

# Oak Creek Water District

Serving West Sedona Quality Water Since 1953

January 2023 [www.oakcreekwater.org](http://www.oakcreekwater.org)

## **Public Notice: 2023/2024 Budget, 2023 Rate Increase following the 5 Year Rate Study**

The District will discuss the above topics at our January 17, 2023 at 4:30PM at 90 Oak Creek Blvd. Included in this newsletter is the proposed budget and proposed rate increase for 2022. This rate increase follows the 5 year plan that was approved last year. After public comments the Board of Directors will vote on a final Budget and Rate Increase at the February 21, 2023 Board meeting. This notice will also be published in the Red Rock News twice as required by the Arizona Revised Statute 48-910. The complete 5-Year Rate Study is posted on the Website.

### **\*\*\*\*\* CONSTRUCTION \*\*\*\*\***

**Arsenic Removal System and Tank Rehab:** Tank rehabilitation has been taking place and should be completed by the end of January. The Arsenic contractor is still waiting on delivery of the tanks, valves and piping that was ordered over 6 months ago. It is anticipated that the system should be online by the end of March.



**Water Main Replacement:** The water main project went out for bids this past summer. The cost estimate in the bid package was increased from 6 Million to 9 Million due to increased costs and we received one embarrassing 32 Million bid. We talked with smaller contractors that took out plans but could not bid due to high bid bond requirements. They stated they were close to the cost estimate and gave suggestions on making the plans more detailed to give more comfort in bidding. Plans should be going out again before the end the year. Based on rising costs, we will be requesting additional funds from USDA. Depending on how bids come in, portions of the project might be cut. It's a balancing act since we are trying to take advantage of the once in a lifetime 75% Grant 25% loan agreement.

**Elections:** Yavapai County cancelled the November elections due to the County receiving only two applications for the four board openings that become effective January 1, 2023. The Board will appoint those two applicants along with discuss any other nominations that come in at the December 20, 2022 Board meeting. Reminder this is your water system and getting involved is what makes Oak Creek Water District the best

**Arsenic Notice:** See attached Arsenic Notice for the third and fourth quarter of 2022. The results for July and November were 9.1, 10.2, 10.2 and 9.8, 10.0, 10.0 respectfully. The maximum contaminate level is 10.0.

**AUTO PAY & GO PAPERLESS:** Sign up at [xpressbillpay.com](http://xpressbillpay.com) Have your bill paid in full on the 20th of every month and never get a late fee. Instead of a postage receive an email bill.

# Oak Creek Water District

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April 2023 [www.oakcreekwater.org](http://www.oakcreekwater.org)

\*\*\*\*\* CONSTRUCTION \*\*\*\*\*

**Arsenic Removal System and Tank Rehab:** All interiors of the storage tanks are rehabilitated and recoated. The contractor should be completing the exteriors this month. The Arsenic system contractor is still waiting on delivery of the final parts. They are hoping the system will be complete and ready for ADEQ inspection by Memorial Day.



**Water Main Replacement:** If you remember, the water main project went out for bids last August with a cost estimate of \$9 million and only one embarrassing bid of \$32 million. Plans were rebid to make it more feasible for smaller contractors. The lowest bidder came in at \$12.4 million. Their bid was based on pipe bursting which reducing the amount of excavation and disturbance to our neighborhood drastically. Based on rising costs, we are in discussions and requesting additional funds from USDA.



We need letters of support to expedite the additional funds needed to complete this water line project. These will go to both Washington D.C. and to Phoenix. As you know our system is deteriorating after 50 years. We have letters prepared at the office and we even have addressed and stamped envelopes. You can sign one of our letters or you can customize your own. Now is your time to volunteer. Remember the more grants versus loans we obtain, the lower our rates can stay.

**Residential Landlords:** Starting January 2024 the District will no longer accept tenants as the official name on the account being billed. The Board voted on this at the February 2023 meeting to avoid writing off outstanding balances due to tenants moving out without notice. Individual letters will be sent to landlords we have on record .

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June 2023 [www.oakcreekwater.org](http://www.oakcreekwater.org)

**Well 4 Pump & Motor Replacement Put in Perspective:** First the expense. Estimating it will be about \$40,000 to cover the pump, motor, VFD & three contractors involved. Second the Water Restriction request. By doing this our other wells and storage tanks could handle the daily usage and keep storage in case of a fire. This avoided an outage or utilizing a cross connection from a neighboring water system that utilizes chemicals. Third the big question “Why didn't we have a spare pump and motor on hand?” It would have sat on the shelf since 2013. Not good. Any warranty would have been expired. Not good. These are some of the issues we discuss at our monthly board meetings which are the third Tuesday of every month at 4:30.

## **Special Meeting Held June 5, 2023**

### **Requesting Additional USDA Funds & Affect On Rates**

The Board of Directors had an informational meeting on the current funding status of the arsenic removal & water replacement project. Since 2020 when the original USDA grant/loan funding package was received inflation, COVID and shortage of materials has caused construction costs to double. Receiving only positive feedback the Board has agreed to request the additional \$8.16 Million in funds to complete the project. If received in full this will be a total of \$11.2 Million in grant & \$4.9 Million in a 1.375% loan, 40 year term.

Once knowing the amount of funds we will be receiving a request will be made to modify our 5-year rate plan. There is a full informational packet on the website for those that did not receive the alert nor attended the educative meeting.

## **\*\*\*\*\* CONSTRUCTION \*\*\*\*\***

**Arsenic Removal System:** Arsenic media and backwash tanks have been installed. Contractor completing piping. ADEQ inspection and start up of the system should be by mid July. See attached arsenic notice for the 2nd Quarter.



**Water Main Replacement:** Project is awaiting the approval of the additional grant/loan funds

**2022 Consumer Confidence Report (CC&R):** The CC&R for 2022 is now available on our website . This report includes a summary of a water quality testing is required by ADEQ. Paper copies are available at the office. Come pick up a copy and join us at the next month meeting. Its always the third Tuesday of the month at 4:30pm. An educated customer is the best customer.

**AUTO PAY & GO PAPERLESS:** Sign up at [xpressbillpay.com](http://xpressbillpay.com)

**SIGN UP FOR ALERTS:** Get notified of water outages & scheduled public board meetings. See website.

# Oak Creek Water District

Serving West Sedona Quality Water Since 1953

February 2024 [www.oakcreekwater.org](http://www.oakcreekwater.org)

## \*\*\*\*\* CONSTRUCTION UPDATE \*\*\*\*\*

**Storage Tanks:** The interior and exterior of our three Panorama Storage Tanks have been rehabilitated and painted. The exterior of our two Airport storage tanks have been painted. Some additional ladders and safety hatches have been installed to meet new standards.

**Arsenic Removal Systems:** Both well sites have now been operating successfully with three required quarterly samples submitted and well below the required 10 ppb limit. The system is a chemical free process.

**Water Main Replacement:** The project is underway on Willow Way. This includes laying temporary above ground water lines and pipe bursting through the existing lines with new lines, avoiding as much excavation and disturbance as possible. Birch Blvd, Oak Creek Blvd, Inspirational Blvd and View Drive will follow. The contractor will then proceed to Northview, Saddlerock and Copper Vista Subdivisions respectfully.

**Keep Up to Date:** Check the website. Sign up for alerts. Come to monthly meetings. Summit Construction will contact individual streets as they come up in the lineup.

## \*\*\*\*\* WHO IS OAK CREEK WATER DISTRICT \*\*\*\*\*

The District has 7 Board members; each are residents and water users just like you that volunteer their time. Meetings are the third Tuesday of every month at 4:30pm. We have one full-time and two part-time employees that keep this District in operation. Wayne, our full-time operator, has amazingly obtained four of his five required licenses within 18 months. There have been many systems issues that get resolved without a single water service interruption. Next time you see him about say hi and thank him. Becky in the office handling the Business Operations. It is great to be greeted by a smile when you walk into the office and in most cases recognized by one's name. When calling, It is great to be greeted by a real voice instead of an automated system.

## \*\*\*\*\* ANNUAL BUDGET AND RATES \*\*\*\*\*

The District is required to submit a budget to Yavapai County annually. The Board of Directors will be voting on this budget at the February 20, 2023 meeting. See attached. Public comments accepted by writing or in person prior to the discussion and vote. The budget includes a rate increase following our approved 5-year plan from 2021. At that time the initial \$8 Million USDA grant/loan agreement from 2020 was in place. Since then a second \$8 Million grant/loan agreement with USDA was required to complete the projects (inflation, COVID, lack of materials/contractors). After completing a preliminary review, our rate accountant recommended we jump from the 2024 rate structure to the 2026 planned rate structure. The standard ¾-inch connection median water user, averaging 3,500 gallons per month, bill would increase by \$2.75 from \$42.09 to \$44.84. On average a 6% increase. In July of this year a full analysis will then take place to see the health of the District. USDA requires the District set aside reserves in the amount of \$57,000 each year to pay for future repairs and/or replacement of major system assets. F.Y.I.: Residents that xeriscape experience bills below \$30. Conservation of water benefits all.

# Oak Creek Water District

Serving West Sedona Quality Water Since 1953

June 2024 [www.oakcreekwater.org](http://www.oakcreekwater.org)

BY READING THIS NEWSLETTER YOU COULD WIN \$20 OFF YOUR NEXT WATER BILL.



## \*\*\*\*\* WATER QUALITY REPORT \*\*\*\*\*

The annual CC&R is now available on our website. It is located under “Forms and Reports”. ADEQ requires all water systems to make these reports available by June 30th of each year.

## \*\*\*\*\* CONSTRUCTION UPDATE \*\*\*\*\*

**Water Main Replacement:** Willow Way & Birch Blvd are complete. On to Oak Creek Blvd & Inspirational Drive. This includes laying temporary above ground water lines (with speed bumps) and pipe bursting the existing lines with new lines, avoiding as much excavation and disturbance as possible. After any outage its recommended to flush all lines in your system for a couple minutes.

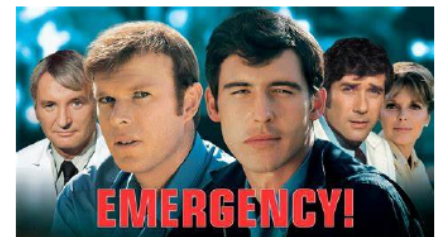
**Keep Up to Date:** Check the website. If your not receiving alerts, sign up on our website or call the office. Come to monthly meetings. Summit Construction will contact individual street owners as they come up in the lineup.

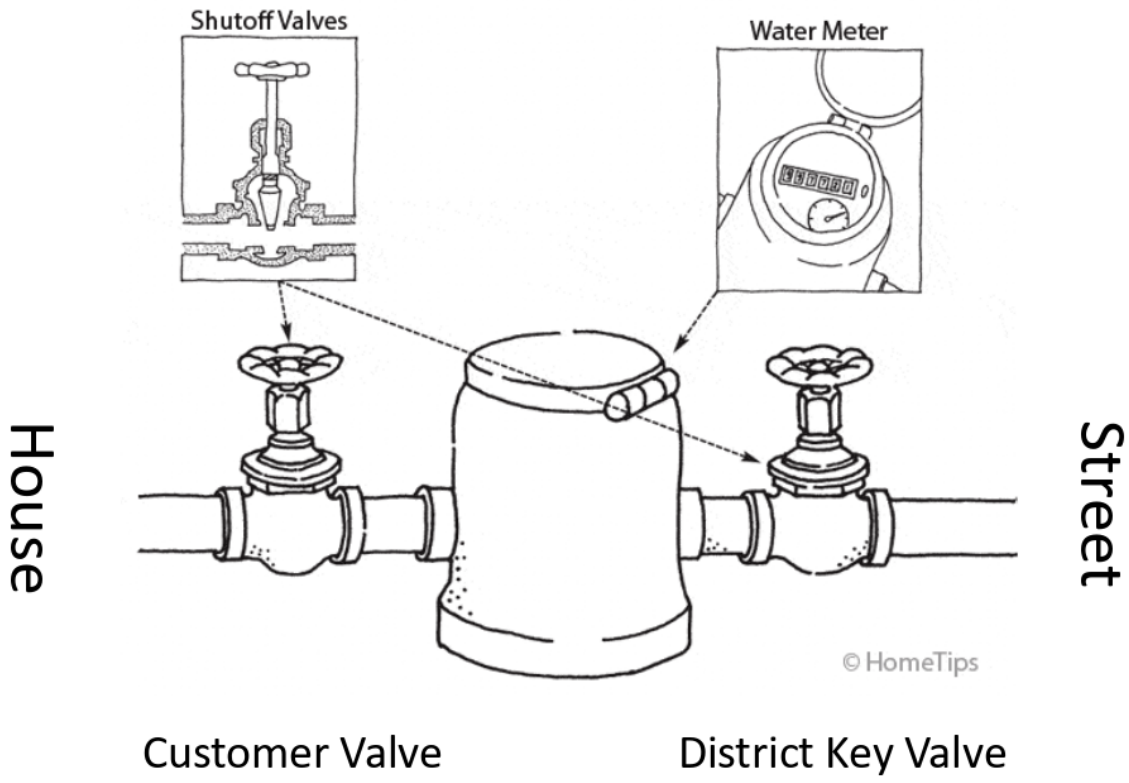
**Be Prepared:** When the contractor is working on your street, have a couple of gallons of water in your refrigerator. Have a couple of five gallon buckets of water in your garage to flush your toilet.

**Smart Meters:** 60% of the transmitters have been installed. Most of this has been funded by a 2019 grant from the Bureau of Reclamation. More info can be found under “Projects” on the website. Rates for opting out can be found under “Rates” on the website.

## \*\*\*\*\* EMERGENCY CALL SERVICE \*\*\*\*\*

The emergency phone number is for emergencies. The operator and GM receive both an email and text from the service. If one of us does not acknowledge the message we receive a call in 10 minutes. We will respond. Every call that comes through the emergency service costs the District, and you, money. Billing issues are not an emergency. Calling multiple times in 10 minutes will not help. Before calling ask yourself can this wait until the morning. The secret password is conservation.





Its important to know the different between the customer shut off valve and the District's shut off valve. Tampering with the District's key valve is subject to a \$500 fine. These District valves have over 60 pounds of pressure and with the system being older, our operator has to take precautionary measures when operating them. Customers and plumbers should only touch the valve on the customers side of the meter.

**\*\*Interested in being a board member? Election packets available on the website.\*\***

**\*\*\*\*\* REMINDER OFFICE IS CLOSED ON FRIDAYS \*\*\*\*\***

To avoid delayed emergency response times its highly recommend- ed not to have plumbing work or irrigation repairs scheduled on Fridays. Like with any home improvement, when something gets touched, something breaks



To enter the drawing to win \$20 off your next bill send an email to [info@oakcreekwater.com](mailto:info@oakcreekwater.com) along with your name, street address. You must include the secret password mentioned in one of the articles. Deadline July 5 2024. This is funded by staff members and not the District. It appears based on the calls we receive, not many people read these publications. Topics in this newsletter are addressing some of the most common issues that occur month after month.

# Oak Creek Water District

Serving West Sedona Quality Water Since 1953

November 2024 [www.oakcreekwater.org](http://www.oakcreekwater.org)

## \*\*\*\*\* [LEARN HOW TO MONITOR YOUR OWN WATER USAGE HOURLY & DAILY](#) \*\*\*\*\*

There will be a short educational seminar about utilizing “eyes on water” software on November 19th at 5pm after the 4:30 monthly board meeting. Besides monitoring your water hourly you will be able to have an alert sent to you if the meter detects a leak. See Page 2 of this newsletter.

## \*\*\*\*\* [LEARN HOW REVIEW THE HISTORY OF YOUR WATER BILLS](#) \*\*\*\*\*

There will be a short educational seminar about utilizing [xpressbill.com](http://xpressbill.com) to see your current bill and past two year history. This includes the monthly gallons used. This presentation will follow the “Eyes on Water” discussion on November 19th at 5pm after the 4:30pm monthly board meeting.

## \*\*\*\*\* [CONSTRUCTION UPDATE](#) \*\*\*\*\*

Water Main Replacement: Construction is wrapping up on View Drive. The next streets will be portions of Saddlerock Circle / Rockridge Drive. This includes laying temporary above ground water lines (with speed bumps) and pipe bursting the existing lines with new lines, avoiding as much excavation and disturbance as possible. After any outage its recommended to flush all lines in your system for a couple minutes.

Keep Up to Date: Check the website. Sign up for alerts on our website or call the office. Come to monthly meetings. Summit Construction will contact individual streets as they come up in the lineup.

Be Prepared: When the contractor is working on your street, have a couple of gallons of water in your refrigerator. Have a couple of five gallon buckets of water in your garage to flush your toilet.

## \*\*\*\*\* [LEAD SERVICE LINE INVENTORY PUBLIC NOTICE ENCLOSED](#) \*\*\*\*\*

All water systems throughout the United States were required to complete an inventory of their water system by October 16, 2024 and to identify any known public or private water lines that contained lead. Our excel spreadsheet is 800 rows by 35 columns, to large to print readable, has identified all OCWD water lines and all customer service lines. ADEQ’s position on this is that any water lines or connections installed after June 19, 1988 will be designated as non-lead. The end result is 594 of the 789 service lines (from the meter to dwelling) have been identified as unknown. This inventory is posted on the website and at the office.

Over the next 10 years it is required to identify all unknown service lines and any with lead must be replaced within 13 years. At this time ADEQ and therefore OCWD does not know the process moving forward. If any homeowner wants to be proactive, we received a quote of \$320 from Summit Construction to dig the two test holes currently required by ADEQ. Our operator would then do the required material test and take the required photos. This price from Summit Construction has been offered while they are here installing our water mains over the next couple of years. ADEQ has stated customer verification is not acceptable. Initial questions and concerns will be addressed at the November 19th meeting.

# LEARN HOW TO MONITOR YOUR OWN WATER USAGE!!!

**When:** Tuesday, November 19, 2024 at 5pm. (right after 4:30 board meeting)

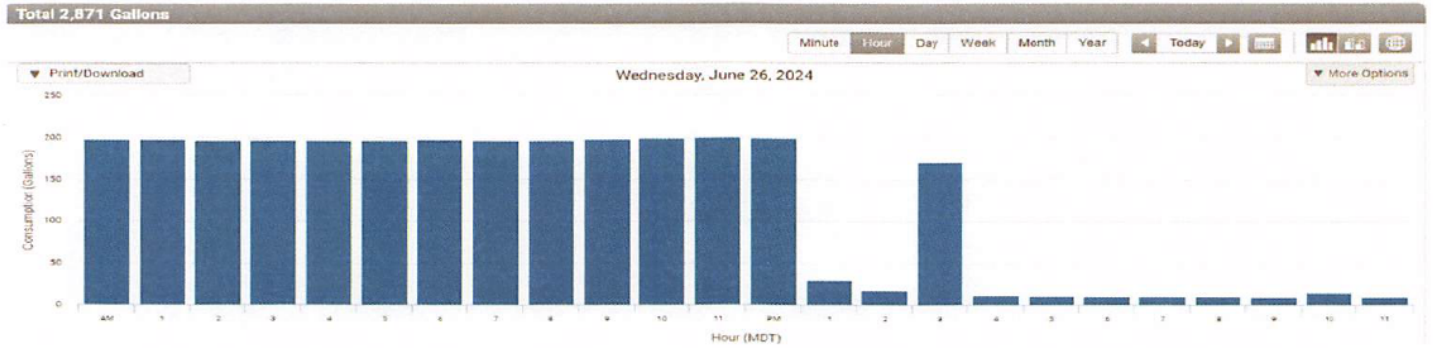
**Where:** Oak Creek Water Office, 90 Oak Creek Blvd

**What:** See below. An actual water leak in our neighborhood.

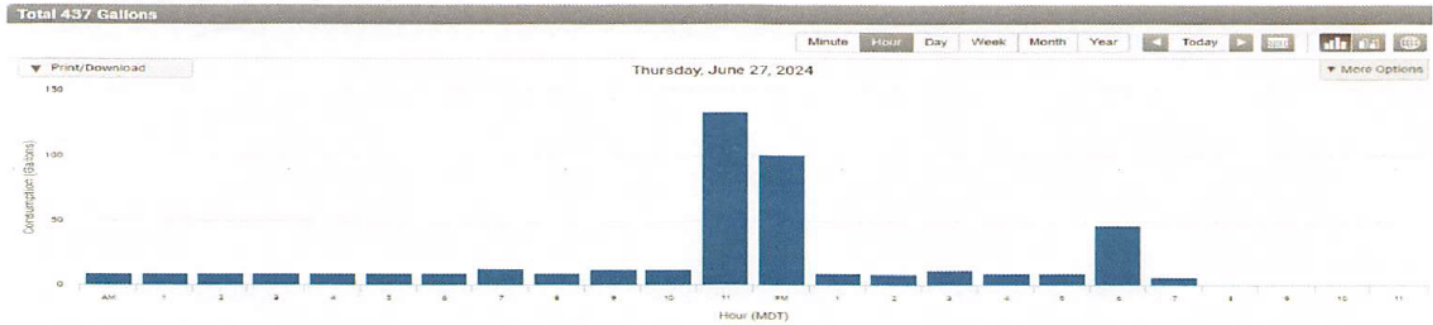
**4,800 gallon/day leak. (\$250 bill) Normal usage: 200 gallons/day. (\$25 bill)**

Major leak detected. Graph shows 200 gal/hr hourly. At 1:00pm it was fixed. A minor leak still present. Graph shows 5 gal/hr from 1pm onward. Graph shows actual usage at the 2:00pm hour (irrigation, laundry, or shower).

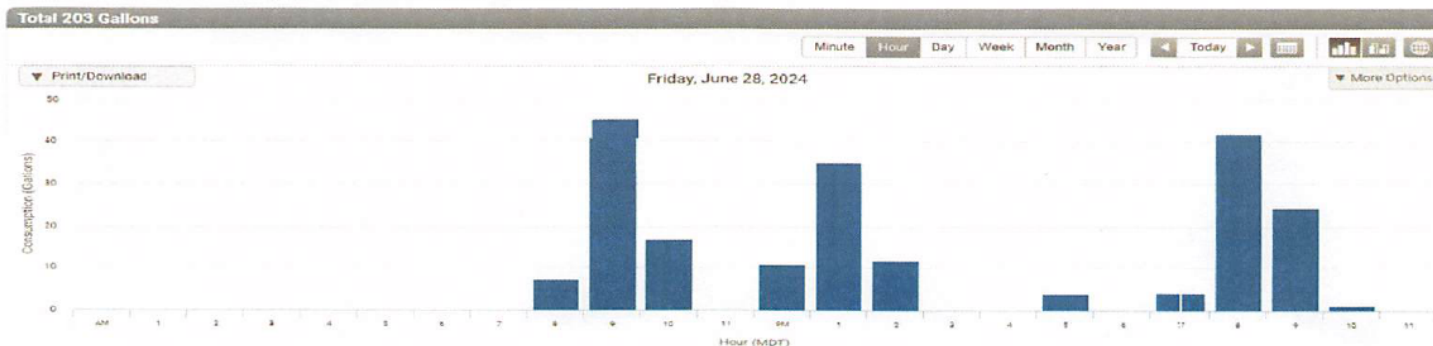
Note: The graphs can be deceiving when comparing days, the gallon usage scale range (left side of the graph) is based on the highest usage that day.



Shows the 5 gallon/hour leak continuing the next day. Graph shows normal water usage at 11am, noon and 6pm. Small leak fixed at 7pm (toilet running, leaky faucet, etc...).



Normal water usage after all leaks fixed. Graph shows hourly flows ranging from 2 gal/hr to 45 gal/hr. Graph shows 50% of the day there was zero usage. No presence of a leak.



# Oak Creek Water District

**“Serving West Sedona Since 1953”**

90 Oak Creek Blvd

Sedona, AZ 86336

928 282-3404 – [info@oakcreekwater.com](mailto:info@oakcreekwater.com)

October 31, 2024

Subject: Notice of Unknown Service Line Material

Dear Customer of Oak Creek Water,

We are writing to inform you of an important matter concerning the water service lines in your area. As part of our ongoing efforts to ensure the safety and quality of the drinking water supply, we have recently completed a survey of service lines within our community.

## Notice of unknown service line material

Oak Creek Water is focused on protecting the health of every household in our community. This notice contains important information about your drinking water. Please share this information with anyone who drinks and/or cooks using water at this property. In addition to people directly served at this property, this can include people in apartments, nursing homes, schools, businesses, as well as parents served by childcare at this property.

Oak Creek Water is working to identify service line materials throughout the water system and has determined that the water pipe (called a service line) that connects your home, building or other structure to the water main is made from unknown material but may be lead. Because your service line material is unknown, there is the potential that some or all of the service line could be made of lead or galvanized pipe that was previously connected to lead. People living in homes with a lead or galvanized pipe previously connected to a lead service line have an increased risk of exposure to lead from their drinking water.



## Identifying service line material

To help determine the material of your service line, please visit our website or call the office. EPA has developed an online step-by-step guide to help people identify lead pipes in their homes called Protect Your Tap: A Quick Check for Lead. It is available at: <https://www.epa.gov/ground-water-and-drinking-water/protect-your-tap-quick-check-lead>.

## Health effects of lead

*Exposure to lead in drinking water can cause serious health effects in all age groups. Infants and children can have decreases in IQ and attention span. Lead exposure can lead to new learning and behavior problems or worsen existing learning and behavior problems. The children of women who are exposed to*

*lead before or during pregnancy can have increased risk of these negative health effects. Adults can have increased risks of heart disease, high blood pressure, and kidney, or nervous system problems.*

### Steps you can take to reduce lead in drinking water.

Below are recommended actions that you may take, separately or in combination, if you are concerned about lead in your drinking water. The list also includes where you may find more information and is not intended to be a complete list or to imply that all actions equally reduce lead in drinking water.

**Use filters properly.** Using a filter can reduce lead in drinking water. If you use a filter, it should be certified to remove lead. Read any directions provided with the filter to learn how to properly install, maintain, and use your cartridge and when to replace it. Using the cartridge after it has expired can make it less effective at removing lead. Do not run hot water through the filter. For more information on facts and advice on home water filtration systems, see EPA's <https://www.epa.gov/water-research/consumer-tool-identifying-point-use-and-pitcher-filters-certified-reduce-lead>.

**Clean your aerator.** Regularly clean your faucet's screen (also known as an aerator). Sediment, debris, and lead particles can collect in your aerator. If lead particles are caught in the aerator, lead can get into your water.

**Use cold water.** Do not use hot water from the tap for drinking, cooking, or making baby formula as lead dissolves more easily into hot water. Boiling water does not remove lead from water.

**Run your water.** The more time water has been sitting in pipes providing water to your home, the more lead it may contain. Before drinking, flush your home's pipes by running the tap, taking a shower, doing laundry, or doing a load of dishes. The amount of time to run the water will depend on whether your home has a lead service line or not, as well as the length and diameter of the service line and the amount of plumbing in your home. [Include tailored flushing information, if appropriate, or add following language] Residents may contact us at [phone number and/or email address] for recommendations about flushing times in their community.

**\*\*Learn what your service line material is.** Contact our office or a licensed plumber to determine if the pipe that connects your home to the water main (called a service line) is made from lead, galvanized, or other materials.

**Learn about construction in your neighborhood.** Contact the office to find out about any construction or maintenance work that could disturb your service line. Construction may cause more lead to be released from a lead service line or galvanized service line if present.

**Have your water tested.** Contact us, your water utility, to have your water tested and to learn more about the lead levels in your drinking water. Alternatively, you may contact a certified laboratory to have your water tested for lead. A list of certified laboratories is available by contacting the office. Note, a water sample may not adequately capture or represent all sources of lead that may be present. For information on sources of lead that include service lines and interior plumbing, please visit

<https://www.epa.gov/ground-water-and-drinking-water/basic-information-about-lead-drinking-water#getinto>.

Get your child tested to determine lead levels in their blood.

Although there is no confirmation of having a lead service line, you may wish to speak with a healthcare provider to see if your child's blood lead level is elevated and/or if there is a need for blood testing, if you are concerned about potential exposure. Please visit <https://www.cdc.gov/nceh/lead/advisory/acclpp/actions-blls.htm> for information on these actions.

**For information about potential financing solutions** to assist property owners with replacement of lead service lines, please contact the office.

**For more information on reducing lead exposure** from your drinking water and the health effects of lead, visit EPA's website at <http://www.epa.gov/lead>.

**For More Information: Click the blue tab titled "LEAD SERVICE LINE INVENTORY" on the right side of our website home page.**

# Oak Creek Water District

Serving West Sedona Quality Water Since 1953

January 2025 [www.oakcreekwater.org](http://www.oakcreekwater.org)

## \*\*\*\*\* CONSTRUCTION UPDATE \*\*\*\*\*

**Water Main Replacement:** The project continues in a portion of Saddlerock Subdivision for the trunk main from SR 89A to the storage tanks. Then the contractor will proceed to Panorama Blvd. and into Northview Subdivision. **Keep Up to Date:** Check the website. Sign up for alerts. Come to monthly meetings. Summit Construction will contact individual streets as they come up in the lineup.



## \*\*\*\*\* PUBLIC MEETING ON THE ANNUAL BUDGET & RATES\*\*\*\*\*



The District is required to submit a budget to Yavapai County annually. The Board of Directors will be voting on this budget at the February 18, 2025 meeting. See attached. Public comments are accepted in writing or in person prior to the discussion and vote. The budget includes a rate increase following the approval of a revised 5-year plan completed in 2021. See attached details.

## \*\*\*\*\*PAPERLESS BILLS & XPRESS BILL PAY\*\*\*\*\*

50% OF OUR CUSTOMERS GO PAPERLESS

40% OF OUR CUSTOMERS ARE ON AUTOPAY

SIGN UP AT [www.xpressbillpay.com](http://www.xpressbillpay.com)

OR CALL 800-720-6847.



[CLICK HERE](#) for Eye on Water Information

Monitor your own water usage.

Receive alerts of potential leaks.

Look for this icon on our website!

4 out of the 16 that have signed up have detected leaks they didn't know they had. Lets conserve.

## 2025 PROPOSED RATE INCREASE

### Summary:

The proposed rate increase for 2025 follows the proposed 5-year Rate Study completed in December 2024. The District's median ¾-inch Residential customer (50% of the users above, 50% of the users below) uses 3,500 gallons a month. The proposed rate increase will increase their average water bill from \$27.41 to \$ 30.55 a month. An average of \$3.14 increase per month. The District's average ¾-inch Residential customer uses 5,925 gallons a month. The proposed rate increase will increase their water bill from \$36.17 to \$40.06 a month. An average of \$3.89 increase per month. The proposed 5-Year Rate Study determining this rate increase is available for viewing on the District's website. It can also be viewed at our office. This includes a breakdown of the rate increase by base rate and by the three water usage tiers for all residential and commercial user classifications. It should be noted that the above ¾-inch residential customer example above was used since 65% of our customers fall under that category.

### Board Action/Dates to Remember:

January 21, 2025, Board Meeting

Discussion on the proposed 2025 Rate Increase, the 5-year plan and the proposed budget.

Written comments can be submitted by mail to the Office or by email through the District website.

February 18, 2025, Board Meeting

After discussing all the comments received by February 17th, the Board will propose and approve:

A 5-Year Rate Plan, a 2025 Rate Increase and a District's 2025-2026 Budget for submittal to Yavapai County

### Background:

The District is currently undergoing rehabilitation utilizing \$16.1 million in funds from USDA. This is comprised of \$11.2 Million in grant funds and \$4.9 Million in loan funds. The loans are for 40 years with a 1.325% and 2.250% interest rate. The District was required to utilize all loan funds first and now we are into the grant funds. To date the 5 storage tanks have been inspected and painted, two new arsenic removal systems have been installed and about 25% of the project's 8 miles of water main have been replaced.

The District approved a 5-year rate study in 2021. The rate study was completed by an accountant that has had over 30 years of A.C.C. rate increase studies and has been consulting Oak Creek Water for over 15 years. This study was prior to obtaining the water main bids and the need for additional grant and loan funds to complete the construction. Now with both loans starting to be paid off, a revisit to the 5-year plan was made. The purpose of the 5-year rate study was to determine if rates need to be adjusted to meet the second loan, for building reserves for emergencies along with continuing to build a reserve fund for replacing facilities as they depreciate.

<u>Meter Size</u>	<u>Current Base Rate</u>	<u>Proposed Base Rate</u>	<u>% of System Users</u>
¾-inch	\$19.43	\$21.49	92.5%
1-inch	\$32.39	\$35.82	5.0%
1 ½ -inch	\$64.61	\$71.45	1.5%
2-inch	\$103.43	\$114.38	0.7%
4-inch	\$323.47	\$357.72	0.3%

<u>Meter Size</u>	<u>Usage Tier</u>	<u>Current/1,000 gal</u>	<u>Proposed/1000 gal</u>
¾-inch & 1-inch Res	0-4,000 gallons	\$2.28	\$2.59
¾-inch & 1-inch Res	4,000-10,000 gallons	\$3.96	\$4.27
¾-inch & 1-inch Comm	0-12,000 gallons	\$3.96	\$4.27
¾-inch & 1-inch Comm	Over 12,000 gallons	\$5.05	\$5.36

## 5-YEAR RATE STUDY

### Summary:

The 5-year rate study used FY 2024 revenue and expenses as the test year. It also included analyzing the history over the past 5 years along with the Capital Improvement Plan projections over the next 10 years. The current Operating Margin, Cash Flow and debt service ratio have looked good over the past couple of years and implementing this 5-year plan will continue to keep our District healthy.

### **Comparing FY 2021 Test Year to current FY 2024 Test Year**

In FY 2024 there was 13 million gallons less water sold compared to FY 2021. This reduction in an annual reduction of revenue of about \$50,000. This was due to conservation, weather conditions and revenue tourism (the after effect of Covid). The \$50,000 in revenue loss needs to be made up with the next planned 5-year rates. In other words, we are starting at a point where it is \$50k less than expected. 65% of our customers, ¾-inch residential, average usage dropped from about 7,200 to 5,900 gallons per month. Similar reductions occurred down the line.

Customer growth expectations is another factor that changed between the two test years. The District's two remaining large undeveloped lots were planned for development between 2023 and 2025: Sedona Lofts (behind Walgreens) and the Saddlerock Crossings Hotel (former Biddles property). Both had either legal or community concern delays. Both projects are in motion again but with construction completion delayed by a couple of years. This \$40k delayed proposed revenue had to be accounted for in the revised 5-year study.

Depreciation is one of the bigger issues with the new rate study. Depreciation is a cash flow item. The USDA funded improvement projects increases the annual depreciation expense from the current \$114K to \$400k in two years. Reserves for this need to be built up depending on their life expectancy. The biggest are the arsenic treatment systems at 40 years and water mains at 50 years.

### 5-Year Rates

Based on our situation and receiving grant funds, a targeted 10% operating margin was used. This is lower than the 20% operating margin used in the 2021 study. The lowering of the operating margin is justified because the current study capture depreciation on grant funded plant. The median ¾-inch bill would increase \$10.50 over the next 5 years. The average ¾-inch bill would increase \$13.00 over the next 5 years. Revenue is predicted to increase from the projected FY2025 revenue of \$620,000 to a projected FY2026 revenue of \$670,000. Collecting on depreciation is estimated at \$1.2 Million over the 5 years, hence 1/10<sup>th</sup> of the depreciation value in 5 years. As mentioned previously , residents that xeriscape experience bills below \$30. Conservation of water benefits all.

