

OLIVENHAIN

Municipal Water District
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omwd.com

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

BOARD OF DIRECTORS
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GENERAL MANAGER
Kimberly A. Thorne, Esq.
GENERAL COUNSEL
Wesley W. Peizer, Esq.

2009 BOARD MEETING DATES
Please check our website at omwd.com for exact dates.

METROPOLITAN 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:

- Providing safe, reliable, high-quality drinking water while exceeding all regulatory requirements in a cost-effective and environmentally responsible manner.
- Recycling Water
- Providing recycled water and wastewater treatment in the most cost-effective and environmentally responsible method.

Partners
Safely operating the Etna 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.

Drought Rates

At the January 28, 2009 board meeting the OMWD Board of Directors approved two types of rate increases, the Non-Drought (Base) rate increase and the Drought Rate increase (see table 1). The increase in the Non-Drought Rates is to pay for the 15% increase in wholesale water cost (Metropolitan and SDCWA) that OMWD pays, which began January 1, 2009. OMWD must purchase all of its water to meet demand since OMWD doesn't have a local water supply. OMWD was able to mitigate the wholesale cost increase by its own internal cost controls and raised rates by 9%.

The Drought Rates are being implemented to respond to OMWD's wholesaler's call for implementation of extraordinary conservation measures to deal with limited water supplies. OMWD Non-Drought and Drought rate increases will take effect with the March 1, 2009 bills. OMWD Drought Rates will be implemented in accordance with OMWD's Drought Response Conservation Ordinance and may be triggered by Metropolitan's and SDCWA's declaration of the Drought Level.

Currently the entire region is in a Level 1 drought watch; hence, the Level 1 drought rates will be used to calculate customers' water bills starting March 1, 2009. Staff anticipates, however, that the region and OMWD might be in a Level 2 drought alert as early as July 2009. When the Level 2 drought alert is issued, OMWD Level 2 rates will take effect. A Level 2 drought alert requires mandatory use restrictions, higher rate increases, and penalties for customers who do not meet the mandatory cutbacks.

OMWD Drought Rates were developed to reduce non-essential water use and promote using water more efficiently. As water supply shortages progress, greater conservation efforts by our customers will be crucial for OMWD's success in achieving Metropolitan's targeted level of water supply reduction. More importantly, aggressive conservation efforts will prevent the pass through of substantial Metropolitan penalties to our customers.

TABLE 1 - MONTHLY WATER RATES & CHARGES Effective March 1, 2009

WATER RATES PER UNIT (1 unit = 748 Gallons)		NON-DROUGHT				DROUGHT			
The rates include crisis from San Diego County Water Authority (SDCWA) from which the District must purchase 100% of its potable water supply.		(BASE) RATES		WATCH/LEVEL 1		ALERT/LEVEL 2		CRITICAL/LEVEL 3	
CUSTOMER TYPE				Voluntary	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory
Domestic									
0 - 6 Units	\$1.58			0%	10%	20%	35%		
7 - 43 Units	\$2.43			5%	25%	55%	65%		
Over 43 Units	\$2.83			15%	40%	65%	75%		
Agricultural	\$2.42			5%	25%	55%	65%		
IAMP Ag. Discount	(\$0.33)								
IAMP Penalty Rate*	\$3.19								
Combined Agricultural / Domestic		First 26 Units per month: Follow Domestic Rate Structure.							
		Over 26 Units per month: Follow Agricultural Rate Structure.							
Construction	\$3.28			15%	40%	65%	75%		
Raw Water	\$2.17			15%	40%	65%	75%		
Recycled	\$1.97								
Commercial / Irrigation									
8" Base	\$2.54			5%	25%	55%	65%		
12" Over Base	\$2.95			15%	40%	65%	75%		
* Subject to change by Metropolitan Water District of Southern California									
Commercial/Irrigation Unit Allowments									
8" Base Allowment									
Based upon water use by meter size.									
Meter Size	Winter (Dec-May)	Summer (Jun-Nov)							
5/8"	12	22							
3/4"	23	47							
1"	78	140							
1 1/2"	170	360							
2"	240	550							
3"	750	1,600							
4"	1,475	5,600							
Please contact the district for allowances for larger meter sizes.									
Over Base Allowment									
Meter Size	5/8"	1"	1 1/2"						
	\$1.50	\$3.50	\$3.50						
Fire Meter Charges									
Meter Size	5/8"	1"	1 1/2"						
	\$1.50	\$3.50	\$3.50						

OMWD Water Allocation

"Bucket of Water"

The Metropolitan Board of Directors will meet in April 2009 to discuss the status of the California water supply crisis. If water allocation is implemented by Metropolitan as a means to cut retail water agencies' water deliveries, OMWD will be mandated to meet Metropolitan's targeted water supply reduction or pay their substantial penalties. Pending the outcome of this meeting, it is anticipated that up to a 20% cut in water deliveries from Metropolitan may come as early as July 1 of this year. Substantial penalties and fines will be imposed by Metropolitan to retail water agencies that do not meet their water allocation.

OMWD's Board of Directors and Staff have had several workshops on water allocation methodology over the past year. Pros and cons of each generally accepted allocation methodology were analyzed and reviewed. At the January 28, 2009 board meeting, OMWD's Board of Directors approved an "Allocation Based on Meter Size in a customer class" methodology to be used as a base to calculate how large each customer's bucket of water will be for the following reasons:

- "Bucket of Water" or Allocation will be based on historical average water use per meter size in each customer class. Each customer class (residential, agricultural, commercial and irrigation) may have a different bucket of water depending on historical water use for that meter size (i.e. look to the average use of ALL residential meters to determine the allocation for all residential customers).
- OMWD will follow Metropolitan's allocation methodology in determining the historical baseline so that OMWD will meet Metropolitan's target level of reduction.
- OMWD may have two different "buckets of water," summer and winter. In summer months, the bucket will be bigger than in winter months because water use in summer months has always been significantly higher than winter months.
- This methodology will be ready for implementation by July 1, 2009 since OMWD can use the existing billing system to pass through Metropolitan's penalties. Water usage data is also available from the existing billing system. (Time Constraint Factor)
- This methodology is affordable to implement, monitor and maintain without the need for additional staff. (Economic Factor)

"Bucket of Water" ... COMPONENT OF OUR COST