SPANAWAY WATER COMPANY

2017 ANNUAL MEETING COMPANY REPORT

November 20, 2017

Welcome and Thank You for your interest and participation in your water company. Hopefully this meeting and report will be both informative and interesting. As property owners, you are not only served by the Company, you also own the Company as a "non-profit Mutual Corporation". As a member/owner you elect the board of directors that govern the operations of the Company under our Articles of Incorporation and By-laws. Even though the Department of Health and Environmental Protection Agency classify the Company as a public water system, we are considered "privately owned" by the State and Federal governments. Unlike many publicly owned water systems, our single focus is "to provide safe, reliable and high-quality water, now and in the future, for domestic use and fire protection in an efficient and cost effective, professional and respectful manner".

2017 WATER USE AND WATER USE EFFICIENCY PROGRAM:

Fortunately, unlike many parts of the country, the Puget Sound area did not have catastrophic weather events though it was an unusual year. Last winter and spring had record rain falls which very quickly changed to an unusually warm and dry summer. As could be expected, water use climbed with the rise in temperatures and remained high throughout the summer. July – September water use was the highest ever averaging over 4.3 million gallons per day. With this high summer demand, total annual water use per household increased a little more than 6 percent, and peak day use increased over 17 percent. Not a very good year for water conservation but it's understandable with the summer heat. We did however meet our "Water Use Efficiency" goal.

Because year to year weather is so variable, the Company's adopted Water Use Efficiency goal is based on a six-year rolling average pumped usage. Water Use Efficiency goals are required under Washington law and Washington Department of Health regulations for municipal water suppliers. Our 2017 goal was 283 gallons of pumped water per day per unit served (GPD/Unit). Actual 2017 pumped use was 268 GPD/Unit, unchanged from last year. We were able to meet that goal even with the higher metered water use due to the water savings as a result of the Company's 2016 leak detection and repairs effort.

This was the tenth year since the Water Use Efficiency regulations went into effect. Over that period how have we done in meeting our goal of reducing use by 0.5 percent per year (5% over the ten years)? Comparing 2017 to 2008, you the customers have reduced household usage by 15.23%, the Company has reduced unaccounted for water by 22.73%, and peak day use has dropped 11.68%. Across the board, conservation has far exceeded our goals. Conservation is ultimately the most cost-effective source of water supply. More on that issue below.

CAPITAL PROJECTS:

Comprehensive Water System Plan: Our Department of Health required plan was approved on July 26th. This plan covers the next ten years and addresses all aspects of the water system including water demands, growth projections, operations and maintenance, capital improvement planning and funding, staffing and certifications, budget, capital reserve funds, financial viability, land use, zoning, PSRC growth requirements, and hydraulic modelling. Much of the work was done "in-house" with the balance completed by RH2 Engineering. RH2 provided the engineering stamp required by the Washington Administrative Code. The plan identified the need for: 1) additional primary water rights and/or wholesale supply; and, 2) water storage as the two major limiting factors for the water system.

Water Main Replacement Program (R&R) and Infrastructure Replacement (on-going projects): The second A/C (asbestos/concrete) main replacement projects not driven by County road or sewer projects is nearing completion. The project involves the replacement of aging and near end of useful life, 4 and 6 inch mains, rebuilding water services, and replacing fire hydrants between Pacific Ave and Spanaway Lake starting on 160th St S and working south.

This pro-active long-term program is intended to methodically replace nearly sixty miles of A/C water mains and all related water system components over the next thirty years. The capital projects fee on water bills provide revenue for this necessary work. The costs for replacing approximately two miles of main including water services, valves, fire hydrants, road and land restoration as well as engineering and permitting is over one and a half million dollars per year. When possible, like the planned 22nd Ave E & 152nd St E Intersection County Road Project, the main replacement will be coordinated with county road and sewer work to reduce costs and improve efficiency. The next major County road rebuild project will be 22nd Ave from 152nd St to 204th St planned to start after 2020. This project will include an additional lane, curbs, gutters, sidewalks, storm water system and will require water main replacement.

