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DATE: JANUARY 24, 2014
TO: SPRINGHOUSE ESTATES WATER DISTRICT RESIDENTS
FROM: LEVON BEDROSIAN, SPECIAL DISTRICTS ADMINISTRATOR
RE: INFORMATION AND WATER RATE FOR 2014

This correspondence will provide you with the billing structure and rate for your water district during the 2014 calendar year. Please retain this information for your records.

For tax preparation purposes, your portion of the interest paid during 2013 on the debt for the water was \$298.91. Please consult with your tax advisor as to the deductibility of these costs.

For calendar year 2013, actual revenues were not sufficient to meet expenditures for the District. In order to meet capital cost expenditures, the District had to borrow an additional \$97,203 for a short term one year Ban. The district applied \$45,094 in principal against \$841,487 of debt the district maintains from past O&M shortfall & capital improvements.

For 2014, the rates will be increased as a result of operation deficits and payments for building of the new plant. The district had revenue shortfalls the past four years; however the rates were not increased in 2010, 2011 or 2012 to offset those deficits.

We are in the final steps to get the new wells in service. With the finalization of the plant, there will be a short testing period which is needed to get the final DOH approvals.

We welcome your input and feedback. Feel free to e-mail my office at specialdistricts@southeast-ny.gov or the town board at townboard@southeast-ny.gov.

The 2014 budget is set with the following components.

The operations budget for the water system is \$87,768 in 2014. Debt service adds an additional \$62,233. The operation budget is represented in the following components:

Administration - \$11,550 covers annual charges for administrative efforts in the operation and billing. Includes insurances, legal, accounting, computer, mailings and engineer consulting.

Source of Power, Supply and Pumping - \$64,218 covers daily contractual coverage by plant operator, fuel, electricity, cost of water purchased, general system maintenance, testing and funds designated for repair of raw water pumps and equipment.

Purification – \$4,000 includes the cost of chemicals and repair of equipment used in the water treatment process.

Transmission and Distribution - \$8,000 includes the cost of maintenance and repair of pumps, equipment and water mains (piping).

<u>2012 Rate (with prior years comparison)</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
• Flat Rate per Quarter	\$458.02	\$595.00	\$694.45
• Allowance per Quarter	15,000	15,000	15,000
• Cost per Gallon, above allowance	.013	.013	.013

Each quarter, all accounts will be billed for the flat rate which includes usage up to 15,000 gallons. The flat rate encompasses Debt Services and Operation & Maintenance costs.

Prior to the January, April, July and October billings, water meters will be read to determine water use for each account. Bills will be prepared and reflect the amount of water used during the previous period. **Your final quarterly cost will be directly affected by your water consumption.**

Hydrant Flushing

2013 Hydrant flushing is scheduled for April 30th, July 23rd and October 22nd. During periods when hydrants are flushed you may experience the following:

- Low water pressure or no water.
- Discolored or dirty water. Avoid doing laundry or dishwashing on flushing day.

You should:

- Turn off your icemaker in your refrigerator if you have until after you flush as instructed below.
- After pressure returns, run water until clear. Clean filter screen at faucets.

PAYMENT POLICY

1. Payments are received within 30 days of the billing date without penalty: due date is printed on the invoice.
2. Accounts are charged a 5% late fee on current charges for late or non- payments.
3. Returned Check fee will be applied.
4. For accounts having past due balance as of September 30th, the balance will be sent to Putnam County for levy on the subsequent years property tax.

Resident Safety / Security

Your Safety is our concern. Please know that the operators who take water meter readings do not usually ask to enter your home. Meters are read remotely from the outside of your home. The employee must have identification with them identifying them as a Town Employee or Representative of JCO, Inc., the Contractor. If anyone asks you to go into your home to read a meter or make repairs, you have the right to refuse them until you have confirmed their identity with a call to the Special Districts office at 845-279-8206 or the JCO, Inc. office at 845-888-5755.

Please contact the Special Districts office at 845-279-8206 or e-mail specialdistricts@southeast-ny.gov if you have any questions about this letter or throughout the year.

For Sewer or Water **emergency service**, contact JCO, Inc (contracted operator) at **845-888-5755**.

Visit the Town's Website for information throughout the year at **southeast-ny.gov**