

IMPORTANT NOTICE TO WATER USERS

Notice of Public Hearing: The Governing Board of the Sweetwater Authority is holding a Public Hearing on August 26, 2009, at 6:00 p.m. in the Board Room of its administrative office at 505 Garrett Avenue, Chula Vista, CA 91910, to consider the adoption of a 17.8 percent water rate increase, effective September 1, 2009, and revised drought rates. Also under consideration, is pass-through authorization for future increases to water rates and charges imposed by the San Diego County Water Authority, to be in effect through 2014.

Protest: You may protest the adoption of the new water rates. If you oppose the water rates increase and/or the pass-through charges from the San Diego County Water Authority, you may attend the Public Hearing and deliver your written protest. You may also mail your written protest, which must include your name, the property address, and assessor's parcel number (APN) to: Board Secretary, Sweetwater Authority, P.O. Box 2328, Chula Vista, CA 91912.

Questions? Please call Customer Service at: (619) 420-1413, if you have questions about information in this Notice.
 Para información en Español, llámenos al (619) 420-1413.

Impact of a Proposed 17.8% Overall Revenue Increase			
Bi-Monthly Readiness to Serve Charge			
Meter Size	Current	Proposed	Increase
5/8	\$33.50	\$39.50	\$6.00
1	\$76.25	\$90.50	\$14.25
1-1/2	\$147.50	\$175.50	\$28.00
2	\$233.00	\$277.50	\$44.50
3	\$432.50	\$515.50	\$83.00
4	\$717.50	\$855.50	\$138.00
6	\$1,430.00	\$1,705.50	\$275.50
8	\$2,285.00	\$2,725.50	\$440.50
10	\$2,285.00	\$2,725.50	\$440.50
12	\$2,285.00	\$2,725.50	\$440.50
Single-Family Residential Commodity Rates			
Hundred Cubic Feet (HCF)	Current	Proposed	Increase
0-10 *	\$0.30	\$0.30	-
0-10 **	\$1.70	\$2.00	\$0.30
11-20	\$3.00	\$3.50	\$0.50
21-30	\$3.25	\$3.80	\$0.55
31-40	\$3.45	\$4.10	\$0.65
41-50	\$3.55	\$4.20	\$0.65
51+	\$4.00	\$4.70	\$0.70
Commercial/Multi-Unit Commodity Rates			
	Current	Proposed	Increase
Per HCF	\$3.15	\$3.72	\$0.57
Agricultural Rate			
	Current	Proposed	Increase
Per HCF	\$2.89	\$3.40	\$0.51

HCF equals 748 Gallons of Water
 * If total use equals 10 HCF or less
 ** If total use equals more than 10 HCF

Water Charges

A charge for all water used is based on units of 100 cubic feet (HCF) (748 gallons). These charges are made to recover the cost of the operations, including the purchase, treatment and pumping of water, system maintenance and improvements.

Readiness to Serve: A standard charge for water availability that is based on the size of the water meter, regardless of water usage.

Important Note: Sweetwater Authority receives no property taxes to offset water costs.

Pass-Through Authorization

The Governing Board will also consider a Resolution which would authorize it to pass through future increases to rates and charges imposed by either the Metropolitan Water District or the San Diego County Water Authority for wholesale water sold to Sweetwater Authority. Said pass through authority is proposed to be in effect through 2014.

Imported Water Charges

The San Diego County Water Authority (CWA) pass-through charges and fees are summarized below:

- On June 11, 1998, the Infrastructure Access Charge (IAC) was adopted by CWA's Board of Directors as an additional source of fixed revenue to provide better coverage of the CWA's projected fixed expenditures. The IAC is levied on all retail water meters within the CWA's service area. Beginning January 2010, the IAC will increase from \$1.90 to \$2.02 per equivalent meter per month.
- The Customer Service Charge is an allocation of CWA's cost to support its customer service function. Sweetwater Authority's share is based on a three-year rolling average of water purchased from CWA.
- The Storage Charge is an allocation of CWA's cost associated with CWA's Emergency and Carryover Storage Program. Sweetwater Authority's share is based on a three-year rolling average of water purchased from CWA.

