

IMPORTANT INFORMATION ABOUT PROPOSED NEW WATER RATES

NOTICE OF PUBLIC HEARING ON PROPOSED WATER RATES

Notice is hereby given that the Helix Water District (the "District") will conduct a Public Hearing on Wednesday, August 19, 2009, at 2:00 p.m. in the Boardroom at its Administrative Office at 7811 University Avenue, La Mesa, CA 91942, to consider the adoption of proposed water rate changes.

This legal notice contains information regarding adjustments to water rates charged for providing water service to all parcels of land within the boundaries of the District. The water rate adjustments being considered will become effective September 1, 2009. The District bills water service bi-monthly (every two months) for water used during the two months prior to the billing date. A water bill dated September 1 is for water used during July and August.

Approximately 90% of the water used in the District is imported from Northern California and the Colorado River by our wholesale supplier, San Diego County Water Authority. The need for the District's proposed water rate adjustments is due to a growing water shortage in Southern California and a 25.4% increase in wholesale water rates. Multi-year drought conditions and the judicial ruling to reduce the amount of water pumped out of the Bay-Delta to protect certain fish species have resulted in an 8% reduction in the District's water allocation from our wholesale supplier. **Important Note: The District receives no property taxes to offset the water costs.**

The District's proposed rate structure has two components: (1) **Fixed Base Charge** (see Table 1) determined by the meter size and calculated to recover a portion of the District's fixed costs of operating, maintaining, and delivering water; and (2) **Commodity Rate** (see Table 2) determined by the amount of water used based on the customer classifications.

The proposed rates for the **Commodity Rate** (see Table 2) are based on the following Customer Classifications as defined in the Helix Policies and Procedures Manual (available for review at the District's Administrative Office or at: www.hwd.com/classes.pdf).

Domestic Class (single-family residential customer) will continue to have a three tier rate structure imposing higher rates per unit of water as the level of consumption increases. The average Domestic Class customer's bi-monthly bill of 33 units will increase by approximately 21% (see Table 3).

Government, Commercial, Multi-Family Classes (see Table 2) will continue to have a single tier. Some customers in this class have been reclassified as Irrigation Class. The reclassified customers have been notified by the District of the change and have received a sample water budget.

Irrigation Class (see Table 2) will be billed based on water budgets assigned by square footage of irrigated area and plant type. This class will have three tiers. The first tier will fully recover the cost of service to the Irrigation Class. Irrigation Class rates for tiers 2 and 3 will be billed as conservation charges (see Table 2). The District has notified all Irrigation Class customers of the new three tier water budget rate structure and provided them with a sample water budget. (For further details, see: www.hwd.com/conserv/budgets.htm.) Domestic Class customers with an irrigation meter installed prior

Table #1

Bi-Monthly Fixed Base Charge			
Meter Size	Current	Proposed	Increase
5/8"	\$34.80	\$40.10	\$5.30
3/4"	\$34.80	\$40.10	\$5.30
1"	\$71.06	\$78.44	\$7.38
1 1/2"	\$135.61	\$149.42	\$13.81
2"	\$213.07	\$234.60	\$21.53
3"	\$419.63	\$433.36	\$13.73
4"	\$652.01	\$717.30	\$65.29
6"	\$1,297.52	\$1,427.15	\$129.63
8"	\$1,297.52	\$2,278.96	\$981.44

Table #2

Commodity Rate				
Tier	Units*	Current Cost Per Unit	Proposed Cost Per Unit	Increased Cost Per Unit
Domestic Class Commodity Rate				
1	0 - 10	\$1.70	\$2.10	\$0.40
2	11 - 30	\$2.35	\$2.92	\$0.57
3	31+	\$3.12	\$3.88	\$0.76
Government, Commercial, Multi-Family Classes Commodity Rate				
	All Use	\$2.35	\$2.92	\$0.57
Irrigation Class Commodity Rate				
1	100% of Budget	\$2.35	\$2.92	\$0.57
2	100-120% of Budget	n/a	\$4.38	\$2.03
3	120% + of Budget	n/a	\$5.84	\$3.49

*1 unit = 100 cubic feet (HCF) = 748 gallons

to June 3, 2009, will pay the Irrigation Class rates for the irrigation meter water usage until September 1, 2011, at which time they will begin to pay the Domestic Class rate for all water used from both the irrigation meter and the domestic meter.

Water-Bill Estimator: To find the increase in an individual bill, see the water-bill estimator at www.hwd.com/estimator/.

The water rate structure is designed to encourage water conservation by customers in all classifications. Water delivery to the District will be cut by 8% effective July 1, 2009. Over the last two years, the District has reduced its water consumption, as measured by metered sales, by approximately 4%. While notable, it falls short of the 8% cutback. The District must sustain the 4% reduction and conserve an additional 4-6% in order to meet the 8% cutback goal and to avoid penalties. Helix customers have in the past risen to the challenge of specific water conservation goals. We believe the majority of our customers want to reduce water consumption by being efficient and at the same time save money. Should the District water demand exceed its allocation, the District could face penalty rates that would require future rate increases to its customers.

The District will accept written comments or protests prior to the Public Hearing. Any property owner or any tenant directly responsible for the payment of water service fees (i.e., a customer of record) may submit a written protest to the proposed rate increases. However, only one protest will be counted per identified parcel. Any written protest must: (1) state that the identified property owner or customer of record is opposed 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 customer of record submitting the protest. Written protests may be submitted by U.S. mail or in person to the Clerk of the Board, 7811 University Avenue, La Mesa, CA 91942, or at the Public

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Hearing provided they are received prior to the conclusion of the public comment portion of the Public Hearing. Any protest submitted via e-mail or other electronic means will not be accepted as a qualified formal protest. Please identify on the front of the envelope for any protest, whether mailed or submitted in person to the Clerk of the Board, Attn: Public Hearing on Proposed Water Rate Increases.

The Board of Directors will hear and consider all written and oral protests to the proposed changes to the rate structure and rate increases at the Public Hearing. Oral comments at the Public Hearing will not qualify as formal protests unless accompanied by a written protest. Upon the conclusion of the Public Hearing, the Board of Directors will consider adoption of the rate increases to the District's water service fees as described herein. If a majority of the affected property owners file written protests, the proposed rate structure and increases will be reconsidered.

If you have any questions regarding this notice, please contact the District at (619) 466-0585 or visit our website at www.hwd.com.

Table #3

Example of an Average Domestic Class Bi-Monthly Water Bill				
(3/4" meter consuming 33 units of water for a 2-month period)*				
	Units**	Current	Proposed	Increase
Fixed Base Charge		\$34.80	\$40.10	\$5.30
Commodity Rate				
First 10 Units	10	17.00	21.00	4.00
Next 20 Units	20	47.00	58.40	11.40
Next 3 Units	3	9.36	11.64	2.28
Total Bi-Monthly Bill		\$108.16	\$131.14	\$22.98

* for additional examples, see water-bill estimator at www.hwd.com/estimator/

** 1 unit = 100 cubic feet (HCF) = 748 gallons

If you have questions about the proposed water rates and water supply levels, please call (619) 466-0585.

Para información en Español, llámenos al (619) 466-0585.

Helix Water District
7811 University Ave.
La Mesa, CA 91942

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Revised

**Notice of Public Hearing
on Water Rate Increases**

Wednesday, August 19, 2009
2:00 p.m.

Helix Water District Boardroom
7811 University Avenue
La Mesa, CA 91942



Helix Water District

Setting Standards of Excellence in Public Service

For More Information,
please call (619) 466-0585
Or visit our website: www.hwd.com