

March 16, 2022

Amanda Maxwell, Executive Director
Washington Utilities and Transportation Commission
P.O. Box 47250
Olympia, WA 98504-7250

Received
Records Management
03/16/22 08:56
State Of WASH.
UTIL. AND TRANSP.
COMMISSION

Subject: Olympic Water and Sewer Water Surcharge requirement
Docket number UW-190160

Dear Executive Director,

Olympic Water and Sewer Inc. (OWSI) wishes to file for general rate decrease of the surcharge approved on June 20, 2019 with an effective date of April 19, 2022.

We have included the following items to fully support our filing.

- 1) **Cover Letter.**
- 2) **Tariff.** The proposed tariff with a proposal effective date of April 19, 2022.
- 3) **Work Papers.** The supporting work papers include:
 - a. Complete accounting of all expenses.
 - b. Report on the amount of income generated from the surcharge to date.
 - c. Capital improvement surcharge worksheet.
 - d. DOH final approval letter.
 - e. Public water system identification number 68700L

The proposed amount to be recovered from the customer base is 70% of the cost of the Filtration and Chlorination project. The 70% customer portion of the \$2,015,604 project is \$1,404,128.60. OWSI has secured a loan to finance the project through the Department of Health Drinking Water State Revolving Fund.

The customer base will also pay for 1.0 % interest on the customer 70% construction costs \$140,412.86 and 1.5% tax \$23,168.12. The total to be recovered from the customers is \$1,567,709.58.

From the surcharge initiated on June 20, 2019 collected to date the customers have paid \$277,947.16. This has been strategically used to pay some trade Associates directly to keep the loan balance and the interest lower as well as a payment made on the loan. Currently the customer's costs to be recovered from the surcharge are \$1,289,762.42. The proposed annual surcharge amount will be reduced from \$104,100 to \$72,870. The proposed surcharge is \$3.50 rounded a month. OWSI bills will show a \$7.00

rounded surcharge as OWSI bills bimonthly. This is a 30% reduction of the original surcharge effective on June 20, 2019 that was based on estimated costs. This surcharge is now based on actual expenses for the completed project.

If approved the rate reduction will be applied to the June 20, 2022 bi monthly billing for service provided April 19 to June 20, 2022. The surcharge is set to expire on June 20, 2038.

The surcharge is the result of water quality not consistently conforming to the Washington State Department of Health standards. Facilities to remove manganese, iron, and arsenic followed by disinfection of the system will improve reliability and customer confidence of the drinking water.

Please call me at 360-437-2101 if you have any questions. The OWSI email address is 'owsi@portludlowassociates.com'.

Sincerely,

Diana Smeland
President
Olympic Water and Sewer Inc.