



NEWS RELEASE
Placer County Water Agency

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FOR IMMEDIATE RELEASE:

Auburn - Increasing costs of service in PCWA water delivery may lead to higher water rates and charges in 2007, it was announced at this week's (Aug. 22) meeting of the Placer County Water Agency Board of Directors.

During the meeting, water agency staff presented extensive information detailing potential increases in the agency's proposed 2007 water system budget of \$28.5 million.

Many factors impact the agency's cost to provide service. Among these are escalating costs for construction materials, primarily steel and concrete; fuel, natural gas and electricity; water treatment chemicals; labor costs and related expenses. The budget increases impacts and challenges the agency's ability to maintain, operate and sustain overall system reliability including rehabilitation of aging water delivery infrastructure.

Based on the budget report, agency directors reviewed staff's proposed water rate and charge increases for Jan. 1, 2007, which is the beginning of the water agency's twelve month fiscal year.

Directors set a public hearing for 2 p.m. Nov. 9 to consider the proposed increases. The public hearing will be held in the Placer County Board of Supervisors chambers, 175 Fulweiler Avenue, in Auburn.

In past years, the water agency's budget process including consideration of increases to water rates and charges has been considered later in the year. However, this has changed because of a recent court ruling affecting the water rate and charge adjustment notification process for all special districts, cities and counties in California that own and operate water utilities including PCWA.

A California Supreme Court decision issued on July 24 interpreting the state's Proposition 218 now requires a 45-day advance written and mailed notice process to all property owners of record when certain water rates and charges are proposed to be adjusted. Complying with this requirement, PCWA will be mailing written notifications to all water system property owners by mid-September.

By reviewing the staff's proposed water rate and charge adjustments and providing for the 45-day written public notification process leading to the public hearing on Nov. 9, PCWA will comply with the mandate, said water agency legal counsel Ed Tiedemann.

A summary of proposed rate and charge adjustments by PCWA service zones for 2007 follows:

In PCWA's largest service zone, Zone 1, which includes Auburn, Loomis, Rocklin and large unincorporated areas, a typical treated water customer using 16 units of water would pay \$45.63 per month, an increase of \$6.23, under the 2007 rate proposal. A customer using 30 units of water would pay \$60.25, an increase of \$7.35.

In Zone 2, Bianchi Estates west of Roseville, a typical low use treated water customer would pay \$44.15 per month, up from \$36.92, while a higher water use customer would pay \$57.17, up from \$47.24.

In Zone 3, which includes Colfax and unincorporated communities along the Interstate 80 corridor from Alta to Meadow Vista, low and medium level treated water users would pay an additional \$3.91 per month for typical monthly totals of \$45.11 to \$53.09.

In Zone 4, in eastern Placer County's Martis Valley, a typical low use water customer would pay \$45.38 per month, up from \$39.88, while a higher water use customer would pay \$47.84, up from \$41.98.

Untreated water customers in Zone 1 and 3 would see increases that vary depending on water usage.

For further information on the proposed rate and charge adjustments, contact the PCWA Business Center during business hours (9-5, M-F). Call (530) 823-4850 or toll-free (800) 464-0030.