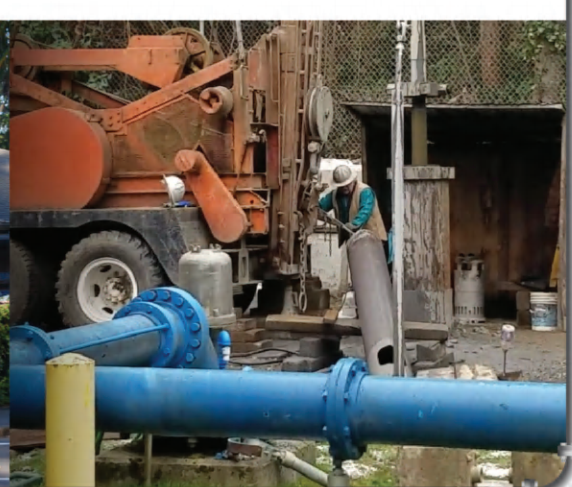
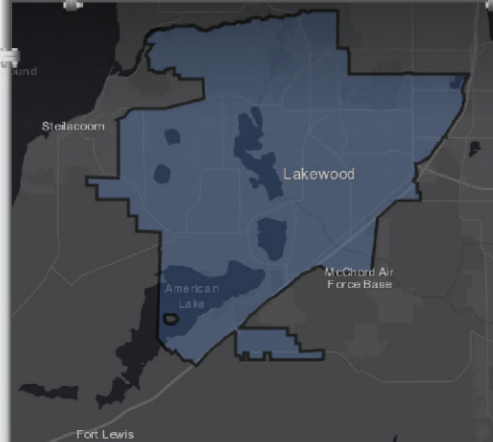


2017 Water Quality & Annual Business Report

Our Water, Our Community, Our Commitment





Dear Lakewood Water District Customers,

The Lakewood Water District, as we know it, is seventy-five (75) years old! Time flies (or should we say “flows”) when we’re having fun. It was in 1943 when this newly formed District assumed all the components of the water system then serving the Lakewood area, including water rights, wells, pumps, tanks, and mains, as well as the resulting obligation to maintain, repair, rehabilitate, and replace the components as they aged.

The District received the system free from debt and, consequently, has been able to provide water rates substantially lower than those of other water purveyors. But all good things must come to an end. In recent years, as the initial system aged, we have embarked on a rehabilitation and replacement program to meet the resulting effects of such aging.

The District has no taxing powers (lucky you!) Its primary source of revenue is money generated from our rate-payers by the sale of water to them.

Obviously, we can’t accomplish our rehabilitation and replacement program all at once. In fact, we have prioritized our needs and are working with a fifty-(50)-year program. This has allowed us to increase our rates gradually to cover the costs of the program as they are incurred.

Not to overlook other sources of revenue, over the years, the District has entered into agreements with the Town of Steilacoom and Summit Water & Supply Co. (serving the Summit View area) to provide them with water on a wholesale basis. Since we have an excess of water to sell, we are currently working on expanding our wholesale market. The profit from these ventures is aimed at providing needed water to our neighbors while benefiting our rate-payers by minimizing future rate increases. We’ll be reporting on this as we progress.

Have a pleasant summer...and enjoy the water.
Your Board of Commissioners

PS. Please see the next page for more information about our history and heritage and upcoming 75th Anniversary events and activities!



(Left to right) **Larry Ghilarducci**, President; **John Korsmo**, Vice President; **Greg Rediske**, Secretary

LWD Celebrates 75 Years...

The District's water system was acquired from the Federal Works Agency in 1943. When the District first started serving our 369 connections and 7,900 customers way back then, our 4 wells, 4 pumps, 3 tanks, and 40.8 miles of water main were plenty. Over the years, however, those 7,900 people multiplied, and so have our resources. Today we serve 16,913 connections and over 61,000 local customers (and thousands more wholesale customers) who rely on us every day when they turn on their faucet. In order to meet their needs, we now maintain 30 active wells, 30 pumps, a total pumping capacity of 34 million gallons per day, 13 tanks, a total possible storage capacity of 26 million gallons, and over 250 miles of water main. And, in keeping with our goal of quality customer service, we have maintained the lowest rates in Pierce County and, for any water utility serving over 15,000 connections, we have the lowest rates in the state.

