



Notice of Residential and Multi-Residential Sewer Rate Increase

Otay Water District
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NOTICE OF INCREASED SEWER RATES AND CHARGES EFFECTIVE FOR SEWER SERVICE BILLED IN JANUARY 2013

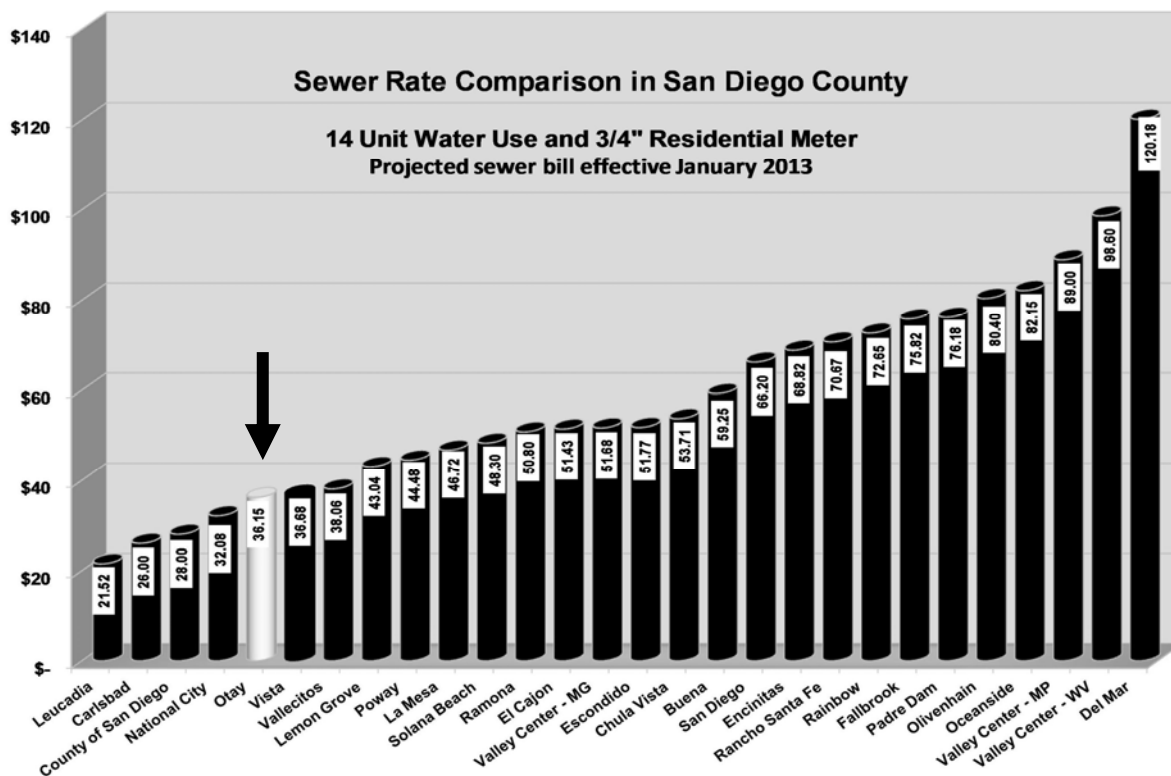
Dear Customer,

An overall rate increase of 7.9 percent was approved by the Otay Water District's (the "District") Board of Directors as part of the annual budget adoption process completed in May 2012. For a typical sewer customer, your bill will increase by \$2.83 per month. The new sewer rates and charges will apply to service billed beginning January 1, 2013 and, depending on your billing cycle, will apply to service as early as the beginning of December 2012. **This letter provides a 30-day notice of rate increases.**

The District is a revenue-neutral public agency. Your sewer bill reflects only those charges sufficient to support your sewer service. To continue providing sewer service, the District must adjust its rates for service, implement certain rate increases, and pass-through costs to its customers that reflect the full cost of providing the service. Such costs include inspection and preventative maintenance of the public sewer system, and replacement of aging sewer infrastructure. These actions protect the public's investment in the public sewer system, minimize maintenance costs, reduce the possibility of pipeline breaks, blockages or spills, and keep sewer rates affordable.

On August 24, 2009, the District adopted a five-year schedule of rates in compliance with applicable provisions of law. This sewer rate increase is within the limits contemplated in the five-year schedule of rates.

For its part, the District has worked diligently to reduce internal costs and continues to be one of the lowest cost sewer service providers in San Diego County. For more information about the Otay Water District, please visit www.otaywater.gov or contact us via email at info@otaywater.gov.



Residential Sewer Rate Increase

The monthly sewer service charge for a typical single-family residential customer with either a 3/4" or 1" water meter and a Winter Average of 14 HCF (hundred cubic feet) will be calculated as follows:

Usage Fee Rate x Winter Average + a Monthly Base Fee

	<u>Usage Fee</u>	<u>Base Fee</u>	<u>Total</u>
Current	\$21.06	\$12.26	\$33.32
New	\$22.85	\$13.30	\$36.15

Meter Size	<u>Current</u>	<u>New</u>
3/4"	\$12.26	\$13.30
1"	\$17.88	\$19.40
Usage Fee	\$1.77	\$1.92

A typical bill is based on 11.9 HCF of water (14 HCF - 2.1 HCF). This 15 percent discount is an acknowledgement that not all water purchased goes to the sewer system. The maximum bill for a 3/4" meter is \$70.90. The maximum bill for a 1" meter (based on 30 HCF, which as already been reduced by the 15 percent discount) is \$77.00. One HCF equals 748 gallons, or one "unit" of water.

The Winter Average is defined as the units of water billed from January through April of the previous year divided by four. New customers will have a Winter Average assigned of 14 HCF until a Winter Average can be established.

Multi-Residential

The total sewer bill for Multi-Residential customers is calculated just like a residential customer with the exception that the base fee is multiplied by the number of dwelling units, and the Winter Average, after being reduced by 15 percent, has no maximum.

This information reflects only changes to rates. For a comprehensive listing of rates, please see the Otay Water District's Code of Ordinances at www.otaywater.gov.