To see an example of an Average Bi-Monthly Residential Water Bill, please see inside page.

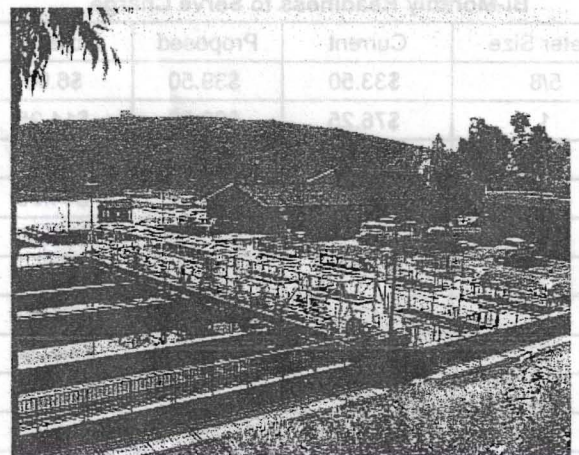
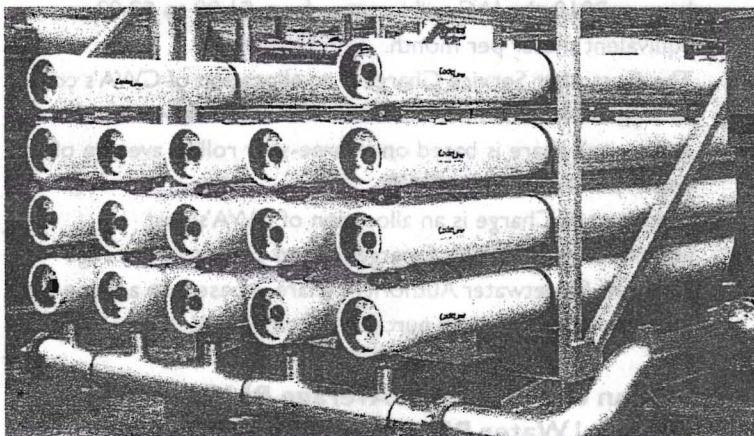
IMPORTANT NOTICE TO WATER USERS

Sweetwater Authority, a joint powers public agency, was established in 1977 to manage and operate the water system for National City and the South Bay Irrigation District. Highlights of Sweetwater Authority's current and proposed Capital Improvement Program and activities are as follows:

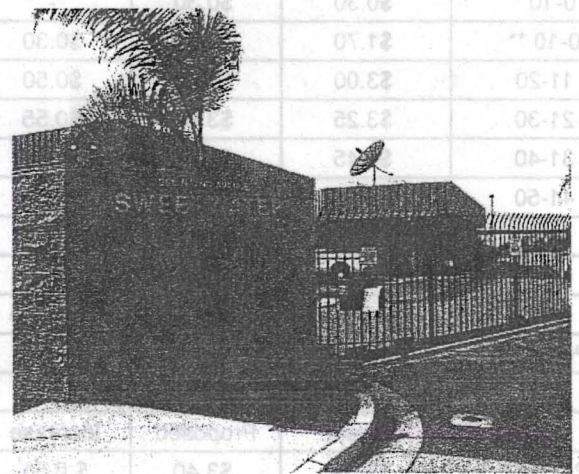
- ◆ Aging pipeline replacements
- ◆ Robert A. Perdue Water Treatment Plant Improvement
 - Filter and Raw Water Pump Station
 - Dissolved Air Flotation (DAF) Treatment System
- ◆ Improvements to provide access and utilities to Sweetwater Reservoir
- ◆ Emergency diesel generator at Steeplechase Hydro Booster Station
- ◆ Replacement of water pipeline valves
- ◆ Increased imported water costs due to drought and environmental concerns
- ◆ Replacement of membrane filters at the Richard A. Reynolds Groundwater Desalination Facility
- ◆ Air and water quality study at Sweetwater Reservoir to determine impacts from SR 125