Of course, customer service doesn't only apply to rates. Our Mission Statement is, "Lakewood Water District will provide its customers with water service that meets or exceeds all water quality standards, maintaining policies and practices that benefit the health and welfare of the community."

What good would the cheapest water be if it wasn't safe? That's why, over the years, we have made it a top priority to continue upgrading our system to ensure every gallon, every day, is as pure and safe as possible. We have continued to upgrade our water mains and services to ensure consistent service to the community. Nobody likes poor water pressure, so we have increased areas that were uncomfortably low. When it comes to paying your bill, we offer multiple options to make it convenient for you. If you have a question or concern, just give us a call. If need be, we'll send a State-certified technician to your home to assist and serve. We even have a friendly technician on call 24/7/365 to assist you with your needs. These are but a few of the ways we as your water district have strived over the past 75 years to exceed your expectations of what a water utility should be.



No one knows for sure what the future holds but, for what it's worth, there is one thing customers of Lakewood Water District can count on. For 75 years, we have served the community safe, potable drinking water with dedication and quality customer service, and we will continue to do that for the next 75 years and beyond. Thank you for letting us do so...and **Happy 75th Anniversary!**

Please join us...



City of Lakewood SummerFEST

Saturday, July 14,
10 a.m. – 5 p.m.
Fort Steilacoom Park

Please stop by for LWD
give-aways, fun water facts,
and a dunk tank!!

A dunk tank for "kids"
of all ages!

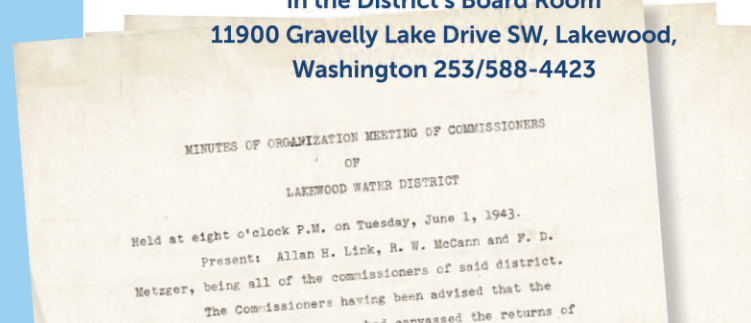
Refreshments

Multi-faceted tours
(including virtual tours of our
sites & facilities)

Lakewood Water District's 75th Anniversary Celebration

You are cordially invited to an Open
House Reception
at Lakewood Water District in
Celebration of our 75th Anniversary

Friday, August 24, beginning at 9 a.m.
in the District's Board Room
11900 Gravelly Lake Drive SW, Lakewood,
Washington 253/588-4423



Lakewood Water District Projects



Projects Completed in 2017

Sylvan Park Phase 2 Project:

This phase of the project replaced the mains running between Lorraine and Carol and from 88th to 92nd along Gayle, an approximate 3700 LF (linear feet) of main, along with updated services. The Project was awarded to Johnson & Maddox from Tumwater, Washington at \$643,156.00, who completed the project on schedule, under budget, and without any significant changes from construction.

Thorne Lane-Portland Avenue to Spruce:

This project included approximately 1,500 LF of 8-inch DI (ductile iron) water main with appurtenances to replace old AC (asbestos cement) mains, valves, hydrants, and water services; plus, transfer hydrants and water services from an old 4-inch water main to an existing 8-inch water main along Harry Todd Park. This project was awarded to Pape and Sons at \$372,000. This work was completed on time, with no changes, and under budget.

Arrow Head Main Replacement Project Phase 1:

This project replaced old AC mains, valves, hydrants, and water services with approximately 8,300 LF of 8-inch PVC water mains for about \$1,413,000.00. The project was awarded to Johnson & Maddox from Tumwater and was substantially completed on time and within budget.

Projects Completed in 2018

Silcox-Rose:

This project replaced approximately 3,500 LF of old 2-inch galvanized steel and 4-inch AC pipe in the Tillicum area with new 8-inch ductile iron pipe including new water services, fire hydrants, valves, and other appurtenances. Contractor Pape & Sons Construction, Inc. was awarded the project at a bid price of \$569,996.35 including tax and completed construction March 12, 2018 (on time) and under budget.

