee seconded the motion and upon vote the Operations Report was accepted unanimously.

Agenda Item #8 Acknowledgement and Appreciation for Services on the Board to John O'Daniel and Robert Marley

Chair Evans opened the discussion noting a letter was drafted and asked for Board comment. M. Brown indicated she felt it was an excellent idea with R Lee concurring. The Chair indicated he felt the letters should be sent out, signed by all the Board members. M Brown motioned to send the letters of appreciation to John O'Daniel and Robert Marley with R Lee seconding the motion. Upon vote the motion carried without opposition.

Agenda Item #9 Letters of Intent/Board Vacancy (Robert Marley/Vice Chair) and possible appointment

Chair Evans opened the discussion indicating at this point he was in receipt of two (2)

Agenda Item #9 Letters of Intent/Board Vacancy (con't)

Letters; one from Ralph VanDusen (last month) and one from Jack Horton (received by Chair on 6/14/06). R Lee indicated he had read over both of them and noted Jack (Horton) was present. He also indicated Mr. VanDusen was not present, noting he is in the process of getting his schedule changed within the next two weeks; would be able to attend the July meeting and suggested waiting until then so they could both be present to ask questions. Chair Evans inquired of Jack (Horton) if that would be okay with him with Mr. Horton indicating he would not be able to attend the July meeting because he would be out of town. The Chair suggested doing the interview with Jack (Horton) tonight with R Lee concurring.

Mr. Horton came forward and the Chair called for questions from the Board. Referring to his resume, R Lee inquired with all the activity with the other Boards he serves on did he feel he would have the time to devote to the Water District. Mr. Horton stated, fortunately, he was retired and, therefore, felt without a job had the time to devote where ever he wanted. He indicated the other Boards really didn't take up that much of his time. Chair Evans asked what he felt he could do for the Water Board and Owners with Mr. Horton responding as his resume indicates he brings to the table a fair amount of business experience and retired from the construction business in 1993. Since then he has assisted his sons in jobs as a supervisor. Mr. Horton also indicated his experience included some commercial and developed an excavation business that included putting in sewer and water lines. I also bring a fair amount of Board experience and could help with public relations because I am fairly well known in town. I think I can make a positive contribution to the Water Board. F Ballinger indicated he had a background with Jack with Mr. Horton indicating they worked together for a couple of years at the park with the High Desert Helpers.

With no other questions from the Board, the Chair stated he would entertain a motion, noting the two options – vote tonight or next month. R Lee motioned to table the issue until next month at which time the Board could interview Ralph VanDusen. Mr. Horton indicated it sounded fair to him. The motion was seconded by F Ballinger and the matter was **TABLED** until the July meeting with the vote unanimous by the Board.

Agenda Item #10 Approval to add Treasurer Floyd Ballinger as authorizer signer

Chair Evans opened the discussion indicating the need to include the Treasurer as an authorized signer for the bank and County transactions. R Lee motioned to add Floyd Ballinger as an authorized signer and M Brown seconded the motion. Upon vote the motion carried unanimously.

Agenda Item #11 Capital Improvements

Chair Evans yielded the floor to R Hrabina/Management who indicated a couple of months ago he had indicated the need to revise the Capital Improvement Plan. Management has put together a booklet for the Board. As projects are done they can be marked completed; put in the back and new projects can be added as needed. R Hrabina reviewed each individual proposed project (See **Attachment #A**) noting the importance and estimated costs. Labor provided by Management for some projects was given if the Board chooses, noting when it comes to Capital Improvements, Management would rather not do them but as in the past it is often difficult to get bids on small projects. The Valve Program, Road Improvements to the school tank site and the improvements to the Cholla Booster were high on Management's priority list. It was noted a decision was not needed immediately but the Board should review with more discussion and possible decision in the next month or so. Chair Evans thanked Management for the work in putting the booklet together for the Board and the matter was **TABLED**.

