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IMPORTANT NOTICE

Cascadia Water, LLC ("Cascadia Water" or "the Company"), on February 29, 2024, filed for approval from the Washington Utilities and Transportation Commission (the "Commission") to increase rates as shown in the table below, effective June 1, 2024. Increased rates will reflect additional revenue of \$1,788,793, an incremental increase of 75%.

Purpose of General Rate Proceeding

The purpose of this filing is to recover costs associated with water service on the Company's rate tariffs filed with the Commission. 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.

Since its prior general rate proceeding, Cascadia Water has prudently managed its operating expenses. Many of these expenses have nonetheless increased due to high inflation that is beyond the Company's control. Cascadia Water has also made substantial investment system-wide and completed several key infrastructure projects that enhance service, for the benefit of its customers. To date, these include:

- Continuing to install standby generators on most systems to minimize service disruptions due to power outages, often experienced by residents during the winter storm season and to add resiliency in case of natural disasters.
- Continuing to install SCADA (telemetry) systems, which allow our operators to view and monitor the water systems in real time and is critical to ensuring safe and reliable system operations. This also gives advance warning to operators and allows the ability to respond effectively to issues before they become outages.
- Installing new submersible pumps, booster pumps, pressure tanks, and control boxes throughout several well sites, helping to ensure reliable water delivery to our customers.
- Ongoing meter replacement to allow us to more accurately track the water that is pumped throughout the system, which in effect helps prevent unnecessary leakage, and provides the ability to read meters remotely.
- Upgrading the CAL Waterworks system (Island) pumphouse, including electrical and pump upgrades, and completing a system loop which provides fire flow.
- Consolidating the Del Bay system (Island) into a larger, more reliable gravity feed system, which also provides fire flow.
- Replacing two pressure reducing valves to achieve constant pressure and increase flow on the WB Waterworks system (Island).
- Extending the main line on the Bacus Road system (Mainland) over a culvert/creek crossing.
- Installing chlorine analyzers on the Pelican Point system, which helps streamline chlorine levels and cut down operational costs.

The Company also is undertaking other key infrastructure projects, which include:

- Installing a new above-ground reservoir on the Estates system (Peninsula) to replace the old below-ground reservoir that is leaking and experiencing root infiltration. This will improve water quality by removing manganese, iron, and some arsenic through process. Also installing new booster pumps to improve constant system pressure and more robust fire flow capability throughout the system.
- Installing a new reservoir on the WB Waterworks system (Island) to replace leaking reservoirs and add capacity to the system, as well as a filter plant to ensure water quality, removing manganese, iron and arsenic through process.
- Installing disinfection on the Rolf Bruun system (Mainland) due to persistent water quality issues, as well as the addition of a second booster pump to maintain constant system pressure.
- Preparing for a new well to come online for the Sea View system (Island).

Description of Filing and Requested Rate Change

Since its last general rate proceeding in 2021, Cascadia Water has continued to expand. It acquired the assets of Discovery Bay Village Water, Inc. ("Discovery Bay") on the Olympic Peninsula, Pelican Point Water Company ("Pelican Point") near Moses Lake in Grant County, Northwest Water Services, LLC ("Northwest Water Services") in portions of Skagit, Snohomish and Island Counties, Aquarius Utilities, LLC ("Aquarius") in Clallam, Kitsap, and Mason Counties, and Pedersen Family, LLC ("Pedersen") in Sequim in Clallam County.

In this general rate proceeding, Cascadia Water proposes to maintain separate rate structures for its Peninsula System and for its Island Systems that now include portions of Skagit and Snohomish Counties ("Island/Mainland System"). Based on the geographic location of each system it has acquired since its last general rate proceeding, the Company proposes to consolidate the Discovery Bay, Aquarius and Pedersen systems into its Peninsula System rate structure, and to consolidate the Northwest Water Services systems into its Island/Mainland System rate structure. Cascadia Water believes that the incremental consolidation of newly added systems will provide long-term benefits for all of its customers by developing larger customer bases from the very fractured nature of small water systems in Washington. For purposes of this proceeding, the Company proposes to maintain a separate rate structure for the Pelican Point System, which is located across the Cascade Mountains near Moses Lake and its proposed rates do not align with either the Peninsula System or Island/Mainland System rate structures for consolidation at this time.