When the County does a road project, all utilities, including Spanaway Water, must accommodate the project by replacing and/or relocating their infrastructure – at the utilities' expense. Your water company staff works hard to coordinate with the county both during project planning and construction to ensure the project is completed in as cost-effective way possible.

The Company must also address other aging infrastructure including the life expectancy of wells, pumps, treatment equipment, generators, buildings, computer systems, and vehicles. The Company's GIS system is up and running though some input is still needed. With the GIS in place, implementing an asset management program will be a priority with the intent to maximize the asset's useful life.

152nd St E and 22nd Ave E County Road Project (FY 2018): This County project to rebuild the intersection, add a stop light and install curbs, gutters, and sidewalks is scheduled for construction next summer. Our anticipated cost for main replacement is $270,000 funded from existing system capital projects fees.

Tank #2 Recoating: The recoating project for tank #2, built in 1984, was completed in May 2016. During the one-year warranty diver inspection, the third layer top coat on a portion of the interior area was found to have separated from the intermediate coating. The tank has been drained and repair work will be completed in time for the return of warm weather in May. The work was originally funded by the capital projects fee billed to existing customers but this repair work should be covered under the coating warranty.

The inspection of the tank earlier this month found that the third and most interior coating was separating in two areas, a lower area to the north and an upper area to the southeast. Repairs will need to be completed by next May.

Replacement Well 5 & Well 9 Retrofit (FY 2018/19): Well 5, completed in 2016, proved to be very effective in meeting this summer's water demand. The well utilizes Lowry Deep Bubble systems to provide corrosion control through adjustment of the raw water's pH. This system avoids having to add chemicals to the water and avoids potential safety issues in handling sodium hydroxide. With a year's worth of related expense records this system reduces the treatment costs per unit of water by more than a third. Because of this savings the Company is beginning engineering to replace the sodium hydroxide system at well 9, and then later at Well 3, both of which currently use sodium hydroxide for corrosion control.

Emergency Intertie with Tacoma Water (FY 2018): Design for this emergency intertie is nearing completion. The intertie will be located on an easement adjacent to 36th Ave. E. near the Tank 5 site. At this time the intertie is not for the purchase of water from Tacoma on an ongoing or even temporary basis, it is strictly for emergency use. However, the intertie will be convertible to accommodate wholesale water supply if needed in the future. As an existing system improvement project will be funded by existing system capital projects fees.

Rainier View Emergency Intertie: (FY 2018/19): Engineering investigation and preliminary design for this upper pressure zone intertie will provide two-way emergency supply to Spanaway's upper pressure zone from Rainier View's system or emergency supply to the upper portion of Rainier View's system in the area above Walmart from Spanaway's upper zone system. The combination of this intertie and the secondary booster station improves the supply reliability for the upper zone and reduces the near-term need for an upper zone storage tank. This is an existing system improvement and would be funded by existing system capital projects fees.

Wholesale Water Options (2017-2020): The Company is facing on-going growth, limited water rights, and obtaining additive water rights is, practically speaking, impossible without mitigation. For several years we

have had an on-going agreement that would allow the purchase of wholesale water from Lakewood Water District. This year the District worked with Rainier View Water, Firgrove Mutual Water, and Spanaway Water to investigate the construction of a transmission main to those water utilities. The costs for the transmission main would be shared by the utilities seeking additional water supplies based on the quantities planned to be available.

Concurrent with the investigation of possible wholesale water from Lakewood, we are considering options for wholesale water supply from Tacoma Water. Tacoma is currently developing additional lower cost wholesale options. These possibilities will not be defined for at least a year.

At this time the Company has determined that the decision on the purchase of wholesale water is too uncertain due to the uncertainty of the time when additional water will be needed and the potential stranded costs that would be incurred.

