



### **IMPORTANT NOTICE**

Cascadia Water, LLC (“Cascadia Water” or “the Company”), on December 8, 2020, filed for approval from the Washington Utilities and Transportation Commission (“UTC” or “the Commission”) to increase rates as shown below over three phases, effective April 1, 2021, October 1, 2021, and April 1, 2022. Each of the three phases will increase revenues by \$139,549, or approximately one-third of the necessary revenue increase above the annual revenues that we collected during the test period in this general rate proceeding.

Cascadia Water is seeking cost recovery in rates because current revenues are insufficient to cover the ongoing cost of continuing to provide service that is safe, adequate and efficient, and in all respects just and reasonable, while allowing an opportunity for a reasonable return on the Company’s needed capital investment.

#### **Background**

Cascadia Water acquired the assets of Sea View Water, LLC (“Sea View”) and Lehman Enterprises, Inc. (“Lehman”) in November 2018, acquired the assets of Estates Water Systems, Inc. (“Estates”) and Monterra, Inc. (“Monterra”) in May 2019, and acquired the previously unregulated water supply and distribution system assets of Del Bay Association (“Del Bay”) in November 2020 (individually, a “Water System”; collectively, the “Water Systems”).

Cascadia Water acquired systems each having its own rates and rate structures that became effective now more than six (6) years ago for Sea View, more than seven (7) years ago for Lehman, more than two (2) years ago for Estates and twenty-one (21) years ago for Monterra.

Since its acquisitions of the Water Systems, the Company has done very well to manage its operating expenses in the face of inflation. During the same time periods, Cascadia Water has made substantial investment in its overall system and completed several key infrastructure projects that enhance service, for the benefit of its customers. To date, this includes:

- Installing a new online billing system, which allows our customers to pay online, pay with credit/debit cards (as customers have requested), set up AutoPay (another important customer request), and view their account history.
- Increasing staff, which helps facilitate faster customer service responses, improved system maintenance and quicker system repairs.
- Installing a new well at the TEL #10 water system, which has provided additional flow and a blending capability that helps maintain current reliability of service after the previous well tested high in Nitrate.

- Installing a SCADA (telemetry) system, which allows our operators to view and monitor the water system in real time – which is critical to ensuring safe system operations.
- Installing new submersible pumps, booster pumps, pressure tanks, and control boxes throughout several well sites, helping to ensure reliable water is delivered to our customers.
- Installing standby generators at a majority of the systems, with the target of having 100% installation completed by spring 2021. The new generators minimize service disruptions due to power outages, often experienced by residents during the winter storm season.
- Completing our replacement of the master meters at the well sites for each of the systems. This allows us to more accurately track the water that is pumped throughout the system, which in effect helps prevent unnecessary leakage.

In addition, the Company also is starting to install meters on the Monterra water system, which finally will allow customers on that system to track their individual use and help prevent unnecessary leakage of our precious resources. We also are exploring wireless read meters for a portion of the Estates water system, because flooding in the area makes meter reading nearly impossible for several months of the year. And, a master plan is in the works that takes a comprehensive look at all aspects of the water system, and identifies in detail how the system operates to continue providing safe and reliable water to the communities we serve.

#### Description of Filing and Requested Rate Change

Cascadia Water acknowledges that this rate case is being filed as we still are in the midst of the novel coronavirus (COVID-19) global health pandemic and economic hardship resulting from the pandemic. But now more than ever, our customers are depending on us for their water service. The critical investments in our system will ensure this is possible. In recognition of these extraordinary times, Cascadia Water has decided to take the extraordinary measure to seek to recover its investment and necessary incremental operating expenses by phasing in new rates over a one-year period, beginning April 1, 2021. (Del Bay customers: Your rates will remain at their current levels until November 12, 2021, on which date they will change to the Cascadia Water rates then in effect). By phasing in rates over that period, Cascadia Water will mitigate the initial rate impact of this request by smoothing the rate change over the course of one year.

Cascadia Water also is proposing that it consolidate its separate rates and rate structures that currently exist for each Water System and offer one unified set of rates and rate structure across its platform of Water Systems. (Del Bay customers: The note above applies here as well.). Doing so will clarify the Company’s communications to our customers, promote more efficient use of the Company’s billing and collections systems, and spread costs evenly and more broadly across the entire Cascadia Water footprint. Listed at the end of this Notice are the current rates and rate structure for each Water System, the proposed Phase 1, Phase 2 and Phase 3 unified rates and rate structure for all Water Systems, and the resulting average monthly bills.

The table below shows the timing and percent incremental increase for each phase. Cascadia Water will mail reminder Notices to you before the Phase 2 and Phase 3 rate changes become effective.

<b>Phase</b>	<b>Effective Date</b>	<b>Percent Incremental Increase</b>
1	April 1, 2021	23.1%
2	October 1, 2021	18.8%
3	April 1, 2022	15.8%

Cascadia Water also is proposing to consolidate its separate Ancillary Charges that currently exist for each Water System and offer one unified set of charges and charge structure across its platform of Water Systems. (Del Bay customers: The note above applies here as well.). For information about the current Ancillary Charges applicable to your Water System, please call Cascadia Water at the telephone number provided with this Notice. The proposed Ancillary Charges are listed at the end of this Notice.

