

NOTICE OF MINOR WATER RATE ADJUSTMENT FOR CY 2012

The current water rate structure was adopted by the Mayor and City Council on September 9, 2009 for a two year period following a detailed study. The adopted resolution included language for automatic rate adjustments for:

- a) Wholesale water cost adjustments to pass-through charges due to future increases, penalties or surcharges imposed by wholesale water suppliers, such as Metropolitan Water District (MWD) and Orange County Water District (OCWD).
- b) Inflation adjustments to reflect CPI changes each year, if any, during 2011-12, 2012-13, 2013-14.

With the latest analysis of our water accounts, and in communicating with the governing bodies for Imported Water (MWD) and Ground Water (OCWD), we are “passing-through” a minor rate adjustment for the increase in cost of the purchased water. Such increase does not include any penalty or allocation charges that could have been assessed in the event of a water shortage, which we

are not in at this time. The proposed rate adjustment does not include any CPI increases either.

The City is implementing a 2% rate increase for only Tier 1 of the commodity portion of the rate, and no increase for Tier 2 or the fixed portion of the rate. The fixed portion of the rate includes the service and meter charges, which will remain unchanged for all customers.

The minor increase equates to 5 cents per unit of water used, and will be effective January 16, 2012.

The following is a breakdown of the changes per one unit of water:

Single Family Dwellings:

	Tier 1	Tier 2
2011	\$2.25	\$3.56
2012	\$2.30	\$3.56
Difference/unit	5 cents	Unchanged

Multi-Unit Dwellings:

	Tier 1	Tier 2
2011	\$2.24	\$3.05
2012	\$2.29	\$3.05
Difference/unit	5 cents	Unchanged

Hotel/Motel:

	Tier 1	Tier 2
2011	\$2.24	\$3.02
2012	\$2.29	\$3.02
Difference/unit	5 cents	Unchanged

Commercial/Industrial:

	Tier 1	Tier 2
2011	\$2.28	\$3.10
2012	\$2.33	\$3.10
Difference/unit	5 cents	Unchanged

Irrigation:

	Tier 1	Tier 2
2011	\$2.29	\$3.08
2012	\$2.34	\$3.08
Difference/unit	5 cents	Unchanged

One unit=100 cubic feet of water

For a single family dwelling with average water use (14 units of water per month), the increase would equate to 70 cents per month or \$1.40 every two months.

If you have any questions about this notice or the new charges, please call Scott Miller, Water Superintendent, at (714) 548-3693, Monday through Thursday, from 8:00 am to 5:00 pm.

