



From the Office of
Jeremy S. Wilson, M.B.A. CMCA, CCAM, AMS, PCAM
Executive General Manager

October 22, 2015

Mayor Debbie Franklin
City of Banning
P.O. Box 998
Banning, CA 92220

Re: Slow Meters/Non-registering Meters and Subsequent Billing
Subject: Sun Lakes Country Club Homeowners Association Best and Final Offer to Settle

Mayor Franklin:

The Sun Lakes Country Club Homeowners Association Board of Directors would like to thank you and the assigned committee for taking the time to meet with them, on September 29, 2015, to discuss the water meter situation. As the Association understands it, from information provided by city personnel, there are a total of four (4) meters currently in question.

- Acct # 24259-49694 – 6 inch in vault. Last good read was June 2011. Repaired June 2014.
- Acct # 24259-20434 – 2 inch in vault. Last good read was March 2008. Repaired in June 2014.
- Acct # 103-24046 – Myrtle Beach. Last good read April 2011. Repaired in June 2014.
- Acct # 24259-55322 – 800 S. Highland Springs. Meter was unknown to city.

And as such, the Association further understands, from documentation provided by city personnel, that the city is requesting payment in full as follows:

- Acct # 24259-49694 – June 2011 through June 2014 in the amount of \$95,690.85.
- Acct # 24259-20434 – March 2008 through June 2014 in the amount of \$103,680.83.
- Acct # 103-24046 – June 2011 through June 2014 in the amount of \$4,700.97.
- Acct # 24259-55322 – February 2010 through January 2013 in the amount of \$23,004.71.
- Total amount city reports being owed: \$227,077.36.

Based upon the Boards understanding of the City of Banning's Public Utilities Department's current "Water Rules and Rate Schedules" dated November 4, 1986, the Board does not believe the amount requested by the city is in compliance with the rules.

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Water Rule No. 6, C (2) states *"SLOW METERS - When a meter is found to register more than 2% slow, the Water Utility may render a bill for water consumed but not covered by bills previously rendered for a period of four (4) months."*

Furthermore, Water Rule No. 6, C (3) states *"If a meter fails to register during any period, the Customer shall be charged with an average consumption as shown by the meter when in use and registering correctly during a corresponding season, and adjusted as necessary after consulting with the Customer, providing that such undercharges shall not be computed for a period exceeding four (4) months."*

Based upon the City of Banning's established Public Utilities Department "Water Rules and Rate Schedule," Water Rule No. 6 (Disputed or Erroneous Bills), the Board of Directors offers, in compliance with the rules a full and complete settlement in the amount of four (4) months of average consumption on the four (4) meters in question. The total settlement offer is \$24,552.40 which reflects a four (4) month payment on all four (4) meters in question. Below is a brief synopsis of that settlement.

- Acct # 24259-49694 - \$2,898.72 (average monthly consumption billed) by four (4) months = \$11,594.88.
- Acct # 24259-20434 - \$1,837.44 (average monthly consumption billed) by four (4) months = \$7,349.76.
- Acct # 103-24046 - \$142.56 (average monthly consumption billed) by four (4) months = \$570.24.
- Acct # 24259-55322 - \$1,259.38 (average monthly consumption billed) by four (4) months = \$5,037.52.

The Board of Directors understands the City's request, based on Water Rule No. 6, A, 4, (c); however, under your own admission, there is ambiguity and vagueness between the aforementioned rule and Water Rule No. 6, C, 2 & 3 as there is no distinguishing criteria that would cause a reasonable person to believe that the Association does not, by any means, qualify for the four (4) month billing provision as stated.

Once again, the Board of Directors thanks you for your time and dedication in bringing this matter to a reasonable resolution. It is unfortunate that we find ourselves in this situation. Your original request represents a special assessment in the amount of \$68.25 for every homeowner at Sun Lakes. Your elected position and inside knowledge to the recovering economic condition within the City of Banning, including the community of Sun Lakes, offers you insight as to how your request will negatively impact the senior citizen residents (of which many are on fixed incomes) of Sun Lakes Country Club Homeowners Association.

As you are aware, the Association is a qualified senior citizen community operating as a nonprofit, mutual benefit California corporation that functions on a balanced zero budget performance. It is truly fortunate that

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only by good management and careful fiscal accountability, the Association is able to make this good faith settlement offer in the amount of \$24,552.40. Anything beyond this amount would cause excessive economic hardship upon the senior citizen residents and the community as a whole.

At the Direction of the Board,
Jeremy S. Wilson

Cc: File

Cc: Sun Lakes Country Club Homeowners Association Board of Directors:

Director Doug Swenson

Director Dan Comerford

Director Kevin Wolfswinkel

Director John Clark

* Please note that Sun Lakes as a residential community is not a commercial or industrial enterprise. The Association's irrigation water is used only for maintenance of the residents' common amenities, not for agriculture. Your Rule 6.A.4.c does not define "commercial/industrial/irrigation accounts", but there is no reason the Sun Lakes' residents' collective irrigation should be treated differently from other Banning residents' irrigation watering.