Sylvan Park, Phase 3:

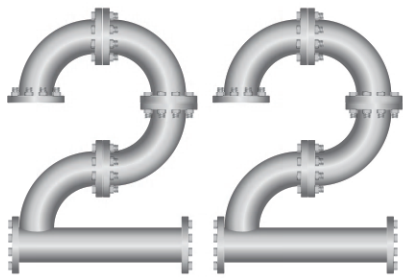
This phase of the project included replacement of approximately 3,900 LF of 6-inch and 8-inch AC pipe in the northeast part of the system with new 8-inch ductile iron pipe including new water services, fire hydrants, valves, and other appurtenances. With an Engineer's Estimate of \$746,297.93 including tax, Fenix Earthworks, LLC presented the low bid at \$788,409.41. Final completion is scheduled for July 7, 2018. At the time of this writing, the project is on time and within the bid budget.

Lake Steilacoom Drive/Tower Road:

This project, awarded to Pape & Sons in April at a total bid price of \$947,025.34, will replace approximately 4,600 LF of old 2-inch galvanized steel and 4-inch asbestos cement pipe along Lake Steilacoom with new 8-inch ductile iron pipe including new water services, fire hydrants, valves, and other appurtenances. Construction will begin in July and be completed by October.



The staff at Lakewood Water District today here to help you



Another Clean Audit...22 Years and Counting

The State Auditor's Office completed its annual audit of the District's accounts and records and again awarded the District a clean report. The SAO's official Accountability Audit and Financial Statement Audit Reports again noted no deficiencies and, again, complimented the District on its strong financial policies, precise accounting internal controls, and competent and cooperative staff. For more information on our audit history, please consult our website at www.lakewoodwater.org.

Lakewood Water District Balance Sheet Year Ended December 31, 2017 (unaudited)

Assets	(\$) Dollar amounts
Total Net Utility Plant	72,630,944
Cash and Investments	11,555,020
Other Current Assets	2,246,206
Total Current Assets	13,801,226
Deferred Outflows	280,203
TOTAL ASSETS	86,712,373
Current Liabilities	
Current Liabilities	2,532,062
Other Liabilities	1,973,204
Bonds Payable	24,920,678
Unappropriated Retained Earnings	56,903,505
Deferred Inflows	382,924
TOTAL LIABILITIES & EQUITY	86,712,373



The staff at Lakewood Water District in 1954

The Source of Your Water

The District's sole source of water is from underground aquifers—water-bearing strata of permeable rock, sand, or gravel. No surface water, desalinated water, or recycled water is used. The District has a total of 30 active wells which, together, provide a maximum production capacity of 34 million gallons per day (mgd), with a total water right capacity to pump up to over 60+ mgd.

The District's 30 active wells are in four aquifers—A, C, E, and G—with A being the shallowest and G being the deepest. Aquifers are generally of glacial origin and tend to be coarse-grained and highly permeable. There are three Aquitards—B, D, and F—layered between the four aquifers. Aquitards are strata of finer-grained and less permeable layers and usually of interglacial origin. The District's aquitards are made up of sediments deposited by the ancestral Nisqually and Puyallup rivers. Historical sedimentation is not unlike the alluvium presently being deposited by these rivers today.

Recharge (replenishing) of the aquifers comes from local rainfall in the Clover/Chambers drainage basin. The District's deepest aquifers—E and G—will most likely receive some additional, deep underflow recharge from the south Puyallup/Graham area westward to the Puget Sound, including snowpack from Mt. Rainier.

NOTE: To see a graphic depiction of the District's water source as referenced above, please visit the District website at www.lakewoodwater.org, under "Your Water."

For Your Health

Important Information from the Environmental Protection Agency (EPA)

Drinking water, including bottled water, may reasonably be expected to contain at least small amounts of some contaminants. The presence of contaminants does not necessarily indicate the water poses a health risk.

Some may be more vulnerable to contaminants in drinking water than the general population. The following can be particularly at risk of infection: the immuno-compromised, such as those with cancer undergoing chemotherapy; those having had organ transplants, HIV/AIDS, or other immune system disorders; and some elderly and infants. These should seek advice about drinking water from their healthcare providers.

More information about contaminants and potential health effects, and EPA/CDC guidelines on appropriate means to lessen the risk for infections by cryptosporidium and microbial contaminants, is available from the Safe Drinking Water Hotline at 1.800.426.4791.



Tele takes a weekly sample to ensure highest water quality



Jake monitors levels on Gravelly Lake

Monitoring Our Lakes and Streams

We consistently keep an eye on the levels of select lakes and streams in our service area.

