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FOR IMMEDIATE RELEASE:

Auburn - Directors of the Placer County Water Agency on Thursday (Nov. 20) adopted a combined 2004 operating budget of \$42.6 million, which is down 1.2 percent from the \$43.1 million budget adopted a year ago.

Agency officials said the spending plan includes a number of cost containment measures including spending reductions, deferred maintenance and purchases, and keeping present staffing levels while serving a growing number of customers.

Combined with the water rate adjustments adopted two weeks ago, the spending reductions are intended to limit the financial impacts of higher costs for workers' compensation, general liability insurance, employee pensions and other costs beyond the agency's control, while maintaining good levels of customer service.

To balance the budget, the agency will withdraw \$870,000 from its designated reserve funds.

The overall 2004 budget is a combination of three separate water agency functions; the Water System at \$22.7 million, Power System at \$17.9 million, and Agencywide function at \$2 million.

The Power System is operated independently and is supported by revenues generated by hydroelectric power production. The Agencywide function covers the agency's role in watershed and water supply planning and management throughout the county and in the region.

The 2004 budget was adopted following a presentation by Financial Services Director Joseph H. Parker. The board hosted a public hearing but no public testimony was offered.

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In other business, directors:

- heard an update on the current American River Pump Station Project from Deputy Director of Technical Services Brent Smith, who said the U.S. Bureau of Reclamation and its contractor began the two-year project in early October and are making good progress. The pump station is scheduled for completion by summer, 2005.

The PCWA Board of Directors will next meet in adjourned session at 3 p.m. on Monday, Dec. 1, at the PCWA Business Center, 144 Ferguson Road, in Auburn. (The Dec. 1 meeting replaces the board's regular first Thursday of the month meeting which would have been held on Dec. 4). PCWA board meetings are open to the public.