Attachment C

(FAQ)

Reasons for not having a Seasonal Water Rate:

1. Lenders are one example of why it would not be practical for RWD12 to use a seasonal rate. When any RWD applies for grants, and/or loans those lenders will look at how many people are paying the regular base rate and the number of users; if the new percentage of the total users is less than the number that would allow the loans to be paid then the **Lenders would want the regular base rate to increase** to guarantee that RWD#12 is able to pay that money back at the same rate year round to its lenders, in a timely manner. In other words the only savings to anyone in the winter would be a small amount of Chlorine and Electric. Loan Payments, DEQ test, parts, repairs, labor, monthly bills, payroll etc, would continue to be a year round expense.

2. Mayes Co RWD #3 and Delaware Co RWD #1, both have full time and summer time Lake Homes in their Water System. Mayes 3, and Delaware 1, DO NOT have a seasonal, part time, or winter rate. (Note) Other utility companies such as Cable, electric, phone and other RWD's do not use seasonal rates for their services.

3. RWD#12 serves a resort community. A large portion of the water users tend to be seasonal tenants. This being the case, if a seasonal water rate was approved it would only serve to drive the regular rate higher than the current $35.00 to make up the difference for the amount of money that would be lost by all those who would want the seasonal rate (see above).

4. A seasonal rate would force RWD#12 employees into the difficult position of being water police, trying to determine who should or should not actually be on a seasonal rate.

5. If a seasonal rate was allowed only in the Ponderosa Park subdivision it would cause other subdivisions to want the same rate as well as RWD#12 would have to lock water out of the park for the 6 months during the off season, including the bath house. This would cause undue hardship on the 32+ families who live there year round.

Attachment C (FAQ)

Reasons for not allowing a Benefit owner to temporarily transfer ownership to a renter without a deed of contract:

1. The contract to rent property is a contract between the owner and another entity.

2. The original Benefit purchaser does not want to lose their ownership of the benefit unit, if they transfer to the renter.

3. Again this would put RWD#12 employees into being the water police and watching when renters were moving in or out of homes.

4. Eliminate some of the paperwork from the constant overturn of renters and with each new renter or bouncing back and forth between renter and owner as the occupancy changed.

5. Avoid having to send multiple bills to both the owner and the tenant to ensure prompt payment (increasing billing costs).

6. Other RWD (Mayes 3, Delaware 1) do not allow renters to be owners of Benefit units. RWD#12 does not have enough precedence to safeguard ourselves or Benefit owners from renters who do not pay.