



Notice of Landscape, Agricultural, and Construction Water Rate Increase

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

Dear Customer,

An overall average rate increase of 5.8 percent was approved by the Otay Water District (the "District") as part of the annual budget adoption process completed in June 2015. The new water rates and charges will apply to water billed beginning January 1, 2016 and, depending on your billing cycle, will apply to water used as early as the beginning of December 2015. **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 service the District must implement rate increases and pass-through to its customers higher costs from wholesale water suppliers. All of these increases are a result of higher costs from those suppliers which include the Metropolitan Water District of Southern California (MWD), San Diego County Water Authority (CWA), and the City of San Diego, as well as power cost increases from SDG&E.

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.

Water wholesalers raise their water rates as they work to obtain new and more reliable supplies of water or build new and more reliable infrastructure. This includes agricultural to urban water transfers, expansion of reservoirs, pipeline relining projects, new water treatment plants, as well as potential new sources of water supplies such as ocean water desalination. In addition, rate increases cover the cost of acquiring imported water from the Colorado River and Northern California.

For its part, the District continues to work to reduce internal costs including reducing the number of full-time employees and instituting efficiency programs that help reduce the impact of higher rates from suppliers. The District also continually strives to be among the lower cost water service providers in San Diego County.

With water resources stretched thin across California and mandates on all Californians to save water, customers interested in learning ways in which they can reduce their water use to minimize the effects of this rate increase can visit the District's Conservation pages at www.otaywater.gov. The District provides information on rebates, incentives, water audits, and other resources to help you save water.

The Water Conservation Garden in Rancho San Diego is free to the public and offers various conservation exhibits and classes to help you save water. Please visit the Water Conservation Garden, or go to www.thegarden.org.

For more information about the Otay Water District, visit www.otaywater.gov or contact us 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 - 54	\$4.37	\$4.45
55 - 199	\$4.42	\$4.50
200 or more	\$4.47	\$4.56

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

Consumption Blocks (units) ¹	Current	New
0 - 144	\$4.37	\$4.45
145 - 355	\$4.42	\$4.50
356 or more	\$4.47	\$4.56

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

Consumption Blocks (units) ¹	Current	New
0 - 550	\$4.37	\$4.45
551 - 1,200	\$4.42	\$4.50
1,201 or more	\$4.47	\$4.56

Meter Size	Current			New		
	System Fee ²	MWD/CWA ²	Total	System Fee ²	MWD/CWA ²	Total
3/4"	\$19.39	\$13.67	\$33.06	\$18.91	\$16.84	\$35.37
1"	\$27.39	\$25.35	\$52.74	\$26.71	\$31.24	\$57.95
1 1/2"	\$47.40	\$57.35	\$104.75	\$46.22	\$70.66	\$116.88
2"	\$71.39	\$97.53	\$168.92	\$69.61	\$120.17	\$189.78
3"	\$135.41	\$207.44	\$342.85	\$132.02	\$255.60	\$387.62
4"	\$207.43	\$332.20	\$539.63	\$202.24	\$409.32	\$611.56
6"	\$407.50	\$680.02	\$1,087.52	\$397.31	\$837.89	\$1,235.50
8"	\$647.56	\$1,098.15	\$1,745.71	\$631.37	\$1,353.09	\$1,984.46
10"	\$927.63	\$1,580.67	\$2,508.30	\$904.44	\$1,947.62	\$2,852.06

Other Charges

	Current	New
Energy Charges ³	\$0.050	\$0.072
Government Fee ⁵	\$0.32	\$0.37
Fire Service < 3" meter ⁴	\$25.32	\$24.69
Fire Service >4" meter ⁴	\$34.12	\$33.27

Footnotes

- This rate is a per unit charge. Customers outside the Otay Water District, an Improvement District, or using temporary meters pay two times this rate. One unit of consumption equals 748 gallons of water.
- These fees vary based on the meter size. The MWD/CWA fee is increasing to match the cost from the District's water suppliers. The System Fee pays for betterment, replacement, and maintenance of water system infrastructure, as well as operating expenses. The system fee is decreasing reflecting the lower funding of reserves.
- 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.
- Fire Service requires a separate meter and is a monthly fee based on meter size.
- This charge is per unit charge and your bill will vary based on water consumption

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 may impact rates.