

Written Comments Summarizing oral testimony of
Mike Meehan. April 29, 2003.

Diamond Bar Water

Basis of proposal

1. During 12 month period 11/1/2001 to 10/31/2002 there were 34 homes on the system for the entire period.

17 used less than 90,000 gallons (7500 x 12) during the period, the remainder used over 90,000 gallons. In at least 1 case the homeowner was charged for using over 7500 gallons in a month, even though the total usage was 55,000 gallons.
2. During the summer of 2002 there were 19 homes on the irrigation system.
3. Currently there are 41 homes on the system.

Proposal for new rates:

- A. Irrigation to be a flat rate of \$250/summer. Assuming the 19 from last year renew plus the 4 others know to be planning on using irrigation this produces \$5750.
- B. Assuming the usage of the 34 does not change and the 7 new homes use the average of the 17 who used less than 90k gals. (52256) the base usage of all amounts up to 90k gallons would be 2,740,092 gals. and the excess would be 1,674,310 gals.. At the rate of \$.50/1000 up to 90k and 0.7/1000 above this generates \$2,542.
- C. All lot owners benefit from the system, regardless of whether or not they are hooked up. Therefore all 45 lots should pay an annual fee of \$180. to maintain the system. This produces \$8100. (If the PUC feels they receive no economic benefit from having the system available, and thus they can't be billed the remaining 41 homes would have to pick up that share of the cost $((180 \times 4)/41) = \$17.56/\text{year}$ 197.56.
- D. Total revenue to the water co. \$16,392.

Why the new proposal?

- I. Development was sold on the premise of flat rate irrigation!
- II. It is not fair for some lot owners to escape responsibility for basic system maintenance, in as much as the system is there for their future use or to enhance the future selling price.
- III. It is not fair to charge homeowners for water they do not use, thus the charges based on a 12 month period. If someone currently uses over 7500 gals in a summer month they are charged an excess rate (the same holds true in the Staff proposal) but, if one month during the period Nov. - Mar. they go over 7500 but if the average for the 5 months is less than 7500 there is no excess fee.

IV. The annual fee would be billed upon approval by the PUC of the new structure. Usage could be billed on a bi-monthly, quarterly, or other basis to avoid billing for small amounts, i.e. 7000 gallons would produce a bill of \$3.50.

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