Revising and consolidating rates and rate structures in this manner will clarify the Company's communications to its customers, promote more efficient use of the Company's billing and collections systems, and spread costs evenly and more broadly across each rate structure.

Listed at the end of this Notice <u>for your system</u> are the proposed rates and resulting average monthly bill impact from this general rate proceeding.

The Commission 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 Thursday, May 23, 2024. 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. 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.

You will have an opportunity to provide your comments at this meeting either in person or remotely. 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 is committed to providing reasonable accommodations for participants with disabilities. If you need reasonable accommodations to participate in the open meeting, please contact the Commission at 1-888-333-9882 or email consumer@utc.wa.gov.

To comment to the Commission on Cascadia Water's requested rate changes, you may also use the online comment form at http://www.utc.wa.gov/consumers/submit-comment; email comments@utc.wa.gov; phone 1-888-333-9882; or, write to P.O. Box 47250, Olympia, WA, 98504-7250. Please include your name, mailing address, the name of the company (Cascadia Water), and docket(s) number. If you have questions about the Commission's process, please contact the Commission using one of the above methods.

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

Sincerely,

Culley Lehman General Manager Cascadia Water, LLC <u>info@cascadiawater.com</u> (888) 235-0510

ISLAND/MAINLAND SYSTEM (for Sea View/Lehman/Del Bay)

Cascadia Water's proposed rates and the resulting average monthly bill impact for your Island/Mainland System (for Sea View/Lehman/Del Bay) are as follows:

Island/Mainland System (for Sea View/Lehman/Del Bay)— Current Rates

Meter Size	Base	1st Block	1st Block	2nd Block	2nd Block	3rd Block	3rd Block
	Rate	Size	Rate	Size	Rate	Size	Rate
	(mo.)	(cu. ft.)		(cu. ft.)		(cu. ft.)	
5/8"	\$29.35	0-500	\$2.25	501-	\$3.50	Over	\$4.50
				1,000		1,000	
1"	\$73.38	0-1,250	\$2.25	1,251-	\$3.50	Over	\$4.50
				2,500		2,500	
2"	\$234.80	0-4,000	\$2.25	4,001-	\$3.50	Over	\$4.50
				8,000		8,000	
Unmetered	\$47.04						
Ready to	\$29.35						
Serve							

Island/Mainland System – Proposed Rates (effective June 1, 2024)

Meter Size ¹	Base Rate (mo.)	1 st Block Size (cu. ft.)	1st Block Rate ²	2 nd Block Size (cu. ft.)	2 nd Block Rate	3 rd Block Size (cu. ft.)	3 rd Block Rate
5/8" or 3/4"	\$56.00	0-500	\$5.52	501- 1,000	\$8.72	Over 1,000	\$11.04
1"	\$112.00	0-1,250	\$5.52	1,251- 2,500	\$8.72	Over 2,500	\$11.04
2"	\$448.00	0-4,000	\$5.52	4,001- 8,000	\$8.72	Over 8,000	\$11.04
Unmetered ³	\$89.60						
Ready to Serve ⁴	\$56.00						

Island/Mainland System (for Sea View/Lehman/Del Bay) – Average Monthly Bill Impact from Proposed Rates (effective June 1, 2024)

Meter Size	Avg. Bill Current	Avg. Bill Proposed	Dollar Increase	Percentage Increase
5/8"	\$49.81	\$103.28	\$53.47	107%
1"	\$161.55	\$329.13	\$167.59	104%
2"	1,017.34	\$2,371.83	\$1,354.49	133%

¹ "Meter Size" relates to the 5/8-inch, 3/4-inch, 1-inch and 2-inch rates under Metered Rate Service (Rate Schedule No. 2).

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

³ "Unmetered" means Non-Metered Flat Rate Service (Rate Schedule No. 1).

⁴ "Ready to Serve" means Ready To Serve Service (Rate Schedule No. 3).

