

CRUMBACHER ESTATES OWNERS ASSOCIATION

COMMUNITY NEWSLETTER - MAY, 2011

THE HOT TOPIC – WATER METERS

At the recent annual meeting, members expressed concern over the Board's recent decision to increase the water rates in anticipation of the new state mandate to install water service meters at each lot. Raising water rates is never a popular move, but the governing documents of our association make it clear that the Board is responsible for setting charges that will cover the actual and anticipated expenses incurred.

There was some debate about whether a requirement for service meters was even in effect, and the Board was asked to provide copies of the Washington Administrative Code (WAC) to validate this point. You will find a copy of the pertinent section of the WAC included with this mailing, along with a fact sheet developed by the Washington State Department of Health, both of which clearly state that service meters will be required by January 22nd, 2017.

Due to the number of responses from lot owners in the association, the Board is reviewing the recent rate change. As a part of the review process, the Board is seeking your advisory input. Please read the following information carefully and then indicate your preferred option. Return the advisory votes to the Board no later than June 15th, either by direct mail or by email.

BACKGROUND INFORMATION

In December, 2006, the Department of Health published a regulation (WAC 246-290-496) requiring all public water systems to install meters "on all existing direct service connections" no later than 2017. The only entities that may use a single meter at the source of the water are campgrounds, recreational vehicle parks, mobile home parks, and buildings with multiple units (apartments, etc.). All other must have meters at service connections.

This regulation was challenged for its constitutionality in the Washington Supreme Court. In November of 2010, the court ruled that the regulation does conform to the constitution and directed the Department of Health to implement the regulation.

The State of Washington is without options. This regulation was published in response to a requirement established by the federal government. If the state

were to disregard this federal statute, they would lose primacy in the regulation of public drinking water systems, as well as a substantial amount of federal funding. There is no political will by either party to change this requirement.

FACTORS TO CONSIDER

The Board is faced with four factors that directly influence the decision on how to proceed. The first is the timing. We could begin the installation of the meters at each lot immediately, we could wait until 2016, or any time in between. There are possible arguments for or against any of these options.

The second factor is the cost to the lot owner. The owner could be assessed the full cost of installation, none of the cost of the installation (taking the funds from the current reserves), or part of the cost. While grant money is a possibility, it is not a guarantee, and cannot be counted as a source of funding for the project.

The third factor is the cost of the installation itself. Current estimates are approximately \$1,000 per lot. The longer we wait, however, the more likely that cost will increase. If an assumption of a 3% inflation rate is used, an installation in 2016 could cost as much as \$1126.

The fourth factor is the need to maintain an adequate reserve for unanticipated emergency costs (such as pump replacement or major line repair). While we have over \$30,000 in the bank at this point in time, we would be unwise to deplete these assets for meter installation, and then be unable to meet an unforeseen failure of the water system.

WHAT ARE THE OPTIONS?

The next page outlines a number of options that could be considered for the association water rate structure. Please take the time to review these options and indicate your preference by marking the corresponding check box. This form is available on the website for download, and can be printed to fill out by hand, or completed and sent in electronically.

Please respond no later than June 15th.

VACANT LOTS

Under the present rate structure, adopted several months ago, vacant lots are charged the same \$35.00 per month water rate as occupied lots.

- Option 1:** Continue the present rate structure for all lots.
- Option 2:** Charge a connection fee at the time the lot is developed that would cover the cost of meter installation. Vacant lots would not be charged a water rate until they are developed or until they are utilizing water.
- Option 3:** Charge all vacant lots a temporary metering fee until the cost of installation is met.

Other considerations: What other suggestions do you have regarding vacant lot charges?

IRRIGATED LOTS

This refers only to those nine lots specified on the Crumbacher Estates Water Certificate as having irrigation rights above and beyond the half-acre allowed for lawn and garden watering.

- Option 1:** Leave irrigated lots as they are, paying a water rate equivalent to other non-irrigated, developed lots.
- Option 2:** Charge an additional irrigators fee on all lots with irrigation rights. This could be a flat fee or a per acre fee.

Other considerations: What other suggestions do you have regarding irrigated lot charges?

DEVELOPED LOTS

This would include all lots with a water connection, or that are using water for irrigation or other purposes.

- Option 1:** Continue the present rate structure for all lots.
- Option 2:** Charge all developed lots a temporary metering fee until the cost of installation is met.
- Option 3:** Assess each developed lot a fee to be paid in a lump sum at the time of meter installation.
- Option 4:** Allow each developed lot owner to pay for their meter installation over a fixed time period, with interest charged at the current bank rate.
- Option 5:** Cap the reserve fund at \$30,000 for budgeting purposes. This would affect how much of the water fee is allocated for emergency expenses in the current budget.

Other considerations: What other suggestions do you have regarding developed lot charges?

Other comments:
