

## **Water Meter Installation Cost and Billing Frequently Asked Questions**

- Q. When will I receive my bill?  
A. Letters were mailed to property owners on or before April 13, 2018. The letter provides the cost of the meter installation specific to the designated service property and gives two options for payment. A sample letter can be found at: [https://www.todb.ca.gov/sites/main/files/2018-04-12\\_water\\_meter\\_letter\\_to\\_owners\\_sample.pdf](https://www.todb.ca.gov/sites/main/files/2018-04-12_water_meter_letter_to_owners_sample.pdf)
- Q. How is the price of the meter installation determined?  
A. The price of the water meter installation is the actual cost to install the meter at your specific property. The price includes the cost of products, construction, installation, management and other associated costs.
- Q. Will the Town make a profit or generate revenue from the water meter installation charge?  
A. No. The Town makes no profit or revenue. The actual cost to the Town is the actual cost that is being charged to the customer.
- Q. Why are some customers being billed a higher or lower rate than me?  
A. The cost of water meter installation is specific to each property. Differences in cost can be the result of differing products used (example: box and meter size), complexity of construction, and any extra work due to special conditions unique to the service property, such as removal of obstructions.
- Q. What options do I have in paying my bill?  
A. Under Option 1 you can pay your bill in full if received by the Town on or before May 15, 2018. Under Option 2 you can pay your bill with interest over a 10-year period.
- Q. Can I pay my water meter installation bill in full?  
A. Yes. This is known as Option 1. Simply detach the coupon at the bottom of your billing letter and send with your check made payable for the full amount to the Town of Discovery Bay, 1800 Willow Lake Road, Discovery Bay, CA 94505. The Town must receive your payment by May 15, 2018 to avoid being automatically enrolled in a 10-year payment plan with interest (Option 2).
- Q. Can I pay my water meter installation bill over time?  
A. Yes. This is known as Option 2. Simply do nothing and you will automatically be enrolled in the 10-year payment plan. The 10-year plan is the combination of a 3-year interest free loan that runs concurrent with a 10-year loan with interest. Your monthly payment will first appear on your August 2018 water bill. Payoff will occur in July 2028.
- Q. How is the interest calculated for the Option 2 payments over time?  
A. The water meter installation project was funded through a combination of Town reserves and a 10-year \$1.5 million-dollar bond. Total interest on the bond is \$398,001.67. This amount will be divided by the number of customers who do not pay off the full amount by May 15, 2018 (Option 1).

- Q. If I am enrolled in Option 2 can I later prepay the balance to avoid the remaining interest charges?
- A. No. After May 15, 2018 you will not be able to pay off the balance of your water meter installation charge to avoid paying your remaining balance of interest. You can pay off the balance of your water meter installation charge, but you must also pay off the full balance of the interest. Since all Option 2 customers share in paying off the total bond interest charged to the Town, the customer's balance of the interest still needs to be satisfied.
- Q. With the Option 2 payment plan is the interest amount amortized with a higher interest payment at the beginning of the loan with gradual lower payments toward the end of the loan, such as with a car loan or mortgage?
- A. No. The monthly interest payment stays the same each month until payoff in July 2028.
- Q. What is my monthly interest payment if I pay over time (Option 2)?
- A. It depends on the number of customers who are in Option 2. The bond interest of \$398,001.67 will be divided by the number of customers who are in Option 2. The number of customers in Option 2 will not be known until the number of customers who pay in full (Option 1) can be determined. The deadline for Option 1 is May 15, 2018.
- Q. What is meant by a combo loan of 3-years interest free and 10-years with interest?
- A. The water meter installation project was funded by a combination of Town reserves and a \$1.5 million bond. The Town Board decided that payback of reserves should be interest free to customers over a 3-year period and that the payback of the bond and its interest should be paid by customers over a 10-year period. Customer's monthly bills will be higher the first 3-years (two loans in effect) and lower the last 7-years (one loan in effect).
- Q. With Option 2 will the 3-year loan and the 10-year loan show up a separate line items on my water bill?
- A. Due to software limitations, the 3-year loan and 10-year loan will be combined as a single charge and line item on your water bill.
- Q. What do I do if I have more questions?
- A. You can call the Town at 925-634-1131 during normal business hours.