

Board to Consider Rate Increase and Use of \$1,000,000 from Its Rate Stabilization Funds to Offset Imported Water Costs

Effective January 1, 2016, the San Diego County Water Authority, Olivenhain Municipal Water District's sole potable water supplier, has raised purchased water costs to OMWD by 7% for this calendar year. According to SDCWA, this wholesale cost increase is necessary due to a number of factors including the increased cost to purchase water from Metropolitan Water District, Imperial Irrigation District, and Poseidon Water for desalinated water. **In order to offset this increase in purchased water costs, OMWD's Board of Directors will consider a 6% rate increase and use of \$1,000,000 from its rate stabilization funds at its 4:00 p.m. board meeting on Wednesday, March 9, 2016.** If approved, the proposed increase would be effective with the March 31 bill statement.

What does this mean to OMWD ratepayers?

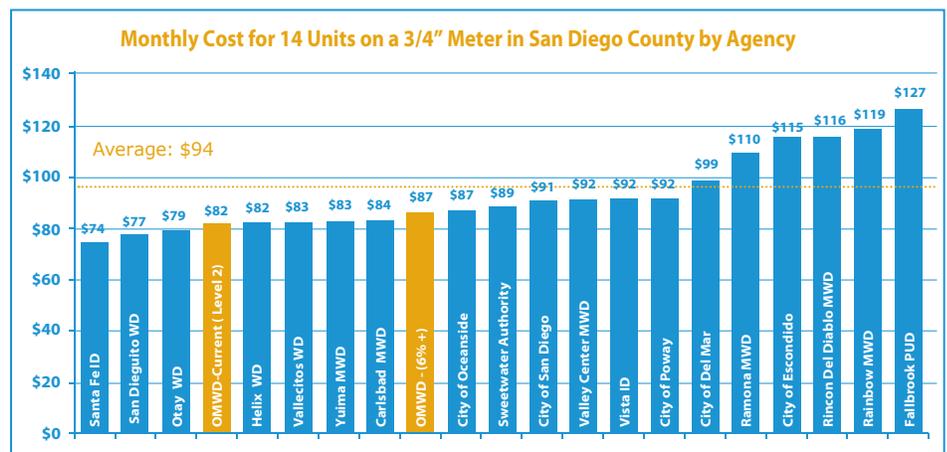
If approved by OMWD's Board of Directors, the across-the-board increase of 6% will be effective with the March 31 water bill. Please refer to the table on page 3 to see the proposed rates and charges to be implemented on March 31, 2016.

A typical OMWD customer who uses 14 units of water a month (1 unit = 748 gallons) will see an increase

of approximately \$5.00 beginning with their March 31 water bill. A customer who has a 5/8" meter and uses four units of water will see an increase of approximately \$2.00 beginning with their March 31 water bill.

OMWD's Board of Directors adopted an ordinance in 2015 that would authorize OMWD to pass through increased costs in purchased wholesale water, increased costs in operations, maintenance and capital facilities, and any reduction in the allocation of ad valorem property tax revenues by the State of California ("Ad Valorem Pass-Through") pursuant to Proposition 1A. The foregoing are collectively referred to as "Pass-Through Increases." These "Pass-Through Increases" in OMWD's ordinance shall not exceed 15% per year, and in no event shall be increased by more than the cost of providing water service.

Rate Increase – continued on page 2



Your New OMWD Account Number is Here!

OMWD's new CIS Infinity billing software is active and your January 31 bill contains your new account number. Please be sure to update your records and use your new account number in future OMWD transactions. **If you use your bank's online bill payment feature, be sure to update your payment profile with your new account number so payments can be applied.** No action is necessary for customers that have set up automatic payments directly with OMWD.

As a result of configuring the new software, OMWD has made several changes to the rules governing

customer accounts and also altered certain service fees. To view the rules governing customer accounts, visit Articles 8 and 9 of OMWD's Administrative and Ethics Code, available at www.olivenhain.com/code.

