



November 28, 2011

Dear Loudoun Water Community System Customer:

On October 13, 2011, the Loudoun Water Board of Directors passed a Resolution of Intent to raise water and sewer rates in 2012, and again in 2013 and 2014, to cover rising operating costs. A public hearing is scheduled for January 5, 2012 at 6 p.m. at our Administration Building, 44865 Loudoun Water Way in Ashburn, to receive your comments.

The proposed rates are the result of a review conducted by Municipal & Financial Services Group and reflect their recommendation for rates. Existing communities affected by these rates include Lenah Run, Elysian Heights, Raspberry Falls, Selma Estates, Beacon Hill, Rokeby and Courtland. New metered community systems that begin service will also adhere to this rate schedule.

While we are sensitive to the difficulties facing all of us in this economically challenging time, community systems must be financially self-sustaining and they are significantly more expensive to operate and maintain than Loudoun Water's Central System. The proposed rates include costs identified in the current capital improvements program for the systems listed above. The rates do not include capital improvements under consideration for the Raspberry Falls and/or Selma Estates systems.

The rate structure being introduced to community systems is modeled after the Central System's tiered structure with a higher allowance in Tier 2 for outdoor usage. This structure will more fairly and equitably allocate the cost of service to all users while encouraging wise water use. Tier 1 reflects indoor usage up to 275 gallons per day. Tier 2 includes an allowance for outdoor use and is assessed on usage between 275 and 800 gallons per day (as compared to 550 gallons for customers in the central system). Tier 3 applies to all usage above 800 gallons per day.

The required rate increases will be phased in over a three-year period. At the same time the rates are being increased, Loudoun Water will move customers to a monthly billing cycle.

The proposed water rates and structure are as follows:

		<u>2/1/2012</u>	<u>2/1/2013</u>	<u>2/1/2014</u>
	Monthly			
	Quarterly			
	Consumption	Rate per	Rate per	Rate per
	Range (gallons)	1,000 gals	1,000 gals	1,000 gals
Tier 1	0 - 8,400	\$2.99	\$3.51	\$4.31
Tier 2	8,401 - 24,400	\$7.23	\$8.51	\$10.62
Tier 3	> 24,400	\$9.34	\$10.89	\$13.50

Tier thresholds for Commercial accounts with meter sizes greater than 5/8" will be calculated based on the demand ratio for the corresponding meter size, as outlined under Basic Charges.

A Basic (fixed) Charge will be billed **monthly** as follows:

	<u>2/1/2012</u>	<u>2/1/2013</u>	<u>2/1/2014</u>
Residential:	\$10.04	\$12.09	\$14.86
Commercial:			
3/4" meter	\$15.06	\$18.14	\$22.29
1" meter	\$34.14	\$41.11	\$50.52
1 1/2" meter	\$55.22	\$66.50	\$81.73
2" meter	\$90.36	\$108.81	\$133.74
3" meter	\$150.60	\$181.35	\$222.90
4" meter	\$251.00	\$302.25	\$371.50
6" meter	\$502.00	\$604.50	\$743.00

The proposed sewer rates for continuing service shall apply to all customers located in Lenah Run, Elysian Heights, Raspberry Falls, Selma Estates, Courtland and all new communities discharging into a community wastewater system and receiving metered water from an Authority water system. In addition to a basic charge, sewer service shall be billed as follows:

	<u>2/1/2012</u>	<u>2/1/2013</u>	<u>2/1/2014</u>
Uniform Rate per 1,000 gallons	\$6.00	\$9.10	\$13.70

The wastewater charge for all residential customers with an established winter average⁽¹⁾ will be limited to the lesser of (1) the customer's actual monthly usage or (2) the customer's winter average monthly usage plus 1,000 gallons. The wastewater charge for residential customers who have not established a winter average will be limited to the lesser of (1) the customer's actual monthly usage or (2) 9,000 gallons.

⁽¹⁾The winter average is based on meter readings obtained or estimated in the months of February through April.

A Basic (fixed) charge will be billed **monthly** as follows:

	<u>2/1/2012</u>	<u>2/1/2013</u>	<u>2/1/2014</u>
Residential:	\$11.75	\$17.75	\$26.75
Commercial:			
¾" meter	\$17.63	\$26.63	\$40.13
1" meter	\$39.95	\$60.35	\$90.95
1 ½"	\$64.63	\$97.63	\$147.13
2"	\$105.75	\$159.75	\$240.75
3"	\$176.25	\$266.25	\$401.25
4"	\$293.75	\$443.75	\$668.75
6"	\$587.50	\$887.50	\$1,337.50

ALL OTHER RATES, FEES AND CHARGES CURRENTLY IN FORCE WILL REMAIN UNCHANGED.

Enclosed you will find two charts. They compare the bills for Loudoun Water Community System customers using 7,000 gallons a month and 20,000 gallons a month under our new rates with those of other residents of Loudoun County.

After the aforementioned public hearing, the Loudoun Water Board will consider all comments and may take action on the proposed rates/structure and implementation date at its January 12, 2012 meeting at 3:00 p.m.

Sincerely,

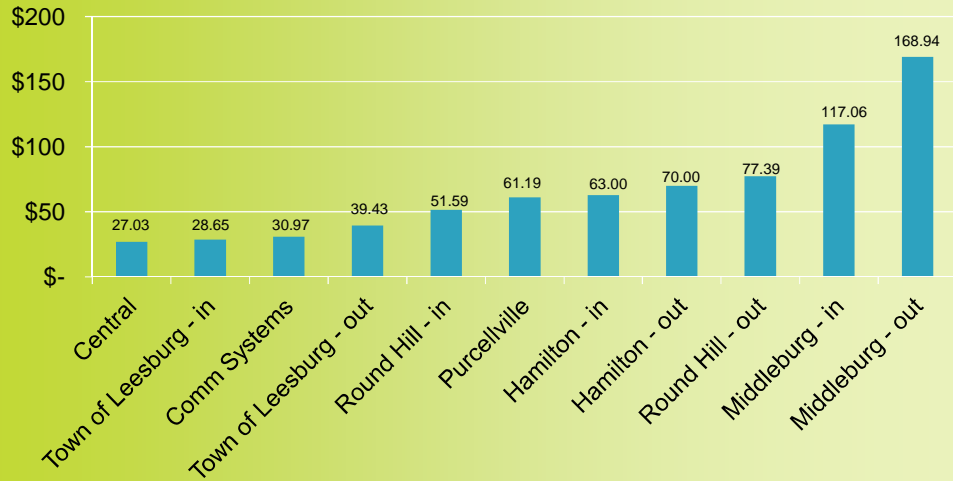
Dale C. Hammes
General Manager
Loudoun Water

Bill Comparison



▶ At 7,000 gallons per month

*These figures are based on conversions to monthly billing cycle



Bill Comparison



▶ At 20,000 gallons per month

*These figures are based on conversions to monthly billing cycle