The UTC has the authority to set final rates that may be either lower or higher from the Company's request, depending on the results of its investigation. Commission staff will make a recommendation to the Commissioners at an open meeting which is scheduled for 9:30 am on March 25, 2021. The UTC building is closed to the public until further notice. This open meeting will be conducted remotely. If you intend to listen or participate, call 360-664-1234 for instructions and to sign-in the day before the open meeting. You can also comment by using the "Submit a Comment" feature at the Commission's Web site at [www.utc.wa.gov](http://www.utc.wa.gov) or by using the contact information below.

Washington Utilities and Transportation Commission  
Post Office Box 47250  
Olympia, WA 98504-7250  
E-mail: [comments@utc.wa.gov](mailto:comments@utc.wa.gov)  
Telephone: 1-888-333-WUTC (9882)

A memo containing the staff recommendation will be available on the Commission website about three days prior to the open meeting. To view the memo, go to [www.utc.wa.gov](http://www.utc.wa.gov). Click on the link near the bottom that says "Documents." Under "Open Meetings," click on "Agendas, meeting minutes, orders." When the open meeting date (see above) appears, click on it, then on the memo for this filing. Then click on "Documents." This will take you to a page with the memo and other filed documents.

If you have any questions about the Company's filing or how it may affect you, please feel free to reach out to me at the contact information below or to the Commission at the contact information above.

Sincerely,

Culley Lehman  
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Cascadia Water, LLC  
[culley@cascadiawater.com](mailto:culley@cascadiawater.com)  
(360) 331-7388

**CURRENT RATES, RATE STRUCTURE AND AVERAGE MONTHLY BILL**

**Lehman Water System**

Meter Size	Monthly Base Rate	1 <sup>st</sup> Block Size (cu. ft.)	1 <sup>st</sup> Block Rate <sup>1</sup>	2 <sup>nd</sup> Block Size (cu. ft.)	2 <sup>nd</sup> Block Rate	3 <sup>rd</sup> Block Size (cu. ft.)	3 <sup>rd</sup> Block Rate	Avg. Monthly Bill
5/8"	\$17.50	500	\$0.75	501-1,500	\$1.80	Over 1,500	\$4.00	\$33.42
3/4"	\$26.25	750	\$0.75	751 – 2,250	\$1.80	Over 2,250	\$4.00	\$715.25
1"	\$43.75	1,250	\$0.75	1,251-3,750	\$1.80	Over 3,750	\$4.00	\$58.87
2"	\$140.00	4,000	\$0.75	4,001-12,000	\$1.80	Over 12,000	\$4.00	\$260.31
<b>Unmetered</b>	\$26.74							\$26.74
<b>Ready to Serve</b>	\$17.50							\$17.50

**Sea View Water System**

Meter Size	Monthly Base Rate	1 <sup>st</sup> Block Size (Gallons)	1 <sup>st</sup> Block Rate	2 <sup>nd</sup> Block Size (Gallons)	2 <sup>nd</sup> Block Rate	3 <sup>rd</sup> Block Size (Gallons)	3 <sup>rd</sup> Block Rate	Avg. Monthly Bill
3/4"	\$17.00	8,000	\$3.00	8,001 – 16,000	\$3.50	Over 16,000	\$4.50	\$32.70

**Estates Water System**

Meter Size	Monthly Base Rate	1 <sup>st</sup> Block Size (cu. ft.)	1 <sup>st</sup> Block Rate	2 <sup>nd</sup> Block Size (cu. ft.)	2 <sup>nd</sup> Block Rate	3 <sup>rd</sup> Block Size (cu. ft.)	3 <sup>rd</sup> Block Rate	Avg. Monthly Bill
3/4"	\$20.00	1,000	\$0.75	1,001-2,000	\$0.90	Over 2,000	\$1.05	\$25.07
2"	\$106.67	5,333	\$0.75	5,334-10,067	\$0.90	Over 10,067	\$1.05	\$179.82
<b>Ready to Serve</b>	\$10.00							\$10.00

**Monterra Water System**

Meter Size	Monthly Base Rate	1 <sup>st</sup> Block Size (cu. ft.)	1 <sup>st</sup> Block Rate	2 <sup>nd</sup> Block Size (cu. ft.)	2 <sup>nd</sup> Block Rate	3 <sup>rd</sup> Block Size (cu. ft.)	3 <sup>rd</sup> Block Rate	Avg. Monthly Bill
<b>Unmetered</b>	\$25.00							\$25.00
<b>Ready to Serve</b>	\$10.83							\$10.83

**Del Bay Water System (effective through November 11, 2021)**

Lot	Monthly Base Rate	1 <sup>st</sup> Block Size (cu. ft.)	1 <sup>st</sup> Block Rate	2 <sup>nd</sup> Block Size (cu. ft.)	2 <sup>nd</sup> Block Rate	3 <sup>rd</sup> Block Size (cu. ft.)	3 <sup>rd</sup> Block Rate	Avg. Monthly Bill
<b>Improved</b>	\$42.50							\$42.50
<b>Unimproved</b>	\$22.50							\$22.50

<sup>1</sup> Per one-hundred (100) cubic feet ("cu. ft.") in 1<sup>st</sup> Block Rate, 2<sup>nd</sup> Block Rate and 3<sup>rd</sup> Block Rate. If the meter is registered in gallons, the usage blocks will be gallons divided by 7.48.