8:30 PM Public Rate Hearing

Chair Evans opened the hearing indicating it is the opportunity for the public to give the Board its input on what has been proposed. The Chair asked the public to use the mike for recording purposes and be part of the minutes and when called upon to state their name for the record. It was noted depending on the number of people a time limit may need to be imposed. The Chair yielded the floor to Jeri Coslett who began by congratulating Floyd (Ballinger) to his

Public Rate Hearing (con't)

newly appointed position on the Board. Ms Coslett stated she read with interest both the proposed rate schedule and the budget and indicated she was okay with most of it with the exception of the late fee/interest charge. Water is a basic necessity and I have checked with APS, Qwest, and Paradise Waste and they all have a 1 ½% penalty after the due date. You are proposing an increase from 1 ½% to 10% plus a flat rate, in addition to, a flat rate of \$15.00. I don't believe the demographics of Black Canyon City have been taken into consideration when that was suggested. A good portion of our population are retirees, on fixed incomes and disability. Social Security use to pay on the third of each month, but no more. Now it may be the second Tues of each month or the third Thursday. Some of us only get paid once a month; for example, I get paid on the 11th of the month; my bill is due on the 10th. That will impact me and others. I think that needs to be reconsidered. The other area is the base rate with Ms Coslett noting the base rate for Operations & Maintenance and Capital Improvements totals more than what she pays on her tax bill to the Fire Department. The difference between the two is the public has to vote on the fire department increase whereas the public does not vote on the water (rate); that's just up to the Board. I like the conservation plan, but on the rebate portion it says – "customers may reapply each year they qualify"; why should they have to remember to apply? You have the records, why can't you just apply it? The only other thing is I know the Fire Chief has found grant money to bring in and through various discussions at these Water Board meetings you have decided NOT to use the grant money that has been offered and yet you are increasing our water bills; I've read it in the paper – grant money has been awarded out here to make some improvements. Not taking advantage of that, all I can say is "thank you".

The Chair called on the next speaker who introduced himself as Don Flammang. Mr. Flammang indicated he built a new house (Mud Springs Road/Gregory Street) just about across from the firehouse. A couple of months ago when there was a water line break (Phyllis and Mud Springs Road) they installed a shut off but in the meantime mud got in the line and it ruined the circulator pump in my hot water heater and I had to have it replaced. A week later the water softener went out and I called Sears to service and was told it would be \$65 to come out plus \$26.50 for every one-half hour we are there plus the cost for any parts. I said "no way" and I got Jerry Delay, a plumber here, and we took it all apart and cleaned it and it had mud in it from that line that broke when they were replacing it just like the circulating pump. I had one month to go on the warranty on it so we didn't tell them what happened and I got the new pump and Jerry charged me \$65.00 to go get it and install it and \$45.00 to clean the water softener. I would like to have a little help on that, because it wasn't my fault. He (R Hrabina/ Management) has it set up now where he can come over and shut off the water and can shut it on the outside my house because he knows what I have with Mr. Flammang noting it is what he did just the other night. I need some relief on those costs.

The Chair asked for any other comments on the HEARING and the floor was yielded to "Sundown" who stated he has lived here for thirty-three (33) years and had a lot of questions. Looking this over I see what I believe is "double dipping" – we have delinquent fees and late fees; what's the difference? The Chair indicated all questions would be addressed later. Also I see management services gets \$154,257.00 but it doesn't break it down as to who gets how much. I would just like a little bit more information. "Sundown" stated he has a son who has water service with Coldwater; uses twice the amount of water and pays about half the amount of his. I don't know if Roger is managing his company a little better than this one, or what's going on; it seems like an awful big difference. The more people you have the cheaper it should be. A lot of the expenses I don't understand; they are not broken down enough. I don't know, maybe we should just get Roger to run this company. Chair Evans indicated to "Sundown" this hearing is only for the rates and the Budget Hearing is scheduled for next week, June 22nd.

