



Notice of Residential Water Rate Increase

Otay Water District
2554 Sweetwater Springs Blvd.
Spring Valley, CA 91978-2004
619-670-2222
www.otaywater.gov

NOTICE OF INCREASED WATER RATES AND CHARGES EFFECTIVE FOR WATER BILLED IN JANUARY 2016

Dear Customer,

An overall average rate increase of 5.8 percent was approved by the Otay Water District (the "District") as part of the annual budget adoption process completed in June 2015. For a typical single-family residential water customer, your water bill will increase by \$4.33 per month beginning January 1, 2016. Depending on your billing cycle, the new rates and charges will apply to water used as early as the beginning of December 2015. **This letter serves as a 30-day notice of rate increases.**

The District is a revenue-neutral public agency. To continue providing reliable high-quality water service the District must implement rate increases and pass-through to its customers higher costs from wholesale water suppliers. All of these increases are a result of higher costs from those suppliers which include the Metropolitan Water District of Southern California (MWD), San Diego County Water Authority (CWA), and the City of San Diego, as well as power cost increases from SDG&E.

On September 4, 2013, the District adopted a five-year schedule of rates in compliance with applicable provisions of the law. This increase is within the limits approved in the five-year schedule of rates.

Water wholesalers raise their water rates as they work to obtain new and more reliable supplies of water or build new and more reliable infrastructure. This includes agricultural to urban water transfers, expansion of reservoirs, pipeline relining projects, new water treatment plants, as well as potential new sources of water supplies such as ocean water desalination. In addition, rate increases cover the cost of acquiring imported water from the Colorado River and Northern California.

For its part, the District continues to work to reduce internal costs including reducing the number of full-time employees and instituting efficiency programs that help reduce the impact of higher rates from suppliers. The District also continually strives to be among the lower cost water service providers in San Diego County.

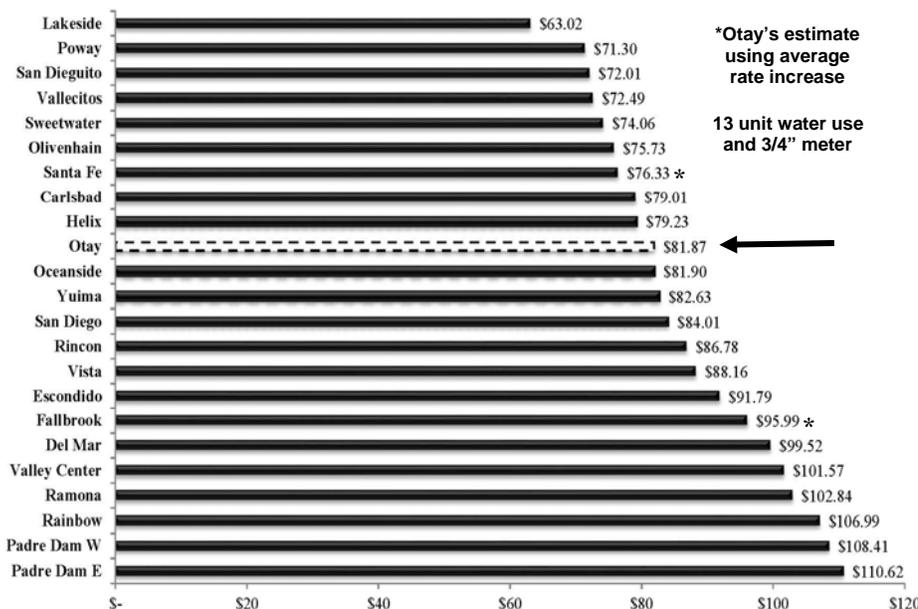
With water resources stretched thin across California, and mandates on all Californians to save water, customers interested in learning ways in which they can reduce their water use to minimize the effects of this

rate increase can visit the District's Conservation pages at www.otaywater.gov. The District provides information on rebates, incentives, water audits, and other resources to help you save water.

The Water Conservation Garden located in Rancho San Diego is free to the public and offers various conservation exhibits and classes to help you save water too. Please visit the Water Conservation Garden, or visit www.thegarden.org.

For more information about the Otay Water District, visit www.otaywater.gov or contact us at info@otaywater.gov.

PROJECTED WATER BILLS BY AGENCY EFFECTIVE FY 2016



Si gusta asistencia en Español, referente a esta notificación, favor de llamar al 619-670-2222.

Typical Bill at 13 HCF² (or Units) of Water per Month

Your bill will vary based on meter size, water consumption in units, and geographic location.

	MWD/CWA ¹	System Fee ¹	Water Rate ²	Energy Charge ⁴	Total ⁵
Current	\$13.67	\$19.39	\$42.25	\$2.24	\$77.55
New	\$16.84	\$18.91	\$43.09	\$3.03	\$81.87
Increase in monthly water bill:					\$ 4.33

New Rates and Fees

Single Family Consumption Blocks (Units or HCF)²

Conservation Tier³

6 - 10

11 - 22

23 +

Current

\$1.95

\$3.04

\$3.95

\$6.08

New

\$1.99

\$3.10

\$4.03

\$6.20

Meter Size	Current			New		
	System Fee	MWD/CWA	Total	System Fee	MWD/CWA	Total
3/4"	\$19.39	\$13.67	\$33.06	\$18.91	\$16.84	\$35.75
1"	\$27.39	\$25.35	\$52.74	\$26.71	\$31.24	\$57.95
1 1/2"	\$47.40	\$57.35	\$104.75	\$46.22	\$70.66	\$116.88
2"	\$71.39	\$97.53	\$168.92	\$69.61	\$120.17	\$189.78

Other Charges

	Current	New
Energy Charges⁴	\$0.050	\$0.072
Fire Service <3"meter⁶	\$25.32	\$24.69
Fire Service >4"meter⁶	\$34.12	\$33.27

Footnotes

1. These fees vary based on the meter size. The MWD/CWA fee is increasing to match the costs from these water suppliers. The System Fee pays for betterment, replacement, and maintenance of water system infrastructure, as well as operating expenses. The system fee is decreasing, reflecting the lower funding of reserves.
2. This cost varies based on water usage and can be calculated using the consumption block tables. One unit of consumption equals 748 gallons of water or one HCF (hundred cubic feet).
3. The Conservation Tier discount applies toward the first five units when overall consumption is ten units or less.
4. The Energy Charge represents the cost of energy required to pump each unit of water 100 feet in elevation. This is charged proportionately for every foot of elevation over 450 feet.
5. Charges collected through the property tax role (availability fees and general obligation debt) are not included in this total.
6. Fire Service requires a separate meter and this fee is based on meter size.

This information reflects only changes to rates. For a comprehensive listing, please see the Otay Water District's Code of Ordinances at www.otaywater.gov. Prolonged drought conditions or declared water shortages may impact rates.