



Notice of Landscape, Agricultural and Construction Water Rate Increase

Otay Water District
2554 Sweetwater Springs Blvd.
Spring Valley, CA 91978
www.otaywater.gov

NOTICE OF INCREASED WATER RATES AND CHARGES EFFECTIVE ON WATER USAGE BEGINNING IN JANUARY 2012

Dear Customer,

An overall rate increase of 7.7% was approved by the Otay Water District's (the "District") Board of Directors as part of the annual budget adoption process completed in May 2011. This action is necessary due to higher costs from wholesale water suppliers. The rate increase herein noticed is a 100% pass-through to those suppliers. The new water rates and charges will apply to water billed beginning February 1, 2012 and, depending on your billing cycle, may apply to water usage as early as the beginning of January 2012.

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 from suppliers including the Metropolitan Water District of Southern California (MWD), San Diego County Water Authority (CWA), and the City of San Diego.

Water wholesalers are raising their rates to obtain new and more reliable supplies of water. These include more reliable emergency supplies, agricultural to urban water transfers, canal lining projects that conserve water in Imperial County and transfer that water to end users in San Diego County, as well as new potential sources of water. In addition, rate increases cover the higher cost of acquiring imported water from the Colorado River and Northern California.

Water wholesalers are raising their rates by 9.97% in January 2012, but by cutting internal costs, including reducing the number of full-time employees and efficiency programs such as automated meter reading and online billing services, the District is able to absorb a significant amount of those costs and pass-through a smaller rate increase to its customers.

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

Customers interested in learning ways they can reduce their water usage to minimize the effects of the higher cost of water can visit the District's Conservation page at www.otaywater.gov. Additionally, the Water Conservation Garden located in Rancho San Diego offers various conservation exhibits and classes. To learn more about the Garden, visit www.thegarden.org. For more information about the District, please go to www.otaywater.gov or contact us via email at info@otaywater.gov.

Consumption Blocks by Unit and System Fees by Meter Size

Water Usage Fee¹ - Landscape, Agricultural, and Construction Water (3/4" to 1" meter)

Consumption Blocks (units) ¹	Current	New
0 - 49	\$3.32	\$3.53
50 - 132	\$3.39	\$3.60
133 or more	\$3.45	\$3.66

Water Usage Fee¹ - Landscape, Agricultural, and Construction Water (1 1/2" to 2" meter)

Consumption Blocks (units) ¹	Current	New
0 - 144	\$3.32	\$3.53
145 - 355	\$3.39	\$3.60
356 or more	\$3.45	\$3.66

Water Usage Fee¹ - Landscape, Agricultural, and Construction Water (3"+ meter)

Consumption Blocks (units) ¹	Current	New
0 - 1,044	\$3.32	\$3.53
1,045 - 8,067	\$3.39	\$3.60
8,068 or more	\$3.45	\$3.66

Meter Size	Current			New		
	System Fee ²	MWD/CWA ²	Total	System Fee ²	MWD/CWA ²	Total
3/4"	\$14.58	\$11.82	\$26.40	\$14.58	\$14.01	\$28.59
1"	\$18.52	\$19.69	\$38.21	\$18.52	\$23.33	\$41.85
1 1/2"	\$28.37	\$39.44	\$67.81	\$28.37	\$46.74	\$75.11
2"	\$40.18	\$63.07	\$103.25	\$40.18	\$74.74	\$114.92
3"	\$71.68	\$126.14	\$197.82	\$71.68	\$149.48	\$221.16
4"	\$107.13	\$197.11	\$304.24	\$107.13	\$233.58	\$340.71
6"	\$205.59	\$394.17	\$599.76	\$205.59	\$467.09	\$672.68
8"	\$323.73	\$630.71	\$954.44	\$323.73	\$747.39	\$1,071.12
10"	\$461.57	\$903.58	\$1,368.15	\$461.57	\$1,070.74	\$1,532.31

Other Charges

	Current	New
Energy Charges ³	\$0.044	\$0.045
Improvement District ⁴ No. 3	\$0.19	\$0.20
Improvement District ⁴ No. 10	\$0.27	\$0.27
La Presa ⁴	\$0.08	\$0.08

Footnotes

- This rate is a per unit charge. Customers using temporary meters pay two times this rate. One unit of consumption equals 748 gallons of water.
- These Fixed Charges 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.
- 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. This increase is necessary due to increased power costs to the District.
- 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.