Should Spanaway decide to take some water from either Lakewood or Tacoma, Department of Ecology staff has acknowledged that the moving of water to the upper watershed would likely serve as mitigation for a new Spanaway additive water right. The Company will continue to investigate the various potential wholesale options to address future water supply needs. Cost related to any of this work has and will be funded by growth related fees.

Tank 1 Altitude Valve (FY 2018): Engineering for this valve, related piping, and vault will be completed this year. In normal operations, the valve will close when Tank 1 is full but still allow system wells to run, maximizing storage capacity in existing tank 3 and future tank 5. The valve would effectively force water to any tank which is not already full. A second role for the valve involves saving the tank's stored water in the event of an earthquake. Should an earthquake occur the valve would close isolating the tank and saving water that might otherwise be lost through system leaks. This is an existing system improvement and would be funded by existing system capital projects fees.

Upper Pressure Zone Secondary Booster System (FY 2018): We are currently investigating the possibility of installing either a fixed secondary or mobile booster station at the Tank 3/Clarewood booster station site. The booster station is operating 24 hours a day. Though the existing site has multiple pumps and a stand-by generator, incidents have occurred where upper zone pressures have dropped to less than 30 pounds per square inch (PSI). A secondary booster system would allow shut down of the primary booster station for maintenance and any required repairs. A portable booster system could also be used at the other tank sites to pump storage tank water into the system rather than draining the tank on the ground. This is an existing system improvement and would be funded by existing system capital projects fees.

Well 11 (FY 2018-2020): Spanaway holds a water right permit for this future well under the Department of Ecology water right change process completed in 2015. The updated USGS Chambers/Clover Creek groundwater model will be used to determine the best potential site for the well, either at the Company office site or an additional well at the well 3 or 8 sites. This permit has a construction period through 2029. It is the Company's intent to seek additional additive water right prior to drilling this well. Additional additive water rights are very difficult to obtain from the Department and will almost certainly require mitigation for potential surface water impacts. The exact timing of this well may change as it depends on several factors including available growth-related funds and possible new water rights.

Additional Primary Water Right (FY 2019-21): Spanaway will seek a minimum of 1,000 acre feet of additional primary water rights. Under current Washington laws and the Chambers/Clover Creek Basin WAC 173-509 this additional water right will almost certainly require mitigation of potential surface water impacts. The updated USGS Chambers-Clover Creek Groundwater Model will be used to determine the source location/s with the least impact, the location of those potential impacts, and scope of impacts. Wholesale water will likely be required to address any potential impacts.

New Tanks 4 and 5: These growth driven tanks will provide gravity storage to the upper and main pressure zones respectively. The 2017 water system plan notes that our second limiting factor will be available storage.

Tank 4 (FY 2020-2022): The intent is to construct this tank at the existing Clarewood booster station site. Use of the existing site will save considerably on development costs. This tank will provide gravity pressure for the upper zone which currently relies on a booster station for operational pressure. Tank 4 will be constructed using both existing system and growth-related capital reserves as the tank will serve existing customers and growth in the upper zone.

Tank 5 (FY 2022-2024): Land above Clover Creek Elementary School for tank 5 was purchased in 2016. This location meets elevation requirements and should greatly ease county permitting. This tank will provide approximately two million gallons of additional storage for the main pressure zone to both address future growth and back-up storage for the entire water system. It is anticipated that tank 5 construction costs will be funded entirely from growth fees.

As you can see your water company has a variety of projects necessary to address both current and long-term needs. The Company works to ensure that growth pays for growth while existing customers support the needs of the existing system.

REGULATORY ISSUES:

Unregulated Contaminant Monitoring Rule IV (UCMR 4): This fourth round of testing includes 20 unregulated contaminants (two metals, eight pesticides plus one pesticide manufacturing byproduct, three brominated haloacetic acid [HAA] disinfection byproducts groups, three alcohols, and three semivolatile organic chemicals [SVOCs]. Sampling under UCMR 4 must be completed in the 2018-2020 monitoring period and involve two sets of samples taken 5 to 7 months apart. Spanaway has never had issue levels of any contaminant under UCMR 1, 2, and 4. We do not expect issues under UCMR 4 testing.

