



NEWS RELEASE

PALMDALE WATER DISTRICT APPROVES WATER BUDGET RATE STRUCTURE

New Tiered Rate Structure to Provide Necessary Funding for Ongoing Operations

Palmdale, CA, May 14, 2009 – In a special public hearing held Wednesday, May 13, 2009, the Palmdale Water District Board of Directors voted to approve the newly proposed water budget rate structure. Water bills under the proposed rate structure will be determined by the amount of water that is used in relation to the water budget allocated to each property. Recognizing the seriousness of the water situation in California, as well as the District's financial issues, the Palmdale Water District Board engaged in both short term and long term planning to address the community's need for a reliable water supply. The rate structure will go into effect immediately, with approved increases continuing to be implemented over the next six years.

“This Board is immensely concerned about the impact of raising water rates in our community and take seriously our responsibility to ensure plentiful clean water for our customers for years to come,” said Jeff Storm, Palmdale Water District Board President. “The District's finances had been out of balance for years and this Board made the tough decision to begin the process of setting the right fiscal course on behalf of our customers.”

In recent months, the PWD Board has taken corrective actions by voting to cut operating expenses, slash capital expenses, delay the acquisition of vehicles and equipment, eliminate cost of living adjustments, and freeze unfilled positions – all in an effort to move the District toward a balanced budget.

“The District faces service costs that are increasing due to inflation, more demanding federal and state environmental regulations, a growing need to maintain equipment and facilities, and reduced water resources. PWD is facing a serious problem with the need to generate sufficient cash to operate and to secure a reliable water supply for our community into the future. Our proposed water

rates will enable us to accomplish what needs to be done on behalf of our customers,” stated Randy Hill, Palmdale Water District General Manager.

Currently, PWD receives 60% of its water supply from Northern California, a source that is continuing to diminish due to environmental regulations, court rulings and sustained drought. As PWD customer water demands have exceeded 9 billion gallons of water per year, the agency does not have enough water to continue to meet those demands. Recognizing the long term water issues the community faces, the district has implemented this new rate structure to pay for facilities that will replenish declining groundwater levels and implement the use of recycled water. The California State Legislature passed a law that went into effect in January 2009 to encourage California water agencies to develop water budget based rates. There are now more than 40 water agencies that have adopted similar rates.

About Water Budget Rates

Water budgets represent an approximate amount of water each customer should need each month. Calculating a customer’s water budget will be based on the following factors:

- lot size and percent of lot that's irrigated
- weather
- people per household

Since 70-80 percent of the water used in the Antelope Valley is for outdoor irrigation, the water budget focuses heavily on weather and irrigation data, allowing more water in the hot summer months. More specifically, a water budget for single-family homes makes several generous assumptions:

- Everyone will be given a default indoor water use of 60 gallons per person per day. This is the water that an average individual uses based on industry standards.
- Residential property is provided outdoor water use for 45% of the lot and irrigation property such as city parks receive 100% of their irrigated area.

See www.palmdalewater.org for more information on the rate structure and variance form.

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.

Palmdale Water District Board Members:

Division 1	Jeff Storm - President
Division 2	Dick Wells - Treasurer
Division 3	Linda Godin - Secretary
Division 4	Raul Figueroa - Director
Division 5	David Gomez - Vice President

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