



COMMISSIONERS
J.K. KORSMO, JR.
G.J. REDISKE
G.J. BARTON

GENERAL MANAGER
MARSHALL MEYER, PE, PMP

January 2024

Dear Fellow Customers of Lakewood Water District:

As published in The News Tribune, the final 2024 Budget for the District was presented to your Board of Commissioners on December 21, 2023, and was approved.

The District manages 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. In 2022, the forecast projected an 11.39 percent rate increase for 2024 based on funding needs for projects to mitigate PFAS compounds. In 2023, the forecast was updated with several cost-saving efforts and higher than anticipated revenues. Even with the District's increase in investing in capital projects specifically to mitigate PFAS compounds and the rise of operating and maintenance costs, the rate model now shows a need for a rate increase of 8.00 percent weighted average for 2024. As always, your Board continues to work hard to keep 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 (2024 Bi-Monthly Rate Structure table on the back); 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 on the back).

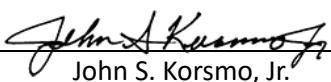
Therefore, the 2024 Budget includes an overall, weighted rate increase of 8.00 percent, effective January 1, 2024, with the first billings reflecting the increase to be on or after March 1, 2024.


In the table on the next page, 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 \$64.40 versus the present \$60.05, for an increase of \$4.35 every two months (\$2.17 per month). This includes the City of Lakewood's 6.00 percent Franchise Fee.

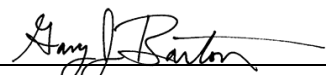
As always, it is our committed mission to provide you with a safe, clean, reliable water supply as efficient and cost effective as possible. Our rates continue to be among the lowest in the region (please see the graph on the next page). For more information on our rates and the 2024 Budget, please visit 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

2024 Bi-Monthly Rate Structure		
Base Charge and Water Consumption	Current Rates (2023)	New Rates (2024)
Base Charge	\$9.50 (incl's 800 cu ft)	\$10.35 (incl's 800 cu ft)
0-800 cubic feet	\$0 (included in Base Charge)	\$0 (included in Base Charge)
801-2000 cubic feet	\$2.01/ccf	\$2.19/ccf
2001 and over	\$2.74/ccf	\$2.98/ccf

R&R Fixed Fee Based on Meter Size		
Meter Size	Current Rates (2023) Fixed Fee	New Rates (2024) Fixed R&R Fee Effective 1/1/24 First Bills \geq 3/1/24
5/8"	\$ 33.08	\$ 35.07
1"	\$ 36.38	\$ 38.56
1.5"	\$ 46.30	\$ 49.08
2"	\$ 59.54	\$ 63.11
3"	\$ 95.93	\$ 101.69
4"	\$ 363.88	\$ 385.71
6"	\$ 463.11	\$ 490.90
8"	\$ 959.32	\$ 1,016.88
10"	\$1,257.04	\$ 1,332.47
12"	\$1,488.59	\$ 1,577.91

