

Olympic Water and Sewer, Inc.
70 Breaker Lane
Port Ludlow, WA 98365

IMPORTANT NOTICE

February 17, 2025

OLYMPIC WATER AND SEWER INC. 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.

As a result of the Company's rate review OWSI has filed for approval from the WUTC to increase rates by 17.5% or \$181,354 in annual revenue. If approved, the rates will be effective on April 21, 2025, which is the beginning of the May/June billing cycle.

This will allow the Company to recover its portion of the project through general rates, and would enable the Commission to analyze the Company's books, records, and allocations between its affiliates.

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		\$24.50
Usage Block 1	0-600 cu.ft.	\$0.0350	0-600 cu.ft.	\$0.0450
Usage Block 2	600-1800 cu.ft.	\$0.0475	600-1200 cu.ft.	\$0.0550
Usage Block 3	Over 1800 cu.ft.	\$0.0600	Over 1200 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 \$5.00. (22.00 increases to 24.50 for 2.50/month) for the base rate.
- Plus, an \$18.00 increase in usage rates ((600 x 0.035 + 400 x 0.0475 = 40) versus (600 x 0.045 + 400 x 0.055 = 49)).
- The bimonthly bill for water would increase from \$124.00 to \$147.00.

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
Mail: Washington Utilities and Transportation Commission
Post Office Box 47250
Olympia, WA 98504
Telephone: 1-888-333-WUTC (9882)

If you would like to comment on this proposal, it is important for you to do so now. Comments must be submitted in writing or presented at the commission's open meeting to be included as part of the formal record. The commission is interested in receiving your views regarding this proposal whether in favor or not. This matter will be heard at the open meeting on _____, in Lacey, WA.

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. 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.

Please see chart on next page.

2024 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	\$24.50	0 - 600	\$0.045	601 - 1200	\$0.055	1201+	\$0.065
1-inch	1.67	\$40.83	0 - 1,000	\$0.045	1,001 - 2,000	\$0.055	2001+	\$0.065
1 1/2-inch	3.33	\$81.67	0 - 2,000	\$0.045	2,001 - 4,000	\$0.055	4001+	\$0.065
2-inch	5.33	\$130.67	0 - 3,200	\$0.045	3,201 - 6,400	\$0.055	6401+	\$0.065
3-inch	10	\$245.00	0 - 6,000	\$0.045	6,001 - 12,000	\$0.055	12001+	\$0.065

Note One Cu.ft. of Water Equals 7.48 Gallons