The new CIS Infinity billing system will better manage interactions between OMWD and customers, accelerate the information between office and field workers, and ultimately reduce administrative time and costs. For more information, visit www.olivenhain.com/serveyoubetter.



Published by Olivenhain Municipal Water District in the interest of an informed public.

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BOARD MEETING DATES

Please visit our website at www.olivenhain.com for dates.

MISSION STATEMENT

Olivenhain Municipal Water District is a multi-functioning public agency that is dedicated and committed to serving present and future customers in a service-oriented manner by:

Water

Providing safe, reliable, high-quality drinking water while exceeding all regulatory requirements in a cost-effective and environmentally responsive manner.

Recycled Water

Providing recycled water and wastewater treatment in the most cost-effective and environmentally responsive method.

Parks

Safely operating the Elfin Forest Recreational Reserve and providing all users with a unique recreational, educational, and environmental experience.

Emergency Management

Complying with policies and procedures that adhere to local, state, and federal guidelines for national security and disaster preparedness.

Sustainable Operations

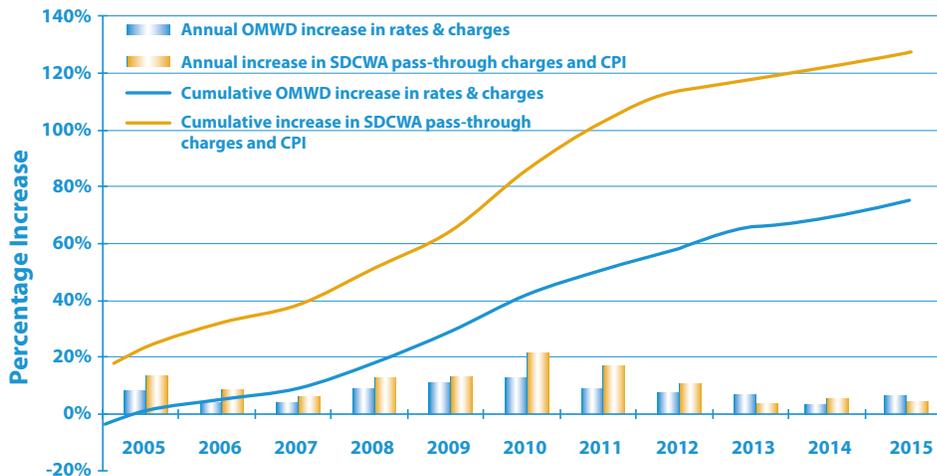
Pursuing alternative and/or renewable resources with the most sustainable, efficient, and cost-effective approach.

OMWD Rate Mitigation Strategies

Despite increased water costs, OMWD continues its mission of delivering reliable, high-quality water in a cost-effective manner to its customers. One way OMWD seeks to do this is by diversifying its water supplies, although it is required by law to comply with state mandates for water reduction, regardless of local supply conditions. Cost mitigation efforts include proactive maintenance of facilities to avoid high cost of reactionary repairs, increasing employee contributions to OMWD's pension cost, and applying for grants to offset future capital spending. These efforts serve to reduce the impact of increased water costs to OMWD customers.

OMWD's Board of Directors also reviews developers' fees and other charges annually to ensure that growth in OMWD's service area pays its fair share. Ultimately, this means that the burden of new and replacement water infrastructure is borne proportionately by water ratepayers as well as future development in OMWD's service area.

OMWD Increases in Rates & Charges vs. SDCWA Increases and San Diego CPI



Assumes usage of 14 units of water per month (median)

2014 actual SDCPI was used for 2015 as 2015 data was not available.

Source: Bureau of Labor Statistics, SDCWA, and OMWD.

El Niño is in Effect

The Climate Prediction Center continues to forecast well above average precipitation throughout California for the month of February. Take advantage of winter rains by turning off your irrigation systems for at least 48 hours after the storm has passed.



