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FOR IMMEDIATE RELEASE:

Auburn - Directors of the Placer County Water Agency on Thursday (Nov. 4) held a public hearing on a proposed 2005 water rate schedule that proposed overall rate increases in all water service zones for PCWA treated water and raw water customers.

If approved, the new rates would become effective Jan. 1 in the water agency's five service zones, which extend across the Sierra from the Martis Valley near Truckee to the cities and unincorporated communities in western Placer County.

Four members of the public addressed the board during the public hearing, each citing the financial hardship of continued rate increases, especially for seniors and those on fixed incomes.

Directors instructed staff to investigate the possibility of a low-income affordability water rate but cautioned that much planning would be needed and such an addition to the 2005 rate schedule would be unlikely. PCWA's rate schedule is already structured to reward those who conserve water.

General Manager David Breninger said the adjustments are needed to maintain good levels of reliable water service in times of escalating costs in the PCWA Water System budget. Breninger cited increasing costs for construction materials, health insurance, mandated programs, renewal and replacement of aging infrastructure, facility maintenance, chemicals, labor and pension plans, electricity, oil, fuel, laboratory testing, disposal service, and areas of technology.

Director of Field Services Mike Nichol said system maintenance construction costs are up significantly, particularly for cement, steel and pipe. He cited a 23 percent two-year increase in the Engineering Record construction cost index.

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Additionally, PCWA Director of Financial Services Joseph Parker said the agency anticipates the State of California will take \$1 million this year in property tax revenues that would go to the PCWA Agency Wide Budget. The State revenue shift is being imposed to help balance the multi-billion dollar state budget deficit while causing “significant fiscal distress to the Agency Wide Budget,” Parker said. In mitigating this financial impact on the Agency Wide Budget, the agency restructured internally which impacted the Water Systems Budget by one-third of a million dollars.

Board Chairman Otis Wollan said the board is very sensitive to rate increases but has a responsibility to maintain reliable service and a functional water delivery system. “This has been a most difficult year,” said Wollan.

Water rate adjustments in the various PCWA service area zones are intended to meet costs in the Water Systems Budget and are proposed as follows:

Western Placer

In Zone 1, which includes Auburn and areas to the west including Loomis and Rocklin, the monthly service charge for a standard residential 5/8-inch water meter would increase 7.5 percent from \$10.84 to \$11.65. The tiered usage charge would rise \$0.02 to \$0.05 for each 748 gallons for most customers, depending on actual use. Other elements of the water bill, the renewal and replacement charge (up \$2.75) and the charge for state and federal mandated programs (up 30 cents) are also proposed for adjustment.

PCWA Director of Customer Services John Kingsbury offered examples of how the overall rate adjustments would affect typical customers using low, medium and high amounts of water. A low water user in Zone 1 would see a monthly increase of \$4.42, a medium level user would pay an additional \$6.42 and a high user would pay an additional \$20.88.

Rate adjustments would be similar for the small Zone 2 service area which supplies treated drinking water to the 46-home Bianchi Estates area near Roseville.

Upper Foothill Areas

In Zone 3, which includes Colfax and communities along the Interstate 80 corridor from Alta to Meadow Vista, treated water customers could see a service charge

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increase of 7.5 percent from \$19.95 to \$21.45 per month, along with increases in the tiered usage rate, the charge for state and federal mandated programs and the renewal and replacement charge.

Typical water use examples were also offered for Zone 3. A low user would see an overall monthly increase of \$5.44, a medium level user would pay an additional \$7.70 and a high user would pay another \$15.82.

Martis Valley

In Zone 4, which supplies water to the Lahontan community near Truckee, the basic monthly service charge was increased by \$1.95, from \$26.03 to \$27.98 (7.5 percent), the state and federal mandate charge is proposed to increase by 25 cents, and a third usage tier is proposed to promote efficient water use.

Irrigation Water

Irrigation customers who receive raw water through the PCWA canal system would see increases of 4 percent for most summer irrigation water service and 7 percent for winter water. The increases apply to Zones 1 and 3. In Zone 5, an agricultural area west of Lincoln, rates are determined and set annually, depending on water availability.

Examples of summer raw water use include a customer using 2 miners' inches whose monthly bill would increase by 4 percent, or \$3.96, from \$88.51 to \$92.47, a larger user of 4 miners' inches who would pay an additional \$8.18, from \$172.73 per month to \$180.91, and large user of 13 miners' inches who would see a \$27.17 increase from \$551.72 to \$578.89 per month. The summer rate applies to the five-month or six-month irrigation season. Winter rates would increase by 7 percent.

For Information

Customers with questions about the proposed water rates and charges are invited to contact the PCWA Customer Service Center at (530) 823-4850 or (800) 464-0030.

The board will consider the 2005 rate package on November 18. The board will also hold a public hearing on the agency's 2005 calendar year budget on Nov. 18.