WATER RATES:

For 2018, the Capital Projects Fee will increase one dollar from $20 to $21 for continued funding of existing system infrastructure replacement noted above. The base rate and EPA treatment charges are unchanged. The water usage rate steps will increase as noted below:

2017		2018	
$1.00/100 cubic feet	0-1,500 cubic feet	$1.00/100 cubic feet	0-500 cubic feet
		$1.05/100 cubic feet	500-1,500 cubic feet
$1.35/100 cubic feet	1,501-2,500 cubic feet	$1.45/100 cubic feet	1,501-2,500 cubic feet
$1.75/100 cubic feet	2,501-4,000 cubic feet	$1.90/100 cubic feet	2,501-4,000 cubic feet
$2.25/100 cubic feet	4,001-7,500 cubic feet	$2.45/100 cubic feet	4,001-7,500 cubic feet
$2.60/100 cubic feet	7,501+ cubic feet	$2.85/100 cubic feet	7,501+ cubic feet

(100 cf of water is 748 gallons)

With these changes the average bi-monthly water bill will increase 2.65% from $ 63.39 to $ 65.07, or $0.84 per month. Even with this increase, our rates remain in the lower third of local utilities. Attached is a spreadsheet with a comparison of local utility water rates most of which will also increase for 2018.

GENERAL WATER ITEMS:

USGS Modeling Update Project: We continue to participate in this update of the geo-hydraulic model of the Chambers/Clover Creek basin. This update project is supported and funded by the USGS, Pierce County Surface Water Programs, State Departments of Health and Ecology, and seven local water utilities including Spanaway Water. The updated model is scheduled to be completed in late 2018.

The original model provided the basis for 2015 approval of the Company's umbrella existing water right application. The updated model will be used by the Company to seek new additive primary water rights. USGS models are considered the best available science, the "gold standard" of ground water models.

Pierce County Coordinated Water System Plan: This is a County wide plan for water systems and supply. The existing plan, adopted in 2000 is very out of date. The plan is mandated under the Revised Code of Washington and primarily addresses service areas, service area obligations, design standards, population and demand forecasts, boundary review, joint projects, water use efficiency, procedures to address failing water

systems, and includes all individual water system plans. The topic of reclaimed water for recharge and/or stream mitigation will also be a topic to be addressed.

Rural Water Supply and the Hirst Supreme Court Decision: In this October 2016 decision, the Court determined that local governments must make the determination on whether water is "legally" available for a permit exempt well before a building permit may be issued. The Court noted that "outdated" Dept. of Ecology instream flow rules may not be relied upon by the local government in making these determinations.

For the Chambers/Clover Creek watershed, a DOE "closed" basin, this means that the county cannot issue building permits unless an existing water system with water rights available has agreed to serve the property or in an area not served by a water system the property owner must complete a hydrological assessment that shows the new well will not impact any surface water body or senior water right by even a molecule. Several geo-hydrological firms will not complete these assessments due to the risk of potential liability.

This case has received considerable publicity, created areas where building permits are not issued, mortgages cannot be obtained, and led to a stalemate in the state legislature on the passage of a capital budget. This lack of a capital budget has created a lot of pressure for a legislative Hirst "fix". Ironically, the case actually effects a relatively small portion of the population while a similar case, Foster v DOE, has the same effect for all permit required water rights. "Foster" has a direct effect on Spanaway Water and is a driving factor in our investigation of wholesale water supply.

Spanaway as a member of the Washington Water Utilities Council, and legislative lead for the Regional Water Cooperative of Pierce County is actively working to ensure that any legislation to address the Hirst decision also addresses the Foster decisions. The 2018 legislative session will be very "interesting".

Local Water Organizations: Your water Company remains active with the Regional Water Cooperative of Pierce County, Central Puget Sound Water Suppliers Forum, Washington Water Utility Council, American Water Works Association, and DOE Water Rights Advisory Committee in "behind the scene" activities as we try to address the water needs of the Company's members.

