



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

For Immediate Release: December 3, 2012

Clifton Water District Rate Increase Effective January 1, 2013

The Clifton Water District Board of Directors has unanimously approved an increase in Water Rates that will take effect January 1, 2013. The Board identified that unlike many other water utilities, the **Clifton Water District receives no tax revenue and operates exclusively from income generated by water rates, and tap fees.** Furthermore, 2013 will mark the 29th year that the District has not received funding from taxes.

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

1. Provide adequate revenue to fund escalating operating costs for providing reliable, quality drinking water service.
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 new monthly In-District Water Usage Fees that will take effect on January 1, 2013:

Monthly Minimum for 3,000 gallons - \$17.50 (previously \$14.50)

Water Usage 3,001 to 10,000 gallons - \$2.50/1,000 gal (previously \$2.25/1,000)

Water Usage 10,001 to 18,000 gallons - \$3.35/1,000 gal (previously \$2.60/1,000)

Water Usage 18,000 + gallons - \$4.50/1,000 gal (previously \$3.50/1,000)

Beginning January 1, 2013, the District will also implement a \$2.50 per month per unit System Investment Fee to begin a funding source for future water line and facilities improvements and replacement.

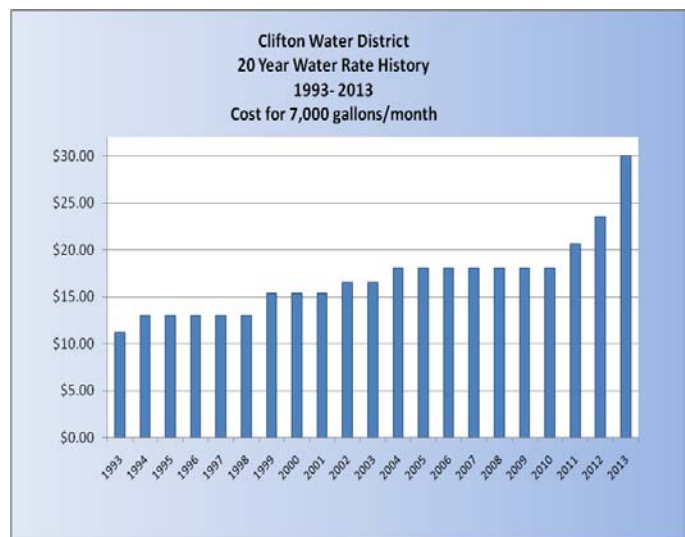
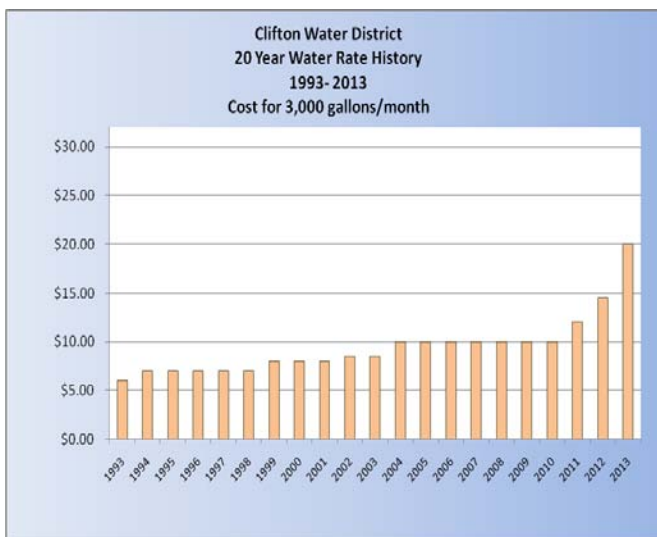
***Out-of-District customers will continue to be charged 1.5 times the In-District Rates**

The District is mindful of the economic hardship that everyone is facing and the Board of Directors deliberated extensively before making the difficult final decision. Board President, Alan Hassler stated, “the cost of doing business and providing essential water service continues to escalate. Also, the District is faced with impending essential improvements and upgrades to its treatment plant and distribution system.”

In 2008, because of economic conditions, the District made the choice to temporarily suspend its Capital Improvement and rehabilitation plans. Events in 2012, including the declaration of drought conditions, increased customer usage, and the adverse effects to water quality following the Pine Ridge Fire, signaled the need to reevaluate and revitalize essential planned projects. The District is currently finalizing the engineering of a twelve to eighteen million dollar Water Treatment Plant Improvement Project. The project will continue the District’s utilization of membrane technology by installing a state-of-the-art Micro/Ultra Filtration process that will replace the 1970’s circa conventional sand filtration process and continue our commitment of delivering high quality drinking water to our customers.

To assist in generating additional revenue, the Clifton Water District Board of Directors also adopted a \$2.50 per month per unit System Investment Fee to raise additional income to meet the projected financial needs of improving the existing treatment facilities and distribution system.

With the 2013 rate increase, a customer using 3,000 gallons or less will see an increase in their monthly bill from \$14.50 to \$20. Comparatively, the customer using an average of 7,000 gallons per month will see an increase in their monthly bill from \$23.50 to \$30. From 2005 to 2011, the District held off increasing water rates due to economic conditions. While deferring water rate increases, the District steadily dipped into and reduced Reserve Accounts that are essential to rehabilitate and replace existing facilities. Bob Norman, District Board Secretary, commented, “The District cannot continue to deplete the Reserve Account to an unacceptable level because the current rates are not adequate to fund our replacement costs and ongoing operational expenses”. In 2011, and again in 2012, water rates were increased and used as a model by the Board of Directors to base future rate adjustments. The following graphs display the 20-year historical cost for a 3,000 gallon per month customer and a 7,000 gallon per month customer.



The graph above demonstrates that prior to 2011, the District 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 the water system is essential to avoid placing reliable water service at risk. The District serves 13,000 customer accounts and a population of approximately 40,000 people. 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.