



DATE: MARCH 22, 2024

IMPORTANT NOTICE

I am writing to inform you of an upcoming change in our water rates. Due to various factors including increased operating costs, infrastructure improvements, and regulations, we find it necessary to adjust our rates.

Roche Harbor Water System, Inc. has asked the Washington Utilities and Transportation Commission (UTC) for authorization for a general rate change and to update our tariff. If approved, the new rates will become effective May 1, 2024.

Our proposed rates are 29% lower than comparable San Juan Island water utilities. We work hard to provide you with the best water at the lowest possible price.

You've seen us out there repairing leaks, replacing meters, helping you when your pipes are frozen, reaching out because we noticed that your water consumption was a little high, taking water samples, flushing hydrants, and maintaining our system.

There have been significant repairs and improvements to our water system since the last rate increase. Our water treatment plant is now over 20 years old. We've replaced aging equipment including chlorine analyzers, turbidity meters, and inefficient lighting with LED's. We have installed a generator capable of running the entire water treatment plant in the event of a power outage or natural disaster. Our community has grown and we are working with engineers to increase the production of our water plant. This will ensure we have the fire flow, storage capacity, and available water required for your needs.

Parts of our distribution system are over 50 years old. Since 2021 we have replaced over a mile of aging distribution lines, improving system reliability and increasing fire flow. To save money we have shared the cost of installation with power and fiber utilities. We are planning to do even more in the coming years.

Additionally, there has been a significant increase in operating costs such as waterworks parts, lab testing, chemical treatment, utility power, regulatory requirements, and labor costs.

It is important to note that we have worked diligently to keep the rate increase as minimal as possible while still meeting our operational needs. When compared to inflation over the same period, this increase in water rates will only partially cover over time what has been spent to bring clean safe water to your homes. We are committed to providing you with safe, reliable, and high-quality water service.

If you have any questions about how this rate change may affect you, please call Roche Harbor Water System at 360-378-3500 or email water@rhwater.com.

The company revenue impact of this filing, based on a 2023 test year, will be an increase of \$89,958 dollars or approximately 13.4%. If approved, the average bill will increase by approximately \$13.00 per month or 21% starting May 1, 2024. The rate impact is presented below:



Current Rates:

Meter Size	Monthly Base Rate	1 st Block (gallons)	1 st Usage Rate*	2 nd Block (gallons)	2 nd Usage Rate*	3 rd Block (gallons)	3 rd Usage Rate*
5/8 "	38.40	5,000	5.52	10,000	10.44	10,001	13.08
1 "	64.00	5,000	5.52	10,000	10.44	10,001	13.08
1.5"	\$128.00	5,000	5.52	10,000	10.44	10,001	13.08
2 "	204.80	5,000	5.52	10,000	10.44	10,001	13.08
4 "	640.00	5,000	5.52	10,000	10.44	10,001	13.08

Proposed Rates:

Each connection or customer.

Meter Size	Base Rate	1 st Block (Per 1000 gal.)	1 st Usage Rate	2 nd Block (Per 1000 gal.)	2 nd Usage Rate	3 rd Block (Per 1000 gal.)	3 rd Usage Rate
5/8-inch	\$44.25	0 – 5,000	\$7.27	5,001 – 10,000	\$14.69	10,001+	\$17.33
1-inch	\$73.90	0 – 8,350	\$7.27	8,350 – 16,700	\$14.69	16,701+	\$17.33
1 ½-inch	\$147.35	0 – 16,650	\$7.27	16,650– 33,300	\$14.69	33,301+	\$17.33
2-inch	\$235.85	0 – 26,650	\$7.27	26,650– 53,300	\$14.69	53,301+	\$17.33
4-inch	\$737.65	0 – 83,350	\$7.27	83,351- 166,700	\$14.69	166,701+	\$17.33

Additionally, the company will be adjusting some of the ancillary charges to help recover costs directly incurred. Ancillary Charges will be adjusted to the following:

Rule#	Rule Description	Old Charges	Proposed Charge	% Change
Rule 5	Disconnection Visit Charge (per visit)	\$75.00	\$85.00	13.3%
Rule 6	Reconnection Charge (per visit)	\$75.00	\$85.00	13.3%
	After hours reconnection Charge	N/A	\$135.00	100%
Rule 11	Service Visit Charge	\$75.00/hr	\$85.00/hr	13.3%
Rule 14	Late Payment Charge of; \$6.00 Minimum or 2% Unpaid Balance	\$6 Minimum or 2% Unpaid Balance	\$6 Minimum or 2% Unpaid Balance	0%
Rule 20	Account Set-up Charge	\$50.00	\$50.00	0%



Rule 21	NSF Charge (each check)	\$25.00	\$35.00	40%
Rule 22	Water Availability Letter Charge	\$50.00	\$50.00	0%
Rule 24	Backflow Assembly Inspection	\$75.00/hr	\$85.00/hr	13.3%
Rule 28	Damage and Repair Clause			
	<i>Hourly Labor Charge</i>	Hourly rate + Materials	Hourly rate + Materials	13.3%

Schedule #	Rule Description	Old Charges	Proposed Charge	Percentage Change
Schedule 4	Wholesale Water	\$20/load + \$0.021/Gallon	\$25/load+ \$0.03/Gallon	42.%
Schedule 5	Service Connection Charge (5/8" Installation) Greater than 5/8"	\$2500.00 Various	No Change	0%
Schedule 8	Cross Connection Control (<i>Service inspection</i>)	\$75.00/hr	\$85.00/hr	13.3%

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. Commission staff will make a recommendation to the Commissioners at an open meeting which is scheduled for 9:30 a.m. on April 25, 2024. 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 or by using the contact information below

Washington Utilities and Transportation Commission
 Post Office Box 47250
 Olympia, WA 98504-7250
 E-mail: records@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 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.

Sincerely,
 Jason Miniken
 Water System Manager