



PUBLIC UTILITY DISTRICT NO. 1 OF MASON COUNTY

Frequently Asked Questions (FAQ) Proposed Rate Increase Effective January 1, 2026

Why a rate increase? Factors contributing to rate increases include: **1)** ensuring that our rates are sufficient to capture enough revenue to cover our annual costs as required by law and outlined in our Cost-of-Service Analysis (COSA), **2)** increased costs associated with operations and capital projects, **3)** increased regulations by state and federal agencies for water system planning and water quality testing.

- 1.** The District continues to review its Cost-of-Service Analysis (COSA) every three years to determine whether the projected future water rates are adequate to cover the cost to provide safe, reliable water service. With the amount of grant funding the District has been awarded over the last few years, it was determined that the projected percentage of increases could be reduced by an average of 2% for residential customers. The District was able to reduce the projected 7% increase for 2025 down to 5% and proposes to reduce the scheduled rate increase again for 2026 down to 3.5%. The new proposed rates will continue our requirement to bring each customer class within cost of service over the next several years, and the additional grant funding will enable the PUD to complete the scheduled work without having to fund it all through the water rates.
- 2.** All systems will continue to contribute equally to the capital improvement fund, and the District will determine through Strategic Planning the schedule of when system improvements will occur. The idea is that every system will receive responsible maintenance and upgrades when it's time, regardless of the number of customers on that system or the price of the maintenance and upgrades. The District continues to actively pursue grant funding for the larger capital projects to help alleviate pressure on customers rates. Over the last 5 years, the District has been awarded just over \$10 million in grant funding for these capital water improvement projects.

Inflation continues to increase operational costs for our standard materials, fuel, goods and labor costs. Permitting, engineering and water system plan review fees have increased as well. These higher prices are reflected in the 2026 operating budget expenses. Luckily, grant funding has enabled the PUD to help keep rates stable with COSA projections, but still get the capital projects done despite the inflationary challenges.

- 3.** The District is subject to state and local regulations regarding drinking water and environmental protections. The cost to develop our water system plans has increased, partly due to new requirements that must be included in the plans. The PUD also has much more water quality testing to perform each year for things like lead and copper sampling and PFAS sampling, in addition to our monthly testing costs increasing on our 76 water systems. This has been a big cost escalation in the 2025 and 2026 budgets.

How are the rate increases structured?

Effective January 1, 2026, the monthly basic charge and the usage rate will increase by 3.5% for the residential rate class, and 12% for the irrigation rate class, while the commercial rate class will not receive an increase since it is already at cost of service.

What is the new rate for residential customers?

On January 1, 2026, the average meter basic charge for all systems will increase from \$65.63 to \$67.93. The usage charge (\$ per ccf) will increase from \$2.64 to \$2.73 for usage from 401 to 1,000 CF, and from \$3.29 to \$3.41 for usage of 1,001 + CF.

The first 400 CF (cubic feet) of usage is still included in the monthly basic charge.

How do I learn more about the proposed increase and provide comment?

A public rate hearing will be held before the regular Board of Commissioners meeting beginning at 1:00 p.m., on Tuesday, December 09, 2025, at the PUD 1 district office in Potlatch. We welcome and encourage the public to attend all meetings in person or via Zoom (Zoom details on the website: www.mason-pud1.org). If you are unable to attend the rate hearing, you are welcome to call the PUD office and ask to speak with the finance department, or you can reach out to one of your PUD commissioners.

What types of programs and services are available to help customers?

Mason PUD 1 offers:

- Residential Budget Payment Plans
- Canal Comfort Fund energy and water assistance program

If you need assistance paying your bill, please speak to our Customer Service department to explore the options that are available to you.