



APPLE VALLEY HEIGHTS COUNTY WATER DISTRICT

9429 CERRA VISTA
APPLE VALLEY, CA 92308
(760) 247-7330 Office
(760) 247-7721 Fax

avhcwd@yahoo.com

www.applevalleyheightscountywaterdistrict.com

July 10, 2018

Proposed Rate Restructure and increase in water rates and charges

Apple Valley Heights County Water District is amending our rules and regulations, specifically Article 12. DISCONTINUANCE OF SERVICE.

Under the new rules and regulations, any inactive service connection will be given an option to continue as an inactive account or the owner may request to have the service connection abandoned. If the owner decides to remain as an inactive account, the district will follow the new rules and a monthly bill will be generated in the amount of **\$30.38**, which be due on the 15th of every month. If the owner decides to relinquish the existing service connection, the district will follow our new rules and the service connection will be considered abandoned. Under these rules the service line connection will be removed and there will not be a monthly bill. However, a new Capacity/Capital Connection Charge will be required to start service; this charge is currently \$9,257.00 + \$700.00 deposit for installation.

Please contact the district office at 760-247-7330 for any questions.

Thank you,

Daniel B. Smith
General Manager
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Water Service Charges for Inactive Meters

After extensive review of past and current policies, the Board of Directors determined that an equitable sharing of costs between all customers should be implemented. Following the public hearing to consider this subject in July of 2018, with 0% opposed, the Board adopted a basic monthly fee for all customers who have a water service connection.

Apple Valley Heights County Water District's (District) customer base includes over 27 accounts with inactive meters that do not currently pay the District's basic monthly fee, representing 9% of the District's current customer base. The District has two types of accounts with inactive meters: a) connections that applied for service and had the service connection installed, but subsequently never had their meter installed or had their meter removed, and b) transitional accounts that are temporarily inactive when they are in between prior and future account holders (e.g. rental homes, or people who have a second home that only visit periodically).

A high percentage of District expenses are fixed costs related to maintaining the system's infrastructure that are incurred regardless of actual water consumption. The goal of this action is to establish a fee structure where all customers pay a proportional share of the costs to operate and maintain the water system. People currently paying the basic monthly fee will not see an additional charge from this policy. The District's current practice of not recovering any of these costs from accounts with inactive meters ultimately places the full cost burden on the other 91% of District customers. The District incurs a substantial amount of costs administering and maintaining the water system, so it will be ready-to-serve each customer on demand, including those who are considered "inactive" accounts.

Some of the District's inactive accounts without meters may not require water service at this time and have not anticipated paying any basic monthly fee despite their initial voluntary connection to the water system. Should a customer with an inactive meter choose to do so, they may fully relinquish all service rights by terminating their customer/connection status and become exempt from the requirement to pay the basic monthly fee until they wish to initiate service to the property. At that time, Capital Connection/Capacity connection fees will be charged at the rates in place. Contact the district to obtain the op-out form from our district office, located at 9429 Cerra Vista St., Apple Valley, Ca, 92308.

Our residents rely on clean, safe, dependable, and affordable drinking that promotes efficient and reliable service. Everyone in our service area benefits directly or indirectly, from our one water system that is comprised of two groundwater production wells, 4 storage reservoirs, 2 booster stations, more than 60 system valves, over 60 fire hydrants, and over 12 miles of pipeline infrastructure spanning over 3 square miles— much of which is over half a century old. Our drinking water system "connects" us all.

If you have questions concerning this change, please contact the District at (760) 247-7330 or by email at: avhvwd@yahoo.com.



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FAQ - Frequently Asked Questions

INACTIVE ACCOUNTS/METERS/CONNECTION

WHAT IS AN INACTIVE ACCOUNT/METER/CONNECTION?

An inactive account/meter/connection refers to a water service installation that has been paid for by the customer and is not taking water delivery. There may or may not be a water *meter* in place, although there is a connection, installed, to which the water meter can be quickly connected. Inactive connections, whether or not a meter is in place, are attached to the AVHCWD water system and have immediate access to water delivery service when requested. Many such accounts are located on vacant, undeveloped property.

When active accounts are receiving water, then services are shut off or closed, the account will automatically revert to the name of the property owner if another applicant doesn't establish an account, with no lapse in time. An inactive account in the name of the property owner will be automatically by established as accounts are closed, such as in-between tenants for a rental property. Once another applicant, such as a tenant, requests service, the property owner account will be closed. There will always be a billing account associated with every property that has a water service installation.