- We remain very active within the Regional Water Cooperative of Pierce County. The "Co-op" now has 25 members and continues to benefit members through group purchase price reductions, representation of public water interests at state and local governmental levels, member shared equipment, water quality coordination, and information sharing. The Co-op and its members, representing non-governmental public water purveyors, actively participate within the Washington Water Utility Council to address legislative and legal issues including preparing amicus briefs for Supreme Court cases.

  For the 2017 legislative sessions, the Co-op did not directly propose any legislation but worked to address: the Hirst/Foster decisions in many bills, unnecessary lead in water legislation, greywater pumping considerations, as well as instream flows and impact mitigation.

  The 2018 session will see continued efforts to address these water related issues.
- The Central Puget Sound Water Suppliers Forum continues to work to address water system and supply resiliency throughout the region.
- The Washington Water Utility Council (WWUC) continues activities on the statewide level representing public water systems before the legislature, stage agencies, and the courts. The WWUC is currently developing an issues/white paper related to the Hirst and Foster decisions. A similar earlier effort developing the Growing Communities Doctrine played a key role in the adoption of the Municipal Water Law.
- Pacific Northwest Section of the American Water Works Association is a valuable resource that provides required training to maintain Department of Health operator certifications and a forum for information sharing.
- South Sound Subsection of the AWWA serves the southern sound area and is active in providing continuing education classes and support for the AWWA's international "Water for People" through their "Wheels for Water" benefit at the Lemay Car Museum and support for Living Access Support Alliance through a regional golf tournament.

Your Employees at work: The management team would like to recognize the hard work of the Company employees. Much of the work completed by staff goes unnoticed by the customers we all serve. The office

staff not only processes billing for over 11,000 accounts, they also respond to a wide variety of customer calls, over 2,000 move ins and outs in 2017, process over a 1,000 work orders and 1,200-meter change-outs. These are never ending jobs which we all appreciate.

Similarly, the field crew completed over 1,000 work orders and 1,200 meter change outs in addition to hundreds of main flushing blow offs, over a hundred meter installations, and nearly 3,000 valves exercised this year. The water quality department maintains daily source inspections, on-going preventative maintenance, weekly analyzer calibrations, and collects hundreds of water quality samples from the eleven wells and distributions system.

In many ways this is truly the silent service that you rarely see, but all the work is to ensure you have safe water delivered to your home twenty-four hours a day three hundred and sixty-five days a year.

IN CONCLUSION:

Again, we hope the annual meeting serves to keep you informed of Company activities and issues. We will continue the effort through the Company's Newsletters, News Notes, Phone Tree, billing notes, and the Company's website at spanaway-water.org. We continue to strive to provide you with safe reliable water with as little chemical addition as possible at as low a rate as possible while meeting our responsibilities to our members, Pierce County, the Washington Department of Health, and federal EPA. Thank you again for your interest in your Water Company.

Summary of Water Company operations for 10/1/2016 to 9/30/2017:

- 123 new residential meters were installed.
- As of Sept. 30, 2017, we served a total of 10,635 residential and 457 non-residential units through 9,801 and 347 meters respectively, with another 44 residential memberships paid but not active or installed.
- 1,238 meters were upgraded/replaced with radio read meters.
- 1,059,819,000 gallons of water were pumped from Oct. 1, 2014 to Sept. 30, 2015 – a 2.23% increase from 2016.
- Single family metered use increased from 2016's 191 GPD (gallons per day) to 206 GPD in 2017, about a 7.8% increase.
- Peak day use of 6,283,908 gallons, 2.16 times the average daily use.
- Major non-growth expenses and non-development main extensions included: A/C main replacement and related engineering and permitting, water system plan, system server and well site telemetry upgrades, replacement of well check valves with hydraulic valves, Tacoma intertie engineering, Well 1 pump replacement. share of USGS Chambers/Clover Creek model update, and continued GIS mapping development. Totaling: $ 683,767.16
- Major growth-related expenses included: Lakewood and Tacoma wholesale water evaluation and engineering and Lakewood water right contract. Totaling: $ 95,812.83

