

Commissioners' Corner



Peter Sanchez

As I sit down to write this, 2022 is rapidly coming to a close. Thanksgiving has come and gone and the holiday season is in full swing. Yes, I realize you will be reading this in January or February, and the holidays will be a memory, but I wanted to say that I hope you had a wonderful holiday season no matter which holiday you and your family observe.

We here at Lakehaven are excited with the coming of the New Year. If things continue at the current pace, our office personnel will move into the New Headquarters Facility starting around the first of the year, followed by our field crews who will relocate from the Lakota Wastewater Treatment Plant. Once the move is complete, the existing building will be demolished and the rest of the parking area and landscaping will be completed. The Federal Way Police Department and South King Fire & Rescue may practice breaching techniques on the old office prior to demolition. Lakehaven plans on having a formal dedication and open house when the weather warms up, possibly in March. Watch our website and the Federal Way Mirror for dates and times. We hope to see you there.

Inflation: it's a dirty word, but also a fact of life over the past year or so. It is hitting Lakehaven just like everyone else and has increased our costs by approximately one million dollars for both water and sewer operations. Supply chain issues have also negatively impacted operations and caused project delays.

Every two years the District does a comprehensive rate study, where the Operation and Maintenance budget and Capital Improvement Program are looked at in detail to see what costs will be incurred over a ten-year period. The rates, as well as fees and charges, are then examined to see what adjustments are needed to cover the anticipated costs. Historically we have used 4% as an inflation factor year to year.

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Lakehaven Links

Our Mission

The Lakehaven Water and Sewer District is committed to the continued delivery of safe, reliable and high quality drinking water and environmentally responsible sewer service to our customers.

Board of Commissioners

Don Miller, President
Laura Belvin, Vice-President
Peter Sanchez, Secretary
Jeremy DelMar, Commissioner
Len Englund, Commissioner

Regular Board of Commissioners meetings are held at 6:00 p.m. the 2nd and 4th Thursdays of each month. Please check the website for meeting information.

Contact Us

Federal Way: 253-941-1516
Tacoma: 253-927-2922
After Hours Emergencies:
253-941-1516

Business Hours:
Monday – Friday
8:00 a.m. to 4:00 p.m.

www.lakehaven.org

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The last rate study, done in 2021, showed that, for water, we needed rate increases of 4.75% per year for the next five years. Because of new regulatory requirements for wastewater treatment and aging equipment at the treatment plants that need to be replaced, the study showed that sewer rates needed to be increased by 10.5% per year for four years to cover capital improvement (before going down after that).

Unfortunately, the extra million dollars spent has taken our reserves in the sewer fund to a lower level than we found acceptable and we determined to increase the sewer rate by 12.5% this year. The Board realizes that, while necessary, this is a large increase but it should actually prevent a much larger rate increase in the future. Even with the increase, Lakehaven still maintains some of the lowest sewer and water rates in western Washington.



New Headquarters

We will be moving into our New Headquarters Facility during the first part of 2023. Check our website for [updates](#).

City of Auburn Utility Tax

In late 2022, the City of Auburn City Council adopted a utility tax on water and sewer revenues that will apply to revenues the District collects from customers residing within the Auburn boundaries. The tax, which commenced on January 1, 2023, is set at the rate of 11.5%. Currently, the City of Federal Way collects a utility tax of 7.75% and the City of Edgewood a 6% utility tax.

Because the District uses a “cost of service” model for rates, the tax is included in water and sewer rates the District charges within Auburn beginning this year. While the tax rate is the same, there is a difference in the impact of the tax on water and sewer rates. Beginning this year, the District is collecting a charge from Auburn for the cost of providing hydrants for fire suppression service within Auburn. The revenues from the hydrant charge will partially offset the tax, resulting in a net tax increase in water rates of slightly over 5%. With the additional state taxes owing on revenues collected to pay the Auburn tax, sewer rates increased by 11.7% due to the tax. The general increases to water and sewer rates for 2023 adopted by the Board (see accompanying article) will also apply to rates for Auburn customers. In addition to rates, the tax applies to other fees and charges for service, including the Capital Facilities Charges and frontage charges for new connections, penalties and interest on delinquent accounts, and meter installations charges.

District Rate Increases

Customers will see rate increases for both water and sewer service in 2023. At the beginning of last year, the Board of Commissioners adopted rates increases for years 2022-2025. The rate increases, which were adopted as part of a bi-annual rate review conducted by the Board, were based on a comprehensive rate study provided by the District's rate consultant, FCS Group. The study indicated that higher than normal rate increases were needed over the coming years to allow the District to meet the increasing costs of operating, maintaining and upgrading critical utility system infrastructure over the coming years.



Based upon recommendations from the rate study, the Board adopted annual rate increases of 4.75% for water service, and 10.5% for sewer service in 2023. With higher inflation driving costs above the levels anticipated in the study, the Board reviewed the sewer increase in December and determined that it was necessary to increase sewer rates by 12.5% in 2023 rather than 10.5% as planned. The Board will look at rates for 2024 and beyond during the summer and fall months this year.

For the average single-family residential customer, the rate increase will add \$.95 to the monthly water bill, and \$5.85 to the monthly sewer bill. The District is sensitive to the increasing cost of these services and wants to remind you that you can lower your water bill by conserving water year round. You can also lower your sewer bill by conserving water during the winter months, the period in which your average sewer use is determined. For tips on conservation, see the District's website at www.lakehaven.org.