

August 30, 2017

Report on Proposed San Luis Lane Water Surcharge

From Eulogio Vera, P.E. and Public Works Director of the City of San Luis

Complaints have been received from residents of the cul-de-sac known as San Luis Lane east of Fifth Ave. in San Luis, Arizona. This area is comprised of 18 single family homes and 18 accounts for water service. The complaints are of high temperature water during the summer months. The water is potable and meets all known safe drinking water standards. The location, design, and construction of the water main in San Luis Lane serving these homes meets Arizona Department of Environmental Quality Standards. The line currently is a "dead end" line. It is proposed to connect this line to the line connecting to the apartments directly to the east of this portion of San Luis Lane thereby eliminating the "dead end" nature of the line in San Luis Lane. It is hoped that by such connection water flow will be such as to drop water temperature. Such a drop, if any, is not guaranteed. This is an improvement not generally offered to rate payers of the water system of the City of San Luis and therefore becomes an improvement solely for the benefit of and at the request of San Luis Lane. San Luis Lane residents have indicated that they are willing to pay for this improvement.

At this time the engineer's cost estimate to construct this proposed improvement is \$15,000.00. The City proposes to construct this improvement and recover these sums by a surcharge to be imposed on the accounts of said 18 homes over a period of three years beginning on the next billing cycle following adoption of the surcharge. This surcharge is in addition to all other charges for water service as may be adopted by the City of San Luis. The monthly charge will be a formula of cost of improvement divided by 18 divided by 36. As an example, \$15,000 divided by 18 divided by 36 = \$23.15. If the cost was \$15,000 the surcharge would be \$23.15 for said 36 month period. It is intended that the surcharge will remain in effect on each lot on said portion of San Luis Lane for a full period of 36 months of water service. As an example, if a home ceases to be an active utility account for three months during the period of surcharge, the surcharge will be suspended during the period of inactivity and will pick up again when service is reestablished until such time as full 36 months of surcharge are paid.