

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



Notice of Recycled Water Rate Increase

Otay Water District
2554 Sweetwater Springs Blvd.
Spring Valley, CA 91978-2014
619-670-2222
www.otaywater.gov

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

Dear Recycled Water Customer,

The City of San Diego recently increased the rate they charge for recycled water 116 percent effective January 1, 2016. The City of San Diego is a supplier of recycled water to the Otay Water District (the "District"). District officials, as well as many South Bay and East County leaders, vigorously fought this rate increase. As a revenue-neutral public agency, the District is now increasing its rates and passing through to its customers the higher costs imposed by the City of San Diego.

An overall average rate increase of 4.1 percent will be passed through to customers beginning March 1, 2016. Depending on your billing cycle, the new rates and charges will apply to water used as early as February 1, 2016. More than two-thirds of this rate increase is due to the City of San Diego's action. The remaining third is due to reduced water sales as a result of the drought and the high level of conservation in response to the Governor's call to reduce water use by 20 percent. **This letter serves as a 30-day notice of rate increases.**

Because recycled water diversifies local water supplies and provides an alternative to using potable water, particularly in times of drought, everyone benefits from the use of recycled water including potable water customers. As a result, potable and recycled water rates are calculated in a combined manner. Producing and distributing recycled water is also costly. To help offset the cost of supplying alternative water sources, the District receives financial incentives from its potable water suppliers. Recycled rates are then discounted 15 percent, recognizing the added expense of using recycled water. Today, approximately 13 percent of the District's water supply is made up of recycled water.

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.

While the District continues to cut costs and optimize effectiveness to minimize passing through higher rates to customers, including reducing the number of fulltime employees 21 percent, company vehicles and equipment 17 percent, and cutting fuel consumption 36 percent, as well as instituting automation and technology measures that since 2007 have resulted in nearly \$24 million in savings, these actions alone cannot mitigate the 116 percent rate increase imposed by the City of San Diego.

Customers interested in reducing their water use to minimize the impact of this rate increase can visit the District's Conservation pages at www.otaywater.gov. The District provides information on rebates, incentives, water audits, plus other resources to help you save water. In addition, the Water Conservation Garden located in Rancho San Diego is free to the public and has water conservation exhibits, resources and classes to help you save water. Please visit the Water Conservation Garden, or visit www.thegarden.org.

Customers wanting more information about the City of San Diego's rate increase for recycled water can visit www.fairwatersd.com.

Consumption Fees by Meter Size

Recycled Irrigation Usage Fee¹ (3/4" & 1" meter)

Consumption Blocks (units)	<u>Current</u>	<u>New</u>
0 - 32	\$3.80	\$4.08
33 - 75	\$3.86	\$4.14
76 or more	\$3.91	\$4.20

Recycled Irrigation Usage Fee¹ (1 1/2" & 2" meter)

Consumption Blocks (units)	<u>Current</u>	<u>New</u>
0 - 130	\$3.80	\$4.08
131 - 325	\$3.86	\$4.14
326 or more	\$3.91	\$4.20

Recycled Irrigation Usage Fee¹ (3" & 4" meter)

Consumption Blocks (units)	<u>Current</u>	<u>New</u>
0 - 440	\$3.80	\$4.08
441 - 1,050	\$3.86	\$4.14
1,051 or more	\$3.91	\$4.20

Recycled Irrigation Usage Fee¹ (>6" meter)

Consumption Blocks (units)	<u>Current</u>	<u>New</u>
0 - 4,000	\$3.80	\$4.08
4,001 - 10,000	\$3.86	\$4.14
10,001 or more	\$3.91	\$4.20

Recycled Water Usage Commercial¹ (<10" meter)

Consumption Blocks (units)	<u>Current</u>	<u>New</u>
0 - 173	\$2.77	\$2.97
174 - 831	\$2.82	\$3.03
832 or more	\$2.86	\$3.07

Recycled Water Usage Commercial¹ (>10" meter)

Consumption Blocks (units)	<u>Current</u>	<u>New</u>
0 - 7,426	\$2.77	\$2.97
7,427 - 14,616	\$2.82	\$3.03
14,617 or more	\$2.86	\$3.07

Footnote

1. Recycled water rates are based on meter size and the number of recycled water units used each month. Customers outside the Otay Water District, an Improvement District, or using temporary meters pay two times this rate. A unit of recycled water equals 748 gallons.

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 impact rates.