**Current and Proposed Commodity Charges with SDCWA Pass-Through Charges
Effective March 31, 2016 (\$/Units) (1 Unit = 748 Gallons)**

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Customer Type	NON-SHORTAGE (a)		WATER SUPPLY SHORTAGE RATES (b)							
	(Base) Rates		Watch/Level 1 Voluntary		Alert/Level 2 Mandatory		Critical /Level 3 Mandatory		Emergency /Level 4 Mandatory	
	Current	3/31/16	Current	3/31/16	Current	3/31/16	Current	3/31/16	Current	3/31/16
Domestic										
0-6 Units	\$2.25	\$2.38	\$2.25	\$2.38	\$2.36	\$2.50	\$2.48	\$2.62	\$2.70	\$2.86
7-25 Units	\$3.74	\$3.96	\$3.93	\$4.16	\$4.11	\$4.35	\$4.68	\$4.95	\$5.42	\$5.74
26-80 Units	\$4.23	\$4.48	\$4.65	\$4.92	\$5.29	\$5.60	\$6.35	\$6.72	\$7.40	\$7.84
Over 80 Units	\$4.73	\$5.01	\$5.44	\$5.76	\$5.91	\$6.26	\$7.10	\$7.52	\$9.46	\$10.02
Agricultural (c)	\$3.74	\$3.96	\$3.93	\$4.16	\$4.02	\$4.26	\$4.49	\$4.75	\$5.24	\$5.55
Combined Agricultural/ Domestic	First 26 units per month: Follow Domestic rates. Over 26 units per month: Follow Agricultural rates.									
Commercial	\$3.20	\$3.39	\$3.36	\$3.56	\$3.44	\$3.64	\$3.84	\$4.07	\$4.48	\$4.74
Irrigation										
Tier 1	\$3.43	\$3.63	\$3.60	\$3.81	\$3.77	\$3.99	\$4.29	\$4.54	\$4.97	\$5.26
Tier 2	\$4.24	\$4.49	\$4.88	\$5.17	\$5.30	\$5.61	\$6.36	\$6.74	\$8.48	\$8.98
Construction	\$5.72	\$6.06	\$6.58	\$6.97	\$7.15	\$7.57	\$8.58	\$9.09	\$11.44	\$12.12
Recycled	\$3.18	\$3.37	Shortage rates do not apply							

**Current and Proposed OMWD
Fire Meter Charge Rates (\$/Meter Size)**

Meter Size	Current	Proposed Effective March 31, 2016
5/8"	\$3.59	\$3.65
3/4"	\$3.59	\$3.65
1"	\$4.23	\$4.31
1-1/2"	\$5.09	\$5.18
2"	\$6.45	\$6.57
2-1/2"	\$9.52	\$9.70
3"	\$10.17	\$10.36
4"	\$15.10	\$15.38
6"	\$28.60	\$29.14
8"	\$49.33	\$50.26

**Current and Proposed OMWD
System Access Charge (SAC)**

Meter Size	Current	Proposed Effective March 31, 2016
5/8"	\$24.11	\$25.55
3/4"	\$31.97	\$33.88
1"	\$55.58	\$58.91
1-1/2"	\$87.05	\$92.27
2"	\$136.88	\$145.09
2-1/2"	\$249.65	\$264.62
3"	\$273.25	\$289.64
4"	\$454.21	\$481.46
6"	\$949.87	\$1,006.86
8"	\$1,710.41	\$1,813.03

Irrigation Unit Allotments

Tier 1 Allotment: Based upon water use by meter size

Meter Size	Winter (Dec-May)	Summer (Jun-Nov)
5/8"	10	15
3/4"	20	30
1"	35	50
1-1/2"	50	110
2"	100	200
3"	200	500
4"	600	3,500
6"	3,100	11,800
8"	5,600	21,300

**SDCWA Infrastructure Access Charge (IAC)
Rate Will Not Change**

Meter Size	Current
5/8"	\$2.75
3/4"	\$2.75
1"	\$5.20
1-1/2"	\$8.50
2"	\$13.71
2-1/2"	\$25.51
3"	\$27.95
4"	\$46.86
6"	\$98.63
8"	\$177.96

SAC: System Access Charge
IAC: Infrastructure Access Charge

NOTE: To calculate your fixed monthly charges, add the OMWD SAC to the SDCWA IAC.