**PROPOSED RATES, RATE STRUCTURE AND AVERAGE MONTHLY BILL**

**Phase 1 Rates, Rate Structure and Average Monthly Bill (effective April 1, 2021)**

Meter Size	Monthly Base Rate	1 <sup>st</sup> Block Size (cu. ft.)	1 <sup>st</sup> Block Rate <sup>2</sup>	2 <sup>nd</sup> Block Size (cu. ft.)	2 <sup>nd</sup> Block Rate	3 <sup>rd</sup> Block Size (cu. ft.)	3 <sup>rd</sup> Block Rate	Avg. Monthly Bill
5/8"	\$17.50	500	\$2.51	501-1,500	\$3.25	Over 1,500	\$4.00	\$35.77
3/4"	\$25.12	750	\$2.51	751 – 2,250	\$3.25	Over 2,250	\$4.00	\$880.75
1"	\$41.77	1,250	\$2.51	1,251-3,750	\$3.25	Over 3,750	\$4.00	\$72.50
2"	\$62.26	4,000	\$2.51	4,001-12,000	\$3.25	Over 12,000	\$4.00	\$325.71
<b>Unmetered</b>	\$34.30							\$34.30
<b>Ready to Serve</b>	\$15.53							\$15.53

**Phase 2 Rates, Rate Structure and Average Monthly Bill (effective October 1, 2021)**

Meter Size	Monthly Base Rate	1 <sup>st</sup> Block Size (cu. ft.)	1 <sup>st</sup> Block Rate	2 <sup>nd</sup> Block Size (cu. ft.)	2 <sup>nd</sup> Block Rate	3 <sup>rd</sup> Block Size (cu. ft.)	3 <sup>rd</sup> Block Rate	Avg. Monthly Bill
5/8"	\$23.32	500	\$2.69	501-1,500	\$3.25	Over 1,500	\$4.00	\$42.50
3/4"	\$34.80	750	\$2.69	751 – 2,250	\$3.25	Over 2,250	\$4.00	\$1,046.17
1"	\$53.15	1,250	\$2.69	1,251-3,750	\$3.25	Over 3,750	\$4.00	\$86.08
2"	\$138.59	4,000	\$2.69	4,001-12,000	\$3.25	Over 12,000	\$4.00	\$386.88
<b>Unmetered</b>	\$40.74							\$40.74
<b>Ready to Serve</b>	\$18.45							\$18.45

**Phase 3 Rates, Rate Structure and Average Monthly Bill (effective April 1, 2022)**

Meter Size	Monthly Base Rate	1 <sup>st</sup> Block Size (cu. ft.)	1 <sup>st</sup> Block Rate	2 <sup>nd</sup> Block Size (cu. ft.)	2 <sup>nd</sup> Block Rate	3 <sup>rd</sup> Block Size (cu. ft.)	3 <sup>rd</sup> Block Rate	Avg. Monthly Bill
5/8"	\$27.61	500	\$3.00	501-1,500	\$3.75	Over 1,500	\$4.50	\$49.22
3/4"	\$41.22	750	\$3.00	751 – 2,250	\$3.75	Over 2,250	\$4.50	\$1,211.67
1"	\$63.01	1,250	\$3.00	1,251-3,750	\$3.75	Over 3,750	\$4.50	\$99.75
2"	\$162.27	4,000	\$3.00	4,001-12,000	\$3.75	Over 12,000	\$4.50	\$448.08
<b>Unmetered</b>	\$47.19							\$47.19
<b>Ready to Serve</b>	\$21.36							\$21.36

<sup>2</sup> Per one-hundred (100) cubic feet ("cu. ft.") in 1<sup>st</sup> Block Rate, 2<sup>nd</sup> Block Rate and 3<sup>rd</sup> Block Rate. If the meter is registered in gallons, the usage blocks will be gallons divided by 7.48.

**PROPOSED ANCILLARY CHARGES**

Rule 5	Disconnection Visit Charge (each visit)	\$30.00
Rule 6	Reconnection Visit Charge (each visit)	\$50.00
Rule 11	Service Visit Charge (each visit)	\$30.00
Rule 14	Late Payment Charge of unpaid balance at time of billing	2.0%
Rule 20	Account Set-Up Charge (each account)	\$20.00
Rule 21	NSF Check Charge (each check)	\$15.00
Rule 22	Water Availability Letter Charge (each letter)	\$15.00
Rule 23	Premises Inspection Charge	\$25.00 per hour prorated for time spent.
Rule 26	Damage and Repairs Charge	Labor plus materials
Rule 27	Fire Hydrant Meter Rental (Security Deposit)	\$500.00