

Summary of Proposed Monthly Water Rate Charges

	ASA* Current	NSA* Current	Proposed Rates Effective Date		
			3/1/07	1/1/08	1/1/09
Flat Accounts					
Usage Charge (\$/1,000 square foot)	\$ 0.79	\$ 0.79	\$ 0.70	\$ 0.80	\$ 0.91
Flat Service Charge (single dwelling unit)					
3/4" connection	\$ 13.80	\$ 13.80	\$ 15.30	\$ 15.12	\$ 14.89
1" connection	\$ 18.05	\$ 18.05	\$ 22.82	\$ 22.23	\$ 21.55
1 1/2" connection	\$ 28.65	\$ 28.65	\$ 43.62	\$ 42.24	\$ 40.69
2" connection	\$ 41.35	\$ 41.35	\$ 49.55	\$ 45.04	\$ 40.19
Multiple Unit Charge (\$/Add'l Dwelling Unit)	\$ 6.54	\$ 6.54	\$ 6.62	\$ 7.31	\$ 8.03
Meter Accounts					
Usage Charge (\$/100 cubic feet** (ccf))					
Residential - 1st Tier (0-10 ccf)	\$ 0.60	\$ 0.60	\$ 0.66	\$ 0.73	\$ 0.80
Residential - 2nd Tier (11+ ccf)	\$ 0.79	\$ 0.79	—	—	—
Residential - 2nd Tier (11-100 ccf)	—	—	\$ 0.83	\$ 0.91	\$ 1.00
Residential - 3rd Tier (101+ ccf)	—	—	\$ 1.32	\$ 1.46	\$ 1.61
Non-Residential - Off-Peak Rate (Nov-Apr)	\$ 0.71	\$ 0.71	\$ 0.69	\$ 0.75	\$ 0.81
Non-Residential - Peak Rate (May-Oct)	\$ 0.91	\$ 0.91	\$ 0.86	\$ 0.94	\$ 1.01
Meter Service Charge					
5/8" meter	—	—	\$ 5.05	\$ 4.35	\$ 3.60
3/4" meter	\$ 7.80	\$ 7.80	\$ 7.35	\$ 6.35	\$ 5.25
1" meter	\$ 12.05	\$ 12.05	\$ 12.05	\$ 10.35	\$ 8.50
1 1/2" meter	\$ 22.65	\$ 22.65	\$ 23.75	\$ 20.30	\$ 16.60
2" meter	\$ 35.35	\$ 35.35	\$ 37.80	\$ 32.30	\$ 26.40
3" meter	\$ 65.10	\$ 65.10	\$ 70.60	\$ 60.25	\$ 49.20
4" meter	\$ 107.60	\$ 107.60	\$ 117.50	\$ 100.20	\$ 81.75
6" meter	\$ 213.60	\$ 213.60	\$ 234.55	\$ 200.05	\$ 163.15
8" meter	\$ 384.50	\$ 384.50	\$ 422.00	\$ 359.85	\$ 293.40
10" meter	\$ 619.50	\$ 619.50	\$ 679.70	\$ 579.55	\$ 472.50
12" meter	—	—	\$ 1,007.60	\$ 859.10	\$ 700.40
Flat and Meter Accounts					
Capital Facilities Charge					
5/8" meter	—	—	\$ 12.35	\$ 15.55	\$ 19.25
3/4" meter or connection	\$ 13.55	\$ 13.65	\$ 18.40	\$ 23.20	\$ 28.70
1" meter or connection	\$ 22.60	\$ 22.75	\$ 30.75	\$ 38.75	\$ 48.00
1 1/2" meter or connection	\$ 45.15	\$ 45.50	\$ 61.25	\$ 77.25	\$ 95.65
2" meter or connection	\$ 72.25	\$ 72.80	\$ 98.05	\$ 123.65	\$ 153.10
3" meter	\$ 135.50	\$ 136.50	\$ 184.00	\$ 232.05	\$ 287.30
4" meter	\$ 225.85	\$ 227.50	\$ 306.70	\$ 386.85	\$ 478.95
6" meter	\$ 451.65	\$ 455.00	\$ 613.20	\$ 773.40	\$ 957.60
8" meter	\$ 813.00	\$ 819.00	\$ 1,103.90	\$ 1,392.20	\$ 1,723.80
10" meter	\$ 1,309.85	\$ 1,319.50	\$ 1,778.60	\$ 2,243.25	\$ 2,777.45
12" meter	—	—	\$ 2,636.65	\$ 3,325.55	\$ 4,117.65
Other Charges if Applicable					
Private Fire Service Charge					
2-inch	\$ 9.45	\$ 9.45	\$ 10.70	\$ 12.10	\$ 13.65
3-inch	\$ 17.75	\$ 17.75	\$ 20.05	\$ 22.65	\$ 25.60
4-inch	\$ 28.85	\$ 28.85	\$ 32.60	\$ 36.85	\$ 41.65
6-inch	\$ 57.45	\$ 57.45	\$ 64.90	\$ 73.35	\$ 82.90
8-inch	\$ 101.65	\$ 101.65	\$ 114.85	\$ 129.75	\$ 146.65
10-inch	\$ 158.80	\$ 158.80	\$ 179.45	\$ 202.75	\$ 229.15
12-inch	—	—	\$ 200.00	\$ 225.95	\$ 255.35
Backflow Charge (per connection)	\$ 4.00	\$ 4.00	\$ 4.00	\$ 4.00	\$ 4.00

*ASA - Former Arcade Service Area

*NSA - Former Northridge Service Area

**1 ccf = 748 gallons

See reverse for explanation of water rate charges.

Explanation of Water Rate Charges

Below is an explanation of each water rate charge listed on the reverse side.