The lake levels are indicators of the water table level in the Steilacoom Gravel, deposited by the receding Vashon Glacier. Water in the gravel also leaks through the Vashon till or springs out above the till, adding to the flows of the area's major springs such as Ponce de Leon, Chambers, Garrison, and Sequalichew. The District collects monthly data from gauges on Ponce de Leon and on five lakes (American, Gravelly, Hidden, Louise, and Waughop). This information, together with the data collected from the Pierce County Stream Team, is vital to the District's Aquifer Management Program as well as the Tacoma-Pierce County Health Department's long-term groundwater monitoring program.

Water Use Efficiency Rule

The District is compliant with all facets of the Water Use Efficiency Rule. In 2017, the District's lost water was at 6.9 percent, bringing its three-year average to 9.4 percent. The continued success of our AMI System, 50-year R&R, and ever-expanded Leak Detection programs have assisted the District in meeting its WUE goals as set by the State Department of Health.

2017 Water Quality Sampling/Monitoring Report

Your water meets all federal, state, and local quality standards, ensuring that you enjoy safe, clean, potable water. Not listed are 63 volatile organic chemicals for which we tested, all resulting in either Not Detected (ND) or well below the Maximum Contaminant Level (MCL). The number and frequency of non-bacteriological samples are determined by the Water Quality Monitoring Schedule (WQMS) issued by the Washington State Department of Health (DOH).

Sample Type	Samples Taken Per Year	Last Sample Year	Next Sample Year	EPA/DOH MCL (max level allowed)	LWD Highest Level Detected	LWD Lowest Level Detected	Number of Samples Over MCL	AL	Typical Sources
Arsenic ¹	DOH WQMS List	2016	2018	10 ppb	5 ppb	<1 ppm	0		Erosion of natural deposits
Asbestos	1 every 9 yrs	2011	TBD	--	--	--	--	--	Friable fiber
Copper	30 every 3 yrs	2017	2020	N/A	0.35 ppm	<.05 ppm	0	1.3 ppm	Household plumbing
Fecal Colliform	840 per yr	2017	2018	0	ND	ND	0	0	Human and animal fecal waste
Total Colliform	840 per yr	2017	2018	<5% positive	ND	ND	0	0	Found throughout the environment
Haloacetic Acids	2 per yr	2017	2018	60 ppb	ND	ND	0	0	Disinfectant by-product
Lead ²	30 every 3 yrs	2017	2020	N/A	8 ppb	<1 ppb	0	15 ppb	Household plumbing
Nitrates	22 per yr	2017	2018	10 ppm	2.2 ppm	<0.2 ppm	0	0	Erosion of natural deposits
Total Trihalomethanes	2 per yr	2017	2018	80 ppb	5.9 ppb	ND	0	0	Disinfection by-product

Our Testing Resulted In No Violations

The chart above only reflects a portion of the testing LWD performs. Complete Source Water Assessment (testing result information) is available at the District office.

Table Term Definitions:

- AL:** Federal Action Level. Must take action to minimize levels if concentrations exceed these numbers.
- MCL:** Maximum Contaminant Level. The highest level of a contaminant allowed in drinking water.
- ND:** Not Detected
- ppb:** parts per billion, or micrograms per liter (ug/L)
- ppm:** parts per million, or milligrams per liter (mg/L)
- TBD:** To Be Determined
- WQMS:** Water Quality Monitoring Schedule

One part per million corresponds to one minute in two years or a single penny in \$10,000.
 One part per billion corresponds to one minute in 2,000 years or a single penny in \$10,000,000.

¹ Your drinking water currently meets the EPA's revised drinking water standard for arsenic; however, it does contain low levels of arsenic. There is a small chance that some people who drink water containing low levels of arsenic for many years could develop circulatory disease, cancer, or other health problems. Most types of cancer and circulatory diseases are due to factors other than exposure to arsenic. The EPA's standard balances the current understanding of arsenic's health effects against the costs of removing arsenic from drinking water.

² If present, elevated levels of lead can cause serious health problems, especially for pregnant women and young children. Lead in drinking water is primarily from materials and components associated with service lines and home plumbing. Lakewood Water District is responsible for providing high quality drinking water but cannot control the variety of materials used in plumbing components. When your water has been sitting for several hours, you can minimize the potential for lead exposure by flushing your tap for 30 seconds to 2 minutes before using water for drinking or cooking. If you are concerned about lead in your water, you may wish to have your water tested. Information on lead in drinking water, testing methods, and steps you can take to minimize exposure is available from the Safe Drinking Water Hotline at 800.426.4791 or at www.epa.gov/safewater/lead.

