October 28, 2010

Acacia Knolls HOA

c/o Amber Property Management

27285 Las Ramblas, Suite #170

Mission Viejo, CA 92691

Re: Service ID# 2470187

Service Address: 24985 Silverleaf Ln Irrig

Dear Acacia Knolls HOA,

As I’m sure you’re aware, El Toro Water District (“ETWD”) implemented a new Water Budget-Based Tiered Conservation Rate Structure (“Tiered Conservation Rate Structure”) effective July 1, 2010. The Tiered Conservation Rate Structure provides an indoor and outdoor water budget for each customer’s meter. Each budget is calculated based on a variety of individual factors, including occupancy and irrigation area. Your occupancy and irrigation area are reported in the ACCOUNT INFORMATION section of your water bill (upper right hand corner). I hope you have had an opportunity to verify these factors since inaccurate data will likely result in an inaccurate water budget.

The Tiered Conservation Rate Structure is comprised of four tiers of water use and ultimately, four different water rates. To ease the transition to the tiered rate structure, the new rates being *phased in* over several months with the first rate change becoming effective next month, as noted below.

|  |  |  |  |
| --- | --- | --- | --- |
| Water Use Charge | July 2010 | November 2010 | January 2011 |
| Tier I – Indoor | $1.80 | $1.80 | $1.80 |
| Tier II - Outdoor | $2.20 | $2.20 | $2.20 |
| Tier III - Inefficient | $2.20 | $3.29 | $4.38 |
| Tier IV - Excessive | $2.20 | $4.07 | $5.94 |

Based on last month’s billings we noted that you had water use in the Tier III and/or IV rate category. If this is a result of inaccurate occupancy or irrigation area data we encourage you to contact our Customer Service Department at (949) 837-0660 so that we may reflect the correct amounts. We are also available to discuss strategies for staying within your budget and avoiding higher Tier III and IV rates. Conservation tips and information on the new Tiered Conservation Rate Structure are available on our website at [www.etwd.com](http://www.etwd.com) or by calling Customer Service at the number above. Thank you for your past and future conservation efforts.

Sincerely,



Robert R. Hill

General Manager