With no more question, the Chair indicated the Board would respond to the questions posed and started by addressing the questions on the interest (penalty fee). Chair Evans stated the problem is the 1 ½% is such a small amount of money we have a number of people delaying paying their bills for two (2) months and are constantly behind two (2) months all the time. We as a Board don't have that money to put in the bank and collect interest on it and we feel the people doing this should pay more. Chair Evans called upon Jeri Coslett who indicated she understood

Public Rate Hearing (con't)

and if it was something that needed to be done to allow her the opportunity to pick which day of the month I want my bill due; pick four (4) days like the 5th, 10th, 15th or 20th. If you are going to do the \$15 fee, give me the opportunity to pick a different day than the 15th for my bill to be due because she gets her check on the 11th. The Chair indicated it was a suggestion that could be looked into and added the \$15 fee would be added at the end of the month if not paid by then. They are two different issues. The customers who are paying on time are "subsidizing" the ones who are not and that's not right. Ms Coslett interjected the 10% was out of the realm with any other utility. The floor was yielded to M Brown who indicated the Board is not unfeeling and indicated special arrangements for hardships can be granted. Chair Evans indicated the need to get input from Management and yielded the floor to S Hrabina.

NOTE: This ended side one (1) of the transcription tape and side two (2) was blank. The remainder of the minutes are from hand-written notes.

S Hrabina indicated having multiple due dates was not an option and suggested an option would be to extend the current due date from the 10th to the 15th.

The Chair called for any other questions and yielded the floor to Mike Ezell. Mr. Ezell indicated he had no question regarding the fees for the new installs, but inquired if the increases would be sufficient in light of the previously discussed capital improvements Management shared earlier or will we see additional increases in the future? Chair Evans yielded the floor to Board member R Lee for a response with R Lee indicating although the amounts are sufficient for the immediate needs at some time in the future rates may have to be looked at again. Chair Evans added many of the items talked about are for (increased) capital improvements and yielded the floor to S Hrabina/Management. S Hrabina indicated with the proposal approximately an additional \$30,000 would be added to the Capital Improvement Budget (for the fiscal year). In addition, the reserves available are \$142,000 with an additional \$236,000 (approx) in the General Fund that the Board could appropriate for capital improvements. R Hrabina/Management added the Public needs to realize this District was in bad financial condition prior to 1999. Since then over a million dollars has been put back into the system each year; debt has been reduced; the current Board does not want to go into additional debt and does not want to tax.

The Chair called for any final questions and yielded the floor to Jeri Coslett who inquired how the high gas prices affect the Water District. R Hrabina/Management responded to the question indicating it doesn't affect the District because that is a cost to Management and is included as part of the management contract. The District does not pay for the gas that goes into the trucks. The trucks are owned by Management, not the District.

Linda Tomecsko indicated nobody likes increases, but didn't have a problem with what was proposed. However, several serious issues have been discussed tonight and need to be dealt with especially the need to have accurate maps of the system. R Hrabina/Management responded stating about 10-years ago the District spent about \$30,000 to an engineer for maps and much of it was a horrible job. Ms Tomecsko indicated she felt it was definitely something the District needed to do.

With no other questions, the Chair closed the floor to the Public discussion on the Rate Hearing at 9:01 and reverted final discussion back to the Board. F Ballinger stated he felt changing the due date from the 10th to the 15th was a minor change with R Lee concurring. With no further discussion, R Lee motioned to amend two items in the rate changes proposed and approve the rate changes except – change the due date from the 10th to the 15th; and change the penalty (interest rate) fee proposal of 10% to 3%. All other proposed rates to remain the same. The motion on the floor was seconded by M Brown and upon vote was approved by a unanimous vote. S Hrabina/Management indicated the motion should include an effective date and would need to be advertised and the Chair indicated the effective date would be August 1, 2006 for the new rates. The Chair thanked the Public for their participation in the Rate Hearing. **See Attachment #B** included as part of the minutes(for rates approved).

