



November 19, 2008

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**NOTICE OF PUBLIC HEARING
FOR CONSIDERATION OF CONSUMER RATE INCREASES
BASED ON THE COST OF SERVICE
AND COST OF WATER INCREASES FROM THE METROPOLITAN
WATER DISTRICT OF SOUTHERN CALIFORNIA**

Due to increased costs of purchased water, energy, labor, services, and supplies, the Board of Directors of the Eastern Municipal Water District will conduct a public hearing on Wednesday, January 7, 2009, at 1:00 p.m. as part of their regularly scheduled bi-monthly meeting, for the purpose of discussing and approving water and sewer rate increases as follows.

The procedural requirements of Proposition 218 require that the Water Districts provide a written notice of their proposed water and sewer rate increases to all property owners and tenants of real property who are directly liable to pay water or sewer bills, 45 days prior to holding a public hearing. In order for the rate increase to "not take effect", a majority of the property owners and tenants of real property who are directly liable to pay water and/or sewer bills are required to file opposition to the increase.

Proposed Rate Increases

Domestic water user accounts are proposed to increase up to \$4.25/month on average based on two major components: increased cost of treated water from The Metropolitan Water District (MWD) at \$3.00/month; and all other non-water costs, approximately \$1.25/month based on the cost of service study updated to reflect the impact of desalination, water treatment and reduced utilization of groundwater due to continuing drought conditions. The table below compares the current and proposed maximum domestic water rates based on a 30-day billing cycle and 18 billing units (13,464 gallons) of consumption, which is representative of a typical monthly water bill.

Area Served		DSC (1)	\$/BU (2)	Avg for 18 BUs
Perris, Moreno Valley	Current	\$ 0.330	\$ 1.911	\$ 44.30
	Proposed	\$ 0.346	\$ 2.131	\$ 48.73
Fruitvale	Current	\$ 0.330	\$ 1.183	\$ 31.21
	Proposed	\$ 0.346	\$ 1.230	\$ 32.53
Murrieta	Current	\$ 0.330	\$ 1.946	\$ 44.93
	Proposed	\$ 0.346	\$ 2.180	\$ 49.61

- (1) DSC is a fixed Daily Service Charge to cover non-volume related expenses.
 (2) BU = Billing Unit = 748 gallons of water and is the same charge per BU regardless of volume used.

Future Adjustments for Inflation and Increased Wholesale Charges

For years 2010 through 2013, automatic adjustments in the rates (1) for inflation in amounts determined by the Consumer Price Index applicable to the Eastern MWD service area each year, and (2) to pass through increased wholesale charges by MWD, will be made, subject to the Board of Directors' right each year to forego or reduce the amount of the automatic adjustment.

Other Water Rates

Proposed Rate Tables for Water Service, other than Consumption		
Meter Size	Current Fixed Monthly	Proposed Fixed Monthly
1" or less	\$9.90	\$10.38
1-1/2"	\$14.85	\$27.30
2"	\$19.80	\$50.70
3"	\$39.60	\$168.90
4"	\$49.50	\$266.70
6"	\$69.30	\$498.60
8" or Greater	\$79.20	\$624.60

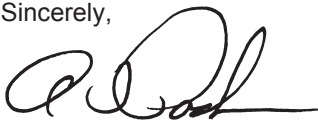
Proposed Tiered Rates to be Implemented in April 2009		
EMWD intends to implement a four-tiered rate structure that promotes conservation. Customers who stay within their allocation will remain in the first two tiers. Water allocations will be based on dwelling type, number of residents, landscape square footage, and actual daily weather and evapotranspiration data for your area. The following tiered rates are proposed for single- and multi-family residences:		
Tiered Rates	Perris, Sun City, Murrieta Moreno Valley, Menifee, Hemet	Fruitvale (Well Water)
Tier 1 – Indoor	\$1.356/BU	\$0.876/BU
Tier 2 – Outdoor	\$2.482	\$1.604
Tier 3 – Excessive	\$4.448	\$2.875
Tier 4 – Wasteful	\$8.137	\$5.258

Sewer Service charges are proposed to increase approximately \$1.41/month based on the budgeted cost of service to collect, treat and dispose of the nearly 45 million gallons/day that are processed through the four wastewater treatment plants located throughout EMWD's service area. Additional charges to support the costs of replacing and maintaining these facilities are also included.

Proposed Rate Tables for Sewer Service		
Area Served	Current Rate Per Day/Month	Proposed Rate Per Day/Month
Hemet/San Jacinto Full Service	\$.614/\$18.68	\$.664/\$20.20
Hemet/San Jacinto (Excluding Collection)	\$.584/\$17.76	\$.634/\$19.28
Moreno Valley Full Service	\$.635/\$19.31	\$.684/\$20.81
Sun City/Menifee Full Service	\$.648/\$19.71	\$.690/\$20.99
Temecula/Murrieta Full Service	\$.776/\$23.59	\$.799/\$24.30
Perris Valley Full Service	\$.822/\$25.00	\$.928/\$28.23
Perris Valley (Within City)	\$.766/\$23.30	\$.872/\$26.52
Romoland/Homeland Full Service	\$.822/\$25.00	\$.928/\$28.23
Canyon Lake (Treated by EVMWD)	\$1.685/\$51.25	\$1.758/\$53.45

The Board will hear and consider all written comments to the proposed maximum increases listed above during the hearing to be held on Wednesday, January 7, 2009, at 1:00 p.m. in the District Board Room located at 2270 Trumble Road, Perris, California.

Sincerely,



Anthony J. Pack, General Manager
Eastern Municipal Water District

Written protests may be mailed to:
Eastern Municipal Water District
Attn: Board Secretary
P.O. Box 8300
Perris, CA 92572-8300