



VIA ELECTRONIC MAIL ONLY

April 23, 2025

Robert Dugan
Chair, Board of Directors
Placer County Water Agency
PO Box 6570
Auburn, CA 95604

Dear Chair Dugan,

At the March 4, 2025, Midway Heights County Water District (MHCWD) Special Meeting, staff from Placer County Water Agency (PCWA), presented the results of a study—requested by MHCWD in May 2023—that explored the feasibility of consolidation between MHCWD and PCWA.

The study explored five alternatives, each with a capital cost between \$34.5 and \$40.6 million. The recommended alternative was \$36.9 million and would increase monthly costs to Midway customers by \$541.39, not including their bimonthly service and usage charges. Obviously, these astronomical costs rendered the consolidation infeasible under the presented scenarios.

The Midway Heights Board, however, stands by its initial assertion that consolidation would be a benefit to district customers, as stated in our May 2023 request. Following thoughtful deliberation at the Board's April 17, 2025 meeting, members unanimously voted to request that PCWA consider pursuing grants, or other means, to fund the consolidation without a financial impact to District customers.

The study provided valuable information to the District that included a redundant treated water supply connection. Following an assessment of the project's benefit, the Board approved pursuing a grant for a technical study via next year's PCWA Financial Grant Program.

The Midway Heights Board and our customers sincerely appreciate the professionalism of the PCWA staff involved in the consolidation study, and the considerable resources expended on the District's behalf. We look forward to cooperating in future mutually beneficial projects.

Sincerely,

Pauline Nevins
President, Board of Directors
Midway Heights County Water District