

October 25, 2021

**RE: 2021 Customer Newsletter**

To Our Valued Customers,

I hope this letter finds you well. As your water provider, our commitment to you is to provide safe, reliable and cost-effective water service. Every day, we work hard to uphold this commitment. We would like to take this opportunity to update you on recent activities at South Coast Water Company.

**Recent Capital Improvement Highlights**

Thank you to all who participated in our Open Houses to discuss capital improvements made to South Coast Water Company in recent years to improve water quality and system performance:

- **New Water Source** – The water source for South Coast Water Company was switched from Siltcoos Lake to Woahink Lake to improve water quality and reduce health hazards.
- **New Treatment Plant & Storage Tanks**– A new treatment plant was constructed to improve water quality while meeting State of Oregon drinking water requirements. New storage tanks were also installed.
- **New Treatment Plant Security and Vulnerability Improvements** – Security improvements were made to better protect the treatment plant from natural and manmade hazards.
- **Advanced Customer Metering** – All customer meters were replaced with advanced metering to allow for remote meter reads and improved data management.
- **Asset Management Program** – An asset management program was started for the system to improve system mapping, evaluate asset conditions and identify potential improvements.

**Proposed Rate Adjustment & Upcoming PUC Process**

As discussed in our Open Houses, South Coast Water Company has not increased rates in over a decade. We are proposing to adjust rates to help recover capital improvement costs (see above) and adjust for operating cost escalations over the last decade.

As a regulated water utility, the Oregon Public Utility Commission (PUC) authorizes rate adjustments for South Coast Water Company. PUC rate case process generally takes 6-9 months and includes a detailed review of South Coast Water Company capital and operating costs. The process also includes customer engagement throughout the process and we encourage all to participate to ensure an adequate rate adjustment is achieved.

Details on the PUC process will be forthcoming in early December 2021. New rates, if approved, will not go into effect until Fall 2022. We appreciate your understanding, engagement and patience as we move through the PUC process.

**Summer Irrigation Constraint**

We appreciate everyone's efforts to follow our summer irrigation water curtailment notice. Large irrigation users continue to impact water supply during summer periods. In late September, the supply connection to Woahink Lake was improved which helped to increased supply – but did not solve the

problem. We are working with the Oregon Association of Water Utilities to obtain grant funding to help evaluate the irrigation supply issue and provide recommendations for system upgrades.

### **System Expansion Put on Hold**

Given the summer irrigation constraint and need to work through the PUC rate case process, we have put system expansion planning on hold.

### **Online Bill Pay**

Many customers have expressed interest in online bill pay. Online bill pay is currently available for all South Coast Water customers. Please see “Pay My Bill” on the website. You will need your account number.

From the entire team at South Coast Water Company, we thank you for the opportunity to serve you and we wish you continued health and safety.

Sincerely,

**South Coast Water Company**