



Happy New Year, this is not a bill! ☺

January 2017

Dear Fellow Customers of Lakewood Water District,

As published in *The News Tribune*, the final 2017 Budget for the District was presented to your Board of Commissioners on December 21, 2016 and was approved.

A little over a year ago, the Board discussed what it would take in rate increases over the next five years to bring the financial health of the District in line with its financial policies and return/maintain annual cash reserves to appropriate levels. This resulted in the District's budgeting model and Five-year Rate Forecast showing double-digit rate increases needed for 2016 and 2017; however, the Board wanted to avoid double-digit rate increases and asked staff to normalize the forecasted rate increases over the five years. With that normalization, the present forecast shows a need for a rate increase of 4.5 percent weighted average in 2017. As always, your Board continues to work hard to keep any and all rate increases to a minimum.

This increase covers both 1) the volume charge and base charge to fund general operation, maintenance, and other capital projects (2017 Bi-Monthly Rate Structure table below); and 2) the fixed fee based on meter size to fund the District's 50-year R&R (Replacement and Rehabilitation) Program (R&R Fixed Fee Based on Meter Size table below).

Therefore, the 2017 Budget includes an overall, weighted rate increase of 4.5 percent, effective January 1, 2017, with the first billings reflecting the increase to be on or after March 1, 2017.

In the table below, you see the new bi-monthly charges for the average residential customer with a 5/8-inch meter and use of 1500 cubic feet of water at \$44.40 versus the present \$42.26, for an increase of \$2.14 every two months (\$1.07 per month). This does not include the City of Lakewood's 6 percent Franchise Fee.

2017 Bi-Monthly Rate Structure

Base Charge and Water Consumption	Current Rates	New Rates Effective 1/1/17; First bills March 1, 2017
Base Charge	\$7.04 (includes 800 cu ft)	\$7.32
0-800 cubic feet	\$0 (included in Base Charge)	\$0 (included in Base Charge)
801-2000 cubic feet	\$ 1.50/ccf	\$1.55/ccf
2001 and over	\$ 2.03/ccf	\$2.11/ccf

R&R Fixed Fee Based on Meter Size

Meter Size	Current Fixed R&R Fee	New Fixed R&R Fee Effective 1/1/17; First Bills 3/1/17
5/8"	\$ 24.72	\$ 26.20
1"	\$ 27.19	\$ 28.82
1.5"	\$ 34.61	\$ 36.68
2"	\$ 44.49	\$ 47.16
3"	\$ 71.69	\$ 75.99
4"	\$ 271.91	\$ 288.23
6"	\$ 346.07	\$ 366.83
8"	\$ 716.86	\$ 759.87
10"	\$ 939.33	\$ 995.69
12"	\$1,112.36	\$1,179.11

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)**. For more information on our rates, the 2017 Budget, and 2017 projects, please visit our website at www.lakewood-water-dist.org, or feel free to 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

2016 Bi-Monthly Billing per 1500/cf

- 2016 Bi-Monthly Billing per 1500/cf
- Projected 2017 Bi-Monthly Billing per 1500/cf