WHY SHOULD I HAVE TO PAY A CHARGE WHEN I AM NOT RECEIVING SERVICE?

Customers not taking water delivery still receive entitlement and availability of water service, whenever they are ready for it and that comes at a cost. Many of the Apple Valley Heights County Water District's costs are fixed, meaning that they are incurred regardless if water is delivered. The water system infrastructure requires constant upkeep and maintenance to ensure safe and reliable drinking water upon request. Costs to support such accounts have been ongoing for years to maintain readily-available service.



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WHY IS THIS A CONCERN?

AVHCWD is a local non-profit government agency that provides water service to approximately 286 homes, and vacant parcels of land in the community. The 286 homes are taking water as an active water service and paying a Basic Monthly Fee. There are another 27 customer accounts with inactive meters and/or connections not taking water service that are not being charged a Basic Monthly Fee.

AVHCWD owns and operates significant water system infrastructure for the benefit of the community it serves. The water system includes over 12 miles of pipeline, 2 wells, 4 water storage tanks, 2 pump stations, 313 service connections, 286 water meters, and over 60 fire hydrants. AVHCWD relies on the Basic Monthly Fee to contribute to funding the costs of operating and maintaining the water system infrastructure that requires constant upkeep and maintenance.

AVHCWD believes it is in the best interest of the community it serves to move forward with a more equitable method, requiring all customer accounts that are connected to the water system to contribute equitably towards maintenance costs. Currently, approximately 9% of the AVHCWD's accounts are inactive, not taking water delivery. Therefore, because those inactive accounts have not been paying the Basic Monthly Fee, the other 91% of customers are paying all of the costs to maintain and operate the water system; a significant benefit to those inactive customers.

WHICH CUSTOMERS ARE REQUIRED TO PAY THE BASIC MONTHLY FEE?

All types of customer accounts are subject to the Basic Monthly Fee:

Active Accounts receiving water delivery (unlocked) in a current billing period;

Transitional Accounts that are temporarily shut off (locked) and not receiving water delivery in a current billing period;

Inactive Accounts that have paid for the installation of service lines/meters to the Water System and are not taking water service (locked) but having immediate access or water delivery service when desired.

THE WATER DISTRICT PROMISED THAT I WOULD NEVER HAVE TO PAY FOR MY INACTIVE METER

Rules & Regulations are continually under review and subject to change, meaning that policies regarding payment of fees can and do change. Property owners purchasing water meters have been advised that they are required to observe all of AVHCWD regulations, and that requirement has been included within the forms that they signed when entitlement to water service was purchased.



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Some customers have referred to a promise that the District made indicating that they would never be charged for their inactive meters. In fact, AVHCWD records indicate that on and off throughout AVHCWD history, including as far back as 1958, inactive meter accounts have been charged various amounts. If a customer has documentation to the contrary, they should provide it so that it can be reviewed.

I DON'T NEED MY WATER METER AND DON'T WANT TO PAY A BASIC MONTHLY FEE

Property owners can elect to "Opt Out" to avoid payment of the Basic Monthly Fee. Opting out will require them to sign a form stating that they understand that they relinquish all entitlement to water service until they or the successor property owner complies with all the Rules & Regulations and other requirements and pay all associated fees and charges in effect at the time when water service is requested in the future. Since costs and requirements are continually under review and subject to change, AVHCWD cannot estimate the costs or requirements to opt in at a future date when service is once again requested.

WHAT IS REQUIRED IF I WANT THE WATER METER INSTALLED FOR MY INACTIVE ACCOUNT SO THAT I CAN RECEIVE WATER DELIVERY?

If the property associated with the inactive account is already developed, as indicated by the County Assessor's Use Code designation, and has a County-assigned property address, AVHCWD requires the account- holder to complete the application process. The application process includes identity verification, completion of application paperwork, payment of account, turn on fees and guarantee deposit, if required. In addition, payment of any past due charges associated with the inactive account must be paid before water delivery can be initiated. In order to have a water meter installed on a vacant parcel of land, a County-assigned property address and County permit, or proof of application for same, will be required.

WHAT IF I DO NOT PAY THE BASIC MONTHLY FEES FOR MY INACTIVE WATER ACCOUNT?

AVHCWD reserves the right to use any legal means available for collecting unpaid accounts including filing liens against the property, transferring unpaid balances to other open accounts held in the name of the same owner and requiring payment before new accounts are established.