

# **La Mesa Water Cooperative**

## ***WaterGram - December 2014***

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### **Board Announces 2015 Fees and Rates**

At their December 3 meeting, the LMWC Board approved rates and fees for 2015. The complete Member Fees and Rate Schedule appears on the back of this page. The Board is pleased to report that a combination of prudent financial management and low inflation has allowed us to leave most rates and fees the same.

#### **Highlights of the 2015 Fees and Rates**

- A fixed Capital Improvement Charge of \$6.00 per month has been added for each member.
- The highest tier of the usage fees (\$50.00 per 1000 gallons) has been removed.
- All other fees and charges are unchanged.

#### **What is the Capital Improvement Charge?**

The Coop, like all water utilities, has to build and maintain an expensive infrastructure of wells, pumps, valves, control systems, storage facilities, and miles of buried pipe. As you know, we are embarking on a costly project to treat the water from well #3 for arsenic. This is a high capacity well that can supply the Coop with water for many years. In addition, it appears that it may be less influenced by prolonged drought than are wells closer to the mountain.

The Capital Improvement Charge will be a major source of funding for the well #3 treatment facility. Because the availability of ample amounts of reliable, high quality water is an important contributor to present and future property values, all members benefit from the well #3 project. Because all members received present and/or future benefit from this project, the Capital Improvement Charge will apply to all members.

#### **What Happened to the Highest Rate Tier?**

When our tiered usage structure was introduced several years ago, it had two goals. First, it was intended to encourage conservation. Second, it was intended to help pay for the additional capacity we must have to support high water users during the summer months. (Our summer water consumption is 2 to 3 times greater than the winter usage. This requires substantial investments in infrastructure that could otherwise be avoided.)

A study of revenue from the highest rate tier (\$50 per 1000 gallons) indicated that it was not functioning as intended. The majority of the revenue came from members who were charged this rate because they had the misfortune of experiencing a large, and often difficult to detect, leak. These kinds of events are covered under our Interim Policy on Extraordinary Water Use and most of the funds collected were ultimately refunded to the member. Because the tier greatly inconvenienced members, failed to raise the intended revenue, and had a minimal effect on conservation, it has been eliminated.

#### **Interim Policy on Extraordinary Water Use**

The Interim Policy on Extraordinary Water Use was extended until December 31, 2015.

## La Mesa Water Cooperative Member Fees and Rate Schedule

Effective January 1, 2015

Applies to La Mesa and Sundance Mesa subdivision property owners

### Member Water Usage Fees:

The La Mesa Water Cooperative uses monthly billing.

- A fixed Base Charge of \$33.00 per month is billed regardless of water usage, plus
- a fixed Capital Improvement Charge of \$6.00 per month is billed regardless of water usage.
- In addition to the fixed charges, there is a monthly charge for every thousand gallons that is calculated as follows:

Monthly Usage	Cost per 1000 Gallons
Less than 5,000 gallons	\$1.25
5,000 to 10,999 gallons	\$2.50
11,000 to 13,999 gallons	\$4.25
14,000 to 16,999 gallons	\$8.00
17,000 or more gallons	\$30.00

### Membership Fees:

Stand-by fee (until a water meter is installed)	\$ 80 per quarter plus \$ 18 per quarter Capital Improvement Charge
Membership transfer fee	\$100 each transfer
Delinquent account fee	\$ 20 per month
Reinstatement fee (payable upon reinstatement of a former member)	\$500 per event

### Sub-division Fees (For Owners subdividing their lot and requesting an additional water connection).

Additional water rights acquisition fee	\$10,000 one-time
Extending water distribution system fee	Time and materials + \$50*
Service connection and meter installation fee	\$250 one-time

\* Covers project coordination, administration, updating drawings/records, inspection and billing.

### Other Fees:

Copies of Articles of Incorporation, Bylaws, Meeting Minutes, Monthly Financial Reports, and the current Consumer Confidence Report are provided to members upon request, at no charge. Copies of all other records will be billed to the member at \$0.10/page + \$40/hour (these charges reflect the Co-op's cost to copy the records).