



# Kitsap County Public Works



*Caring about your every day*

## SOLID WASTE



- Recycling Education
- Reduce Waste
- Safe Disposal

## SEWER



- Sewage Collection
- Sewage Treatment
- Water Reuse

## STORMWATER



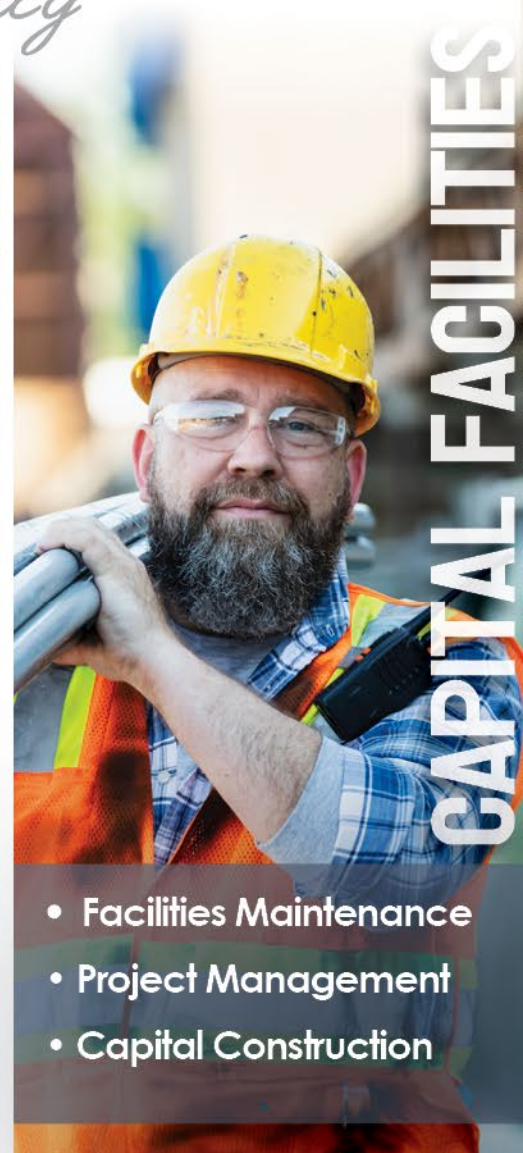
- Reduce Flooding
- Prevent Pollution
- Restore Fish Habitat

## ROADS



- Preserve Roadways
- Efficient Traffic
- Improve Safety and Capacity

## CAPITAL FACILITIES



- Facilities Maintenance
- Project Management
- Capital Construction



# Kitsap County Department of Public Works



## ► Our Vision

A recognized leader in the delivery of Public Works services with PRIDE.

## ► Our Mission

To plan, maintain, operate and construct public works facilities for the citizens of Kitsap County in a courteous, cost-effective and professional manner.



# Kitsap County Department of Public Works



## Our PRIDE Values

- **Professionalism**  
Exhibiting high standards of expertise and performance
- **Respect**  
Showing appreciation, compassion and sensitivity for each other's work and opinions
- **Innovation**  
Developing, promoting, and embracing creative ideas, methods, and technologies.
- **Diversity**  
Recognizing and valuing the opportunities provided by the differences and similarities of skills in the workforce and diverse cultural backgrounds.
- **Efficiency**  
Conducting business and working with customers in the most efficient manner possible



# Moving to a Cost-of-Service Model

Our utility is facing a significant capital need of a project \$600 million over the next 20 years to address aging infrastructure, growth and changing permit conditions. To fund this essential investment in a fair and transparent manner, we are moving to a cost-of-service model, which is the most equitable way to ensure all ratepayers contribute appropriately to the system's long-term sustainability.



Kitsap County Department of Public Works



# Moving to a Cost-of-Service Model

We've faced a significant challenge in addressing our utility's aging infrastructure, which requires a substantial **\$300 million capital investment** over the next six years. When I took over a year ago as Division manager, our initial rate study projected a 12.75% rate increase to begin funding this.

To manage this more effectively for our ratepayers partnering with our Board of County Commissioners we've spent the past year taking a different approach. Instead of simply accepting the initial plan, we went back to our Capital Improvement Plan (CIP) in our General Sewer Plan to re-evaluate every project. This involved a rigorous process of verifying each project's necessity and exploring more cost-effective solutions.

