



IMPORTANT NOTICE

May 6, 2025

OLYMPIC WATER AND SEWER INC. WATER RATE INCREASE REQUEST

On 12/30/24, OWSI filed with the Washington Utilities and Transportation Commission (WUTC) for a general rate case. This will allow the Company to recover increased costs and to recover from rate increase not asked for in the 2022 rate case settled in 2024. WUTC has been auditing our data for the last three months and has found an error in the spread sheet that requires us to send a revised letter due to the increase being different than originally stated in the February customer notice.

As a result of the Company's rate review, the revenue requirement could be approximately \$316,500. We had requested a revenue requirement of \$251,000 in annual revenue. If approved, the rates will be effective on June 23, 2025, which is the beginning of the July/August billing cycle. Our last rate increase was effective on December 8, 2023.

Rate Increase Justification

Olympic Water and Sewer Inc. (OWSI) is requesting a rate adjustment to address increasing operational costs and ensure the continued delivery of high-quality of service our customers. Key factors necessitating the increase include:

- **Aging Infrastructure:** Increasing repair and maintenance costs, particularly due to failures in galvanized water service lines and fittings.
- **Declining Well Performance:** Reduced output from production wells has necessitated significant investments in engineering, exploration, and sustainable water supply efforts.
- **Rising Costs:** Inflation has substantially increased the costs of fuel, electricity, chlorine, and other essential treatment chemicals.
- **Labor Market Pressures:** To attract and retain skilled operators in a competitive labor market, OWSI has adjusted wages to maintain effective staffing.

These efforts are critical to maintaining OWSI's commitment to providing reliable and safe drinking water to our customers.

THE NEW RATES:

Meters will be read and bills produced bimonthly. The following table is a monthly comparison of the current and proposed rates per cubic foot (cu.ft.) of water.

Rate Comparison for Most Customers
3/4 x 5/8 inch meter

| | Current | | Proposed | |
|---------------|------------------|----------|------------------|----------|
| Base Rate | | \$22.00 | | \$22.85 |
| Usage Block 1 | 0-600 cu.ft. | \$0.0350 | 0-800 cu.ft. | \$0.0450 |
| Usage Block 2 | 601-1800 cu.ft. | \$0.0475 | 801-1550 cu.ft. | \$0.0550 |
| Usage Block 3 | Over 1800 cu.ft. | \$0.0600 | Over 1550 cu.ft. | \$0.0650 |

An example of how the rates would affect a customer's bimonthly bill as follows:

- A customer that uses 1,000 cubic feet of water a month (2,000 cu.ft. bimonthly) would see an increase in their bimonthly bill of \$1.70. (22.00 increases to 22.85 for 0.85/month) for the base rate.
- Plus, an \$16.00 increase in usage rates ((600 x 0.035 + 400 x 0.0475 = 40) versus (800 x 0.045 + 200 x 0.055 = 49)).
- The bimonthly bill for water would increase from \$124.00 to \$140.00.

QUESTIONS AND COMMENTS: If you have questions about the proposed filing and how it will affect you, please call the Olympic Water and Sewer, Inc. 360-437-2101 or 360-437-8349. Alternatively, customers can leave comments and questions via email at owsi@portludlowassociates.com

If you have questions about the rate making process or would like to comment on this proposal, you may contact the Washington Utilities and Transportation Commission.

Web: www.utc.wa.gov **E-mail:** comments@utc.wa.gov

Telephone: 1-888-333-WUTC (9882)

Mail: Washington Utilities and Transportation Commission
PO Box 47250
Olympia, WA 98504

If you would like information on how to participate in the open meeting please visit:

<https://www.utc.wa.gov/documents-and-proceedings/open-meetings>. If you intend to listen or participate remotely, call 360-664-1234 at least a day before the open meeting for instructions and to sign in. You should also call this number if you plan to attend in person to verify that the case has not been rescheduled to a later open meeting date. The Commission's street address is 621 Woodland Square Loop SE, Lacey, WA. If you need reasonable accommodations to participate in this open meeting, please contact the commission at 888-333-9882 or email at comments@utc.wa.gov.

The UTC has the authority to set final rates that may be either lower or higher than the company's request, depending on the results of its investigation.

Sincerely,

Diana Smeland

Diana Smeland
President, Olympic Water and Sewer Inc.

2025 Current Rate Table

Base Rates and Volumetric Usage Charges Per Cu.ft. of Water

| Meter Size | Meter Size Factor | Base Rate | 1st Block (cu.ft.) | 1st Block Usage Rate | 2nd Block (cu.ft.) | 2nd Block Usage Rate | 3rd Block (cu.ft.) | 3rd Block Usage Rate |
|------------|-------------------|-----------|--------------------|----------------------|--------------------|----------------------|--------------------|----------------------|
| 3/4-inch | 1 | \$22.00 | 0 - 600 | \$0.035 | 601 - 1,800 | \$0.048 | 1,801+ | \$0.060 |
| 1-inch | 1.67 | \$36.67 | 0 - 1,000 | \$0.035 | 1,001 - 3,000 | \$0.048 | 3,001+ | \$0.060 |
| 1 1/2-inch | 3.33 | \$73.33 | 0 - 2,000 | \$0.035 | 2,001 - 6,000 | \$0.048 | 6,001+ | \$0.060 |
| 2-inch | 5.33 | \$117.33 | 0 - 3,200 | \$0.035 | 3,201 - 9,600 | \$0.048 | 9,601+ | \$0.060 |
| 3-inch | 10 | \$220.00 | 0 - 6,000 | \$0.035 | 6,001 - 18,000 | \$0.048 | 18,001+ | \$0.060 |

2025 Proposed Rate Table

Base Rates and Volumetric Usage Charges Per Cu.ft. of Water

| Meter Size | Meter Size Factor | Base Rate | 1st Block (cu.ft.) | 1st Block Usage Rate | 2nd Block (cu.ft.) | 2nd Block Usage Rate | 3rd Block (cu.ft.) | 3rd Block Usage Rate |
|------------|-------------------|-----------|--------------------|----------------------|--------------------|----------------------|--------------------|----------------------|
| 3/4-inch | 1 | \$22.85 | 0-800 | \$0.045 | 801 - 1550 | \$0.055 | 1551+ | \$0.065 |
| 1-inch | 1.67 | \$38.16 | 0 - 1,000 | \$0.045 | 1,001 - 2,000 | \$0.055 | 2001+ | \$0.065 |
| 1 1/2-inch | 3.33 | \$76.09 | 0 - 2,000 | \$0.045 | 2,001 - 4,000 | \$0.055 | 4001+ | \$0.065 |
| 2-inch | 5.33 | \$121.79 | 0 - 3,200 | \$0.045 | 3,201 - 6,400 | \$0.055 | 6401+ | \$0.065 |
| 3-inch | 10 | \$228.50 | 0 - 6,000 | \$0.045 | 6,001 - 12,000 | \$0.055 | 12001+ | \$0.065 |

Note One Cu.ft. of Water Equals 7.48 Gallons