ISLAND/MAINLAND SYSTEM (for Northwest Water Services)

Cascadia Water's proposed rates and the resulting average monthly bill impact for your Island/Mainland System (for Northwest Water Services) are as follows:

Island/Mainland System (for Northwest Water Services) – Current Rates

Meter Size	Base Rate (mo.)	1st Block Size (cu. ft.)	1st Block Rate	2 nd Block Size (cu. ft.)	2 nd Block Rate	3 rd Block Size (cu. ft.)	3 rd Block Rate
3/4"	\$43.00	0-668	\$1.30	669- 1,337	\$2.40	Over 1,337	\$4.00
1"	\$71.67	0-1,114	\$1.30	1,115- 2,228	\$2.40	Over 2,228	\$4.00
Unmetered	\$65.90						
Ready to Serve	\$43.00						
Skagit R. Colony Flat	\$40.00						

Island/Mainland System – Proposed Rates (effective June 1, 2024)

Meter Size ¹	Base	1st Block	1st Block	2nd Block	2 nd Block	3rd Block	3 rd Block
	Rate	Size	Rate ²	Size	Rate	Size	Rate
	(mo.)	(cu. ft.)		(cu. ft.)		(cu. ft.)	
5/8" or 3/4"	\$56.00	0-500	\$5.52	501-	\$8.72	Over	\$11.04
				1,000		1,000	
1"	\$112.00	0-1,250	\$5.52	1,251-	\$8.72	Over	\$11.04
				2,500		2,500	
2"	\$448.00	0-4,000	\$5.52	4,001-	\$8.72	Over	\$11.04
				8,000		8,000	
Unmetered ³	\$89.60						
Ready to	\$56.00						
Serve ⁴							

Island/Mainland System (for Northwest Water Services) – Average Monthly Bill Impact from Proposed Rates (effective June 1, 2024)

Meter Size	Avg. Bill Current	Avg. Bill Proposed	Dollar Increase	Percentage Increase
3/4"	\$56.72	\$104.41	\$47.69	84%
1''	\$71.79	\$112.52	\$40.73	57%

¹ "Meter Size" relates to the 5/8-inch, 3/4-inch, 1-inch and 2-inch rates under Metered Rate Service (Rate Schedule No. 2).

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

³ "Unmetered" means Non-Metered Flat Rate Service (Rate Schedule No. 1).

⁴ Includes Skagit River Colony. "Ready to Serve" means Ready To Serve Service (Rate Schedule No. 3).

PENINSULA SYSTEM (for Estates/Monterra)

Cascadia Water's proposed rates and the resulting average monthly bill impact for your Peninsula System (for Estates/Monterra) are as follows:

Peninsula System (for Estates/Monterra) – Current Rates

Meter Size	Base Rate (mo.)	1st Block Size (cu. Ft.)	1st Block Rate	2 nd Block Size (cu. Ft.)	2 nd Block Rate	3 rd Block Size (cu. Ft.)	3 rd Block Rate
5/8"	\$24.00	0-500	\$1.00	501- 1,275	\$2.00	Over 1,275	\$2.95
2"	\$192.00	0-4,000	\$1.00	4,001- 8,000	\$2.00	Over 8,000	\$2.95
Ready to Serve	\$24.00						

Peninsula System – Proposed Rates (effective June 1, 2024)

Meter Size ¹	Base Rate (mo.)	1 st Block Size (cu. Ft.)	1st Block Rate ²	2 nd Block Size (cu. Ft.)	2 nd Block Rate	3 rd Block Size (cu. Ft.)	3 rd Block Rate
5/8" or 3/4"	\$44.00	0-500	\$2.83	501- 1,000	\$4.47	Over 1,000	\$5.66
1"	\$88.00	0-1,250	\$2.83	1,251- 2,500	\$4.47	Over 2,500	\$5.66
2"	\$352.00	0-4,000	\$2.83	4,001- 8,000	\$4.47	Over 8,000	\$5.66
Unmetered ³	\$70.40						
Ready to Serve ⁴	\$44.00						

Peninsula System (for Estates/Monterra)— Average Monthly Bill Impact from Proposed Rates (effective June 1, 2024)

Meter Size	Avg. Bill Current	Avg. Bill Proposed	Dollar Increase	Percentage Increase
5/8"	\$39.55	\$76.71	\$37.16	94%
2''	\$325.50	\$658.22	\$332.72	102%

¹ "Meter Size" relates to the 5/8-inch, 3/4-inch, 1-inch and 2-inch rates under Metered Rate Service (Rate Schedule No. 2).

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

³ "Unmetered" means Non-Metered Flat Rate Service (Rate Schedule No. 1).