Example of an Average Bi-Monthly Residential Water Bill (5/8 inch Meter consuming 28 HCF of Water)				
	HCF	Current	Proposed	Increase
Readiness to Serve		\$33.50	\$39.50	
Commodity Charge				
First 10 HCF	10	\$17.00	\$20.00	
Next 10 HCF	10	\$30.00	\$35.00	
Next 8 HCF	8	\$26.00	\$30.40	
Subtotal Commodity	28	\$73.00	\$85.40	
Sweetwater Charges		\$106.50	\$124.90	\$18.40
San Diego County Water Authority (CWA) charges:				
Infrastructure Access Charge		\$3.80	\$4.04	
Customer Service & Emergency Storage Charge (\$0.10/HCF)		\$2.80	\$2.80	
CWA Charges		\$6.60	\$6.84	\$0.24
Total Bi-Monthly Water Bill		\$113.10	\$131.74	\$18.64

HCF equals 748 Gallons of Water



The Robert A. Perdue Water Treatment Plant at Sweetwater Reservoir



The Richard A. Reynolds Groundwater Desalination Facility (above), and reverse osmosis membranes (at left)

PROPOSED DROUGHT RATE STRUCTURE FOR DROUGHT LEVELS I-4

Currently, Sweetwater Authority remains at Level 1 - Drought Watch, which means the water rates remain unchanged from the regular rates. Guidelines are established to encourage all customers to ensure that they use available water wisely and take all reasonable steps to reduce their water use, and are designed to increase the efficiency of water use throughout the service area. One goal of implementing drought rates is to reduce water use. During a drought, Sweetwater Authority's main objectives are to reduce the amount of water use, and to maintain an adequate amount of revenue to continue operations. For complete guidelines, and more information on Sweetwater Authority's Drought Plan, visit www.sweetwater.org.

Level 1 - Drought Watch			
Single-Family Residential Commodity Rates			
Hundred Cubic Feet (HCF)	Current	Proposed	Increase
0-10 *	\$0.30	\$0.30	-
0-10 **	\$1.70	\$2.00	\$0.30
11-20	\$3.00	\$3.50	\$0.50
21-30	\$3.25	\$3.80	\$0.55
31-40	\$3.45	\$4.10	\$0.65
41-50	\$3.55	\$4.20	\$0.65
51+	\$4.00	\$4.70	\$0.70
Commercial/Multi-Unit Commodity Rates			
Per HCF	\$3.15	\$3.72	\$0.57
Agricultural Rate			
Per HCF	\$2.89	\$3.40	\$0.51

HCF equals 748 Gallons of Water
 * If total use equals 10 HCF or less
 ** If total use equals more than 10 HCF

Level 2 - Drought Alert			
Single-Family Residential Commodity Rates			
Hundred Cubic Feet (HCF)	Current	Proposed Up To	Increase
0-10 *	\$0.30	\$0.30	-
0-10 **	\$1.79	\$2.25	\$0.46
11-20	\$3.15	\$3.94	\$0.79
21-30	\$3.67	\$5.15	\$1.48
31-40	\$3.90	\$5.56	\$1.66
41-50	\$4.26	\$6.49	\$2.23
51+	\$4.80	\$7.26	\$2.46
Commercial/Multi-Unit Commodity Rates			
Per HCF	\$3.78	\$5.12	\$1.34
Agricultural Rate			
Per HCF	Suspended		

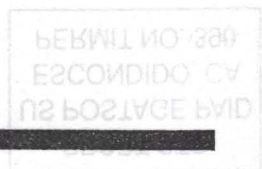
HCF equals 748 Gallons of Water
 * If total use equals 10 HCF or less
 ** If total use equals more than 10 HCF

