



4699 Hollister Avenue
Goleta, California 93110-1999
Telephone: 805/964-6761
Fax: 805/964-7002

DIRECTORS
JACK CUNNINGHAM
PRESIDENT
HARRY E. DE WITT
VICE-PRESIDENT
BERT BERTRANDO
CHUCK EVANS
LYNETTE MILLS

KEVIN D. WALSH
GENERAL MANAGER

DRAFT

FOR IMMEDIATE RELEASE

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Contact: Kevin D. Walsh, General Manager
805/879-4621

Goleta Water District Budget Balanced: No Rate Change Planned

Because of good planning and fiscal prudence, the Goleta Water District budget is solidly balanced, and no rate increase is proposed in 2008-09. Nine months into the fiscal year, the District is within budget, and overall costs are at or below the previous year's levels.

Finance Committee Chair Lynette Mills also noted that the District is making strides toward a goal of establishing a financial reserve equal to six months of operating expenses, a goal of about \$10 million. When fully established, this reserve will provide enough money to deal adequately with future droughts, emergencies, and other unexpected events.

"It's just good fiscal planning to have reserves that the District can use when the weather or the water supply availability changes, which can cause revenue fluctuations," Mills said. With reserve funds, she said, the swings in revenue that are a common occurrence are not expected to affect rates.

Two key types of actions that the District used to balance the budget and build reserves were to cut expenses and carry out long-range planning.

"This financial picture looks even brighter," Mills said, "when you consider that the fiscal planning is forecast 10 years into the future with only modest rate increases expected for a number of years out."

"Our customers can rest easy knowing that their water needs will continue to be met and that customer service will be kept at the highest level with only nominal rate increases forecast in

the near future,” she said. “We want customer satisfaction to increase and we’re working to make that happen whenever possible.”

Over the last decade or so, the District invested over \$72 million to modernize pipelines, pumps, wells, storage tanks, and the treatment plant. This massive effort required that the District utilize most of its reserve funds.

The improvements made to the treatment plant, completed in October 2007 at a cost of \$27 million, formed the largest capital project in the District’s history. The project ushered in a new era of improved water quality for Goleta Valley residents that will serve the community for decades to come.

The District Board of Directors will be scheduling a public hearing on the budget. For more information, contact the District Office at 805/964-6761 or visit the District's website at www.goletawater.com.

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