For instance, rather than defaulting to building a brand-new pump station, we now prioritize upgrading existing infrastructure. We conduct thorough inspections to determine if a full tear-down is truly necessary, or if we can achieve the same results by replacing only the pumps and electrical systems. This "guiding light" has shaped all our decisions.

The result is a more structured and fiscally responsible CIP that directly addresses the most critical needs of the utility, while also minimizing the financial impact on our ratepayers.



## Kitsap County Department of Public Works

Exhibit 20. Scenario 1 (Across-the-Board Increases) – Rates by Class

| Customer Class                    | 2026     | 2027     | 2028     | 2029     | 2030     |
|-----------------------------------|----------|----------|----------|----------|----------|
| Residential (per unit per month)  | \$112.59 | \$121.60 | \$131.32 | \$141.83 | \$153.18 |
| Multi-Family (per unit per month) | \$89.74  | \$96.92  | \$104.67 | \$113.04 | \$122.09 |
| Commercial (per cubic foot)       | \$0.160  | \$0.173  | \$0.186  | \$0.201  | \$0.217  |
| Restaurant (per cubic foot)       | \$0.255  | \$0.275  | \$0.297  | \$0.321  | \$0.347  |
| FOG/WAS (per gallon)              | \$0.173  | \$0.187  | \$0.202  | \$0.218  | \$0.235  |
| Septage (per gallon)              | \$0.173  | \$0.187  | \$0.202  | \$0.218  | \$0.235  |