Agenda Item #12 Call to the Public

Bob Cothorn indicated during the discussion on filling the Board vacancy (Agenda Item #9) you didn't indicate if it is still open for any additional letters of intent to serve. The Chair indicated it was still open for anyone else interested in submitting a letter of intent (action was to TABLE discussion until July meeting). Mr. Cothorn also stated he didn't know why the Board chose to postpone until July, noting it was just a comment.

With no other business to come before the Board, the Chair declared the meeting adjourned at 9:15 PM.

ATTESTED:

I, Ronald E. Lee, Sr. for the Black Canyon City Water Improvement District certify that the minutes, as transcribed, are true and correct to the best of my knowledge and belief.

Respectfully submitted,

Ronald E. Lee, Sr.

Transcription of minutes completed by Sarah J. Hrabina on 6/30/2006

Amended: YES NO

Minutes of the Regular June 15, 2006 Board Meeting and Public Rate Hearing approved
by Board action on: July 20, 2006 as herein transcribed

**Attachment A From Agenda Item #11 Capital Improvements
(Note: Condensed in size only)**

**BLACK CANYON CITY WATER IMPROVEMENT DISTRICT
PROPOSED CAPITAL IMPROVEMENT PROJECTS 6/2006
TABLE OF CONTENTS**

- 1) VALVE PROGRAM PROJECT**
- 2) SCHOOL TANK ROAD IMPROVEMENTS**
- 3) CHOLLA BOOSTER STATION IMPROVEMENTS**
- 4) ALBINS STREET REPLACE WATER MAINS**
- 5) S PHYLLIS STREET REPLACE WATER MAINS**
- 6) CHURCH/DAVID STREET REPLACE WATER MAINS**
- 7) WANDA DRIVE REPLACE WATER MAINS**

#1 Valve Program

The importance of the VALVE PROGRAM is to isolate areas during an emergency repair and minimize the disruption of service to a large number of customers.

The first two (2) sets of valves are:

- 1) K-Mine at Phyllis Street; and
K-Mine west of Albins Street

Installing the two valves at the same time will require only one disruption of service

- 2) South end of Bertha Street; and
K-Field across from W Phyllis Street

Installing the two valves at the same time will require only one disruption of service

Note: Additional valves will still be needed in other areas of the system; however, these are the most crucial at this time.

COST:

Materials for each valve	700.00	4	2,800.00
Labor & backhoe	1,200.00	4	<u>4,800.00</u>

Total Cost 7,600.00

Board

Approved: _____ Construction Start: _____ Completion: _____

#2 School Tank Road Improvements

The School tank has been in service for over five (5) years and the road to the tank site has deteriorated from erosion during that time.

Improvements are needed to make it serviceable again and include grading and ab.

Cost:

Price Quote from BC Contracting, LLC \$4,500.00

Board

Approved: _____ Construction Start: _____ Completion: _____

#3 Cholla Booster Station Improvements

The Booster Station currently requires the boosters to suck water directly from the mains which causes a fluctuation in water pressure to the customers on the east side (of I-17). The installation of a ground storage tank will provide a stored water source and ELIMINATE the fluctuation of pressure enhancing the quality of service to the customers.

Attachment A From Agenda Item #11 Capital Improvements/Cholla Booster Station (con't)

COST:

30,000 gal tank – 19” diam/12’ H (price obtained from Brown Tank)	\$36,000.00
Pipe, fittings & other materials to install	5,000.00
Management Labor & Backhoe	<u>3,800.00</u>
 Project Cost	 \$44,800.00
+Engineering (estimate)	<u>4,500.00</u>
TOTAL COST	\$49,300.00

Board
Approved: _____ Construction Start: _____ Completion: _____

#4 Albins Street Project

Yavapai County is replacing the road in 2006 with County engineering work currently in progress.

Water lines need to be replaced prior to the County work.

