



Notice of Residential and Single-Family Sewer Rate Increase

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

NOTICE OF INCREASED SEWER RATES AND CHARGES EFFECTIVE FOR SEWER SERVICE BILLED IN JANUARY 2015

Dear Customer,

An overall 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 2014. For a typical sewer customer, your bill will increase by \$2.82. The new sewer rates and charges will apply to service billed beginning January 1, 2015 and, depending on your billing cycle, will apply to service as early as the beginning of December 2014. **This letter provides a 30-day notice of rate increases.**

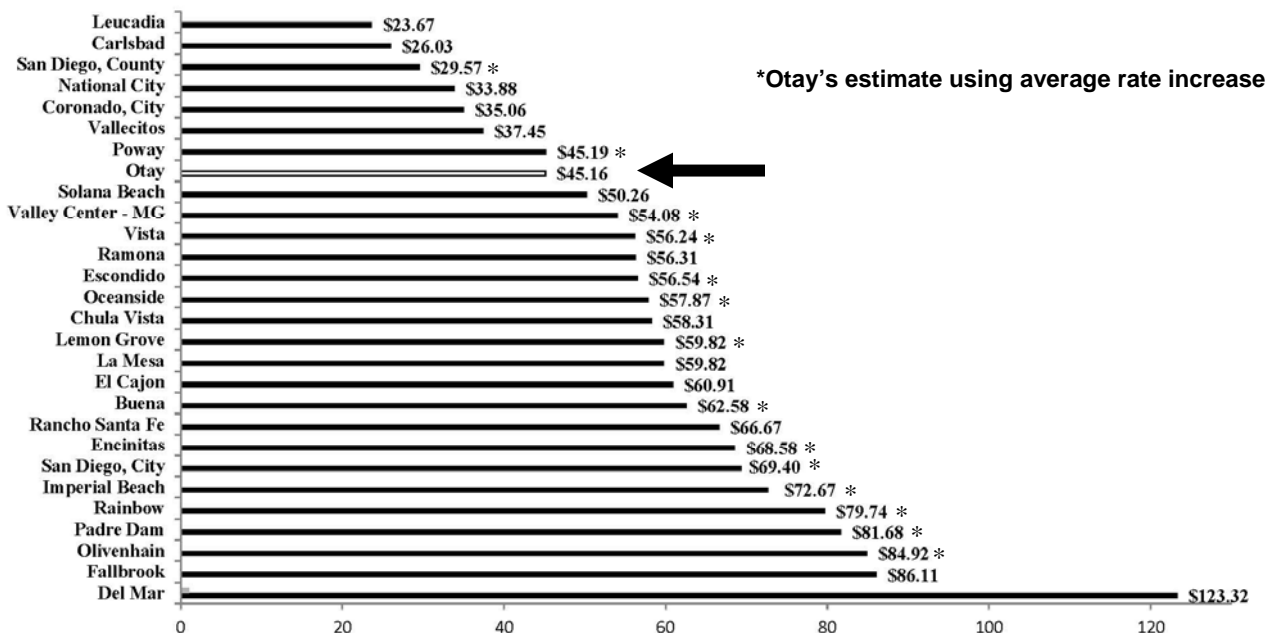
The District is a revenue-neutral public agency. Your sewer bill reflects only those charges sufficient to support your sewer service. To continue providing sewer service, the District must adjust its rates for service, implement certain rate increases, and pass-through costs from the District’s treatment and disposal providers (including but not limited to the County of San Diego and the City of San Diego) to its customers that reflect the full cost of providing the service.

Such costs include inspection and preventative maintenance of the public sewer system and replacement of aging sewer infrastructure. These actions protect the public’s investment in the public sewer system, minimize maintenance costs, reduce the possibility of pipeline breaks, blockages or spills, and keep sewer rates affordable.

On September 4, 2013, the District adopted a five-year schedule of rates in compliance with applicable provisions of law. This sewer rate increase is within the limits contemplated in the five-year schedule of rates.

For its part, the District has worked diligently to reduce internal costs and continues to be one of the lowest cost sewer service providers in San Diego County. For more information about the Otay Water District, please visit www.otaywater.gov or contact us via email at info@otaywater.gov.

PROJECTED AVERAGE SEWER BILLS BY AGENCY EFFECTIVE FY 2015



Si gusta asistencia en Español, referente a esta notificacion, favor de llamar al 619-670-2222.

Residential and Single Family Sewer Rate Increase

The monthly sewer service charge for a typical single-family residential customer with either a 3/4" or 1" water meter and a Winter Average of 14 HCF (hundred cubic feet) will be calculated as follows:

(Usage Fee x HCF of water) + System Fee = Sewer Service bill

	<u>Usage Fee</u>	<u>HCF of water less 15% discount</u>	<u>System Fee</u>	<u>Total</u>
<u>Current</u>	\$2.35	11.9	\$14.38	\$42.34
<u>New</u>	\$2.46	11.9	\$15.89	\$45.16

⁽¹⁾ Usage Charge = Usage Fee x Winter Average prior year x .85

A typical bill is based on 11.9 HCF of water (14 HCF - 2.1 HCF). This 15 percent discount is an acknowledgement that not all water purchased goes to the sewer system. Based on 30 HCF, the maximum bill for a single-family residential meter is \$89.69 which has already been reduced by the 15 percent discount. One HCF equals 748 gallons or one "unit" of water.

The Winter Average is defined as the units of water billed from January through April of the previous year divided by four. New customers will have a Winter Average assigned of 14 HCF until a Winter Average can be established.

This information reflects only changes to rates. For a comprehensive listing of rates, please see the Otay Water District's Code of Ordinances at www.otaywater.gov.