Spanaway Water Company

SPANAWAY WATER NEWS

A NEWSLETTER TO THE CUSTOMERS OF SPANAWAY WATER COMPANY - Fall/Winter 2024

ANNUAL MEETING NOTICE

The annual meeting for the members of Spanaway Water Company is scheduled for Monday, November 18, 2024 at 7:30 p.m. Company office, 18413 "B" St. E.

The property owners served by Spanaway Water Company are members of the non-profit mutual company. At the Company's annual meeting, as an owner/member, you are invited to attend and vote. At the meeting, information about operations, construction plans, conservation efforts, and the accountant's report on the Company's financial status will be presented. You are encouraged to ask questions, discuss Company matters, and vote to elect members to the Board of Directors.

This year's election will be held for one Board position. In April of 2022 Mr. Sandy Williamson resigned from his position on the Spanaway Water Company Board of Directors. Per SWC by-laws the Board appointed Mr. Jens Vincent to the vacated Board position. Mr. Vincent has served on the Board for the duration of the vacated five year term. That term expires November of 2024.

Nominations for Board positions will also be taken from the floor. Nominees from the floor must be present to be elected, unless written notice is submitted expressing their interest in serving on the Board of Directors and explaining the circumstances of their absence. A background in public utility systems, business, land development, or construction would be beneficial though not required for the position.

To show our appreciation for the support, three $50.00 door prizes will be awarded to Company members (property owners) at the end of the meeting. The door prizes are intended to thank members for their attendance. Come be an active member of your water company and possibly leave with a $50.00 door prize!

Monday November 18, 2024 at 7:30 p.m. 18413 B ST. E - Come Participate!

Water Rate Study - 2025 Water Rates

As part of our annual review of our water rates SWC hired FCS Group, a utility financial consultant, to conduct a non-bias rate study to help better understand if our current rate structure is sufficient to provide the revenue needed to continue efficient operations, perform repair and replacement work, and provide high-quality service. It was determined that we will need a few years of higher increases in order to address rising operational costs including maintenance, rising energy costs, labor and materials. Increases will be spread over time to reduce the impact on our customers. SWC will implement a 22% rate increase to safeguard water reliability, safety, quality, and keep pace with increasing operations and maintenance costs, and prepare for future water quality testing, monitoring, and treatment requirements. The average bill will increase from approximately $83.78 to $102.34 or $18.56 every two months or less than $10.00 a month. This decision was not made lightly. We appreciate your understanding and support as we work to continue delivering the quality you expect and deserve. The new rates will be implemented the first of the year.

For 2025 the water rates will increase as follows:	2024:	2025:
Base Rate:	$ 24.04	$ 29.33
Treatment Charge:	$ 8.01	$ 9.78
Capital Projects Fee:	$ 27.48	$ 33.53
Water Use Charges:		
0 — 500 cubic feet	$ 1.26	$ 1.54
501 — 1,500 cubic feet	$ 1.37	$ 1.68
1,501 — 2,500 cubic feet	$ 1.83	$ 2.24
2,501 — 4,000 cubic feet	$ 2.58	$ 3.15
4,001 — 7,500 cubic feet	$ 3.38	$ 4.13
7,501+ cubic feet	$ 4.01	$ 4.90

The following shows 2024 and 2025 bi-monthly water rates at different usage levels based on typical bi-monthly water use by general season:

	2024:	2025:
Winter: 1,500 cubic feet (11,220 gallons)	$ 79.54	$ 97.14
Summer: 3,500 cubic feet (26,180 gallons)	$ 123.63	$ 151.04
High Usage: 7,500 cubic feet (56,100 gallons)	$ 254.86	$ 311.34

(One CCF = 100 cubic feet = 748 gallons)

For homes on the Spanaway Water System, the 2024 annual average water use per bill cycle for the entire year was 1,732 cubic feet (equals 205 gallons per day), slightly above the winter volume in the table above.

Water Rate Components:

Base Rate and Water Usage Charges cover the day to day operation, maintenance, utility taxes, and water quality testing costs of the water system.

EPA Treatment Charge covers the costs for EPA required water treatment including chlorination, pH adjustment needed for corrosion control, and the related chemical and maintenance cost for well treatment systems.

Capital Projects Fee covers the costs for replacement and upgrading of existing infrastructure including water mains, water meters and services, storage tanks, wells and pumps, well houses, and main relocations required as part of county or state road projects. Over the past five years the Company has invested over eight million dollars in capital projects back into the existing system.
The Company is proactively addressing the nationwide infrastructure replacement issue by maintaining system reliability without the use of costly loans for infrastructure replacement.

