

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

# Notice of Multi-Residential and Commercial Sewer Rate Increase

# 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. 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.

## **Rate Increase Notice**

To meet State of California requirements, customers must pay their fair share of sewer costs. The Otay Water District is required to determine sewer rates in accordance with the State's Revenue Program Guidelines. The State Water Resources Control Board (SWRCB) has grouped commercial customers into various categories and has identified strength factors for each of these business categories. The standard of measure for strength factors is the typical sewer strength of a single-family residence (SFR). The strength factors established by the SWRCB are listed below and are used by the District in the calculation of commercial sewer rates. These factors are in terms of the strength relative to a SFR, with a SFR having a strength factor of 1.0.

### **Strength Factors**

- 1.0 Multi-Residential
- 1.0 Low Strength Commercial
- 2.0 Medium Strength Commercial
- 4.0 High Strength Commercial

System Fees			<u>Usage Fees</u>		
Meter Size	<u>Current</u>	<u>New</u>		Current	New
.75"	\$25.83	\$27.07	Multi-Residential	\$2.35	\$2.46
1"	\$38.03	\$39.86	Commercial:		
1.5"	\$68.53	\$71.82	Low Strength	\$2.35	\$2.46
2"	\$105.12	\$110.17	Medium Strength	\$3.37	\$3.53
3"	\$190.52	\$199.66	High Strength	\$5.37	\$5.63
4"	\$312.51	\$327.51			
6"	\$617.48	\$647.12			
8"	\$983.46	\$1,030.67			
10"	\$1,410.42	\$1478.12			

#### **Calculation for Monthly Sewer Charge**

Multi-Residential - Winter Average Consumption = January 2014 through April 2014

(Winter Average Consumption x .85 x Usage Fee x Strength Factor) + System Fee

Commercial - Average Annual Consumption = January 2013 through December 2013

(Average Annual Consumption x .85 x Usage Fee x Strength Factor) + System Fee

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. Prolonged drought conditions or declared water shortages may impact rates.