



Notice of Master Metered Water Rate Increase

Otay Water District
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Spring Valley, CA 91978
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www.otaywater.gov

NOTICE OF INCREASED WATER RATES AND CHARGES EFFECTIVE ON WATER USAGE BEGINNING IN JANUARY 2011

Dear Customer,

An overall rate increase of 10.9% was approved by the Otay Water District's (the "District") Board of Directors as part of the annual budget adoption process completed in May, 2010. The new water rates and charges will apply to water billed beginning February 1, 2011 and depending on your billing cycle may apply to water usage as early as the beginning of January, 2011. **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 services, the District must implement rate increases and must pass-through to its customers higher costs imposed by water wholesalers, the Metropolitan Water District of Southern California (MWD), San Diego County Water Authority (CWA), and the City of San Diego.

On August 24, 2009, the District adopted a five-year schedule of rates in compliance with applicable provisions of law. The rate increases herein noticed reflect a District rate increase of 3.8% and pass-through increase of 7.1%. Both increases are within the limits contemplated in the five-year schedule of rates.

Water wholesalers are raising their water rates to obtain new and more reliable supplies of water. Potential supplies include seawater desalination, more reliable emergency resources, canal lining projects, and agricultural to urban water transfers. In addition, rate increases cover the cost of acquiring imported water from the Colorado River and Northern California.

For its part, the District has worked diligently to reduce internal costs, including reducing the number of full-time employees and corresponding salaries and benefits, and instituted efficiency programs, such as automated meter reading and online bill pay services, to minimize the impact of higher water costs from wholesalers.

Customers who are interested in learning ways in which they can reduce their water usage to minimize the effects of this increase can visit the District's Conservation page at www.otaywater.gov. Additionally, the Water Conservation Garden located in Rancho San Diego is free to the public and offers various conservation exhibits and classes. For more information about the Garden, visit www.thegarden.org.

For more information, please visit www.otaywater.gov or contact us via email at info@otaywater.gov.

Dedicated to Community Service

Consumption Blocks by Unit and System Fees by Meter Size

Master Metered

Consumption Blocks (units) ¹	Current	New
0 - 4	\$2.08	\$2.29
5 - 9	\$2.70	\$2.97
10 or more	\$4.15	\$4.57

Meter Size	Current			New		
	System Fee ²	MWD/CWA ²	Total	System Fee ²	MWD/CWA ²	Total
3/4"	\$14.58	\$9.77	\$24.35	\$14.58	\$11.82	\$26.40
1"	\$18.52	\$16.28	\$34.80	\$18.52	\$19.69	\$38.21
1 1/2"	\$28.37	\$32.61	\$60.98	\$28.37	\$39.44	\$67.81
2"	\$40.18	\$52.15	\$92.33	\$40.18	\$63.07	\$103.25
3"	\$71.68	\$104.30	\$175.98	\$71.68	\$126.14	\$197.82
4"	\$107.13	\$162.98	\$270.11	\$107.13	\$197.11	\$304.24
6"	\$205.59	\$325.92	\$531.51	\$205.59	\$394.17	\$599.76
8"	\$323.73	\$521.51	\$845.24	\$323.73	\$630.71	\$954.44
10"	\$461.57	\$749.61	\$1,211.18	\$461.57	\$903.58	\$1,368.15

Other Charges

	Current	New
Energy Charges³	\$0.038	\$0.044
Improvement District⁴ No. 3	\$0.18	\$0.019
Improvement District⁴ No. 10	\$0.26	\$0.27
La Presa⁴	\$0.07	\$0.08

Footnotes

1. Consumption is the water usage divided by the number of dwellings served. This charge is a per unit charge based on water consumption. A unit of consumption is equal to 748 gallons of water.
3. The Energy Charge represents the cost of energy required to pump each unit of water 100 feet in elevation. This is charged proportionally for every foot of elevation over 450 feet. This increase is necessary due to increased power cost to the District.
2. These fees are based on the meter size. The MWD/CWA fee is increasing to reflect the full pass-through of this cost by the District's water suppliers.
4. This charge is a per unit charge and your bill will vary based on water consumption.

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