If you would like to learn more about our water, or have questions regarding water quality or what you can do to help keep our water supply clean and safe, please contact us at Lakewood Water District or any of the following:

Lakewood Water District
11900 Gravelly Lake Drive SW
Lakewood, WA 98499
www.lakewoodwater.org, 253.588.4423

Randall M. Black, General Manager
Email: rblack@lakewoodwater.org

Washington State Department of Health (WDOH)
www.doh.wa.gov/ehp/dw

Environmental Protection Agency (EPA)
www.epa.gov/safewater

Safe Drinking Water Hotline
800.426.4791, email: hotline-sdwa@epa.gov

To request additional copies of this year's Water Quality & Annual Business Report, please contact the District office at 253.588.4423 or csweb@lakewoodwater.org

You can also access this report on our website at www.lakewoodwater.org

New Look Coming Soon to Your LWD Bill

75 LAKESIDE ANNIVERSARY

LAKESIDE ANNIVERSARY

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ACCOUNT #
ACCOUNT NAME
SERVICE ADDRESS
AMOUNT DUE

BILL DATE
DUE DATE
Pay by due date to avoid 10% penalty

Meter Information

Additional Information

Billing Summary

DESCRIPTION	INVOICE NO	SERVICES PERIOD	PREVIOUS CUMULATIVE

PLEASE RETURN THE PORTION BELOW

LAKESIDE ANNIVERSARY

LAKESIDE ANNIVERSARY

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Alerts & Messages: Notices and updates to your account

The back of the statement also details:

- Office Hours/Payment Options
- Non-Payment/Disconnections
- Rebate/Checks
- New Owner/Moving/Selling
- Emergency Turn-Offs
- Customer Assistance Program (CAP)

Payment Coupons: Be sure to include this coupon with your payment when mailing or dropping off your payment. Make sure to check the address change box and fill out the backside if you have a change of address or wish to pay with a credit card.

Check box for address updates or bankcard payment instructions noted on reverse side.

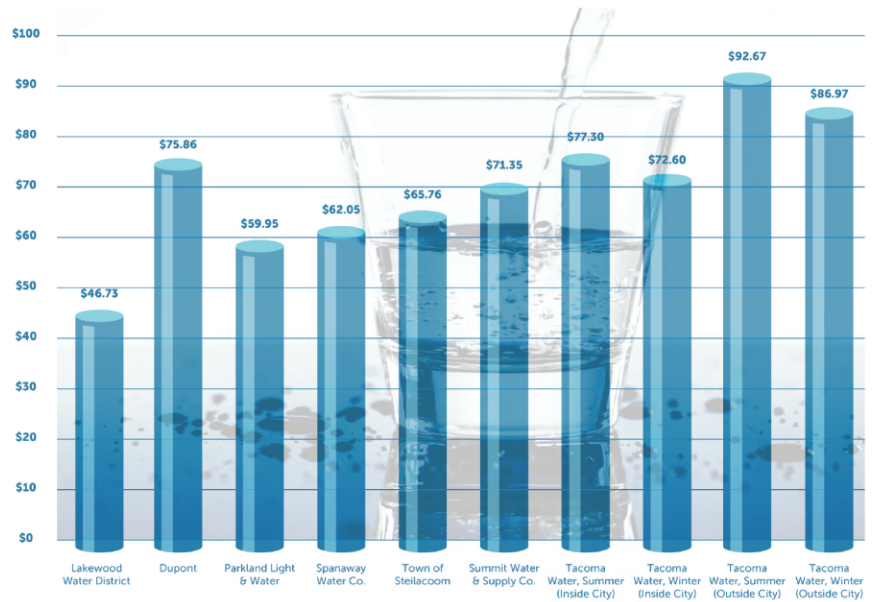


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Comparisons of Lakewood Water District Rates with Surrounding Utilities

June 1, 2018, Bi-Monthly Billing per 1500/cf



Lakewood
Water District
Our Water, Our Community, Our Commitment

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DISTRICT NEWS

Visit the website www.lakewoodwater.org for all up to date news, customer service and questions