⁴ "Ready to Serve" means Ready To Serve Service (Rate Schedule No. 3).

PENINSULA SYSTEM (for Discovery Bay)

Cascadia Water's proposed rates and the resulting average monthly bill impact for your Peninsula System (for Discovery Bay) are as follows:

Peninsula System (for Discovery Bay) – Current Rates

Meter Size	Base Rate (mo.)	1st Block Size (cu. ft.)	1st Block Rate	2 nd Block Size (cu. ft.)	2 nd Block Rate
5/8"	\$46.00	0-500		Over 500	\$1.00
2"	\$65.00	0-1,000		Over 1,000	\$1.00

Peninsula System – Proposed Rates (effective June 1, 2024)

Meter Size ¹	Base Rate (mo.)	1 st Block Size (cu. ft.)	1st Block Rate ²	2 nd Block Size (cu. ft.)	2 nd Block Rate	3 rd Block Size (cu. ft.)	3 rd Block Rate
5/8" or 3/4"	\$44.00	0-500	\$2.83	501- 1,000	\$4.47	Over 1,000	\$5.66
1"	\$88.00	0-1,250	\$2.83	1,251- 2,500	\$4.47	Over 2,500	\$5.66
2"	\$352.00	0-4,000	\$2.83	4,001- 8,000	\$4.47	Over 8,000	\$5.66
Unmetered ³	\$70.40						
Ready to Serve ⁴	\$44.00						

Peninsula System (for Discovery Bay) – Average Monthly Bill Impact from Proposed Rates (effective June 1, 2024)

Meter Size	Avg. Bill Current	Avg. Bill Proposed	Dollar Increase	Percentage Increase
5/8"	\$48.58	\$65.51	\$16.92	35%
2''	\$67.13	\$69.54	\$2.41	4%

¹ "Meter Size" relates to the 5/8-inch, 3/4-inch, 1-inch and 2-inch rates under Metered Rate Service (Rate Schedule No. 2).

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

³ "Unmetered" means Non-Metered Flat Rate Service (Rate Schedule No. 1).

⁴ "Ready to Serve" means Ready To Serve Service (Rate Schedule No. 3).

PENINSULA SYSTEM (for Aquarius)

Cascadia Water's proposed rates and the resulting average monthly bill impact for your Peninsula System (for Aquarius) are as follows:

Peninsula System (for Aquarius) - Current Rates

Meter Size	Base Rate	1st Block Size	1st Block Rate	2 nd Block Size (cu. ft.)	2 nd Block Rate	3 rd Block Size (cu. ft.)	3 rd Block Rate
	(mo.)	(cu. ft.)		(cu. It.)		(cu. 11.)	
3/4"	\$19.25	0-461	\$5.90	462-	\$6.20	Over	\$7.50
				1,125		1,125	
1"	\$32.08	0-770	\$5.90	771-1,879	\$6.20	Over	\$7.50
						1,879	

Peninsula System – Proposed Rates (effective June 1, 2024)

Meter Size ¹	Base Rate (mo.)	1 st Block Size (cu. ft.)	1st Block Rate ²	2 nd Block Size (cu. ft.)	2 nd Block Rate	3 rd Block Size (cu. ft.)	3 rd Block Rate
5/8" or 3/4"	\$44.00	0-500	\$2.83	501- 1,000	\$4.47	Over 1,000	\$5.66
1"	\$88.00	0-1,250	\$2.83	1,251- 2,500	\$4.47	Over 2,500	\$5.66
2"	\$352.00	0-4,000	\$2.83	4,001- 8,000	\$4.47	Over 8,000	\$5.66
Unmetered ³	\$70.40						
Ready to Serve ⁴	\$44.00						

Peninsula System (for Aquarius) – Average Monthly Bill Impact from Proposed Rates (effective June 1, 2024)

Meter	Avg. Bill	S S		Percentage	
Size	Current	Proposed	Increase	Increase	
3/4"	\$49.33	\$61.40	\$12.07	24%	
1''	\$85.94	\$128.55	\$42.61	50%	

¹ "Meter Size" relates to the 5/8-inch, 3/4-inch, 1-inch and 2-inch rates under Metered Rate Service (Rate Schedule No. 2).

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

³ "Unmetered" means Non-Metered Flat Rate Service (Rate Schedule No. 1).