Level 3 - Drought Critical			
Single-Family Residential Commodity Rates			
Hundred Cubic Feet (HCF)	Current	Proposed Up To	Increase
0-10 *	\$0.30	\$0.30	-
0-10 **	\$2.04	\$2.70	\$0.66
11-20	\$3.60	\$4.73	\$1.13
21-30	\$4.23	\$7.64	\$3.41
31-40	\$4.49	\$8.25	\$3.76
41-50	\$5.33	\$10.87	\$5.54
51+	\$6.00	\$12.16	\$6.16
Commercial/Multi-Unit Commodity Rates			
Per HCF	\$4.10	\$8.19	\$4.09
Agricultural Rate			
Per HCF	Suspended		

HCF equals 748 Gallons of Water
 * If total use equals 10 HCF or less
 ** If total use equals more than 10 HCF

Level 4 - Drought Emergency			
Single-Family Residential Commodity Rates			
Hundred Cubic Feet (HCF)	Current	Proposed Up To	Increase
0-10 *	\$0.30	\$0.30	-
0-10 **	\$2.13	\$3.56	\$1.43
11-20	\$3.75	\$6.23	\$2.48
21-30	\$4.39	\$11.64	\$7.25
31-40	\$4.66	\$12.56	\$7.90
41-50	\$5.68	\$22.88	\$17.20
51+	\$6.40	\$25.60	\$19.20
Commercial/Multi-Unit Commodity Rates			
Per HCF	\$4.25	\$14.65	\$10.40
Agricultural Rate			
Per HCF	Suspended		

HCF equals 748 Gallons of Water
 * If total use equals 10 HCF or less
 ** If total use equals more than 10 HCF



**SWEETWATER AUTHORITY
SUPPLEMENT TO RATES & RULES**

(Effective ~~January~~ September 1, 2009 – Charges for Water Services)

BILLING

Regular

Bills are rendered bi-monthly except for certain meters showing large water use and temporary meters, which are billed monthly. For payment of current and past due bills, see Rates & Rules.

I. CHARGES FOR WATER SERVICE

A. Metered service

1. Readiness-to-Serve Charge – domestic, commercial, industrial, agricultural, public authority and commercial-other.

<u>Meter Size</u>	<u>Bi-monthly Charge</u>	<u>Monthly Charge</u>	<u>Daily Rate</u>
5/8 x 3/4 inch	\$ 33.5039.50	\$ 16.7519.75	\$.5583.6583
1 inch	76.2590.50	38.1245.25	1.27081.5083
1-1/2 inch	147.50175.50	73.7587.75	2.45832.9250
2 inch	233.00277.50	116.50138.75	3.88334.6250
3 inch	432.50515.50	216.25257.75	7.20838.5917
4 inch	717.50855.50	358.75427.75	11.958314.2583
6 inch	1,430.001,705.50	715.00852.75	23.833328.4250
8 inch or larger	2,285.002,725.50	1,142.501,362.75	38.083345.4250

Water Charges delivered through the meter are in addition to the Readiness-to-Serve Charge.

2. Water Charge – a commodity rate for all water used based on units of 100 cubic feet (HCF) or 748 gallons.

- a. Single-family domestic use if total use is 10 HCF or less in a bi-monthly billing:

0-10 HCF \$ 0.30 per HCF

- b. Single-family domestic use if total use exceeds 10 HCF in a bi-monthly billing period:

0-10 HCF	\$ 1.702.00 per HCF
11-20 HCF	3.003.50 per HCF
21-30 HCF	3.253.80 per HCF
31-40 HCF	3.454.10 per HCF
41-50 HCF	3.554.20 per HCF
51 HCF and above	4.004.70 per HCF

5. Water Charge Level 3 Drought Critical – a commodity rate for all water used based on units of 100 cubic feet (HCF) or 748 gallons.

a. Single-family domestic use if total use is 10 HCF or less in a bi-monthly billing:

0-10 HCF \$ 0.30 per HCF

b. Single-family domestic use if total use exceeds 10 HCF in a bi-monthly billing period:

0-10 HCF	\$	<u>2.042.70</u>	per HCF
11-20 HCF		<u>3.604.73</u>	per HCF
21-30 HCF		<u>4.237.64</u>	per HCF
31-40 HCF		<u>4.498.25</u>	per HCF
41-50 HCF		<u>5.3310.87</u>	per HCF
51 HCF and above		<u>6.0012.16</u>	per HCF

c. Agricultural water use³

d. All other water use \$ 4.108.19 per HCF

6. Water Charge Level 4 Drought Emergency – a commodity rate for all water used based on units of 100 cubic feet (HCF) or 748 gallons.

a. Single-family domestic use if total use is 10 HCF or less in a bi-monthly billing:

0-10 HCF \$ 0.30 per HCF

b. Single-family domestic use if total use exceeds 10 HCF in a bi-monthly billing period:

0-10 HCF	\$	<u>2.133.56</u>	per HCF
11-20 HCF		<u>3.756.23</u>	per HCF
21-30 HCF		<u>4.3911.64</u>	per HCF
31-40 HCF		<u>4.6612.56</u>	per HCF
41-50 HCF		<u>5.6822.88</u>	per HCF
51 HCF and above		<u>6.4025.60</u>	per HCF

c. Agricultural water use³

d. All other water use \$ 4.2514.65 per HCF

7. San Diego County Water Authority (CWA) Surcharges: These charges reflect the pass-through charges from CWA. Three (3) components that apply to the surcharges:

³ Suspended

- a. The Infrastructure Access Charge (IAC), which is a fixed charge levied on all retail meters within the service area.

Meter Size	Bi-monthly Charge	Monthly Charge
5/8 x 3/4 inch	\$ 3.80	\$ 1.90
1 inch	6.08	3.04
1-1/2 inch	11.40	5.70
2 inch	19.76	9.88
3 inch	36.48	18.24
4 inch	62.32	31.16
6 inch	114.00	57.00
8 inch	197.60	98.80
10 inch or larger	296.40	148.20

- b. The Customer Service Charge is an allocation of CWA's cost to support its customer service function. Sweetwater Authority's (Sweetwater) share is based on a three-year rolling average of water purchased from CWA. The cost for the calendar year 2009 is \$275,028 or four cents (\$0.04) per HCF.

- c. The Storage Charge is an allocation of CWA's cost associated with CWA's Emergency and Carryover Storage Program. Sweetwater's share is based on a three-year rolling average of water purchased from CWA. The cost for the calendar year 2009 is \$462,480 or six cents (\$0.06) per HCF.

8. Pass-Through of Wholesale Water Charges: The Governing Board has the authority to pass-through future increases to rates and charges imposed by either the Metropolitan Water District or the San Diego County Water Authority for wholesale water sold to Sweetwater Authority. Said pass-through authority is in effect through July 1, 2014.

B. Separate private fire protection lateral

Lateral Size	Bi-monthly Charge	Monthly Charge	Installation Charge
4 inch and smaller	\$ 40.00	\$ 20.00	By estimate only
6 inch	76.00	38.00	By estimate only
8 inch	114.00	57.00	By estimate only
10 inch	132.00	66.00	By estimate only
12 inch	152.00	76.00	By estimate only

II. INSTALLATION CHARGES

A. Charges for permanent meter and lateral service

1. Meter

Meter Size	Amount	Lateral Size	Installation Charge
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5/8 inch	\$ 80.00	1 inch	By estimate only
1 inch	115.00	1 inch	By estimate only
1 inch	115.00	1-1/2 inch	By estimate only
1-1/2 inch	260.00	1-1/2 inch	By estimate only
1-1/2 inch	260.00	2 inch	By estimate only
2 inch	350.00	2 inch	By estimate only

2. Reduction in meter size on existing lateral: No service charge or refunds.
3. Relocation of meter: No service charge.
4. Increase in meter size: No service charge; however, any difference in standard meter charge and cost of the new lateral, if required, and any other appropriate charges established by agencies other than Sweetwater will be charged.

