



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

For Immediate Release: December 12, 2014

Clifton Water District Rate Increase Effective January 1, 2015

The Clifton Water District Board of Directors has approved an increase in Water Rates that will take effect beginning January 1, 2015. With the 2015 rate increase, a customer using 3,000 gallons or less will see an increase of \$1.00 in their monthly bill from \$22.00 to \$23.00. Comparatively, a customer using an average of 7,000 gallons per month will see an increase of \$1.40 in their monthly bill from \$32.40 to \$33.80. The new Water Rates will add \$1.00 to the Minimum Charge for 3,000 gallons and \$0.10 per 1,000 gallons on each of the Usage Tiers.

The District Board of Directors uses a model of gradual water rate increases which respond to increased operational expenses and the completion of infrastructure rehabilitation projects. The District Board relies upon strategic planning and a Cost-of-Service determination when establishing Water Rates. The District's only source of Operating Revenue comes from Water Rates received exclusively from District Customers. In approving the Water Rate increase, the Board of Directors emphasized the **Clifton Water District receives no tax revenue from Customers and operates exclusively from income generated by Water Rates from existing users and Tap Fees from new users.**

2015 will mark the 31st year the District has not received funding from taxes.

The Clifton Water District was formed on March 5, 1951 and began serving 321 taps in 1957, producing 28,000,000 gallons (28 million gallons) of water annually. Today the District serves 13,000 taps, produces over 1,000,000,000 gallons (1 billion gallons) of water annually and serves a population of approximately 37,000. The District operates and maintains advanced water treatment facilities, over 170 miles of distribution piping, pump stations, and six water storage facilities. The District is currently in construction of a \$16-million Water Treatment Plant Improvement Project that will utilize a state-of-the-art Micro/Ultra Filtration process that will replace an aging 1970's conventional sand filtration process.

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

1. Effectively fund Operating expenses including ongoing and future rehabilitation/replacement of aging water system infrastructure to successfully meet current and future water treatment and supply needs.
2. Effectively fund Loan Repayment of new MF/UF Water Treatment Plant improvements.
3. Encourage water conservation by implementing rates that charge more for increasing usage.

The District Board has taken a number of steps to improve the financial strength of the District. In 2013, the District refinanced an existing \$4.3 million Colorado Water Resources Power Development Authority Loan resulting in a savings of over \$459,000. In 2014, the District received an astounding 1.89% low-interest loan for \$14,000,000 for the construction of the MF/UF facility. The Cost of Issuance in conjunction with the 1.89% interest rate saves the District in excess of \$1.5 million over the 20-year life of the loan. Approximately \$2 million of the project is funded from existing District's reserves.

The monthly In-District Water Usage Fees that will take effect on January 1, 2015:

Monthly Minimum for 3,000 gallons - \$20.50	(previously \$19.50)
Water Usage 3,001 to 10,000 gallons - \$2.70/1,000 gal	(previously \$2.60)
Water Usage 10,001 to 18,000 gallons - \$3.70/1,000 gal	(previously \$3.60)
Water Usage 18,000 + gallons - \$5.70/1,000 gal	(previously \$5.60)

The District assesses a \$2.50 /month System Investment Fee - (No Change).

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

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