Albins Street services 11 homes plus (1) apartment complex

The following is the anticipated work needed to be done:

- (1) Replace service lines with PVC Schedule 80 pipe; the apt building service line will need to be 1-inch;
- (2) Replace water meters, Service valves, Double check valves and customer service valves;
- (3) Remove old line where possible and/or practical

Cost Estimate:

Total for material, backhoe and labor \$12,400.00

Records indicate the main water line is a 4-inch main and will **NOT** have to be replaced. If the depth is less than 3-ft, the County may require it to be replaced; price quoted above does NOT include replacing the main water line or any District engineering costs.

Board
Approved: _____ Construction Start: _____ Completion: _____

#5 South Phyllis Street Project

Yavapai County is planning to replace the road in 2007

Water lines need to be replaced prior to the County work.

Phyllis Street services 4 homes

The following is the anticipated work needed to be done:

- (4) Replace 2-inch steel main line with 2-inch PVC;
- (5) Replace service lines with PVC Schedule 80 pipe;
- (6) Replace water meters, Service valves, Double check valves and customer service valves;
- (7) Install 2-inch valve for future tie-in to Church St;
- (8) Replace service line to Community Church, tying in to 6-inch main line across the street;
- (9) Remove old line where possible and/or practical

This new line would tie in the new PVC line installed 2/2006

Cost Estimate:

Total for material, backhoe and labor \$9,300.00

Board
Approved: _____ Construction Start: _____ Completion: _____

Attachment A From Agenda Item #11 Capital Improvements (con't)

#6 Church/David Street Replace Water Mains Project

This project was previously discussed and approved in 1999; however, it was put on "hold" in 2000 when the new arsenic standards were announced.
The project calls for replacing the existing 45-50 year old galvanized water mains with 6-inch C-900 PVC; the installation of three (3) fire hydrants; and replacing the service lines.
ALL the engineering work has been completed (and paid for) on this project.

Cost Estimate: \$ 95,000.00

Board
Approved: _____ Construction Start: _____ Completion: _____

#7 Wanda Street Replace Water Mains Project

This project was previously discussed and approved in 1999; however, it was put on "hold" in 2000 when the new arsenic standards were announced.
The project calls for replacing the existing 45-50 year old galvanized water mains with 6-inch C-900 PVC and replacing the service lines.
ALL the engineering work has been completed (and paid for) on this project.

Cost Estimate: \$ 35,000.00

Board
Approved: _____ Construction Start: _____ Completion: _____

#8 New 8-inch Water Main Across (Under) I-17 Project

There is currently only a 4-inch water main connecting the east side to the west side of the water system and is not of adequate size.
This project would call for boring under the freeway and installing an 8-inch water main. This would be in addition to the existing 4-inch main. The 4-inch main would remain as an additional line.

Cost Estimate, including boring: \$ 150,000.00

Board
Approved: _____ Construction Start: _____ Completion: _____

#9 Engineered System Site Plans

Create new maps of the distribution system including all water lines, valves and hydrants
*Note: This could be considerably less, or at no cost if services are donated

Cost Estimate: \$ 8,000.00 +/-

Board
Approved: _____ Construction Start: _____ Completion: _____

Attachment B From RATE HEARING – RATES AS APPROVED BY THE BOARD
Effective date August 1, 2006

The Black Canyon City Water Improvement District (BCCWID) held a Public Rate Hearing on June 15, 2006. Upon due consideration, the following changes to **Article X; Section 1001 Fee Schedule** of the Black Canyon City Water Improvement District Ordinance were approved unanimously by the Board of Directors:

Fee Schedule – Effective August 1, 2006

	Current	New Amount
Commercial Application/New Service	\$ 50.00	\$ 75.00
Residential Application/New Service	\$ 50.00	\$ 75.00
Additional Fees for New Lot Service:		
Impact Fee – Commercial	\$1,800.00	\$2,800.00
Residential	\$1,500.00	\$2,500.00
Meter Fee - Commercial (std size)	\$ 300.00	\$ 350.00
	Or by cost for larger size	Cost +50%
Residential	\$ 300.00	\$ 350.00
Service Connection - Commercial	\$ 250.00	\$ 300.00
Residential	\$ 250.00	\$ 275.00

The above rates will have absolutely NO IMPACT WHATSOEVER on current customers.

