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## NEWS RELEASE

FOR IMMEDIATE RELEASE:

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AUBURN -- Directors of the Placer County Water Agency on Thursday (Oct. 16) approved 2009 water rate increases for cities and local water companies that are supplied through PCWA.

At their next meeting in early November, directors will consider similar increases for PCWA's own ratepayers. A public hearing on the proposed increases will be held as part of the board's Nov. 6 meeting.

Water agency leaders said rate increases are necessary for the agency to meet increased costs of doing business, to preserve water system reliability, and to upgrade portions of an aging water delivery infrastructure.

Board Chairman Mike Lee acknowledged that it is difficult for directors to approve rate increases, especially during tough economic times, but said, "We have a responsibility to our customers to make sure the water system works."

"At 3.25 to 3.8 percent, we're basically taking a CPI (Consumer Price Index)-based approach," noted District 5 Director Otis Wollan.

The board's vote included 3.25 percent increases in the monthly service charge for treated water supplied to the City of Lincoln, California American Water Company and five smaller treated water retailers. A second component of the water bill, the water usage charge, was increased by 3.8 percent.

Directors debated an increase in a third component, the renewal and replacement charge, which is devoted to water system improvement. The staff recommended increase of \$1.19 monthly was reduced to 50 cents monthly, which will reduce 2009 funding for system maintenance in this category.

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Beginning in 2009, the agency will no longer include a charge for state and federal mandated programs as a water bill line item. These costs are being rolled into the water usage charge.

The board approved 3.25 percent increases in the usage rates for the nine large commercial agricultural water users in Zone 5 and similar increases for six untreated water resale customers in Zones 1 and 3.

All of the rate adjustments are effective Jan. 1, with the exception of the City of Lincoln rates which take effect Mar. 1.

In other business, directors:

- heard a presentation from Director of Resource Development Mal Toy on the ongoing program to obtain a new federal license for the Middle Fork American River Project. Toy said the agency is on track to file its formal application in early 2010 and anticipates a new license in 2013. He said the agency's planning process extends to 2018 and includes the first five years of operation under a new license.

- approved two facilities agreements for water service improvements to the Martis Camp development in eastern Placer County's Martis Valley. The agreements cover 43 equivalent dwelling units.

- approved environmental review and conditions for the proposed Bella Tuscany Pipeline Project near Dry Creek and Black Oak roads in Auburn, where a new storage tank and pipeline are being added to the system.

- adopted a new identity theft prevention program. Director of Financial Services Joseph H. Parker said the program uses Federal Trade Commission guidelines and will formalize and expand upon the agency's existing policies for protecting customer information.

The next regular meeting of the PCWA Board of Directors will be held at 2 p.m. on Nov. 6 at the PCWA Business Center, 144 Ferguson Road, in Auburn. PCWA board meetings are open to the public.

Information on PCWA board meetings is available through the Clerk to the Board at (530) 823-4850.