



POTTER VALLEY IRRIGATION DISTRICT
10170 MAIN STREET
P.O. BOX 186
POTTER VALLEY, CA 95469

PH: 707-743-1109

www.pottervalleywater.org

January 21, 2015

Dear PVID Customers,

The contract price that Potter Valley Irrigation District (PVID) pays to Pacific Gas and Electric (PG&E) has recently been renegotiated. These negotiations were initiated by PG&E. Representatives of PVID and PG&E met multiple times over the past year in an effort to have our pricing more closely reflect the rates commonly paid for irrigation water by other PG&E customers in California. Our contract with PG&E has not been renegotiated since 1939 and we have paid \$1.20 per acre foot of water for the past 75 years.

The new contract will result in PVID paying PG&E \$20.00 per acre foot of water by the year 2022. Over the next ten years the rate that PVID pays PG&E for water will increase in a stepped manner. Beginning in 2025 the water cost will be increased as determined by an escalation formula in the new contract. The price we will charge to our customers for water will also increase in stepped increments. The attached table shows the increasing rates that PVID will pay PG&E and the rate increases that PVID must charge our customers.

For PVID to maintain a balanced budget, and provide the current level of service to our customers, we must make these adjustments to our water pricing.

Please, feel free to contact your Division Director or the Superintendent with any questions.

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Kenneth Stroh, President
Potter Valley Irrigation District.