Other changes:

Late Fee (Interest charge) 1 ½% penalty after due date 3% penalty after due date

The current due date of the tenth (10th) of the month shall be changed to the fifteenth (15th)

Plus, in addition to the above, a flat rate delinquent fee

shall be established N/A \$ 15.00

(This fee would be charged on the last day of each month on all active accounts with a balance owing over thirty (30) days

This increase will only affect about 4% of our Owner/Users. The 96% of customers that pay their bill on time will NOT be affected.

	Current	New Amount
Base Rate (example) –		
Op & Maint Commercial	\$ 12.00	\$ 10.00
(decrease)		
Op & Maint Residential	\$ 7.00	\$ 5.00
(decrease)		
Capital Commercial	\$ 9.00	\$ 12.00
(increase)		
Capital Residential	\$ 7.00	\$ 10.00
(increase)		

By restructuring the base rate amounts, the **“NET RESULT”** to this price structure will be only **\$1.00 per customer/per month**. The rate structure will be across the board to all customers.

To implement a **CONSERVATION PLAN** the State advocates a “tiered” rate structure for actual metered water with a higher rate charged for high-use customers. The current metered water rates are: \$2.00 per 1,000 gallons for all residential customers; A tiered structure is already in place for the commercial and other customers paying \$2.00 for the first 2,000 gallons and \$3.50 per 1,000 gallons thereafter.

“RESIDENTIAL TIERED CONSERVATION RATE PLAN”

Residential – up to and including 10,000 gallons per month \$2.00 (per 1K gal)

The \$2.00 per 1,000 gallons to remain the same **to 79.7% of customers** **(No Change)**

Statistics show **15.8%** of our customers use between 11,000 and 25,000 gallons per month

11,000 to 15,000 gals/mo **50-cents (per 1K gal) increase** \$2.50 (per 1K gal)

16,000 to 25,000 gals/mo **75-cents (per 1K gal) increase** \$2.75 (per 1K gal)

Attachment B From RATE HEARING – RATES AS APPROVED BY THE BOARD (con't)

These increases would only be on the gallons ABOVE 10,000 gallons with the first 10,000 at the same rate of \$2.00 per 1,000 gallons. Likewise, the “tier” for a customer using 25,000 would be \$2.00 for the first 10,000 gallons; \$2.50 for 11,000 to 15,000 gallons and \$2.75 for each gallon over 15,000 per month.

For usage over 25,000 the statistics show this is a very small percentage at just **3.7%**. The rates would apply as above and for every 1,000 gallons over 25,000 **-\$1.00 increase** \$3.00 (per 1K gal)

Rebate Plan Many households consist of one or two people; many of these households are elderly. Many of these households use 3,000 gallons of water or less, per month. This is far below the District’s average and to **reward** those customers a rebate plan shall be implemented in conjunction with the “Tiered Conservation Rate Plan”. On an annual basis, residential customers may apply for the rebate. Time to apply will be during the first quarter of each year. Application forms will be available at the water office for customers to complete. All applications must be received in the water office before March 31 for the preceding calendar year with review and final approval by the Board at the April Board Meeting. Qualifications will be for any customer/account that has had service for a full calendar year and the records support the total consumption for the 12-month period to be 36,000 gallons or LESS. The rebate will be \$1.00 (50% of water charge) for each thousand gallons and, upon Board approval, the CREDIT amount will be applied to the customer’s account. Therefore, the maximum credit under the rebate program will be \$36.00 annually. Customers may re-apply each year they qualify.

\$25.00 Title Search/Assessment Certification – When properties are in the process of being sold and in escrow, Title Companies require a written statement similar to tax certifications. A fee shall be charged for this service.

ALL rates shall take effect August 1, 2006.