**FYI: As stated, in the Red Rock News on December 13 2024, Arizona Water Company is asking for a residential rate increase of 48.73% and commercial rate increase of 47.22%. Their current ¾-inch base rate would increase from \$32.70 to \$49.20. OCWD current base rate is currently at \$19.43. The 5-year rate study would increase the ¾-inch residential base rate to \$21.49 in 2025 and to \$26.30 by the FY2030.**

#### Changes in the Median Average Bill over the 5-Year Plan

	<u>Median Usage</u>	<u>Current</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>	<u>2029</u>
¾-inch Res	3,500 gallons	\$27.41	\$30.55	\$33.17	\$34.74	\$36.31	\$37.88
1-inch Res	4,500 gallons	\$43.49	\$48.31	\$52.33	\$54.74	\$57.15	\$59.56
¾-inch Comm	3,500 gallons	\$33.29	\$36.43	\$39.05	\$40.62	\$42.19	\$43.76
1-inch Comm	22,500 gallons	\$129.67	\$140.05	\$148.70	\$153.89	\$159.08	\$164.27

The full proposed 5-year plan is on the website, and we hope every customer spends some time reviewing it. Over the years it has been stated in previous newsletter: "an education user is the best user". Hopefully more users will start coming to meeting and get involved. Questions? Contact the office. We will be glad to discuss this will you.

**OAK CREEK WATER DISTRICT  
PROPOSED 2025-2026 BUDGET**

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<b>Operations</b>		<b>\$ 133,300.00</b>
Repairs to Plant - Contractor - Mains	\$ 15,000.00	
Repairs to Plant - Contractor - Electrical/Pumps	\$ 12,500.00	
Repairs to Plant - Contractor - Wells	\$ 10,000.00	
Operations: Materials and Supplies	\$ 19,950.00	
Operations: Tools and Shop	\$ 2,000.00	
Power Purchased	\$ 55,000.00	
Aid to Construction	\$ 250.00	
Insurance - Property and Liability	\$ 10,000.00	
Transportation Expenses	\$ 8,600.00	
<b>Office</b>		<b>\$ 111,400.00</b>
Az Sales and City Taxes	\$ 65,000.00	
Advertising - Mailings, Website	\$ 2,750.00	
Billing Expenses	\$ 23,000.00	
Telecommunications	\$ 13,000.00	
Office Utilities	\$ 3,800.00	
Office Supplies/Equipment	\$ 1,450.00	
Officers Insurance	\$ 2,400.00	
<b>Contractual Services</b>		<b>\$ 29,900.00</b>
Contractual Accounting/Auditing	\$ 10,000.00	
Contractual Legal	\$ 10,000.00	
Contractual Lab Testing	\$ 3,700.00	
Contractual Monitoring & Security	\$ 4,200.00	
Contractual Management	\$ 2,000.00	
<b>Personnel</b>		<b>\$ 194,500.00</b>
Salaries and Wages	\$ 166,500.00	
Employer Taxes 8.35% & Unemployment	\$ 15,000.00	
Benefits and IRA	\$ 10,000.00	
Insurance Works Comp	\$ 3,000.00	
<b>Reserves &amp; Debt</b>		<b>\$ 245,900.00</b>
Short/Long Term Reserves USDA Requirement	\$ 71,456.00	
USDA Loans (4 0 years at 1.325%/2.250% Interest)	\$ 174,444.00	
<b>Total Expenses</b>		<b>\$ 715,000.00</b>
<b>Operations Revenue</b>		<b>\$ 715,000.00</b>

<p><b>Public Hearing at 4:30pm on February 18, 2025: Proposed Budget</b> <b>Public Comments Prior to Board Voting</b> Comments can be sent prior to the meeting at <a href="mailto:info@oakcreekwater.com">info@oakcreekwater.com</a></p>
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# Oak Creek Water District

Serving West Sedona Quality Water Since 1953

June 2025 [www.oakcreekwater.org](http://www.oakcreekwater.org)

## CONSTRUCTION UPDATE

The water main replacement project will continue in Northview Subdivision over the next several months. Later this year it will return to Saddlerock Subdivision. Keep up to date by checking the website, signing up for alerts and by coming to monthly meetings. Over the next year Summit Construction will have left over spoils and rocks. There will be a sign up sheet at each board meeting, based on availability, if any resident would like some.



## 2024 WATER QUALITY REPORT

Following ADEQ guidelines, the District is required to post the most recent Consumer Confidence Report (annual test results) by June 30th of each year. The results can be found on the District website. A hard copy can be obtained at the office.

## PROPOSED AGREEMENT WITH THE CITY OF SEDONA

The City is requesting an agreement with the District titled “Sharing of Information Regarding Water Consumption and Water Service Disconnection” This proposed agreement is available on our website for review. A hard copy can be obtained at the office. In summary the two main items in the agreement are:

1. Supplying the City our customers water usage on a monthly basis.
2. Work with the City on customers with delinquent sewer bills and using water service disconnection has an option for collection.

The Board of Directors will accept written comments on this prior to the July 15, 2025 board meeting or in person during the meeting. Based on comments the board will make a decision at the August 19th meeting.

## LEAD AND COPPER INVENTORY UPDATE

Following ADEQ guidelines, the District is required to post an updated inventory of all District water mains and consumer water connections that are classified as “unknown” for containing lead. This revised list can be found on our website. A hard copy can be obtained at the office.



[CLICK HERE for Eye on Water Information](#)

**Monitor your own water usage.**

**Receive alerts of potential leaks.**

**Look for this icon on our website!**

**15 of the 35 that have signed up have detected leaks they didn't know they had. Lets conserve.**