**ETWD -April 2010 Newsletter**

**Transition to Tiered Rate Structure**

**A Letter from the General Manager**

As we've highlighted many times before, Southern California is experiencing a drought that is different than any we have experienced in the past, caused by a confluence of issues that cannot be solved by rainfall alone. To address this dire situation, our water supplier, Metropolitan Water District of Southern California (MET), reduced our water allocation last year. This cutback forced El Toro Water District to mandate water conservation and to implement a Water Allocation Program.

The Water Allocation Plan was the first step in creating a system to assist our customers in tracking water consumption; it was a temporary, one-year measure. Since MET will continue the reduction to our water allocation in 2011, the District is proposing a Water Budget-Based Tiered Conservation Rate Structure that encourages water efficiency. The Water Budget-Based Tiered Conservation Rate Structure will go into effect on July 1, 2010,

Water Budget-Based Tiered Conservation Rate Structures reward customers who use water responsibly and discourage waste. It is a fair and highly efficient system used by many of the neighboring water districts. Similar to the Water Allocation Program, the Water Budget-Based Tiered Conservation Rate Structure acknowledges that not all water uses are equal in their benefits to the community. The first priority for water use is for health, safety and sanitary purposes.

The purpose of this newsletter is to provide you with an overview of the new-tiered rate structure. We've tried to anticipate your questions, but we realize that this topic is complex and rather technical. If you would like to talk to a Customer Service representative, please call 949.837.0660 or contact district@etwd.com. Information will also be available on our website at www.etwd.com.

Sincerely,

Bob Hill

General Manager