

COWLITZ COUNTY PUD

May 5, 2006

FOR IMMEDIATE RELEASE

Contact: Dave Andrew, Manager of Communications and Government Affairs

E-mail: dandrew@cowlitzpud.org Phone: (360) 577-7502 or (360) 423-2210

COWLITZ PUD TO CONSIDER WATER RATE INCREASE

Cowlitz PUD's Board of Commissioners is expected to vote Tuesday on a staff recommendation to raise water rates, effective with billings processed beginning June 1, 2006. The proposed rate change would result in a monthly increase of about \$2.00, based on average water usage for PUD customers.

The meeting will be held in the Commissioner's meeting room at the PUD main office, beginning at 2:00 p.m. This is an open meeting and public comment will be taken.

Cowlitz PUD provides water service to 3,700 customers in the outlying areas north and east of Longview and Kelso, including Columbia Heights, Beacon Hill, Lexington, Sunset Terrace, Cedar Gates, Ostrander/Woodbrook, Cowlitz Gardens and Williams-Finney.

It was announced late last year, during the PUD's 2006 budget process, that a 20 percent increase in water rates was necessary to meet costs. PUD staff is recommending a 10 percent increase at this time, and then will conduct a comprehensive cost-of-service analysis this summer to determine future rates.

Additional revenue is necessary to fund future PUD water system improvements in accordance with the recently completed Comprehensive Water Service Plan; and, to meet higher debt service payments due on low-interest Public Works Trust Fund loans used to make improvements in past years.

The PUD's last raised water rates by 8.8 percent in February 2004.

END