



To our valued customers,

Date: January 4, 2024

The Staff and Directors of Ice Fountain Water District have always made the maintenance and improvements of our water system and our customer service top priorities. With our last rate increase that was implemented 6 years ago in 2018, we accomplished the goals we set at that time. We perfected our water rights by installing a pump station on our transmission line, and we completed several high priority infrastructure projects that are part of our master plan. We also achieved our savings goal for our System Capital Reserve account. This savings will help protect our water system from any unforeseen emergencies.

With the dramatic increase in inflation combined with the decrease in new water service sales, we are compelled to implement a rate increase to continue providing our constituents with the high level of service they deserve and to maintain the high-quality water system we have built. The revenue from new water service sales previously funded most of the upgrades to our system. That is no longer the case.

Below are our highest priorities for 2024 through 2026:

1. Ice Fountain Water District has always operated with a small but dedicated crew. With the ever-increasing regulations coming from the state and federal government, we must hire another level 2 water operator for our field operations to continue to provide the high level of service our customers expect.
2. Ice Fountain Water District inherited two small water systems, Oak Grove and Riordan Hill. These systems have required frequent repairs and must be brought up to our current system standards. The Riordan Hill mainline has suffered more than 27 breaks since 2016, and the Binns Hill mainline in Oak Grove has suffered more than 21 mainline breaks in the same time period. Both Riordan Hill and Binns Hill need upgraded pump controls to mitigate water hammer, which has been the cause of most of these breaks. The Riordan Hill steel tank has cracked 8 times since 2016, and a new HDPE (High Density Polyethylene) tank will replace it.

The above listed priorities will cost a combined \$234,773. We are proposing a rate increase over the next two years to fund them. We feel that spreading the rate increase over two years will soften the financial impact on our constituents. Below is a table that illustrates the current and future rates for our most common residential sized meters, ¾” and 1”. The rate increase also applies to all larger meter sizes.

Date	Meter size	Monthly base rate (includes 3,000 gallons)	Net base rate increase	Per thousand-gallon charge	Net per thousand-gallon increase
Current rate	¾”	\$37.84		\$3.26	
April 1, 2024	¾”	\$41.15	\$3.31	\$3.54	\$0.28
April 1, 2025	¾”	\$44.75	\$3.60	\$3.85	\$0.31
Current rate	1”	\$54.86		\$3.26	
April 1, 2024	1”	\$59.66	\$4.80	\$3.54	\$0.28
April 1, 2025	1”	\$64.88	\$5.22	\$3.85	\$0.31

The Board understands that these increases will impact everyone differently, however they also believe that it is in the best interest of our constituents to continue to invest in the future of the distribution of this precious resource. We plan to self-fund the improvements listed above, then repay the funds to our System Capital Reserve account, avoiding the need to take on a loan and pay interest. The continuing outstanding support of our customers has allowed us to become one of the best domestic water districts in the state. The Board and Staff take pride in serving you and wish to continue a high level of service.

There will be a public hearing on the proposed rate increase on **February 21, 2024, at noon**. The meeting will be located at the Westside Fire District station at 4250 Barrett Drive in Hood River. Customers may also participate online, please call our office at 541-386-4299 for the meeting link or with any questions or concerns.

Sincerely,

Christopher True, District Manager