

La Mesa Water Cooperative

WaterGram - January 2011

Important Change in Fees and Billing

Following the recommendations of the 2010 Pricing Committee, on December 7, 2010 the LMWC Board of Directors approved important changes in our billing process and water usage fees. These changes are intended to recover the cost of arsenic treatment, but otherwise be revenue neutral. They allow users to more easily predict the size of their monthly bill, encourage conservation, and provide a mechanism that will provide funding for new water sources.

Revenue Neutral

These changes will not result in increased bills for roughly 70% of our members. In fact, approximately 33% of our members will receive smaller bills.

Monthly Billing

As desert residents we all recognized the importance of responsible water usage and conservation. LMWC, like many water providers, has always encouraged conservation by using a tiered rate structure. This structure encourages conservation by having the cost of water increase as water usage increases. However, our rate structure (that appears on your water bill) has been based on yearly usage. This means that members were often unaware that they were approaching a cost increase until after the peak usage months of summer. To avoid this problem, give members more control over their costs, and to provide other advantages discussed below, the Board has adopted a tiered rate structure based on monthly usage. The only thing that has changed is the tier structure. All other fees remain the same.

The new fee structure for monthly usage is

Monthly Usage	\$/1000
Less than 5,000 gal	\$0.75
5,000 to 10,999 gal	\$1.25
11,000 to 13,000 gal	\$1.75
14,000 to 16,999 gal	\$2.50
17,000 to 20,999 gal	\$30.00
21,000 or more gal	\$50.00

Fees Reflect Costs

Following the principle that usage fees should encourage conservation and reflect costs, our new structure provides a reduction in fees for members with low water usage and progressively higher fees for members with high usage.

We have no difficulty providing adequate water at the present time. However, in the near future it will be necessary for us to obtain additional water to meet the demand in the summer months. This new supply will come from either treating the water from well #3 or a new well. The unit cost of this additional water will be substantially greater than the cost of water from our existing supply. Since the summer demand is primarily driven by our highest water users, the rates for the top tiers have been increased substantially. This new monthly rate structure will apportion these costs more equably and allow us to adjust our rates during high peak months should that become necessary.

Only the water use charge will change. All other fees remain unchanged, including the Standby Charge.

Determine Your New Bill

You can determine how your yearly cost of water will change with the new billing system. To do this you need to know your account number. (These account numbers are not related to your name or address and cannot be used to identify any other member.) This is located in bold print directly under your billing address on your bill. Then go to the 2-sided table included with your bill. Find your account number. To the right of the account number is the number of gallons (in thousands) you used in 2009. To the right of this is the water use charge you paid in 2009, and to the right of that is the water use charge you would pay for the same amount of water in 2011. Please note these costs do not include taxes (6.35%) or the \$33.00 monthly base fee.

If you have questions you may contact any Board member.

Board of Directors

George Bailey 867-8434
Marty Davis 771-9127
Gordon Forbes 771-3464

Irena King
Dave Otter

771-8437 Burt Schippers 771-0684
867-7986 Dennis Szarka 867-5225
Francis West 771-9283