



January 8, 2010

Dear Loudoun Water Customer:

On December 11, 2009 the Loudoun Water Board of Directors passed a Resolution of Intent to raise water and sewer rates this year, and again in 2011 and 2012 to cover rising operating costs. A public hearing is scheduled for February 25, 2010 at 7 p.m. at our Administration Building to receive your comments.

While we are sensitive to the difficulties facing all of us in this economically challenging time, a number of factors are impacting our operations and necessitating the proposed increases. Our wholesale water providers – Fairfax Water and the City of Fairfax – who provide 100% of the water we sell to you, imposed considerable rate increases on Loudoun Water in 2009 and it is anticipated that we'll see that trend continue.

The wholesale increase, coupled with higher fuel and electricity costs, have greatly impacted our budget and on-going operations. Loudoun Water operates as a revenue-neutral utility and is not supported with taxes. While we have tightened our belts wherever possible and will continue to be vigilant with spending, the proposed rates are necessary to safeguard your system.

A new rate structure is being introduced that will more fairly and equitably allocate the cost of service to all users and encourages wise water use. The proposed water rates and structure for our residential customers are as follows:

		<u>4/1/2010</u>	<u>4/1/2011</u>	<u>4/1/2012</u>
	Quarterly Consumption Range (gallons)	Rate per 1,000 gals	Rate per 1,000 gals	Rate per 1,000 gals
Tier 1	0 - 25,000	\$1.77	\$1.90	\$2.04
Tier 2	25,001 - 50,000	\$4.96	\$5.31	\$5.69
Tier 3	> 50,000	\$6.65	\$7.12	\$7.62
		<u>4/1/2010</u>	<u>4/1/2011</u>	<u>4/1/2012</u>
Basic (Fixed) Charge:		\$24.46	\$26.18	\$28.02

--Over--

Esta carta es sobre un aumento previsto de la tarifa. Para una versión en español de esta carta, Por favor llámenos al 571.291.7880, o visite nuestra pagina Web a www.loudounwater.org/Residential-Customers/En-Español/En-Español.

The proposed sewer rates and structure are as follows:

	<u>4/1/2010</u>	<u>4/1/2011</u>	<u>4/1/2012</u>
Uniform Rate per 1,000 gallons	\$3.14	\$3.55	\$4.02

The sewer charge for all residential customers *with* an established winter quarter* will be limited to the lesser of the customer's actual quarterly usage or the customer's winter quarter usage plus 3,000 gallons. The sewer charge for residential customers *without* an established a winter quarter will be limited to the lesser of the customer's actual quarterly usage or 25,000 gallons.

*The winter quarter is defined as any quarterly billing period based on meter readings obtained or estimated in the months of February through April.

	<u>4/1/2010</u>	<u>4/1/2011</u>	<u>4/1/2012</u>
Basic (Fixed Charge):	\$21.90	\$24.76	\$27.99

To see what your bill will be under the new structure, we have set up a bill calculator tool at our website. Go to www.loudounwater.org, click on the Hot News link to New Rate Structure, and click on the "Residential Bill Calculator." We have also posted a Questions and Answers document that further explains the rate methodology.

There are some things you can do to minimize the impact of this increase on your household budget. For example, set up a monthly payment to us through your bank rather than one quarterly payment. Scrutinize your water use, check and fix all leaks and pay particular attention to lawn watering.

The Board will consider all comments and vote to adopt the new rates and structure at its March 11, 2010 meeting at 3:00 p.m. The rates would go into effect April 1, 2010.

I assure you that we remain committed to providing the best possible water quality at the most economical cost. It is a pleasure to serve you.

Sincerely,


Dale C. Hammes
General Manager

Esta carta es sobre un aumento previsto de la tarifa. Para una versión en español de esta carta, Por favor llámenos al 571.291.7880, o visite nuestra pagina Web a www.loudounwater.org/Residential-Customers/En-Español/En-Español.