B. Fire Hydrants

Charges for fire hydrants will be for actual costs. An estimate will be provided by the Authority for the cost of the installation. A final bill or refund will be made to the customer upon completion of the work

C. Encroachment permits

In addition to the above water lateral, fire hydrant, and fire protection lateral installation charges, a charge for encroachment permit and inspection fees will be made to reimburse Sweetwater for such fees paid to that agency where work is performed. The amount of the fees will be determined at the time of application for service as established by that agency having that jurisdiction.

III. TEMPORARY SERVICE

A. Construction meter

The following charges will apply for this type of service:

<u>Meter Size</u>	<u>Monthly Charge</u>
3-inch	\$216.25/257.75

Charges for service for less than a thirty-day (30) period will be prorated, and the water charge will be \$3.15 per HCF. The CWA surcharges will be ten cents (\$0.10) per HCF.

B. Additional charges for temporary meters

1.	<u>Meter Size</u>	<u>Approximate Capacity</u>	<u>Installation Deposit</u>
	3-inch	400 GPM	\$850.00

2. The following shall be deducted from the meter deposit once the meter has been returned to Sweetwater and the closing bill calculates as follows:
 - a. Any unpaid charges for minimum monthly fees or water use.
 - b. The cost of any repairs requires or replacement of parts lost or damaged.
 - c. The cost of a spanner wrench if one was issued and not returned - \$60.00.

If there is a balance due, a closing bill will be mailed; if there is a credit balance, a refund check will be processed.
3. If the closing bill has not been paid within eight (8) weeks after the final bill is rendered, the account will be referred to Sweetwater's collection agency due to non-payment.
4. The following charges will be added to the bill:
 - a. Fee for installation and removal of construction meter - \$34.00
 - b. Fee for relocation of construction meter - \$17.00
5. There will be no costs or fees for use of a temporary meter when used by a contractor under contract for construction with Sweetwater. However, the application process must be completed.

IV. OTHER FEES, CHARGES, AND DEPOSITS

A. Delinquent accounts

1. Late fee	\$ 8.50
2. Handling fee	29.00
3. Illegal connection fee	42.00
4. Damaged padlock or barrel lock	9.00
5. Damaged 3/4-inch locking device	8.00
6. Damaged 1-inch locking device	11.00
7. Damaged 3/4-inch locking pipe plug	16.00
8. Damaged 1-inch locking pipe plug	17.00

B. After hours service \$ 98.00

C. Abandonment of service
 All lateral sizes By estimate only

D. Security Deposit
 Is calculated using twice the average bill for the service on the account for the previous twelve (12) months.

E. Deposit for meter test \$ 45.00

- F. Returned check charge \$ 20.00
- G. Credit card chargeback or reversal fee 20.00
- H. Emergency shut-off service
 - 5/8-inch through 2 inch meter service \$ 26.00⁴
 - 3-inch and larger meter service Actual labor and equipment cost, including overhead
- I. Estimated service damage charge \$ 200.00
- J. Missed water connection appointment 18.00
- K. Fire flow tests (per hydrant) 600.00
 - Fire hydrant flow tests requested to complete fire sprinkler calculations or to determine available flow in a specific area.
- L. Easement (blanket) quitclaims \$ 400.00
 - Process the removal of a Sweetwater easement from a property as requested by the property owner.

V. CAPACITY FEES

Collection of capacity fees is necessary to provide water capacity to new water connections to the Sweetwater water system. This fee was established by Resolution 06-10, effective August 9, 2006.

- A. Domestic \$2,300.00 per dwelling unit.
- B. Other Calculated based on an equivalent dwelling unit.

⁴ If performed during regular working hours.
See item B. After Hours Service (after regular working hours)