# Scenario #1 Across-the-Board Increases



Exhibit 21. Scenario 1 (Across-the-Board Increases) – Cost Recovery by Class

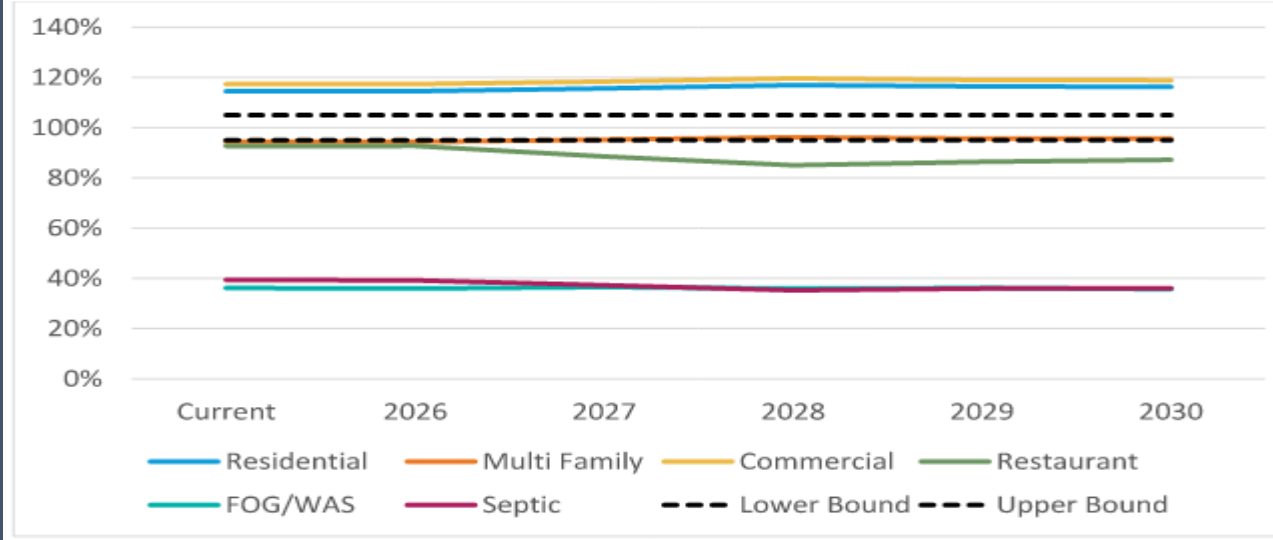


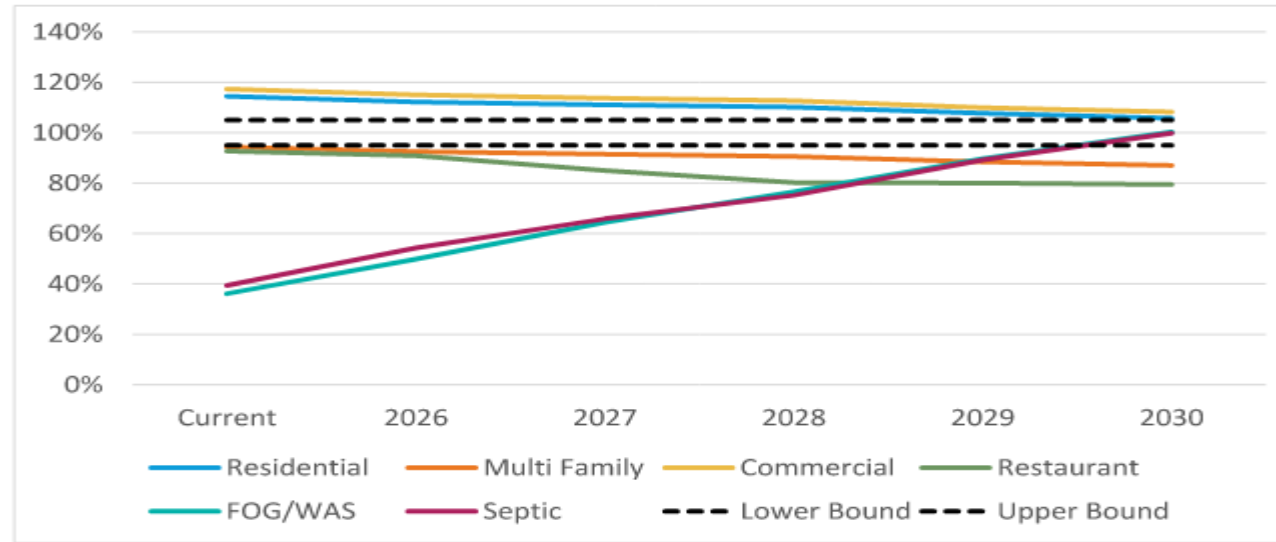
Exhibit 22. Scenario 2 (Adjust Hauled Waste Rates Only) – Annual Increases by Class

| Customer Class | 2026   | 2027   | 2028   | 2029   | 2030   |
|----------------|--------|--------|--------|--------|--------|
| Residential    | 6.00%  | 6.00%  | 6.00%  | 6.00%  | 6.00%  |
| Multi-Family   | 6.00%  | 6.00%  | 6.00%  | 6.00%  | 6.00%  |
| Commercial     | 6.00%  | 6.00%  | 6.00%  | 6.00%  | 6.00%  |
| Restaurant     | 6.00%  | 6.00%  | 6.00%  | 6.00%  | 6.00%  |
| FOG/WAS        | 50.00% | 37.50% | 30.30% | 25.58% | 22.22% |
| Septage        | 50.00% | 37.50% | 30.30% | 25.58% | 20.37% |