- Cash flow profit/loss summary for 10/1/2016 to 9/30/2017:

Existing System: (non-growth)		
Operations and Maintenance	Income: $	3,550,717.62
	Expense: $	2,872,126.89
Capital improvements	Income: $	1,285,681.02
	Expense: $	770,455.75
Existing System net for year	$	1,193,816.00*
New System Additions: (growth)		
Capital improvements	Income: $	170,345.00
	Expense: $	132,003.51
Construction	Income: $	132,160.00

Expense:	$ 185,077.86
Growth System net for year	$ - 38,341.50**

Total net for the 10/1/2016 to 9/30/2017 $ 1,179,239.64

*Added or deducted from existing system reserve. (non-growth)
** Added or deducted from new system reserve. (growth)

- Company field staff - hours were used as follows:

Operations	=	6,083.0 hours	37.57%
Maintenance	=	9,109.0 hours	56.25%
Capital Improvements:			
For existing System	=	374.5 hours	2.31%
For new growth	=	0.0 hours	0.0%
New Construction	=	626.50 hours	3.87%
Totals:	=	16,193.0 hours	100.00%

Planned operations and improvements for 2018:

- Continue Main Replacement Program for 4 and 6 inch A/C mains; between Lakeside Drive and Pacific Avenue working south from 160th St, budgeted $790,000 from existing system capital projects funds. On-Going
- Main Replacement – Complete main relocation work as required by the Pierce County for the 152nd St E and 22nd Ave E intersection project, budgeted $270,000 from existing system capital projects funds. 2018
- Install a 16-inch altitude control valve with automatic seismic shut down at Tank 1 to allow better utilization of existing wells and storage and to preserve stored water in the event of an earthquake. Budgeted, $120,000 from existing system capital projects funds. 2018
- Construct emergency intertie with Tacoma Water on 36th Ave E to provide emergency source of supply in the event of major well failure or contamination, budgeted, $101,000 from existing system capital projects funds. 2018
- Office and Well site security improvements, budgeted, $32,000 from existing system capital projects funds. 2018
- Well 9 Tank 2 road access improvements, budgeted, $21,000 from existing system capital projects funds. 2018
- 1991 Backhoe Replacement, budgeted $110,000 split between existing system and growth. 2018
- Secondary Booster Station for upper zone / Tank 3, and possibly other pump down sites if trailer mounted, budgeted, $150,000 from existing system capital projects funds. 2018
- Complete geohydrology analysis for new well 11 at the office/shop, well 3 or 8 sites under water right consolidation permit received in 2015. Budget for $50,000 from growth funds. 2018
- Well # 9 Lowry System air stripping engineering and construction replacing sodium hydroxide system, budgeted, $300,000 from existing system capital projects funds. 2018/19
- Rainier View Emergency Intertie engineering, design, and permitting, budgeted, $25,000 from existing system capital projects funds. 2018
- Well site and base SCADA equipment and programming upgrades, budgeted, $100,000 from existing system capital projects funds. 2018
- Continue system GIS development coordinated with implementation of asset management implementation, budgeted $25,000 from existing system funds. 2018
- Replace on-site chlorine generation system components as required if unit is unserviceable, budgeted $6,000 from existing system capital projects funds. 2018
- Anticipated 2018 Budget: (based on water rates as discussed above.)

Existing System: (non-growth)			
Operations and Maintenance	Income:	$	3,380,334.47
	Expense:	$	3,043,005.67
Capital improvements (Cap. Proj. Fees)	Income:	$	1,345,934.00
	Expense:	$	1,939,343.09
Existing System net for year		$	- 256,080.29 *
New System Additions: (growth)			
Capital improvements (new memberships)	Income:	$	225,765.00
	Expense:	$	183,022.44
Construction	Income:	$	134,620.25
	Expense:	$	144,066.04
Growth System net for year		$	- 9,445.79*
Total net for the 10/1/2017 to 9/30/2018		$	- 222,783.52*

*The deficit or excess income will be withdrawn or placed in the respective existing system and growth accounts.

