



January 2015

Dear Fellow Customers of Lakewood Water District,

As published in *The News Tribune*, the final 2015 Budget for the District was presented to your Board of Commissioners on December 18, 2014 and was approved.

Our budgeting rate model showed that revenues would be inadequate in 2015 to properly provide for increased operation and maintenance costs, system replacements, additions and betterment, and to allow for sufficient reserves consistent with prudent utility practices, unless an overall, weighted 4 percent rate increase was put in place. Therefore, the 2015 Budget includes an overall, weighted 4 percent rate increase, effective January 1, 2015, with the first billings reflecting the increase to be on or after March 1, 2015. This increase consists of a rate increase of 3.12 percent for both the volume charge and the base charge to fund general operation, maintenance, and other capital projects, as well as a 6.0 percent increase in the fixed fee based on meter size to fund the District's 50-year R&R (Replacement and Rehabilitation) Program.

This rate increase is in keeping with the projected 2015 rate increase reported in the Five-year Rate Forecast included in the 2014 Budget. The District rate model projects out for 20 years; however, the budget includes only the first five years of the rate forecast. The forecast model is an attempt to normalize future rate projections from year to year, taking care of the needs of the District while keeping increases consistent and as evenly weighted as possible for our customers.

The schedule of new charges is listed below. The new bi-monthly bill for the average residential customer with a 5/8-inch meter and use of 1500 cubic feet of water will be \$38.89 versus the present \$37.10, for an increase of \$1.79 every two months (\$0.90 per month). This does not include the City of Lakewood's 6 percent Franchise Fee.

**2015 Bi-monthly Rate Structure**

Base Charge and Water Consumption	Current Rates	New Rates Effective 1/1/15; First bills March 1, 2015
Base Charge	\$6.07 (incl's 800 cu ft)	\$6.26
0-800 cubic feet	\$0 (included in Base Charge)	\$0 (included in Base Charge)
801-2000 cubic feet	\$ 1.29/ccf	\$1.33/ccf
2001 and over	\$ 1.75/ccf	\$1.80/ccf

R&R Fixed Fee Based on Meter Size					
Meter Size	Current Fixed R&R Fee	New Fixed R&R Fee Effective 1/1/15; First Bills 3/1/15	Meter Size	Current Fixed R&R Fee	New Fixed R&R Fee Effective 1/1/15; First bills 3/1/15
5/8"	\$ 22.00	\$23.32	4"	\$242.00	\$ 256.52
1"	\$ 24.20	\$25.65	6"	\$308.00	\$ 326.48
1.5"	\$ 30.80	\$32.65	8"	\$638.00	\$ 676.28
2"	\$ 39.60	\$41.98	10"	\$836.00	\$ 886.16
3"	\$ 63.80	\$67.63	12"	\$990.00	\$1,049.40

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