

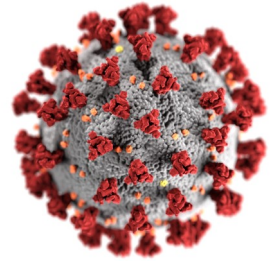


SPANAWAY WATER NEWS

A NEWSLETTER TO THE CUSTOMERS OF SPANAWAY WATER COMPANY - Fall/Winter 2020

ANNUAL MEETING CANCELLATION

The 2020 annual meeting for the members of Spanaway Water Company has been cancelled



This very unusual year with COVID-19 pandemic, Governor issued proclamations, and CDC guidance on infection spread prevention have led the Board of Directors, out of concern for the potential health risk to attendees, to determine that the 2020 Company annual meeting should be cancelled. In this unprecedented time, the Company's goal of public health supersedes the conducting of a meeting. The Company is not alone in this decision as most area mutual water and power companies have also cancelled their annual meetings this year.

To present the information that would have been provided at the meeting, by November 16th we will post the annual meeting information documents on our web site at spanaway-water.org. These documents will include the Company annual report, the accountant's report, the capital projects table, and local area water rate comparison.

Should you have any questions about these documents or other Company matters please feel free to contact Tim Wells or Jeff Johnson at (253) 531-9024.

In a normal year, an election for one or two board of director positions is conducted at the meeting. With this meeting cancellation, the two board members, Dave Haukeli and Taylor Griess, who would have stood for election to five-year terms will continue to serve on the board for another year and stand for election with other nominees to special reduced four-year terms at next year's annual meeting. Though we will not have a meeting this year, put November 15, 2021 on your calendar for next year's meeting.

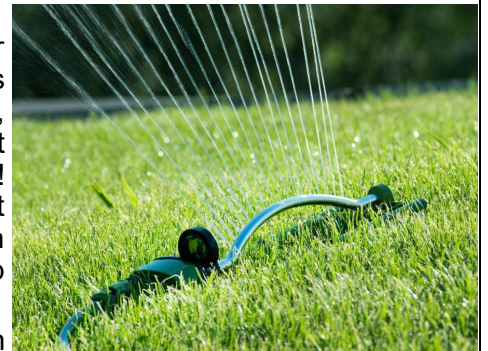
Again, annual meeting cancelled for 2020



2020 with Near Record Water Use

2020 has been a different year in many ways! As you would expect after our smoky September, no measurable rain fall from June 17th through August 18th, and 90 degree temperatures into September, water use was up in fiscal year 2020 (FY = October 2019 - September 2020). Usage totaling 1,162,883,000 gallons was only slightly less than that of 2019 and saw an average day use of 3,185,981 gallons. For the first time ever, we saw two "summer peaks", the more normal late July / early August and then followed by another peak in mid September. Along with those two peak periods we saw a big jump in individual home's day peak use from a record low of 453 gallons per day (GPD) per home in 2019 to 541 GPD in 2020.

We regularly get asked, how much water does someone on the water system use per day? For FY 2020, normal winter use per person averages about 157 GPD with a small amount for drinking and the majority for cooking, showers, dish and clothes washing, etc. Once summer weather returns, that usage jumps to an average of 290 GPD, with some households much higher! Most of that jump is for lawn watering. Once your lawn starts to go dormant (brown) for the summer it is very difficult to water it enough to become green again and will make your water bill very expensive! The lawn will green up again when fall rains return.



On the good news side, we saw nearly a 5 percent reduction in unaccounted for water - likely from system leak repairs. We've reduced our losses from 19.50% in FY 2019 to 14.59% for FY 2020. The reduction in lost water is the result of our 2019 leak detection survey and on-going diligent work by the field staff. Over 325 leak repairs completed since the spring of 2019. Nearly all of those many leaks were old "thin walled" service lines between the water main and meter. Those leaks only rarely show above the ground. Once repaired the home owners often comment to the crew how much their water pressure improved. If you notice declining water pressure at your home let us know. The leak could be on our side of the meter or the home owners side. Either way, let us know and we will check it out. Similarly, if you see running water, unusual puddles or patches of green grass, let us know - **Be a Leak Fighter!**

New General Manager - Good Bye Jeff Johnson, Hello Tim Wells

After over 29 years and a COVID 19 delay, Jeff will be retiring in early January. Over those years Jeff has shepherded the Company through nearly 300% system growth, regulatory changes, and a transformation from a Company that was largely a construction company that happened to supply water to a utility that is focused on effective operations, active maintenance, infrastructure reliability, and long term financial stability. In his "retirement" he plans to stay active in water issues as the part time Executive Director of the Regional Water Cooperative of Pierce County. He would like to pass on that it has been an honor to have served the Spanaway community, work with the many members of the Board of Directors, met so many folks at meetings and "in the field", and especially the employees with whom we've shared memories of both the good and hard times even when knee deep in mud! This is my final News Letter - Good Bye & Good Luck!

