



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

PrSrt Std.
US Postage
PAID
Permit No.2
San Diego CA



Notice of Public Hearing on Recycled 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 RECYCLED WATER CUSTOMERS

This notice contains important information about recycled water rates. All recycled 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 required facilities.

An analysis of the district's costs and revenues indicates an average 12.4% rate increase for recycled water is needed to recover the increased cost of producing recycled water and other associated costs. This increase is needed to 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 adopted, the new rates and tiers would go into effect on January 1, 2009.

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					Rates ²	Meter Size	Current System Fee	Proposed System Fee ³			
	3/4" to 1" Meters Consumption Block		1.5 to 2" Meters Consumption Block		3 to 4" Meters Consumption Block					6 to 10" Meters Consumption Block		
\$1.68	0	45	0	159	0	400	0	7,955	\$2.13	3/4"	\$27.85	\$13.83
	46	136	160	465	401	1,005	7,956	17,550	\$2.17	1"	\$42.90	\$17.56
	137+		466+		1,006+		17,551+		\$2.21	1 1/2"	\$60.30	\$26.90

Energy Charge ⁴		Government Rate ⁵	
Current	Proposed	Current	Proposed
\$0.034	\$0.037	\$0.08	\$0.28

Over Capacity Fees ⁶			Drought Rates ⁷				
Category	Current	Proposed	Tier	Stage 1	Stage 2	Stage 3	Stage 4
Category I	\$0.04	-	Tier 1	\$2.13	\$2.13	\$2.13	\$2.13
			Tier 2	\$2.17	\$2.28	\$2.39	\$2.50
Category II	\$0.06	-	Tier 3	\$2.21	\$2.87	\$3.54	\$4.20

Meter Size	Current System Fee	Proposed System Fee ³
3/4"	\$27.85	\$13.83
1"	\$42.90	\$17.56
1 1/2"	\$60.30	\$26.90
2"	\$75.40	\$38.10
3"	\$121.30	\$67.98
4"	\$138.90	\$101.59
6"	\$277.60	\$194.96
8"	-	\$307.00
10"	\$529.90	\$437.71

Footnotes:

1. 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 using temporary meters pay double the applicable water rates.
2. This rate is a per unit charge. Customers using temporary meters pay two times this rate.
3. These fees are based on charges that estimate the meter's fixed cost impact on the system. Costs are shifting to the consumption-based charge in order to achieve the fixed and total revenue targets.
4. 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.
5. This per unit additional charge to governmental customers is needed in lieu of tax revenues to equalize their contribution to overall cost.
6. The Over Capacity charge is proposed to be eliminated for all user groups with the implementation of tiers.
7. 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.