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Santa Margarita Water District Board Approves Water and Sewer Rates Increase

Rancho Santa Margarita, Calif. -- (July 8, 2009) – Faced with higher purchased water and energy costs, the Santa Margarita Water District (SMWD) Board of Directors voted to approve new water and sewer rates effective August 15, 2009.

Since SMWD's last rate increase in 1994, the Metropolitan Water District of Southern California (MWD), which sells potable water to SMWD, has increased its water rates over 50 percent. Despite SMWD's aggressive, cost-control measures, the District is unable to continue to absorb these increased water costs as it has done the past 15 years. Water purchases from MWD account for 44% of SMWD's operating budget.

Under the new rates, the average residential customer's monthly water and sewer bill will increase $7.00, from $50.19 to $57.19 (assuming a ¾-inch meter, 16 units (ccf) of water use and 11 units of sewer flow). To encourage conservation, a tiered rate structure is in place for SMWD's residential water usage. This system imposes higher rates on customers who use greater amounts of water.

"The dramatic spike we've seen in water costs from the Metropolitan Water District, mainly due to recent statewide drought conditions and court-ordered pumping restrictions, has created significant pressure on our operating costs. In the past, we've been able to absorb gradual increases, but it's just not feasible with these recent spikes," said John Schatz, General Manager, Santa Margarita Water District. "To help minimize additional costs or penalties from our water wholesaler, we strongly encourage conservation and ask customers reduce their water usage by 10 percent."

For more information about the new rates for residential and commercial customers, visit www.smwd.com.

About the Santa Margarita Water District
SMWD is Orange County's second-largest water district, with a customer base of more than 155,000 residents and businesses in Mission Viejo, Rancho Santa Margarita, Coto de Caza, Las Flores and inland southern Orange County, including the communities of Ladera Ranch and Talega.