



*****PRESS RELEASE*****

For Immediate Release: December 6, 2013

Clifton Water District Rate Increase Effective December 31, 2013

At the Clifton Water District Board of Directors Meeting, Thursday December 5, 2013 the District Board approved an increase in Water Rates effective December 31, 2013. The new water rates will be implemented with Customer billings beginning in February 2014. An average customer using 7,000 gallons per month will see an increase of \$2.40/month.

The Board of Directors emphasize the **Clifton Water District receives no tax revenue and operates exclusively from income generated by water rates, and tap fees.** 2014 will mark the 30th year the District has not received funding from taxes.

The purpose of the Water Rate adjustment has three primary objectives:

1. Funding for water treatment plant improvements to continue providing reliable, quality drinking water.
2. Provide adequate revenue to fund existing and future maintenance, rehabilitation, and improvement of aging facilities and infrastructure to ensure that current and future state and federal regulations are met, and to successfully meet water treatment and supply needs.
3. Encourage water conservation by implementing rates that charge more for increasing usage.

The Board has taken a number of steps to improve the financial strength of the District in preparation of needed improvement projects. In addition to active Strategic Planning and budget process, the District recently refinanced an existing \$4.3 million Colorado Water Resources Power Development Authority Loan resulting in a savings of over \$459,000. In the process, the District's financial activity was evaluated which resulted in an excellent Credit Rating of AA- based upon the responsible fiscal management of the District. The Board of Directors have evaluated project costs, budget projections and deliberated extensively before making the final decision to increase water rates.

Board President, Alan Hassler stated, *"The District continues taking the responsible approach, laying the ground work to pay for the important water treatment plant improvements that have been in the planning stages since 2002. These major changes are currently being designed and are scheduled for construction beginning in 2014"*

The new monthly In-District Water Usage Fees that will take effect on December 31, 2013:

Monthly Minimum for 3,000 gallons - \$19.50	(previously \$17.50)
Water Usage 3,001 to 10,000 gallons - \$2.60/1,000 gal	(previously \$2.50)
Water Usage 10,001 to 18,000 gallons - \$3.60/1,000 gal	(previously \$3.35)
Water Usage 18,000 + gallons - \$5.50/1,000 gal	(previously \$4.50)

The District also collects a \$2.50 per month per customer System Investment Fee on each account.

*Out-of-District customers will continue to be charged 1.5 times the In-District Rates

The District is currently in the engineering phase of a \$15-million Water Treatment Plant Improvement Project. When completed, the District is preparing for an additional \$800,000 annual debt service expense to be funded by water rates. The project will continue the District's utilization of membrane

technology by installing a state-of-the-art Micro/Ultra Filtration process replacing aging 1970's conventional sand filtration process.

With the 2014 rate increase, a customer using 3,000 gallons or less will see an increase in their monthly bill from \$20.00 to \$22.00. Comparatively, a customer using an average of 7,000 gallons per month will see an increase in their monthly bill from \$30 to \$32.40. Bob Norman, District Board Secretary, commented, *"We have worked to identify the critical needs of the District, we have trimmed the budget, and successfully refinanced debt to save over \$459,000 in preparation of tempering the rate increases that are necessary over the next few years to fund the costs associated with providing safe and reliable domestic water service to our customers."* The District Board has used a model of gradual water rate increases in 2011, 2012, 2013 and 2014 in adjusting to the rising costs and implementation of infrastructure projects.

Prior to 2011, the District had kept water rate increases at a minimum. Water is a valuable and essential service. It is the District's commitment to continue to provide reliable, high quality water service to all of our customers equally. The ongoing and proactive rehabilitation and replacement of treatment facilities and water delivery systems is essential to avoid placing reliable water service at risk. The District serves over 13,000 customer accounts and a population of approximately 40,000. The District operates and maintains over 170 miles of distribution piping, pump stations, six water storage facilities and advanced water treatment facilities.

For additional information please contact Dale Tooker, District Manager, or David Reinertsen, Assistant Manager at 434-7328.