⁴ "Ready to Serve" means Ready To Serve Service (Rate Schedule No. 3).

PENINSULA SYSTEM (for Pedersen)

Cascadia Water's proposed rates and the resulting average monthly bill impact for your Peninsula System (for Pedersen) are as follows:

Peninsula System (for Pedersen) – Current Rates

Meter Size	Base Rate (mo.)	1st Block Size (cu. ft.)	1st Block Rate	2 nd Block Size (cu. ft.)	2 nd Block Rate	3 rd Block Size (cu. ft.)	3 rd Block Rate
3/4"	\$28.00	0-500	\$1.10	501-	\$2.00	Over	\$4.00
				1,000		1,000	
Ready to	\$28.00						
Serve							

Peninsula System – Proposed Rates (effective June 1, 2024)

Meter Size ¹	Base Rate (mo.)	1 st Block Size (cu. ft.)	1st Block Rate ²	2 nd Block Size (cu. ft.)	2 nd Block Rate	3 rd Block Size (cu. ft.)	3 rd Block Rate
5/8" or 3/4"	\$44.00	0-500	\$2.83	501- 1000	\$4.47	Over 1,000	\$5.66
1"	\$88.00	0-1,250	\$2.83	1,251- 2,500	\$4.47	Over 2,500	\$5.66
2"	\$352.00	0-4,000	\$2.83	4,001- 8,000	\$4.47	Over 8,000	\$5.66
Unmetered ³	\$70.40						
Ready to Serve ⁴	\$44.00						

Peninsula System (for Pedersen) – Average Monthly Bill Impact from Proposed Rates (effective June 1, 2024)

Meter	Avg. Bill	Avg. Bill	Dollar	Percentage
Size	Current	Proposed	Increase	Increase
3/4"	\$38.67	\$63.76	\$25.08	65%

¹ "Meter Size" relates to the 5/8-inch, 3/4-inch, 1-inch and 2-inch rates under Metered Rate Service (Rate Schedule No. 2).

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

³ "Unmetered" means Non-Metered Flat Rate Service (Rate Schedule No. 1).

⁴ "Ready to Serve" means Ready To Serve Service (Rate Schedule No. 3).

PELICAN POINT SYSTEM

Cascadia Water's proposed rates and the resulting average monthly bill impact for your Pelican Point System are as follows:

Pelican Point System – Current Rates

Meter Size	Base Rate (mo.)	1st Block Size (cu. ft.)	1st Block Rate	2 nd Block Size (cu. ft.)	2 nd Block Rate	3 rd Block Size (cu. ft.)	3 rd Block Rate
Any	\$26.00	0-1,000	\$0.60	1,000- 6,000	\$0.70	Over 6,000	\$0.80
Unmetered	\$45.00						

Pelican Point System Proposed Rates (effective June 1, 2024)

Meter Size ¹	Base Rate (mo.)	1 st Block Size (cu. ft.)	1st Block Rate ²	2 nd Block Size (cu. ft.)	2 nd Block Rate	3 rd Block Size (cu. ft.)	3 rd Block Rate
5/8" or 3/4"	\$51.00	0-900	\$0.68	901- 5,500	\$1.20	Over 5,500	\$2.00
1"	\$51.00	0-900	\$0.68	901- 5,500	\$1.20	Over 5,500	\$2.00
2"	\$51.00	0-900	\$0.68	901- 5,500	\$1.20	Over 5,500	\$2.00
Unmetered ³	\$81.60						
Ready to Serve ⁴	\$51.00						

Pelican Point System Average Monthly Bill Impact from Proposed Rates (effective June 1, 2024)

Meter	Avg. Bill -	Avg. Bill	Dollar	Percentage
Size	- Current	Proposed	Increase	Increase
5/8" or 3/4"	\$43.95	\$84.27	\$40.32	92%
1''	\$43.43	\$82.07	\$38.64	89%
2''	\$62.23	\$126.43	\$64.20	103%

¹ "Meter Size" relates to the 5/8-inch, 3/4-inch, 1-inch and 2-inch rates under Metered Rate Service (Rate Schedule No. 2).

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

³ "Unmetered" means Non-Metered Flat Rate Service (Rate Schedule No. 1).

⁴ "Ready to Serve" means Ready To Serve Service (Rate Schedule No. 3).