



Securing Your Water Supply

Western Municipal Water District
450 E. Alessandro Blvd.
Riverside, CA 92508
951.789.5000

NOTICE OF PUBLIC HEARING CONCERNING PROPOSED RATE INCREASES TO WATER SERVICE FEES

NOTICE IS HEREBY GIVEN that the Board of Directors of the Western Municipal Water District of Riverside County ("Western") will conduct a **Public Hearing on May 19, 2010 at 6 p.m.**, in the Board Room at 450 E. Alessandro Blvd., Riverside, CA 92508, or as soon thereafter as the matter may be heard, to consider adopting increases in the current rates for its water service fees. The reasons for the proposed rate increases, the proposed rates applicable to your parcel, and public hearing are described below.

REASONS FOR PROPOSED WATER RATE INCREASES

Water supplies in California and the Colorado River have been significantly depleted and demands for imported water have been at or near all-time records. Additionally, recent Federal Biological Opinions affecting flow conditions and fish and wildlife in the Sacramento-San Joaquin Delta have restricted the export of water from this water supply source via the California Aqueduct. Western purchases water from the Metropolitan Water District of Southern California ("MWD") to provide reliable water service to its customers. MWD imports water from two sources: the Colorado River via the Colorado River Aqueduct and Northern California via the California Aqueduct. The reduction in water supplies and the restrictions on water exports have resulted, and will continue to result, in increases in the cost of the wholesale water that Western purchases from MWD. In addition to the increased costs of imported water supply, Western anticipates needing additional revenues to fund current and projected increases in: (1) the costs of operations and maintenance ("O&M") of the water system; and (2) ongoing repair, replacement, and upgrade costs for water system capital facilities.

PROPOSED WATER RATES

Western's water service fees within your service area ("Fees") are determined on the basis of the amount of water served to a parcel of property in hundreds of cubic feet ("HCF"). In order to avoid operational deficits, depletion of reserves, an inability to address infrastructure and water quality improvements, and to continue to provide a safe and reliable water supply, Western is proposing to pass through to its water service customers: (1) any future MWD charges and any rate increases to any existing MWD charges, including imported water charges, that are imposed on Western ("MWD Pass Throughs"); and (2) increased costs of operations and maintenance, including capital facilities ("Inflationary Adjustments"). The rate increase is calculated to recover the costs of Western providing water and to proportionately allocate those costs on a parcel basis among Western's service areas.

The Board of Directors will hold a public hearing to consider adopting a resolution that will authorize Western to increase its water service fees to address the financial impacts to Western's revenues described above. The specific rate increase applicable to your parcel and within your service area are described below.

Commodity Charge Increase. First, the proposed resolution will authorize Western, effective May 20, 2010, to increase the Fees from \$3.22/HCF to \$3.38/HCF.

MWD Pass Through Increases. Second, the proposed resolution will also authorize Western to increase the Fees due to any MWD Pass Throughs. Such increases will be authorized for a five-year period commencing January 1, 2011, through January 1, 2015; provided, however, that (1) any increase to the Fees as a result of an MWD Pass Through shall not exceed 20% per year; and (2) in no event shall such Fees be increased by more than the cost of providing water service.

Inflationary Adjustments. Third, the resolution will authorize Western to annually impose Inflationary Adjustments to the Fees; provided, however, that (1) any increase to the Fees as a result of an Inflationary Adjustment shall not exceed 9.5% per year; and (2) in no event shall such Fees increase as a result of the Inflationary Adjustments by more than the cost of providing water service. Such increases may be imposed for a five-year period, commencing on January 1, 2011, and each January 1 thereafter through January 1, 2015.

WESTERN PROGRAMS THAT CAN HELP SAVE WATER

Western offers numerous programs that can help customers save water and money. Outdoor landscaping is the largest component of typical residential water use and accounts for a significant portion of commercial water use. You can reduce water waste through water use efficiency devices such as high-efficiency toilets and smart irrigation controllers, many of which have rebates from the District. Any Western customer may also receive a free landscape irrigation system evaluation – call our Public Affairs Office at 951.776.4519. Our Water Wise Gardening for the Inland Empire interactive CD is also available online for easy access and downloads at wmwd.com.

PROPOSED WATER RATES WORKSHOP

A workshop to review the proposed water rates, provide further explanation of the water rate components and explain water saving solutions will be held Thursday, April 29 at 6 p.m. in Western Municipal Water District's Headquarters, 450 E. Alessandro Blvd., Riverside.

AVERAGE MONTHLY SAMPLE

An average customer in our March East Service Area using a monthly average of 110 units of treated water will see their bill increase by an average of \$17.60 per month.

	Based on Current Rate	Based on Proposed Rate	Difference
Commodity Charge	\$ 354.20	\$ 371.80	\$ 17.60

PUBLIC HEARING AND PROTESTS

Any property owner or any tenant directly responsible for the payment of water service fees may submit a written protest to the proposed rate increases to Western's water service fees; provided, however, only one protest will be counted per identified parcel. Any written protest must: (1) state that the identified property owner or tenant is in opposition to the proposed water rate increases; (2) provide the location of the identified parcel (by assessor's parcel number or street address); and (3) include the name and signature of the property owner or tenant submitting the protest. Written protests may be submitted by mail or in person to the Public Affairs Office at 450 E. Alessandro Blvd., Riverside, California 92508, or at the Public Hearing, May 19 at 6 pm, provided they are received prior to the close of the Public Hearing, which will occur when public testimony is concluded. Any protest submitted via e-mail or other electronic means will not be accepted. Please identify on the front of the envelope for any protest, whether mailed or submitted in person to the Public Affairs Office, Attn: Public Hearing on Water Rate Increases. The Board of Directors will hear and consider all written and oral protests to the proposed rate increases for all of Western's service areas at the Public Hearing. Oral comments at the Public Hearing will not qualify as formal protests unless accompanied by a written protest. Upon the close of the Public Hearing, the Board of Directors will consider adoption of a resolution authorizing the rate increases to Western's water service fees, including the rate increases for your service area as described herein. If written protests against the proposed rate increases as outlined above are not presented by a majority of property owners or customers of record of the identified parcels upon which the rates are proposed to be imposed, Western will be authorized to impose the rate increases, including the proposed rate increases for your service area as described herein. Prior to implementing any future MWD Pass Through or Inflationary Adjustment, however, Western must provide written notice of any such increase not less than 30 days prior to the effective date of the increase.

For further details regarding the bases and reasons for the proposed rate increases to Western's water service fees, or for any questions you may have regarding the proposed fees within your service area to be imposed on your parcel, please contact Western at 951.776.4519.

We apologize for any duplicate mailers your household or business may have received. Addresses were gathered from both our customer database and the property tax rolls to ensure all rate payers are notified properly, according to the requirements established in Proposition 218.