Main Flushing Reminder

A water main's size is predominantly determined by fire flow requirements rather than residential or domestic water demands. Mains that are sized to move large volumes of water for fire flow can accumulate naturally occurring minerals on the interior of the mains during lower volume domestic flow. To improve water quality, we perform routine water main flushing on Tuesdays, typically from September through May. During this process we move large quantities of water through the dead-end or low flow mains to both scour the pipe's interior and bring fresh water into the area. This can stir up the minerals in the piping system. When this happens, you may see a brownish yellow tint to the water, caused by manganese. Manganese is considered an aesthetic "secondary" contaminant. Because the water may be discolored we suggest that you consider this before washing clothing, especially whites, on Tuesdays

Capital Projects 2024 - 2025

The Company invests capital project fees back into the water system – replacing aging infrastructure and installing new facilities. The Company is actively replacing aging water mains, focusing on 4-inch and 6-inch AC mains combined with thin wall water service lines. These thin walled service lines make up the majority of our system leaks.

Main Replacement Program:

The ongoing Renewal and Replacement (R&R) is our infrastructure replacement program. The focus is on the 48 miles of aging asbestos cement (A/C) water mains. These projects effectively rebuild the water system, section by section, and include water mains, service lines, valves, fittings and fire hydrants. Currently these projects are focused on areas with on-going leak issues as we work our way through all of the existing A/C water mains. When possible R&R projects are coordinated with Pierce County road or sewer projects. The 2024 R&R #6 project replaced approximately 4,000 lf of main in the area west of Pacific Avenue from 169th Street South to 171st Street South. The cost for the main replacement project was approximately $1.1 million.

Wholesale Water from Lakewood Water District (LWD):

Due to the ongoing challenges of obtaining additional water rights from the Department of Ecology, SWC entered into an agreement to purchase two million gallons per day of wholesale water from the Lakewood Water District. We have connected to Lakewood's existing wholesale water transmission main that also provides water to Summit Water & Supply, Firgrove Mutual Water and Washington Water Services (previously Rainier View Water). We are currently receiving approximately 1.3 million gallons per day as we work towards easing this new supply source into the system.

Leak Detection and Repairs:

Spanaway Water has historically hired leak detection services from an outside company every three years. We had identified that water loss was increasing. The Field staff recommended and SWC Board approved the purchase of our own leak detection equipment. We have recently purchased our own locating equipment which included staff training. We are identifying and repairing more leaks, saving money, and have less unaccounted for water. Since implementing the on-going in-house leak detection program we have found that the equipment has already paid for itself. The goal is to survey one-third of the system each year and repair leaks as they are found. Since implementation in May of 2023 we have identified and repaired over 200 leaks, saving an estimated 1,600 gpm from being wasted. This has proven to be a very practical and successful effort suggested and implemented by the SWC field staff.

Proposed Capital Projects and System Maintenance:

For fiscal year 2025 the Company plans to invest $1.0 million back into the water system primarily as water system operation and maintenance work and system upgrades. This work has been performed in the past without loans and the additional costs of loan interest payments. The Company continues to work to fully fund infrastructure replacement without adding the costs of loan interest.

Future Spanaway Water Company proposed plans include;

- Coordinate engineering and construction for the next AC main replacement project
- Coordinate engineering and construction for the recoating of Tank #3
- Begin preliminary engineering and permitting for an additional main zone storage tank, Tank #4, approximately 3 MG of storage
- Address upcoming PFAS testing, requirements, treatment options

GIS Mapping

GIS (Geographic Information System) is an asset management and analysis tool that has replaced paper and CAD-based mapping systems as the new standard in most industries. GIS allows SWC to go beyond simply mapping the locations of water system features. It serves as a detailed record of assets, storing data such as the age, size, and material for each feature. Team members can immediately access authoritative, up-to-date system information whether they are in the office or out in the field, saving time and money. GIS reduces the need for paper work orders and manual data entry. The field crew can enter information into GIS as they work in the field; these updates are immediately visible to all users and make it easy to visually track progress. The data stored in GIS is used to analyze patterns and steer water system management, such as determining which areas of our water system are most prone to developing leaks and should therefore be prioritized for replacement.

Spanaway Water Wishes You the Very Best This Holiday Season & Throughout the Year!

Be Safe & Stay Healthy!

2024 Annual Meeting Notice

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