

NEWS RELEASE

PALMDALE WATER DISTRICT BOARD OF DIRECTORS TO CUT GENERAL MANAGER PAY BY \$15,000 PER YEAR

Latest Cost Cutting Move Part of Board's Ongoing Efforts to Balance PWD Budget

Palmdale, CA, June 4, 2009 – The Board of Directors of the Palmdale Water District announced today that it will cut its General Manager's salary by \$15,000 per year effective immediately. The PWD Board views this latest action as a necessary part of the overall cost cutting measures it has been enforcing over the past several months in an ongoing effort to meet the current district budget crisis. Other actions taken have included corrective action in cutting operating expenses, cutting capital expenses, delaying the acquisition of vehicles and equipment, eliminating cost of living adjustments, freezing unfilled positions, and cancelling existing contracts.

“The Palmdale Water District General Manager, Randy Hill, has taken over at a very difficult time,” PWD Board President Jeff Storm declared. “And while we do appreciate his steady hand through these rocky waters, we have to look at every possible area in terms of trimming our budget. In discussing this with Randy, he was very supportive and I believe that reflects his good common sense and practical management skills. We appreciate his understanding and look forward to his continued stewardship going forward.”

“I fully support the Board in this action. We are making cuts everywhere, and I think it is appropriate that the first person to take cuts is at the top. The Board is immensely concerned about the impact of raising water rates in our community, they are equally concerned about their responsibility to assure that the community has enough clean water for every customer,” Hill commented. “The Board has pledged to make further budget cuts wherever possible. The availability of water in California is an issue that will be with us all for years to come. The

Palmdale Water District's actions now, although difficult, will benefit its customers into the future.”

About Palmdale Water District

The Palmdale Water district has grown from an agency providing irrigation water for 60 customers, to an agency providing domestic water to the thriving community we know today. Founded as Irrigation District supplying water mainly to farms for agricultural use, the district's boundaries have expanded with Palmdale's rapid population growth and the District has shifted to providing predominantly municipal and industrial water. The Palmdale Water District is currently divided into five divisions covering areas in East and West Palmdale. The Palmdale Water District remains dedicated to providing clean, pure water; state of the art facilities to meet current and future needs; attentive staff committed to customer satisfaction; treatment and testing to ensure high quality water; education on water conservation and safety; and reliable supply and resourceful planning insuring customer satisfaction and continued reasonable rates. The Palmdale Water District can be reached by calling (661) 947-4111. The Palmdale Water District is located at 2029 E Avenue Q in Palmdale, California.

“Use Water Wisely. It's a Way of Life.”