



Happy New Year, this is not a bill! ☺

January 2019

Dear Fellow Customers of Lakewood Water District:

As published in *The News Tribune*, the final 2019 Budget for the District was presented to your Board of Commissioners on December 20, 2018 and was approved.

The District manages to its Financial Policies as set by the Board to preserve the financial health of the District and maintain annual cash reserves at appropriate levels as prescribed in the policies. The District continues to adhere to its Five-year Rate Forecast as approved by the Board. The forecast projected a 4.71 percent rate increase for 2019; however, due to intensive capital projects and operation and maintenance costs, including an unexpected \$2.5M for a Granular Activated Carbon (GAC) treatment system, the rate model shows a need for a rate increase of 8.0 percent weighted average in 2019. 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 (2019 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 2019 Budget includes an overall, weighted rate increase of 8.0 percent, effective January 1, 2019, with the first billings reflecting the increase to be on or after March 1, 2019.

In the table below, you see the new bi-monthly charges. The cost for an average residential customer with a 5/8-inch meter and use of 1500 cubic feet of water will be \$50.06 versus the present \$46.73, for an increase of \$3.33 every two months (\$1.66 per month). This does not include the City of Lakewood's 6 percent Franchise Fee.

2019 Bi-Monthly Rate Structure

Base Charge and Water Consumption	Current (2018) Rates	New Rates Effective 1/1/19; First bills ≥ March 1, 2019
Base Charge	\$7.62 (includes 800 cu ft)	\$8.30
0-800 cubic feet	\$0 (included in Base Charge)	\$0 (included in Base Charge)
801-2000 cubic feet	\$ 1.62/ccf	\$1.76/ccf
2001 and over	\$ 2.20/ccf	\$2.39/ccf

R&R Fixed Fee Based on Meter Size		
Meter Size	Current (2018) Fixed R&R Fee	New Fixed R&R Fee Effective 1/1/19; First Bills ≥ 3/1/19
5/8"	\$ 27.77	\$ 29.44
1"	\$ 30.55	\$ 32.38
1.5"	\$ 38.88	\$ 41.21
2"	\$ 49.99	\$ 52.99
3"	\$ 80.55	\$ 85.38
4"	\$ 305.52	\$ 323.85
6"	\$ 388.84	\$ 412.17
8"	\$ 805.46	\$ 853.79
10"	\$1,055.43	\$1,118.76
12"	\$1,249.85	\$1,324.84

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 2019 Budget, and 2019 projects, please visit our website at www.lakewoodwater.org, or feel free to call us at 253/588-4423.

Sincerely,
Your Board of Commissioners

L. R. Ghilarducci, Jr.
President

John S. Korsmo, Jr.
Vice President

Gregory J. Rediske
Secretary

BI-MONTHLY BILLING PER 1500/CF

