



Happy New Year, this is not a bill! 😊

January 2022

Dear Fellow Customers of Lakewood Water District:

As published in *The News Tribune*, the final 2022 Budget for the District was presented to your Board of Commissioners on December 16, 2021, 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 6.01 percent rate increase for 2022; however, with rising operation and maintenance costs including higher capital project costs, the rate model shows a need for a rate increase of 6.68 percent weighted average for 2022. Additionally, the District has not done a rate increase since 2019 and has kept the same rates through 2021 due to COVID concerns. 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 (2022 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 2022 Budget includes an overall, weighted rate increase of 6.68 percent, effective January 1, 2022, with the first billings reflecting the increase to be on or after March 1, 2022.

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 \$53.25 versus the present \$50.06, for an increase of \$3.19 every two months (\$1.60 per month). This does not include the City of Lakewood's 6.00 percent Franchise Fee.

| 2022 Bi-Monthly Rate Structure | | |
|-----------------------------------|-------------------------------|---|
| Base Charge and Water Consumption | Current (2021) Rates | New Rates Effective 1/1/22; First bills ≥ March 1, 2022 |
| Base Charge | \$8.30 (includes 800 cu ft) | \$8.88 |
| 0-800 cubic feet | \$0 (included in Base Charge) | \$0 (included in Base Charge) |
| 801-2000 cubic feet | \$ 1.76/ccf | \$1.88/ccf |
| 2001 and over | \$ 2.39/ccf | \$2.56/ccf |

| R&R Fixed Fee Based on Meter Size | | |
|-----------------------------------|------------------------------|---|
| Meter Size | Current (2021) Fixed R&R Fee | New (2022) Fixed R&R Fee Effective 1/1/22; First Bills ≥ 3/1/22 |
| 5/8" | \$ 29.44 | \$ 31.21 |
| 1" | \$ 32.38 | \$ 34.32 |
| 1.5" | \$ 41.21 | \$ 43.68 |
| 2" | \$ 52.99 | \$ 56.17 |
| 3" | \$ 85.38 | \$ 90.50 |
| 4" | \$ 323.85 | \$ 343.28 |
| 6" | \$ 412.17 | \$ 436.90 |
| 8" | \$ 853.79 | \$ 905.02 |
| 10" | \$1,118.76 | \$1,185.89 |
| 12" | \$1,324.84 | \$1,404.33 |

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 2022 Budget, and 2022 projects, please visit our website at www.lakewoodwater.org, or feel free to call us at 253-588-4423.

Sincerely,
Your Board of Commissioners

John S. Korsmo, Jr.
President

Gregory J. Rediske
Vice President

Gary J. Barton
Secretary

BI-MONTHLY BILLING PER 1500/CF

