



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 2002

Commissioner's Corner

Dick Mayer



With the fading daylight marking its approach, the end of another year will soon be upon us. Reflecting back on 2002, I am extremely pleased with the progress that was made this year in the overall management and operation of the water and sewer systems. I am also gratified to be part of a team committed to improving the levels of service we provide to our customers in the future.

The commitment to improvement comes from the realization that, in today's economy, the District, like any other enterprise, will not remain successful merely by resting on past accomplishments. In order to validate our place in the ever-expanding network of businesses delivering services and commodities in this community, we must seek ways to "do better". In order for this to occur, it is imperative that we build on areas of success and, importantly, learn from mistakes that we may have made along the way.

The evolution of orderly progress occurs, of course, through careful planning. The primary tool we use for planning at the District is the Biennial Budget and the process through which this important document is developed.

Up until recently, we shaped one-year budgets to formulate plans for the future operation of the water and sewer utilities. Primarily for the reason that cycles influencing the utility business tend to be longer than a single year, we converted in the year 2000 from a one-year budget to a two-year budget. So far, we are pleased with the change and plan to stay with the two-year approach for the foreseeable future.

Some of you may wonder just what is meant when we refer to the "budget". In the simplest sense, the budget is a compilation of projections about revenues and expenditures. As they probably are for you at home, these projections are at the core of our financial planning. Unless estimates made about the cost of doing business, on one hand, and about the revenues which will be derived from business activities on the other, are both thorough and reasonably accurate, an imbalance can occur which could significantly undermine the financial condition of the enterprise.

We typically begin the budget review with a consideration of upcoming expenses during the budget period. A Capital Improvement Program is reviewed to develop a sense of capital project needs in both the near and longer terms. Labor costs are calculated and included with other operating expenditures, such as the cost of electricity to power the pumps, to enable us to gauge the level of revenues that will be needed to meet the expenses of running the utility.

Once the expenditure side of the budget is understood, we focus on meeting the revenue requirements of the utilities. Rates are set to make certain that operating revenues keep pace with expenses. Knowing that we function as the only provider of water and sewer utility services for our customers and thereby operate without the usual constraints of competition, we are doubly cautious to charge only what is necessary to run the utilities in a fiscally and operationally prudent manner. As a result of many factors, including this conservative approach, our customers enjoy some of the lowest combined rates in the state. During the development of the budget, the Board also sets the charges for new customers to connect to the system.

Leonard D. Englund
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Due to changes within the operational circumstances of the utilities from year to year, the assumptions underlying the projections from one budget cycle to another are never static. One year, expenditures may be inflated by a large project. Other years, high rainfall may curtail water use, which reduces water revenues and, correspondingly, cash reserves. In other years, the reverse may occur and revenues may be up while expenditures remain stable. Regardless of which direction it goes, balancing the inevitable cycles of revenues and expenditures from year to year is a key to successful budget-making and makes this an even more challenging activity for staff and Board alike.

Thank you for allowing me the opportunity to serve on the Board and my family and I would like to extend warm wishes to all of you for the Holiday Season!

LEGISLATIVE UPDATE

The District continues to develop legislative plans and strategies for the upcoming session. With the help of our new lobbyist, Phil Watkins, we are working to sort out where opportunities might exist to advance legislation of interest during the 2003 session. It appears that the financial problems which have plagued the state recently will continue to make this a budget-focused session.

Changes in water laws, including those which would allow permitted water rights to grow as demand for water increases, continue to be a target of municipal water purveyors. It also appears that water rates will once again be a target of those looking to replace revenues lost to the declining economy. We will oppose any legislation to tax monthly water/sewer bills

Multi-Service Center Food Bank

In recognition of the recent downturn in the economy and the serious needs within our community, Lakehaven Utility District is providing space for a donation barrel in the Customer Service area on behalf of the Multi-Service Center. Customers who visit the District are invited to make donations of especially needed items, such as canned vegetables, canned tomatoes and tomato sauce, canned fruits, tuna, packaged noodles, dry beans, peanut butter, cereal or oatmeal, baby food and diapers. The donation barrel will be available until December 31, 2002 and all items will be delivered to the Food Bank. Your participation and assistance will be greatly appreciated.

Customer Assistance Program

The District would like to make a plea to each of you to consider making a contribution to our Customer Assistance Program in the near future. The Customer Assistance Program collects and distributes funds to help pay the water and sewer bills for customers with limited financial resources. By assisting with the expense of utility services, it helps families in need to meet other critical expenses. The recent downturn in the local economy makes these contributions all the more important. If you would like to contribute to the program, you can include your donation with your next utility payment, or call 253-946-1516 to find out more about this program.

New Pump House Facility Constructed

The District recently completed construction of a new pump house facility for a 260 gallon per minute well located in the SE quarter section of our distribution system. The original pump house facility was constructed in 1970, but due to age of the facility and the poor integrity of the structural, electrical, and mechanical systems, it was identified as a

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site that needed improvements under the District's Well Upgrade Program (as recommended by the Comprehensive Water System Plan). The new facility was also designed and constructed to accommodate a diesel powered generator that will function during emergency power failures to assure that a continuous supply of water is available to our customers in this section of our distribution system.

Winterize Water Pipes



Don't let snow and ice catch you unprepared. Prevent the expense and inconvenience of frozen or burst pipes by taking a few simple steps now.

1. Insulate exposed pipes and faucets.
2. Disconnect and drain hoses. Wrap the faucet with rags and duct tape or buy a styrofoam faucet cover.
3. Know where your water shut-off valve is located.

Knowing the location of your shut-off valve and its proper operation is essential. You can help by keeping the water meter unobstructed for easy access in case of an emergency.

For more information call Melinda @ 253-946-5426.

Kids Corner

HAND AND FOOT REINDEER CRAFT

This cute reindeer is made from your child's handprints and footprint, cut out of construction paper. It makes a unique Christmas decoration.

Supplies:

- Brown and tan (or orange) construction paper.
- Pencil
- Scissors
- Glue
- Googly eyes (optional)

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Trace around the child's foot using brown construction paper. This will be the reindeer's head.

Trace around the child's hands using tan construction paper. These 2 pieces will be the reindeer's antlers.

Glue the handprint "antlers" to the top of the reindeer. Add a bright red paper nose, a paper (or drawn) mouth and googly eyes (or paper eyes) to reindeer's head.

You can now decorate your house for Christmas with these cute reindeer. Don't forget to put the child's name and age on the back of the reindeer.



Your Board of Commissioners

Tom Jovanovich - President

Dick Mayer - Vice President

Ed Stewart - Secretary

Beverly J. Tweddle - Commissioner

Donald L. P. Miller - Commissioner

Regular Board of Commissioners meetings are held at:
Lakehaven Center
31531 First Ave. S.
Federal Way at 6 p.m.

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