The Board of Directors, after an applicant search process, stayed "in house" and selected Tim Wells to step into the manager's role. Tim has been in the water industry for 30 years and the Assistant Manager since 2001 and has helped steer the Company through the growth in the early 2000s, the great recession's down turn, and back to stabilized growth. Tim steps up with a strong engineering back ground, a detailed knowledge of the system, and a strong employee staff.

**We wish Tim the best success in his transition,
and Jeff a full and rewarding retirement!**



Coronavirus - Customer Assistance Program

COVID-19 has placed a hardship on everyone, especially those who's income has been impacted. ***Thank You*** to all of you who have worked to keep your water service current! To help those adversely impacted by COVID and with guidance under Governor Inslee's proclamations 20-23.1-9, the Company has stopped charging late fees and is not disconnecting water services for lack of payment. We have also developed a "Customer Assistance" Program". When this program will go into effect is uncertain and will be driven by the coronavirus and set by the Governor.

The key component of the Program is the use of "Deferred Payment Arrangements". When a timeframe for the program is established, the program will provide an extended period during which past due deferred accounts can be paid down. At this point, the length of the extended payment deferral period is uncertain, but will cover utility billings from March 18th. After the payment deferral period begins, customers will be required to request a payment arrangement period to spread out the past due payments over that arrangement period. During their arrangement period, current billings will need to be paid and kept current while the past due amounts are also being paid.

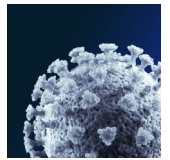
To participate in the program, customers will have to complete a "Deferred Payment Arrangement" application and attest that their ability to pay water bills has been adversely impacted by COVID-19. Once a start date for the program is set, we will let you know with a bill "News Note" and on our website at spanaway-water.org. Applications will also be available on the website or at the office. Those struggling with utility bills due to COVID should see similar programs from other utilities as well. We hope that each of you impacted by the pandemic recover well and your lives, and those of us all, return to "normal"!

SWC Operations, the Coronavirus, and How to Pay Bills

Likely the most notable changes for most people who stop by the office is the fact that the doors are locked and the drive-up window is closed. Beyond those apparent changes, the Company has had to adapt in several ways. Initially during the lock down, we worked alternating schedules with the realization that as an essential utility we could not shut down and have everyone go into quarantine for two weeks if COVID-19 came to work. After time to set up physical barriers, upgrade ventilation system filters, develop employee COVID-19 pandemic procedures, obtain sufficient masks and sanitizers we returned to "normal work".

As the pandemic has continued, we have continued to prohibit entry into the building except staff, bag all mail and night drop payments for 48 hours, mask-up and work in separate work spaces.

For Customers, please continue to use regular mail, the night drop, phone-in credit card, or web link: spanaway-water.org/epayub.com/Account/Login?ReturnUrl=%2f to pay bills. Note: the web payment includes a \$2.25 third party processing fee for web payments. **Thank You for your patience, we will all get through this together!**



Main Flushing Reminder

The size of water mains is chiefly determined by necessary fire hydrant flow requirements rather than routine domestic water needs. At times other than during the summer water demands, these larger than normally necessary sized mains can lead to “stale” water and the accumulation of minerals on the interior of the mains. To improve water quality, starting with the fall rains and continuing until the following summer’s weather, we do routine water main flushing on Tuesdays. During this process we move large quantities of water through the dead-end or low flow mains to both scourer the pipe’s interior and bring fresh water into the area. Obviously, this can stir up the water. When this happens, you may see a brownish yellow tint to the water. That tint is cause by manganese, a naturally occurring mineral, which even at 0.05 milligrams per liter can discolor the water and is considered an aesthetic “secondary” contaminant. Because the water may be discolored we ask that you consider this before washing clothing, especially whites on Tuesdays. **Thanks for consideration!**



Capital Projects 2020, Planned for 2021, & Capital Project Fees

Main Replacement Program: This “R&R” program is our infrastructure replacement program. The focus, for now and many years to come, is on the sixty miles of aging A/C (asbestos/cement) water mains. These projects effectively rebuild the water system, segment by segment, and includes not only water mains, but also water service lines, valves, and fire hydrants. For now, these projects are focused on areas with on-going leak issues as we work our way through all of the existing A/C mains over the next thirty years.

