

KANE COUNTY WATER CONSERVANCY DISTRICT

190 W. Center Street, Suite 200 • Kanab, UT 84741
(435) 644-3997 • Fax (435) 644-8679 • Email: kcwcd@kanab.net

July 1, 2008

Long Valley Estates Property Owners

Re: Long Valley Estates (LVE) Water Improvement Project – Enrollment Forms and Payment Information

Dear Property Owner,

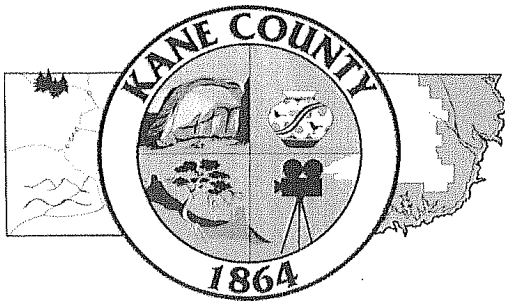
The Kane County Water Conservancy District (KCWCD) recently sent out ballots to all property owners in the LVE subdivision asking for your vote for or against participation in the construction of a new water system. The vote count has now been completed. The KCWCD Board of Trustees is appreciative of the overwhelming vote from the homeowners and lot owners in the LVE subdivision in favor of the new system. Based on the supportive vote, the KCWCD will begin construction of the Long Valley Estates Water Improvement System in August, 2008. We expect to have the system on-line and operational by December 31, 2008 pending weather conditions.

The new modern system is designed to draw high-quality water from a newly drilled state approved well. A second back up well will also be a part of the new system. As a new user, access to 350,000 gallons of storage will become available to you via new 8" water lines this year and will be delivered at pressures between 50 and 160 PSI. It is highly recommended that you install a pressure-reducing valve (PRV) on your side of the meter to prevent a line break. Kane County Code requires a PRV when the pressure is 80 PSI or greater. The new pressurized system has been designed to meet all state and county fire protection regulations, which should reduce your homeowner's fire insurance rates in the future.

Impact Fees and Connection Fees: As a property owner and water rights holder in Long Valley Estates (LVE), your cost to participate in the new culinary year-round water system for a 5/8"x 3/4" meter is \$7,500 (includes a connection fee of \$1,500 and an impact fee of \$6,000). An additional \$1,250 or a total of \$8,750 will be charged for those property owners who are unable to transfer at least .25 acre/ft of water rights (part time resident recreational use only) to the KCWCD. Year-round residents will be required to have a minimum of .45 AF of water (indoor use only) and will need additional water rights if outdoor use is anticipated. Please contact the KCWCD office for further information regarding water requirements for full time residents. KCWCD is in the process of acquiring title to water rights previously owned by the Long Valley Estates Water Company (LVEWC) which will be used to meet the additional water needs of property owners in the subdivision. The KCWCD also has additional water rights which can be transferred to the new well if needed.

A water rights transfer form is included with the enclosed packet. Please fill out this form for each water meter requested to indicate whether you own the necessary water rights or if you need to purchase them from the KCWCD. Please return this form along with your aerial photograph **no later than July 31, 2008.**

"Developing and protecting our water resources one drop at a time."



Financing Options: Because of the favorable loan and grant conditions that were obtained by the KCWCD from the United States Department of Agriculture Rural Utility Service, and the Utah Division of Drinking Water, we are able to finance all but \$1,500 of your impact and connection fees for up to 10 years if needed. You have the option of paying the full \$7,500 now and avoid finance charges or you can pay the \$1,500 down payment and finance the balance over a 10 year period at 6% interest with monthly payments of \$66.60. If you do not transfer the necessary water rights (.25 AF) the financed impact/connection fee will require a down payment of \$1,750 and the balance of \$7,000 can then be financed over a 10 year period at 6% interest with monthly payments of \$77.70. A lien will be placed on your property until the loan is paid in full. If the property is sold, all outstanding monies due on the loan will become due at closing. There are no penalties for early pay-offs. All payments are due by September 30, 2008. If you are on a fixed income and are in need of special financing terms, please contact the KCWCD office.

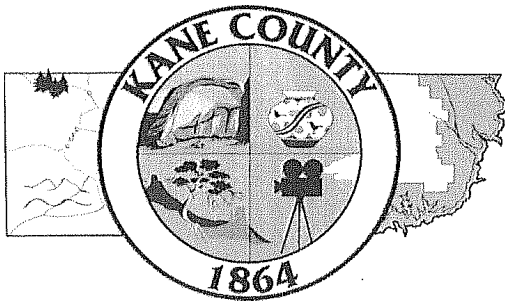
Any payments not received by September 30, 2008 will be subject to an 18% APR penalty. Please note that payments from property owners will fund approximately 10% of the total project cost and will be used to help pay construction draws, therefore, it is critical that payments are received on a timely basis.

The connection fee covers the costs involved with bringing water service to your identified lot line location and includes installation of the meter barrel, frost-free shut-off valve, and your electronic-radio-read badger meter. Enclosed with this letter is another letter from Sunrise Engineering and an aerial photograph and a right of refusal for your lot(s). Please follow the directions in the letter and mark the location where you would like your new water meter placed, sign the aerial or right of refusal and return it to KCWCD in one of the envelopes provided **no later than July 31, 2008.**

We will try to accommodate your preference regarding the meter location but the district reserves the right to change the placement anywhere along your property line, especially if there are other mitigating construction factors or ground conditions present.

