

**PRESS RELEASE**  
**MARCH 24, 2010**

**WATER DISTRICT PLANS IMPROVEMENTS**

Public Water Supply District #3 of Franklin County plans to move forward with needed water system improvements including an additional water source and upgraded and larger water distribution lines to improve water flows and pressures which will also allow the installation of fire hydrants in some areas which have no hydrants now. The District is also planning for certain improvements to select wastewater plants to meet new discharge requirements becoming effective during the next three years.

The District is finalizing a planned bond issue to fund the needed improvements and limit the amount of water and sewer rate increases which will be necessary to meet its financial obligations.

The District expects to secure bond funds by Fall of 2010 and begin work shortly thereafter. Even though there is reduced housing growth due to the sluggish economy, the District must proceed with the improvement projects to replace aging infrastructure and to meet new Federal and State regulations. The District also continues to explore grant funding for the needed improvements.

Under the funding mechanisms, the District is required to increase its water and sewer rates to meet bond covenants. Only the water rate service availability charge and structure is being adjusted now, however a smaller sewer rate increase is expected to become effective with the June billings.

The service availability charge is currently set at \$12.97 per month and includes up to 1,000 gallons of water each month. Effective with the April billings the service availability charge remains at \$12.97 per month and includes 500 gallons of water each month. All water usage over 500 gallons per month will continue to be charged at the District's regular and unchanged commodity rate of \$4.98 per each 1,000 gallons.

For a water customer using 5,000 gallons per month now, the monthly water bill will increase from the current \$32.89 to \$35.38.

For more information or questions pertaining to this Press Release, please contact Bob Hathcock at 636-742-5200.