



LAKEHAVEN UTILITY DISTRICT

31627 1st Ave. S. | PO Box 4249 | Federal Way, WA 98063-4249
Federal Way: 253-941-1516, Tacoma: 253-927-2922 | www.lakehaven.org

November - December 2007

Commissioner's Corner

Ron Nowicki



Over the past month, the Board of Commissioners has adopted new rates and charges which will become effective with the January 2008 billing cycle. This was perhaps one of the hardest things for the Board to do; it has come after almost a full year of detailed study. The new rates are based upon full system reinvestment, which simply means that we must provide for all the costs associated with keeping our water and wastewater systems completely operational. We are providing funds sufficient to cover all operating costs, while meeting 150% of annual debt services (a provision expected from our bondholders). The water and wastewater rates include provisions to encourage conservation and recognize the seasonality of our water use. But we did not stop there; the rates also are fully based on the cost of service for each classification of user. These allocations recognize that each type of customer has unique needs and places unique demands on the system.

The finance study found that water rates needed to rise approximately 20%, while wastewater required an approximate 15% increase. Because it is important to provide stability for our customers, these rates will be phased in over 4 years. The resulting increases for 2008 are expected to be less than \$1 per month for the typical customer and even after all the increases are in place by 2011, Lakehaven customers will still have among the lowest rates in the region. But again, we didn't stop there.

The Board has also adopted new Capital Facility Charges, CFCs. These are the charges assessed to each new customer when they join the system and are comprised of all the system-wide capacity costs that have been borne by the existing customers and the additional costs imposed by each new customer's demand. Again, the Board sought stability, predictability, and reasonableness. The new CFC charges will be in effect for at least the next two years and the total cost of connecting a new customer for both water and wastewater changes less than 1%. But again, we didn't stop there.

One of the problems associated with CFCs, especially with commercial accounts, is that customers change their usage over time. CFCs are only charged when a customer first connects to the system. Beginning in 2008 we will be instituting a capacity lease feature for all new commercial (non-single family residential) accounts which is designed to account for changed usage. For existing commercial customers who use significantly more capacity than was originally purchased, we will provide billing and usage information showing the purchased capacity charges, usage, and any deviation from the paid usage. Beginning in 2009 we will be instituting a capacity lease charge on all non-single family residential customers who exceed their contracted demand. We did stop there, but only to review and see the impact of these changes on you, our customers.

The new financial charges will keep Lakehaven Utility District as one of the premier, low-cost providers of water and wastewater services now and in the future. These charges will provide the financial flexibility as we seek to improve and expand our system. They provide the certainty asked by developers and improve the cost allocation features of our rate system. Also, beginning in 2008 we will have in place a new billing system which will include on-line payment options. As you can see we are changing and moving forward. As always, I welcome your comments.

Leonard D. Englund
Commissioner

Charles I. Gibson
Commissioner

Timothy A. McClain
Commissioner

Donald L.P. Miller
Commissioner

Ronald E. Nowicki
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REDONDO WASTEWATER TREATMENT PLANT - OUTFALL PIPE

The Redondo Outfall Pipe replacement project has completed regulatory review and been approved for construction. Bidding documents have been prepared by Cosmopolitan Engineers, and submitted to LUD Purchasing Department for bidding. It is anticipated that the project will go to bid in the fourth quarter of 2007, be presented to the Board for contract approval at the December meeting, and a contract awarded for construction to begin in the summer of 2008. The project is to replace the existing 1960's era outfall pipe currently extending 1,030 feet off-shore at a depth of 123 feet, and move it 1,785 feet further out into the Sound, and to a depth of approximately 400 feet.

HYBRID VEHICLE PURCHASE



With the increasing global demand on fuel resources and the corresponding increases in fuel costs, the District is looking for ways to both save fuel expenses and become a more responsible energy consumer. One way is to operate more fuel efficient vehicles. Recently the District replaced an older vehicle used in utility locations with a hybrid (gas/electric) Ford Escape. The Escape is rated for over 34 miles per gallon within the city and is well suited for the short trip uses required of it. The proof is at the pump; this vehicle is using half the fuel of the prior vehicle for the same usage. As traditional energy supplies become increasingly burdened and costs continue to rise, the District will look for additional opportunities to be a smart energy consumer.

FATS, OILS, AND GREASE (FOG)

Fats, oils, and grease (often referred to as FOG) are universal problem substances in wastewater. FOG floats on water and rises to surface areas. This is why grease collects on the top of drain lines first. As additional FOG flows down a line it will eventually clog. FOG that does not collect inside drain lines ends up in the sewer system. Lakehaven sewer maintenance crews get trouble calls throughout the year due to line blockages caused by FOG.

FOG is the number one cause of sewer back-ups in homes and food service establishments. Even a small amount in a drain can cause a serious (and expensive) plumbing blockage or overflow in your home. The most effective method of reducing the amount of FOG in wastewater is to simply not let it go down the drain. It is always best to put FOG in the trash instead of the drain. Dispose of FOG by pouring it into an old jar, coffee can, or plastic bag with a zip closure. When full, seal it and tie it up in a plastic bag and put it in the garbage.



If you have any specific questions or comments regarding the management and disposal of FOG, please contact Lakehaven's Pretreatment Coordinator, Brian Asbury, via e-mail at BAsbury@Lakehaven.org or telephone at 253-946-

DISTRICT METERS

Please remember that the District does not permit the water meter serving your property to be locked by persons other than District employees, or be otherwise tampered with, for any reason. Also note that under the Washington Residential Landlord/Tenant Act, it is unlawful for a landlord to discontinue water service to a rental property except as may be required to effect necessary repairs. The District will remove any locks placed on water meters and will assess the property owner a tampering charge of \$110 in addition to any costs incurred in removal of the lock.

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While most homes have a separate valve that can be used to shut-off water to a home or commercial building, it is permissible to turn your water meter off as may be needed to service your household or commercial plumbing system.

TIPS TO SAVE/CONSERVE WATER

- Keep a pitcher of water in the refrigerator rather than running the tap until the water gets cold.
- Repair dripping faucets by replacing washers.
- Use the dishwasher and washer only when you have full loads.

KIDS CORNER

Don't pour grease down the drain when you wash the dishes. Use both sides of the sink; one to wash and the other to rinse.



CUSTOMER ASSISTANCE PROGRAM

In recognition that many in our community have extra needs during the holiday season, the District places a food donation barrel in the Customer Service area for the Multi-Service Center in November and December. Especially needed items include canned vegetables, canned fruits, dry beans, tuna, peanut butter, cereal, baby formula, baby food, and diapers. Please drop off your donations by 12/31/07.

WATER CONSERVATION ACTIVITY

- 2008 Water Conservation Calendars are available at the main office.
- Call the main office at 253-946-5446 to schedule water conservation education classes in your elementary school.

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Your Board of Commissioners

Don Miller - President
Ron Nowicki - Vice President
Chuck Gibson - Secretary
Beverly J. Tweddle - Commissioner
Ed Stewart - Commissioner

Regular Board of Commissioners meetings are held the 2nd and 4th Thursdays of each month.
These meetings are held at the Lakehaven Center at:

Lakehaven Center
31531 First Ave. S.
Federal Way at 6 p.m.

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