

Public Water Supply District #1 of Lincoln County

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PRESS RELEASE

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WATER DISTRICT PLANS IMPROVEMENTS AND DEBT RESTRUCTURE

Public Water Supply District #1 plans to move ahead with needed water system improvements including an additional water source and larger water distribution lines to improve water flows and pressures which will allow the installation of fire hydrants in some areas which have no hydrants now. The District also plans to renovate certain key sewer pumping stations over the next few years.

The District has approved the planned restructure of its debt service and bond payments under a plan which will allow the new improvements and limit the amount of water and sewer rate increases which would have been necessary if the District did not proceed with its debt restructure plan.

The restructuring plan minimizes the financial impacts of the sluggish economy and reduced housing growth being experienced throughout the County. Under the debt restructuring plan, the District will refinance most of its outstanding debt to lower and even out the amounts of its annual bond payments which will help to reduce the rate increase amounts.

Under the restructuring and due to bond covenants, the District is required to increase both its water and sewer rates. The rate increases are lower than they would have been if the restructuring was not performed and become effective with the June 2009 billings.

The water and sewer monthly minimum bills, called the service availability charge, increases 5.0% now. The usage rate, called the commodity rate, increases by 1.0% each month through 2011.

For a water customer using 5,000 gallons per month now, the monthly water bill will increase from the current \$23.76 to \$24.95, then to \$29.08 in June 2010 to \$33.97 per month in June 2011. The increase is an average of \$0.34 per month.

For the typical sewer customer, the monthly sewer bill is now \$44.11. In June 2010, the monthly bill will be \$49.46 and in June 2011, the monthly bill will be \$52.98. The increase is an average of \$0.30 per month.

For more information or questions pertaining to this Press Release, please contact Charlie McLeod at 636-528-8919.