It is the lot-owner's responsibility to bring the water from the meter barrel to the home or other service connection (i.e., hydrant, shed etc.). It is not too early to begin planning and arranging for the service connection to your home from your meter box. You can arrange to have your trenching/ piping done using the contractor of your choice prior to the installation of your meter box. The KCWCD will then install your meter barrel at the location of your new service line (must be on lot line where main line is located). Please leave enough blue poly-pipe showing above ground to identify where your line is located—it would also be helpful to place a marker/stake there so the contractor can easily find it.

Monthly Service and Water Fees: The first billing for the new system will be mailed out to all users the month after the system is completed (December 2008 or January 2009). The monthly fees include a base minimum standby fee of \$15.00 for **NO water usage.** This fee will help cover KCWCD ongoing costs to maintain the system (wells, tanks, testing, repairs, ongoing permit fees with other agencies, replacement fund), help us meet state conformance requirements, help us repay our low interest loans, and insure that water is always available at the fire hydrant near your property for emergency use. **To**



reiterate, you will be billed a **\$15.00 minimum charge regardless of water use**. The minimum charge also applies to vacant lot owners who pay for a connection (meter/box installed) but do not use water. All water use during any given month will be billed to you at \$2.00 per 1,000 gallons of water up to 15,000 gallons each month. If you exceed the 15,000 gallons in any given month, rates per thousand gallons increase slightly up to a maximum of \$2.50/1,000 gallons (see water fee schedule below). Enclosed for your review and consideration is an *Electronic Funds Payment* form which authorizes your monthly payment to be automatically deducted from your checking account. Please consider using this method of payment as it saves the district time and money, which can be used to improve the system. Below is the monthly water fee schedule:

Monthly Water User Fee Schedule

<u>Residential / Recreational</u>	<u>Cost</u>	<u>Rate Structure</u>
Level #1 – Minimum monthly fee/system	\$15.00	Base Minimum Fee per month
Level #2 – Plus \$2.00 per 1,000 gallons	2.00	1 – 15,000 gallons per month
Level #3 – Plus \$2.25 per 1,000 gallons	2.25	15,001 – 20,000 gallons per month
Level #4 – Plus \$2.50 per 1,000 gallons	2.50	20,001 & above gallons per month

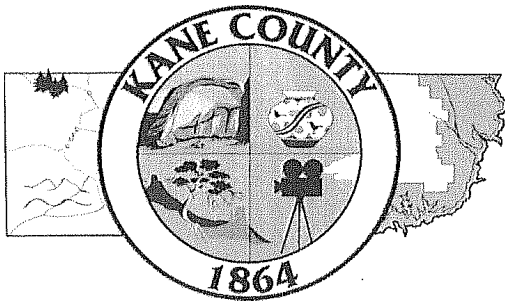
If you choose not to connect at the present time and wish to connect in the future there will be added costs for digging up and repairing the roads, identifying underground utilities and equipment mobilization (may exceed \$10,000/connection). There is also no guarantee that a service connection can be purchased in the future. Future connection fees will definitely be higher and the financing option will not be available. Future storage and source capacity will change as we add new customers and supplies and labor costs are expected to increase.

KCWCD Valve Demonstration KCWCD:

Enclosed for your information and review is a water barrel diagram entitled *Lot Owner Water Service Detail* which you can review to help familiarize yourself with the procedures for turning your water off when you are going to be gone for any length of time. The tentative plan is to have our certified operator, Jeff Hoyt, conduct the demonstration during the Labor Day weekend on Saturday, August 30, 2008 from 1:00-3:00 p.m. at Ray Kinsey's house (Lot 2 & 3 Apache Drive) . You can contact Jeff at telephone number (435) 682-4997 for more information.

Due to the higher water pressures in the new system and periodic water pressure fluctuations, **it is highly recommended that you turn your water valve off just outside the meter box when you are absent from your property**. A water leak due to a line break/crack on your side of the meter is your responsibility. The water used/lost due to a break can add up very quickly and be very costly, not to mention the possible damage to your property.

Application Procedures: In order for the KCWCD to be able to establish a water account in your name, please complete the enclosed *Application for Water Utility Service* and *Application for Culinary Water Connection and Service* forms and return them to KCWCD with your check in one of the enclosed envelopes no later than **September 30, 2008**. **The aerial or right of refusal must be returned to the KCWCD by July 31, 2008.**



Long Valley Estates Property Owner «Company»

July 1, 2008

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If additional information is required, please do not hesitate to contact the KCWCD office at telephone number (435) 644-3997, fax number (435) 644-8679 or via e-mail at kcwcd@kanab.net. During the construction period, we will do all that we can to maintain access to your property but there could be some times where access to your property will be restricted for several hours at a time. Please be patient with our construction crews who will do all they can to minimize the impacts of the project to the use of your property. Thank you for your help and for your support of this worthwhile project. .

Sincerely,

Michael E. Noel
General Manager KCWCD

Enclosures:

Letter from Sunrise Engineering

Aerial photograph of your lot(s) (due back by July 31, 2008)

Right of refusal form(s) (due back by July 31, 2008)

Water right transfer form(s) (due back by July 31, 2008)

Application(s) for Water Utility Service (due back by September 30, 2008)

Application(s) for Culinary Water Connection and Service (due back by September 30, 2008)

Electronic Fund Transfer Authorization Form(s) (due back by September 30, 2008)

Lot Owner Water Service Detail Diagram

cc: Dustyn Shaffer
Randall Brown
Jeff Hoyt