

**Wheeler Crest Community Services District  
129 Willow Road  
Swall Meadows, CA 93514**



**Date: June 8, 2016**

**Re: PRICING POLICY UPDATES – NOTICE OF PUBLIC HEARING**

**To: To all customers of the Hilltop Water System and Pinon / Rimrock Water Systems**

This document describes the proposed changes to bring consistency between Hilltop Water System (HWS) and the Pinon / Rimrock Water System also known as the Lower Swall Meadows Water System (LSMWS) in the area of membership fees into the zone of benefit and connection fees from an inactive lateral to an active lateral. There is **no change** to the annual fees for existing customers who are currently paying and already have an existing active lateral or inactive laterals in either HWS or LSMWS. This document also explains a new policy for annual certification of backflow devices which are now required under certain circumstances. Lastly a change in the cost of water for non-district use such as outside contractors or other government agencies.

### **Fee for in-active laterals in the Hilltop Water System**

For the LSMWS, for those District parcels within the “zone of benefit” there is a two tier annual pricing structure which distinguishes between unconnected service laterals and active service laterals, the latter for which the annual fee is higher. Since the HWS only has 14 active laterals and no in-active laterals, our current pricing policy does not reflect any cost for in-active laterals. Therefore, we are going to formally re-impose the last known cost of an in-active lateral for the HWS which is \$210 annually. Currently, this will affect no existing parcels.

### **Connection or Hook-up Fee for in-active laterals in the Hilltop Water System**

For the LSMWS there currently is a one-time connection or hook-up fee of \$1500 to move a lateral from an inactive lateral to an active lateral where they can begin to use water. We are formally implementing the same fee of the HWS although there currently all parcels are active and there are no in-active laterals. The purchase and installation of all equipment is the responsibility of the owner. Connecting to the service lateral must be coordinated with the Districts’ Lead Operator. The fee covers the lead operators time and services (an outside contractor) any chlorination or water testing that may be required, or any other adjustments to the distribution system, updates to all schedules and documents related to system, and notification to the County of their change of status and annual fee.

### **Membership fee or joining the zone of benefit**

For those parcels within “The District” and within a “zone of benefit” certain water services are provided. A District parcel cannot receive water services unless they are within a “zone of benefit”. There currently is one-time membership fee of \$16,000 in the LSMWS to move a District parcel not currently within a

zone of benefit into one. We are going to institute a one-time membership fee for the HWS as well. The cost will also be \$16,000 although derived differently than LSMWS. The explanation is as follows:

**LSMWS – one-time membership fee (existing)**

This fee is based upon the demand for higher water production due to an increase in the number of households serviced by the system. The most recent well cost \$207,000 (two-hundred seven thousand dollars) and was able to produce forty (40) gallons per minute (gpm). We are using this cost and capacity to predict future expenditures and well production in the Pinon / Rimrock District. Based on the national average of 3 (three) gpm peak usage per household, a new well could support thirteen (13) additional households. Since the well cost \$207,000, the cost would be shared by the thirteen additional households at \$16,000 (sixteen thousand dollars) per lateral / household. This fee does not cover any costs required of the infrastructure to adequately supply water to the requested parcel(s) or to satisfy all county codes and regulations. These and any other costs that may be incurred are the responsibility of the parcel owner making the request.

**HWS – one-time membership fee (new)**

For the HWS, the one-time **Membership Fee** to join the “zone of benefit” will be \$16,000. This fee is based upon the demand for higher water production due to an increase in the number of households serviced by the system. The most recent well cost \$130,000 (one-hundred-thirty-thousand dollars) and was able to produce twenty-five (25) gallons per minute (gpm). We are using this cost and capacity to predict future expenditures and well production in the Hilltop District. Based on the national average of three (3) gpm peak usage per household, a new well could support eight (8) additional households. Since the well costs \$130,000, the cost would be shared by the eight additional households at \$16,000 (sixteen thousand dollars) per lateral / household. This fee does not cover any costs required of the infrastructure to adequately supply water to the requested parcel(s) or to satisfy all county codes and regulations. These and any other costs that may be incurred are the responsibility of the parcel owner making the request.

**Annual Back-flow valve certification**

Back-flow or cross contamination is the most common form of introducing contaminants into water system through the country. These back-flow devices are required under different circumstances: water tanks / reservoirs on the parcel required for fire suppression, sprinklers with pumps inside the dwelling required for egress during a fire, landscaping sprinkler systems that generate potential gravity feed back into the main water system when shut off. If it is determined that a backflow device is required to prevent cross contamination, the parcel owner will be responsible for the annual maintenance and certification of said backflow devices as required by the State of California. The owner will be notified by the District of the required annual inspection and the owner is responsible for having the inspection conducted. If the owner fails to notify the District and supply proof of compliance within 90 (ninety) days, the District will be required to notify the State of California on the non-compliance.

**Change in fee for water usage outside the District**

Water requests for customers outside of the “zone of benefit” will be charged at a rate of \$10.00 (ten dollars) per 1000 (one-thousand) gallons used. The District will provide a hydrant water meter to measure usage. If the water meter or hydrant is damage during usage, it will be the responsibility of the customer to repair / replace all broken components and that all replacement components must be approved by the District. Water usage limits may be imposed by the District depending upon the available flow and water availability at the time the service is arranged. Water usage by a contractor on a job for a parcel that is already within the “zone of benefit” but is an inactive service lateral will not be charged.

If you have any questions about any of these changes, please contact any Board Member. There will be an open discussion or Public Hearing to discuss any and all concerns at the next regularly scheduled Board Meeting.

**Board Meeting and Public Hearing**

Scheduled for July 13, 2016

7:00 p.m.

Location at the Fire Station.