# Scenario #2 Adjust Hauled Waste Rates Only



Exhibit 24. Scenario 2 (Adjust Hauled Waste Rates Only) – Cost Recovery by Class

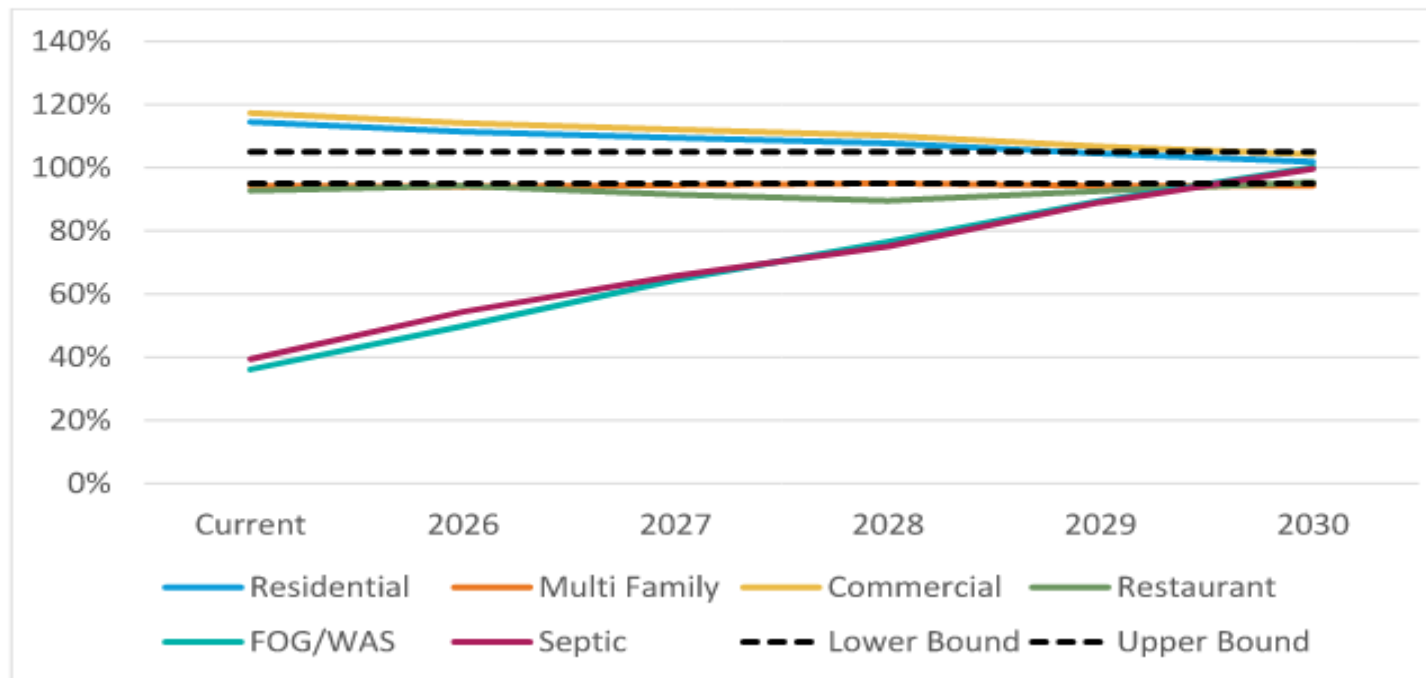


# Cost Of Service Model



**Exhibit 27** shows the cost recovery for each customer class from 2026 to 2030. As a result of this rate strategy, all customer classes fall within plus or minus 5% of 100% cost recovery by 2030, while the overall revenue still achieves the revenue requirement.

**Exhibit 27. Scenario 3 (Full Cost-of-Service Adjustments) – Cost Recovery by Class**





**Exhibit 25. Scenario 3 (Full Cost-of-Service Adjustments) – Annual Increases by Class**

| Customer Class | 2026   | 2027   | 2028   | 2029   | 2030   |
|----------------|--------|--------|--------|--------|--------|
| Residential    | 5.25%  | 5.25%  | 5.25%  | 5.25%  | 5.25%  |
| Multi-Family   | 7.75%  | 7.75%  | 7.75%  | 7.75%  | 7.75%  |
| Commercial     | 5.25%  | 5.25%  | 5.25%  | 5.25%  | 5.25%  |
| Restaurant     | 10.00% | 10.00% | 10.00% | 10.00% | 10.00% |
| FOG/WAS        | 50.00% | 37.50% | 30.30% | 25.58% | 22.22% |
| Septage        | 50.00% | 37.50% | 30.30% | 25.58% | 20.37% |

**Exhibit 26. Scenario 3 (Full Cost-of-Service Adjustments) – Rates by Class**

| Customer Class                    | 2026     | 2027     | 2028     | 2029     | 2030     |
|-----------------------------------|----------|----------|----------|----------|----------|
| Residential (per unit per month)  | \$109.72 | \$115.48 | \$121.55 | \$127.93 | \$134.64 |
| Multi-Family (per unit per month) | \$89.53  | \$96.47  | \$103.94 | \$112.00 | \$120.68 |
| Commercial (per cubic foot)       | \$0.156  | \$0.164  | \$0.173  | \$0.182  | \$0.191  |
| Restaurant (per cubic foot)       | \$0.260  | \$0.286  | \$0.314  | \$0.346  | \$0.380  |
| FOG/WAS (per gallon)              | \$0.240  | \$0.330  | \$0.430  | \$0.540  | \$0.660  |
| Septage (per gallon)              | \$0.240  | \$0.330  | \$0.430  | \$0.540  | \$0.650  |