Planned operations and improvements for 2019-28:

- Continue to fund main/service replacement program for approximately 10,500 feet of main per year (70-year life cycle). Emphasis on smaller, older A/C mains. On-going, budgeting annual increasing amount until fully funded, approximately $1,575,000 per year in 2018 dollars.
- Continue to participate with Firgrove Mutual, Rainier View Water, Lakewood Water District and/or Tacoma Water on wholesale supply. 2019-23, work will be budgeted from growth funds.
- Secure permitting for storage Tank #4 to serve the upper pressure zone and construct an approximate 1.3 MG tank, or elevated tank, with minimum 300,000 gallons of usable storage. 2020-22, budgeted $1,825,000 split between growth and existing system funds.
- Complete engineering and construction on main zone storage tank #5, approximately 3.2 MG storage with 2.0 MG usable storage. 2022-24 budgeted $3,100,000 from growth funds.
- Construct a new well 11 at the site determined in 2018 under water right consolidation permit received in 2015. Budget for $1,320,000 from growth funds. 2019-20
- Seek additional primary water rights for Spanaway Water's well system and possible new well 12. Will likely required mitigation utilizing a portion of Lakewood or Tacoma wholesale water to meet stream mitigation. Process will utilize the updated USGS model. 2019-21+. $150,000 budget will be from growth funds.
- Complete 12" main looping on Waller Road from Military to 173rd St E. 2020, budgeted $230,000 from growth funds.
- Install manganese filtration at Yakima Well site (3 wells). This project will also eliminate the need for corrosion control and cost of using sodium hydroxide for well 1. 2019-20, Budgeted $450,000 from existing system capital projects funds.
- Complete meter replacement program with meters capable of Advanced Metering Infrastructure (AMI), pressure sensing, leak alarms, and remote turn on/off technologies. 2020-2025 Budgeted $2,130,000. $375,000 per year from existing system funds.
- Evaluate, and if cost benefit found, replace sodium hydroxide corrosion control treatment at well 3 with Lowry Deep Bubble systems. 2019-20 Budgeted $200,000 from existing system funds.
- Continue system GIS development coordinated with implementation of asset management implementation. 2017 - 25, budgeted $25,000 per year from existing system capital projects funds.
- Redevelop the Well # 10 site to include hollow line-shaft turbine pump and on-site chlorine generation. Budgeted $300,000 from existing system capital projects funds. 2023-24

- Drill, design, engineer, and construct new well 12 in southeast portion of the water system. 2025-26. $1,620,000 budget will be from growth funds.
- Continue participation in the Regional Water Cooperative of Pierce County, Washington Water Utilities Council, and Central Puget Sound Water Suppliers Forum. These groups continue to work toward resolution of water issues that affect the public. The 2017 and future legislatures will see proposals to resolve the Supreme Court Hirst decision, water and fee related legislation involving possible annual water right fees, exempt wells, water right processing fees and reform, water related growth management requirements, and other water matters. On-going
- Continue to monitor road and sewer projects, both County and developer planned, to take advantage of system improvement opportunities. Prepare to address the planned county road projects for 22nd Ave. E. beginning in 2021. Note, water system relocation costs for County-initiated projects are not reimbursed by the County and are funded from existing system funds. New main installations for growth completed in coordination with sewer extensions are funded from new connection fees. On-going
- Continue to monitor the timing of capital, operation, and maintenance expenses in relationship to Company revenue/reserves. Review water rate structure considering inflation, increasing regulations, and timing of capital expenses. Monitor income and expenses to minimize water rate increases. On-going
- Finally, continue to work with other utility groups, the County Council, and State elected representatives on water related issues. On-going