When possible R&R projects are coordinated with County road or sewer projects. This year the intersection of Waller and Military road was rebuilt and 12” main installed south of Military Rd. in coordination with the County sewer and the new Bethel School District elementary school projects. Any time we can coordinate work, the costs of road restoration is reduced or completely eliminated saving you, our members, money. Next year’s R&R #4 will replace the system in the area of B St from 159th St north to 155th St and adjacent roads.

Well 9 Air Stripping Treatment: This 1,000 GPM well now has a Deep Bubble air stripping system for corrosion control. This system simply removes dissolved CO₂ from the water to raise the water’s naturally low pH. The system replaces a sodium hydroxide (NaOH) system that historically was injected into the water to raise the pH. Not only does this system remove having to add a chemical to the water, it is also less costly to operate and inherently safer! The air stripping process is so effective, a similar replacement system is planned for Well #3 in the next few years.



Wholesale Water from Lakewood Water District (LWD): With the near impossibility of obtaining additional water rights from the Dept. of Ecology, we now have agreements in place to purchase a million gallons per day of wholesale water from Lakewood Water district and for the installation of a connecting main between our system and Lakewood’s transmission main that also serves Summit Water & Supply, Frigrove Mutual Water and Washington Water Services Co. This connection is the result of the growth in our area driven by the State’s Growth Management Act.

Meter Replacement Program: We will be entering our third year of replacing mechanical Master Meters with electronic Kamstrup meters. The new meters will allow the conversion to remote meter reading, provide next day alarms for leaks and notifications to homeowners, and low flow registration not possible with mechanical meters. This replacement project will continue over the next four years before completely in place.

Capital Project Fees: For fiscal year (FY) 2020 the Company has invested over \$2,030,000 in capital projects back into the water system - this is aging infrastructure replacement. This work has been done without loans and the addition costs of loan interest payments. In FY 2020 capital project fees totaled \$1,543,738. The balance of this year’s capital investments came from capital reserves. The Company continues to work hard to fully fund infrastructure replacement without the costs of loans. This process is only possible with the capital project fee.

2021+ Capital Projects: Include the construction of a secondary booster station, starting the LWD connection water main, R&R #4, telemetry updates, and continued meter replacements. Future plans additionally include an additional Well #11 (no increase in water rights), additional R&R projects, Tank #4, Tank #1 altitude valve, one-time LWD wholesale water capital charges, Tank #3 recoating, and a variety of smaller projects.

All these projects are intended to ensure you have safe reliable water when you need it!

Just a Reminder GIVE ‘EM A BRAKE—Please Drive With Care in Construction Zones & Remember — Call 811 Before You Dig, its free to you!

**Winter Freezes are Coming -
Protect your water system**

Frozen pipes can be a nightmare—steps to let you sleep better:

- 1) Remove all hoses from hose bibs and where possible turn off and drain the water to those outside hose bibs.
- 2) Install foam hose bibs covers, available at hardware stores.
- 3) For hose bib piping in uninsulated walls, turn off the feed valve in the insulated part of the garage wall and open the hose faucet to drain the water from the plumbing in the uninsulated wall.
- 4) Drain landscape irrigation systems.
- 5) Keep thermostats at a minimum of 55 degrees to help prevent frozen pipes even if you are not home.
- 6) Insulate water pipes in your home's crawl space. This also helps get hot water to reach your sink and tub more quickly, saving both water and energy.
- 7) Open cabinet doors where plumbing is in outside walls during cold spells.
- 8) When well below freezing throughout the day, especially if the power is out, allow a slow trickle or drip of water to run through an indoor faucet. This should be done only when other options are not possible.
- 9) Do not use your hose to remove frost or snow off your walks and driveways. Even hot water will freeze and make a dangerous and unplanned skating rink!
- 10) If leaving the area for vacation, turn off the main supply valve to the house, usually by your water heater, and open faucets to minimize the risk of flooding the house should pipes freeze and burst.



Protect your home & your peace of mind by following these simple measures!

***Spanaway Water Wishes You the Very Best This
Holiday Season & Throughout the Year!
Be Safe & Stay Healthy!***



2020 Annual Meeting Cancelled

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