Flat Service Charge or Meter Service Charge (currently on bill)

These charges are allocated to pay the District's fixed operations and maintenance costs, such as building maintenance, utility bills, vehicle maintenance and water main repairs. The charge is based on the size of the water service line to your property or the size of the meter.

Usage Charge (currently on bill)

The usage charge portion of your bill is used for variable operations and maintenance costs, such as purchasing surface water, chemicals for water treatment and electricity for pumping groundwater.

- Flat rate customers: this portion of your bill is calculated based on the square footage of your parcel, which is received from the Sacramento County Assessor's Office.
- Meter rate customers: this portion of your bill is based on the amount of water that goes through your water meter.

Capital Facilities Charge

"Debt Service Charge" and "Capital Improvement Charge" (both currently on bill) are proposed to be combined on the monthly bill into the "Capital Facilities Charge."

The monies collected are to fund "pay-as-you-go" financing and principal and interest on funds borrowed for capital improvement projects (e.g. reservoirs, meter retrofit, well construction and rehabilitation, main replacements). The charge is based on the water service line to your property or the size of the meter.

Other charges that may appear on some bills:

Multiple Unit Charge

A monthly charge on all flat rate multi-family accounts (e.g. duplex, triplex) and billed per additional dwelling unit.

Private Fire Service Charge

A monthly charge for water service at un-metered connections to the District's Water System that are equipped with a detector check assembly satisfactory to the District and Department of Health Services (DOHS) and which supplies water to privately owned and maintained sprinklers used exclusively for fire fighting, irrespective of the quantity of water used and based on the size of the fire service assembly.

Backflow Charge

A charge established to administer the backflow program. The program includes but is not limited to, administering the program, monitoring the program, notifying customers for testing and retesting, compiling results and submittal of results to the DOHS.

See the previous pages of this notice for the proposed changes to the monthly rates. Questions can be addressed to our Customer Service Team at 916.972.7171.



Sacramento Suburban Water District Notice of Proposed Increase in Water Service Charges Public Hearing

NOTICE IS HEREBY GIVEN that on Monday, January 22, 2007, at 6:30 p.m. at the Sacramento Suburban Water District (District) office, 3701 Marconi Avenue, Suite 100, Sacramento, California 95821, the District Board of Directors will hold a public hearing to consider the adoption of a proposed amendment to the District's Regulations Governing Water Service, part 3, to change the basis upon which District water services are charged to District customers and to increase such charges. ***All property owners, customers and other interested persons are invited to attend the hearing and present written and/or oral comments on the proposed rate structure changes and increases to water service charges.***

Public Meeting on Proposed Rate Changes

In advance of the public hearing, the District will discuss the proposed rate structure increases and changes to water service charges and obtain public input during its regularly scheduled Board Meeting on Monday, December 18, 2006, at 6:30 p.m., at the District office, 3701 Marconi Avenue, Suite 100, Sacramento, California 95821. ***All property owners, customers and other interested persons are invited to attend the Board Meeting and present written and/or oral comments on the proposed changes.***

Basis and Reasons for Proposed Rate Changes

The District levies monthly charges for water service provided to its customers. The monthly charges reflect the cost to the District of providing water service to customers, including the costs of (1) operations and maintenance, (2) construction, acquisition, upgrade, repair, and replacement of water systems facilities, including associated debt service, (3) acquisition of equipment, materials, and supplies, and (4) labor and administrative costs.

The District now finds that it must increase its rates because the increased costs of providing service exceed revenues. The District's ability to serve you will be impaired unless future revenues adequately reflect the costs of providing services. The proposed rate increase is necessary to (1) pay for increased costs associated with a proposed 3-year capital improvement program (CIP), (2) pay for increasing maintenance costs brought about in part from an aging water distribution system, (3) establish preventive maintenance practices that will, in part, curtail future maintenance cost increases, (4) pay for on-going debt service



costs, (5) ensure appropriate revenues and reserves for improvements to the District's water supply system, and (6) pay for increasing labor costs. The proposed rates also more fairly reflect the actual costs of providing water service to the District's customers. The overall effect of the proposed rate changes will be an increase in District revenues for each of the next three years. The District's plan is to gradually move towards "pay-as-you-go" financing in lieu of debt financing for recurring types of capital projects (for...example, water main replacement projects.)

The calculation of and reasons for the rate increase are analyzed and supported in the District's Water Main Replacement Plan, "the District's 2007 Capital Improvement Program Budget, Operating Capital Budget, and Operations and Maintenance Budget", and the "Multi-Year Financial Plan, Water Rates, and Facilities Development Charge Update Study" dated November 20, 2006. These documents supporting the proposed rate increase are available for public review and/or copying during normal business hours at the District office address shown above.

The District's Board of Directors will periodically update and review the status of implementing the District's Capital Improvement Program for the purpose of determining whether any adjustment (i.e., a decrease or an increase) in the District's water rates is warranted.

Amount of the Proposed Rate Adjustment Per Parcel

The proposed rate schedules for all classes of customers charged by the District are included herewith. In addition, the proposed rate schedules can be found at the District's website - www.sswd.org. You may determine the total amount of the proposed monthly water service charges for your account using the proposed rates and information related to your specific service (e.g., type of service and parcel size or meter size and actual water usage.) Property owners or customers may also contact Customer Service staff at 916.972.7171 for assistance in determining how the proposed charges for water service will affect them.

Effective Date

The proposed new rates, if adopted, are intended to become effective on March 1, 2007.

If you have any questions regarding the proposed rate increase, or if you would like to submit comments regarding the proposed increase before the public hearing, please contact the District office at the above address or by telephone at 916.972.7171.

Dated: November 21, 2006

Robert S. Roscoe, General Manager
Sacramento Suburban Water District