Important Notes to the Rate Tables Above

- (a) Non-shortage rates and charges are used to calculate OMWD monthly water bills when OMWD is not at a declared Level 1, 2, 3, or 4 shortage condition, and are used as the base to calculate the shortage rates for each level.
- (b) Shortage rates are subject to change each time OMWD adjusts the non-shortage rates. The shortage rates are implemented by the General Manager or OMWD board action as part of OMWD's water supply shortage ordinance.
- (c) The Agricultural discount is the combination of the credit from SDCWA's Transitional Special Agricultural Water Rate and the removal of emergency storage charges included in OMWD's Agricultural rate.

March 5: WaterSmart Landscape

Design Workshop Transform your yard into a beautiful, water-saving landscape at this free three-hour workshop at the Encinitas Community Center. Learn how to convert your turf area to a water-efficient landscape, select plants that will thrive in our Mediterranean climate, and analyze your yard, identify soil, remove turf, and irrigate efficiently. Gain the knowledge and tools to create professional landscape, planting, and irrigation designs ready for installation either by yourself or a contractor. Register or learn more at www.olivenhain.com/events.

California-Friendly Landscape Contest

Do you have a landscape designed for beauty as well as water efficiency? Enter this contest to win prizes while inspiring others to consider water-smart changes. Contest deadline is April 10, 2016. See www.olivenhain.com/events for details.



Attention Fourth Graders!

OMWD encourages all fourth-grade students living or attending school in OMWD's service area to participate in our annual poster contest, helping us to prepare for Water Awareness Month celebrations in May. The deadline to submit is March 31, 2016. For more information, visit www.olivenhain.com/school.

\$1,500 Student Video Contest for Grades 6-12

Middle and high school students in OMWD's service area are encouraged to create a fun, one-minute video, post it on YouTube, and submit an online entry form to the California Special Districts Association, San Diego Chapter. The contest theme is "What's so special about special districts?" Four talented students will each win \$1,500, which will be split evenly between the student and the school. Videos can show a community forming a special district to fulfill a specific need, or simply

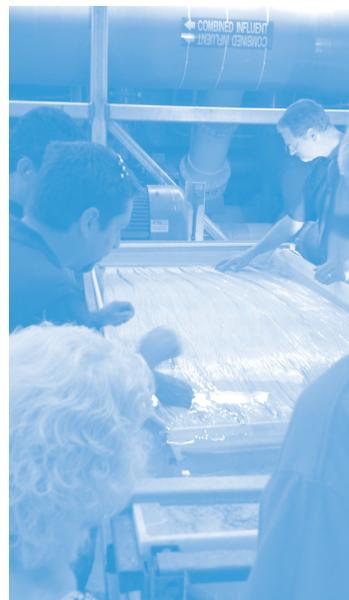
feature a special district in your area. Special districts can provide services such as drinking water, fire protection, sanitation, mosquito control, transportation, and parks and recreation. Get creative, and make a video highlighting one or more of these services to win prizes and recognition for you and your school. Visit www.olivenhain.com/school for more information.

Garden-Friendly Plant Fair & Sale

Home Depot stores throughout the county will once again host fairs this spring at which water-efficient plants will be available at up to 50% off. Visit the Carmel Mountain store on March 5, the Escondido store on March 19, or the Encinitas store on April 30. Fairs are fun for the whole family with kids' activities available all morning. Bring your landscaping questions for on-site expert advice! Details are available at www.olivenhain.com/events.



April 14: Behind-the-Scenes Tour



Have you ever wondered how your water arrives at your tap, clean and ready to drink? Join OMWD on a free tour of its facilities on April 14. Attendees will meet at OMWD's office in Encinitas and will visit Elfin Forest Recreational Reserve, the David C. McCollom Water Treatment Plant, and the 4S Ranch Water Reclamation Facility. Register or learn more at www.olivenhain.com/events.