

January 2014

Dear Fellow Customers of Lakewood Water District,

As published in *The News Tribune*, the final 2014 Budget for the District was presented to your Board of Commissioners on December 19, 2013 and was approved. A number of large and important projects and programs are scheduled to launch in the New Year, the largest of which include the escalation of our GIS mapping system, a radio-read meter-reading system and meter replacement program, and our 50-year R&R Program. All of these projects and programs will bring great benefit to you and the District, including the continued reliability of our water system, and elevated levels of customer service. To learn more about these programs and our progress as we proceed, please go to our website at www.lakewood-water-dist.org.

We're excited to be nearing the time to launch our 50-year R&R Program after presenting it to you over the past two years. We've written to you in our last two Annual Reports, along with numerous letters and articles in our quarterly newsletters. We had many community group meetings and an Open House here at the District, along with sending a postcard to each of you in September, with a follow-up letter in your October/November bill. We have endeavored to notify, educate, and keep you abreast of this very important program and its financial impacts to you all along the way.

As we've shared in our presentations, there was a need to revise the District's rate structure to capture funds for the 50-year R&R Program in a new fixed fee based on meter size. Your bills will now show the R&R fixed fee (per table below), plus the Base Charge of \$6.07 (which includes the first 800 cubic feet of water), plus any volume charge for water used over 800 cubic feet. [The R&R fixed fee by meter size is based on American Water Works Association meter service equivalent standards.](#) The R&R fee will fund approximately 50 percent of the program; the other 50 percent will be funded with debt so that these costs will be spread out and shared by customers now and in the future.

The schedule of new charges is listed below and will go into effect January 1, 2014, with the first bills to reflect the new rates going out on or after March 1. The new bi-monthly bill for the average residential customer with a 5/8-inch meter and use of 1500 cubic feet of water would be \$37.10 versus the present \$29.40. This does not include the City of Lakewood's 6 percent Franchise Fee. [To calculate your estimated March/April bill, please go to our "Bill Calculator" on our website.](#)

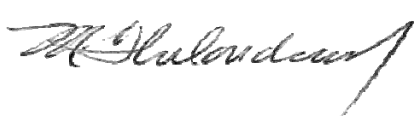
2014 Bi-monthly Rate Structure

Water Consumption	2013 Rates	2014 Base Charge	2014 Volume/Consumption Rates
0-800 cubic feet	\$21.63 (Base Charge)	\$6.07	\$0
801-2000 cubic feet	\$ 1.11/ccf		\$1.29/ccf
2001 and over	\$ 1.51/ccf		\$1.75/ccf

New R&R Fixed Fee Based on Meter Size		New R&R Fixed Fee Based on Meter Size, cont'd	
Meter Size	R&R Fixed Fee	Meter Size	R&R Fixed Fee
5/8"	\$ 22.00	4"	\$242.00
1"	\$ 24.20	6"	\$308.00
1.5"	\$ 30.80	8"	\$638.00
2"	\$ 39.60	10"	\$836.00
3"	\$ 63.80	12"	\$990.00

As always, it is our committed mission to provide you with a safe, clean, reliable water supply as efficiently and cost effectively as possible. Even with this new schedule, [our rates are still the lowest in the region \(please see the graph on the back of this letter\).](#) If you have questions, concerns, or suggestions on how we can improve our service to you, please call us at 588-4423.

Sincerely,
Your Board of Commissioners



L. R. Ghilarducci, Jr.
President



John S. Korsmo, Jr.
Vice President



Gregory J. Rediske
Secretary