



Otay Water District
2554 Sweetwater Springs Blvd.
Spring Valley, CA 91978-2096
www.otaywater.gov
(619) 670-2777

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Notice of Public Hearing on Landscape, Agricultural, and Construction Water Rates

**Monday, December 15 , 2008
3:30 p.m. in the Board Meeting Room
2554 Sweetwater Springs Blvd.
Spring Valley, CA 91978**

NOTICE OF PUBLIC HEARING FOR LANDSCAPE, AGRICULTURAL, AND CONSTRUCTION WATER CUSTOMERS

This notice contains important information about water rates. All landscape, agricultural, and construction water customers within the district's service area are being notified of proposed rate increases.

The Otay Water District is a revenue neutral public agency meaning that only those charges sufficient to support your service are billed to you. Each end user pays a fair share of the cost of water acquisition and delivery, as well as the construction, operation, and maintenance of the public water facilities.

An analysis of the district's costs and revenues indicates an average 12.4% rate increase for water is needed effective January 1, 2009. Approximately, 80% of the rate increase is due to higher water costs from our wholesale suppliers, the San Diego County Water Authority (CWA) and the Metropolitan Water District of Southern California (MWD), with the remaining 20% due to other cost increases. If adopted, the new rate structure would help maintain the high level of service customers receive, the integrity of the public water systems, and a balanced budget. In addition, the district proposes to adopt a new tiered rate structure to promote conservation.

If you oppose this action, you may attend the public hearing on Monday, December 15, 2008, at 3:30 p.m. and deliver your written protest. You may also mail your written protest. Please include your name and the address of the affected property. To be considered, your protest must be received prior to the close of the public hearing. Immediately following the hearing, the Otay Water District's Board of Directors will consider adoption of the proposed rates. Mail written objections to:



Board Secretary
Otay Water District
2554 Sweetwater Springs Blvd.
Spring Valley, CA 91978

Current Rate	Proposed ¹						
	3/4" to 1" Meters		1.5" to 2" Meters		3" + Meters		Rates
\$1.98	Consumption Block		Consumption Block		Consumption Block		
	0	47	0	136	0	651	\$2.50
	48	164	137	415	652	4,064	\$2.55
	165+		416+		4,065+		\$2.60

Energy Charge ³		Government Rate ⁴	
Current	Proposed	Current	Proposed
\$0.034	\$0.037	\$0.08	\$0.28

Over Capacity Fees ⁵		
	Current	Proposed
Category I	\$0.04	-
Category II	\$0.06	-

Improvement District Charges ⁶		
District No.	Current	Proposed
3	\$0.16	\$0.17
10	\$0.24	\$0.25

Meter Size	Current			Proposed		
	System Fee	MWD/CWA	Total	System Fee ²	MWD/CWA ²	Total
3/4"	\$24.00	\$3.85	\$27.85	\$13.83	\$7.02	\$20.85
1"	\$36.95	\$6.15	\$43.10	\$17.56	\$11.71	\$29.27
1 1/2"	\$51.95	\$11.60	\$63.55	\$26.90	\$23.41	\$50.31
2"	\$64.95	\$20.05	\$85.00	\$38.10	\$37.46	\$75.56
3"	\$104.55	\$36.95	\$141.50	\$67.98	\$74.92	\$142.90
4"	\$119.70	\$63.15	\$182.85	\$101.59	\$117.07	\$218.66
6"	\$239.20	\$115.50	\$354.70	\$194.96	\$234.14	\$429.10
8"	-	-	-	\$307.00	\$374.62	\$681.62
10"	\$456.60	\$300.30	\$756.90	\$437.71	\$538.52	\$976.23

Drought Rates ⁷				
	Stage 1	Stage 2	Stage 3	Stage 4
Tier 1	\$2.50	\$2.50	\$2.50	\$2.50
Tier 2	\$2.55	\$2.68	\$2.81	\$2.93
Tier 3	\$2.60	\$3.38	\$4.16	\$4.94

Footnotes:

- The district proposes to implement a tiered rate system in which the water rates are based on meter size and the amount of water units consumed each month. A unit of water equals 748 gallons. Customers outside the Otay Water District, an Improvement District, or using temporary meters pay two times this rate.
- These fees are based on charges that estimate the meter's fixed cost impact on the system. The MWD/CWA fee is increasing to reflect the full pass-through of this cost from 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 only applies to elevations above 450 feet. This increase is necessary due to increased power cost to the district.
- This per unit additional charge to governmental customers is needed in lieu of tax revenues to equalize their contribution to overall cost.
- The Over Capacity surcharge is proposed to be eliminated for all user groups with the implementation of tiers.
- This charge is a per unit charge and your bill will vary based on water consumption.
- The district is proposing to adopt Drought Rates per unit **up to** the amount shown in this schedule. These Drought Rates will be implemented at the discretion of the board of directors in the event a drought stage is declared by the board. This rate structure is intended to be revenue neutral, and to have the least effect on conserving customers.