

**PALOMINO LAKES MUTUAL WATER COMPANY**  
**RATE STRUCTURE, ASSESSMENTS & WATER BILLING POLICY**  
 Rev July 1, 2011

The following shall be the policy for rates and assessments and is supplementary to the company bylaws and Palomino Lakes CC&R's.

**Assessments**

An annual assessment of **\$300** will be required until further notice to address system upgrades. The assessment will be billed quarterly with the regular water bill and included on the billing invoice as a separate line item. These monies will be deposited in a separate Capital Improvement account and not be used for system operational funds unless a dire situation arises.

**Special Assessment**

The Board voted in January 2010 to implement a special assessment to provide for continuing service in the event of an emergency which would render our well unusable. This assessment is **\$1,000 annually**, billed quarterly beginning March 1, 2010. For discussion see the January newsletter on this website.

**Rate Table**

This quarterly rate structure is effective August 1, 2011. It is constructed of the following components and resulting charges:

Loan repayment	\$70.00		
Assessment	\$75.00		
Projects	\$50.00		
Base charge	\$52.00		
Tier 1 rate			\$2.25 per 1000 gallons
Tier 1 range		0 – 30,000 gallons	
Tier 2 rate			\$3.45 per 1000 gallons
Tier 2 range		30,001 – 60,000 gallons	
Tier 3 rate			\$6.70 per 1000 gallons
Tier 3 range		60,001 – 90,000 gallons	
Tier 4 rate			\$10.00 per 1000 gallons
Tier 4 range		90,001 – 120,000 gallons	
Tier 5 rate			\$18.00 per 1000 gallons
Tier 5 range		120,001+ gallons	

**Water Easements**

Easements to our water system were given as a grant of water access. When water is actually provided, the resulting consumption volumes, reserve and development component, and special assessments are to be billed to a grantee for reimbursing costs the company incurs for pumping costs, equipment maintenance, water testing, etc.. Rates and obligations to such grantees are the same as that for the community.

### Undeveloped Lots

Undeveloped lots represent a share of the water system and its value. As such, those with undeveloped lots will be charged the Loan Payment and Capital Improvement components only (the first two items in the rate table).

### Connections

One normal connection (1 meter) will be allowed per property. If additional water volume is desired, we will allow a larger meter (1" typical connection) but at the owner's expense of all costs to upgrade, PLUS a quarterly charge (see 'Other Charges') to cover the cost of keeping a non-standard spare to replace it when it fails.

An exception exists for mandated fire protection/sprinklers in new or re-construction. This exception exists because this is considered an unused connection (only activated during fire, and then, automatically). The property owner is responsible for paying the *complete* cost of this type of connection, including mains connection, a metered backflow prevention device and annual inspections. No charges are incurred beyond those described (i.e. no additional capital or quarterly charges); but it is the responsibility of the property owner to replace said devices in the event of failure and/or as directed by the water board.

### Other Charges

The following may be added to the quarterly billing as a 'Other Charges' line item:

- Non-standard meters (e.g. new construction, non-3/4" meters) to cover cost of support & future replacement: installation is at cost + time and materials. A quarterly surcharge of **\$5** will be added to the bills of these associated accounts.
- Customer request of meter change-out (non-MWC flagged, to cover meter cost & installation labor) [note: faulty meters typically err on the low side of water usage]: **\$100**
- Reconnection of service after disconnect for user non-payment, etc.: **\$100**
- Connection of a new service: **TBD**, to cover **full costs** expended by company.

1. Properties lying outside of the community that have access to water provided by the PLMWC, and are past due over 6 months, will have legal proceedings initiated to remove that water right permanently. Such proceedings will also attach a lien against that property to recover the delinquent debt as well as any and all legal and associated fees as provided by law.

### Reading & Billing

Meters are to be read on or about April 30, July 31, October 31 and January 31. Bills will be prepared and mailed within one week of the above dates with bill date being the 30<sup>th</sup> of that month.