

News Release



**Foothill Municipal Water District
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FOR IMMEDIATE RELEASE

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Foothill MWD Approves Budget Absorbing Majority of MWD Rate Increase

The Foothill Municipal Water District (FMWD) Board of Directors on June 25, 2010 adopted its budget for fiscal year 2010-11 absorbing 75% of the coming year's water supply costs increase from Metropolitan Water District of Southern California, its water supplier. Metropolitan officials recently approved a 15% rate increase over the next two years in addition to a 20% increase approved last year.

"The Board felt that it was important to absorb the majority of the rate increase considering the difficult economic times we are all facing. However, Foothill may not be able to continue absorbing these costs going forward into future years as we have needs to repair our almost 60-year old distribution system," said President of the Board Robert Gomperz.

General Manager Nina Jazmadarian had initially proposed a budget with a 0% increase in costs for Foothill and the pass-through of the Metropolitan rate increase. However, the Board asked that she come back with reductions in expenses for the District to absorb a portion of the MWD rate increase. After this was presented to the Board, they asked for further reduction in expenses. "Considering that purchasing MWD water and the associated electrical costs to move that water to the service area are over 70% of

our \$12 million budget, it was a difficult task. We have tried hard to contain expenses but not erode our reserves that are needed in case of an emergency,” said Jazmadarian. The District reduced costs by about \$477,000 to reduce impacts to retail customers.

Foothill Municipal Water District provides imported water to Crescenta Valley Water District, La Cañada Irrigation District, Mesa Crest Water Company, Valley Water Company, Lincoln Avenue Water Company, Las Flores Water Company and Rubio Cañon Land & Water Association. Kinneloa Irrigation District, another retail agency, takes no water from Foothill.

A copy of the budget and budget presentation can be found on the District’s website at www.fmwd.com.

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