



Notice of Residential Water Rate Increase

Otay Water District
2554 Sweetwater Springs Blvd.
Spring Valley, CA 91978-2004
619-670-2222
www.otaywater.gov

NOTICE OF INCREASED WATER RATES AND CHARGES FOR WATER BILLED IN JANUARY 2017

Dear Customer,

An overall average rate increase of 5.0 percent was approved by the Otay Water District (the "District") as part of the annual budget adoption process completed in May 2016. **For a typical single-family residential customer, your water bill will increase by \$1.21 per month beginning January 1, 2017. Depending on your billing cycle, the new rates and charges will apply to water used as early as the beginning of December 2016. This letter serves as a 30-day notice of rate increases.**

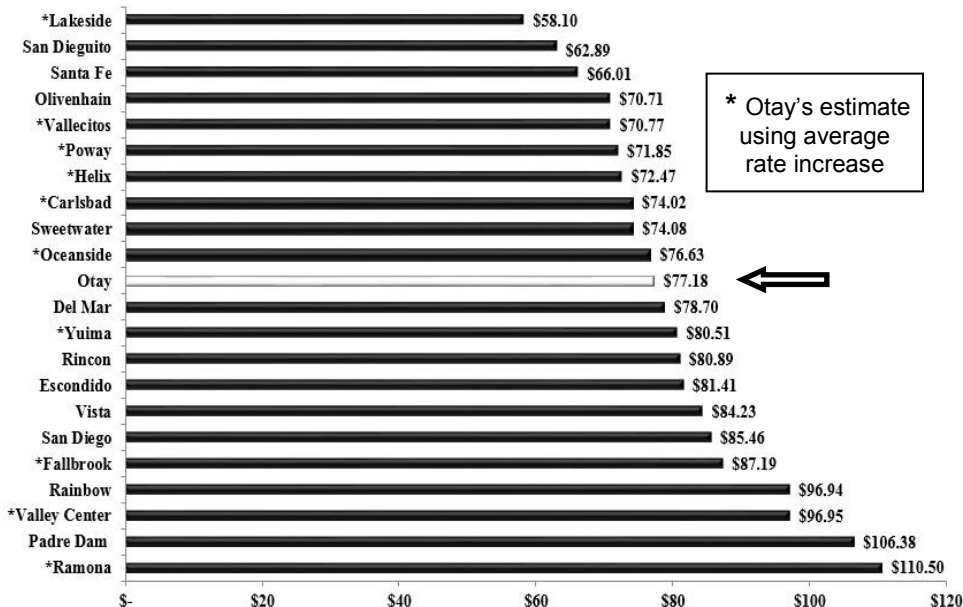
The District is a revenue-neutral public agency. To continue providing reliable high-quality service, the District must implement rate increases and pass-through to its customers the higher costs from wholesale water suppliers. One-hundred percent of this increase is a direct result of higher costs from suppliers that include the Metropolitan Water District of Southern California (MWD), San Diego County Water Authority (CWA), and the City of San Diego.

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.

Rate increases cover the cost of acquiring imported water from the Colorado River and Northern California. Otay's Water wholesaler, CWA has raised its rates primarily due to higher costs from the Metropolitan Water District of Southern California, although they also incorporate higher costs for drought-proof water supplies from the Carlsbad Desalination Plant. CWA rates were also impacted by state-mandated reductions in water use that decreased sales more than earlier projections.

For its part, the District works to minimize internal costs including reducing the number of full-time employees and institutes efficiency measures that help limit the impact of higher rates from suppliers. The District's goal is to remain among the lower cost water service providers in San Diego County. For more information about District-wide efforts to streamline operations, go to www.otaywater.gov or contact us at info@otaywater.gov.

PROJECTED WATER BILLS BY AGENCY AS OF JANUARY 2017
(11 unit water use and 3/4" meter)



Customers interested in learning ways to 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 customers save water.

In addition, the Water Conservation Garden located in Rancho San Diego is open to the public and offers various conservation exhibits and classes to help you save water. Visit the Water Conservation Garden at www.thegarden.org.

Si requiere asistencia en español con referencia a esta notificación, favor de llamar al 619-670-2222.

Typical Bill at 11 HCF² (or Units) of Water per Month

Your bill will vary based on meter size, water consumption in units, and geographic location.

	MWD/CWA ¹	System Fee ¹	Water Rate ²	Energy Charge ⁴	Total ⁵
Current	\$16.84	\$18.91	\$37.52	\$2.70	\$75.97
New	\$15.00	\$15.91	\$44.63	\$1.64	\$77.18
Increase in monthly water bill (at 11 units or HCF)²:					\$ 1.21

Single Family Consumption Blocks (Units or HCF)²

Conservation Tier³

6 - 10

11 - 22

23 +

Current

New

\$2.13

\$3.32

\$4.32

\$6.65

\$2.53

\$3.95

\$5.13

\$7.90

Current

New

Meter Size	System Fee	MWD/CWA	Total	System Fee	MWD/CWA	Total
3/4"	\$18.91	\$16.84	\$35.75	\$15.91	\$15.00	\$30.91
1"	\$26.71	\$31.24	\$57.95	\$22.47	\$27.84	\$50.31
1 1/2"	\$46.22	\$70.66	\$116.88	\$38.88	\$62.96	\$101.84
2"	\$69.61	\$120.17	\$189.78	\$58.55	\$107.08	\$165.63

Other Charges

	Current	New
Energy Charges⁴	\$0.072	\$0.044
Fire Service <3"meter⁶	\$24.69	\$20.77
Fire Service >4"meter⁶	\$33.27	\$27.98

Footnotes

1. These fees vary based on the meter size. The MWD/CWA fee is decreasing to match the costs from these 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.
2. This cost varies based on water usage and can be calculated using the consumption block tables. One unit of consumption equals 748 gallons of water or one HCF (hundred cubic feet).
3. The Conservation Tier discount applies toward the first five units when overall consumption is ten units or less.
4. 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.
5. Charges collected through the property tax role (availability fees and general obligation debt) are not included in this total.
6. Fire Service requires a separate meter and this fee is based on meter size.

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.