

**KANE COUNTY WATER
CONSERVANCY DISTRICT
ESTABLISHED 1992**

**190 W. Center Street, Suite 200 - Kanab, Utah 84741
Telephone No: (435) 644-3997 – Facsimile No: (435) 644-8679**

Board of Trustees:
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Executive Director:
Michael E. Noel
P.O. Box 122
Kanab, Utah 84741

June 29, 2005

Shareholders/Water Users in the
Meadow View Heights Water Company
Duck Creek Village, Utah 84762

Re: Phase V of Duck Creek Village Water Improvement System – Enrollment Forms and
Payment Information

Dear Shareholder/Water User:

As you know, the Phase V construction of the Kane County Water Conservancy District (KCWCD) Duck Creek Village Water Improvement System in the Meadow View Heights Subdivision area started several weeks ago and is on track to be completed by September 25, 2005. The KCWCD Board of Trustees is appreciative of the overwhelming support for the new system from the homeowners in the Meadow View Heights Subdivision. The new modern system is designed to draw high-quality water from at least three state approved wells (more wells planned in 2006). As a new user, access to over two million gallons of storage will become available to you 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 member of the existing water company, your cost to participate in the new culinary year-round water system for a 5/8" x 3/4" meter is \$4,000 (includes a connection fee of \$1,000 and an impact fee of \$3,000). An additional \$2,500 or a

total of \$6,500 will be charged for those who do not own a water share in the Meadow View Heights Water Company. KCWCD has already obtained the water share ownership information from your company secretary. Because of the favorable loan and grant conditions that were obtained by the KCWCD from the United States Department of Agriculture, Rural Utility Service, we are able to finance all but \$800 of your impact and connection fees for up to 10 years if needed. You have the option of paying the full \$4,000 fee now and avoid finance charges or you can pay the \$800 down payment and finance the balance of \$3,200 over a 10 year period at 6% interest with monthly payments of \$35.50. If you do not own a water share in the Meadow View Heights Water Company, the financed impact/connection fee will be \$5,700 over 10 years at 6% interest and monthly payment of \$63.30. There are no penalties for early pay-offs. The KCWCD Board of Directors have authorized this finance option for those who sign up and pay the minimum \$800 down payment by July 31, 2005. Otherwise, the full amount (\$4,000 or \$6,500) is due and payable by August 31, 2005.

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-read badger meter. It is the lot-owners 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). Following is a list of known contractors who are working on the mountain and can assist you with digging your trench on your side of the meter:

Mr. Jay Pace
Pace Excavation
Telephone No: (435) 648-2061
Cell No: (435) 559-0078

Mr. Brett John
Cindy Taylor Construction
Telephone No: (435) 628-8449
Cell No: (435) 680-6115

Mr. Jim Barbeau
Telephone No: (435) 682-2606
Cell No: (435) 559-0623

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 (probably October 2005). 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 meet conformance requirements, help 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 the funds transfer as it saves the district time and money, which can be used to improve the system.

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 1 – 15,000 gallons per month
Level #2 – Plus \$2.00 per 1,000 gallons	2.00	15,001 – 20,000 gallons per month
Level #3 – Plus \$2.25 per 1,000 gallons	2.25	20,001 & above gallons per month
Level #4 – Plus \$2.50 per 1,000 gallons	2.50	

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 \$8,000/connection). There is no guarantee that a service connection can be purchased in the future or that connection fees will remain the same. Storage and source capacity will change as we add new customers and supplies/labor costs may 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. In addition, on Saturday, July 23, 2005 from 12:00 noon until 1:00 p.m. at the Meadow View Heights Fire House (located on the west end of Forest Drive) and continuing every Saturday through August 13, 2005, Jeff Hoyt, Certified Operator, will give a demonstration on turning your water meter on and off from outside the meter box. Please contact Jeff at telephone number (435) 682-3526 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

Shareholder/Water User
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in the enclosed envelope no later than **August 31, 2005 (for full payment) or July 31, 2005 if you wish to use the \$800 down 10 year finance option**). 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. Thank you for your help in this matter.

Sincerely,

Michael E. Noel
Executive Director

Enclosures

cc: Kurt Allen
Randall Brown
Jeff Hoyt