

**Summary of Rates & Finance Subcommittee April 1, 2021, meeting  
For MWPAAC General Meeting April 28, 2021**

**1. 2022 Sewer Rate – A continuing discussion**

Presenter: Hiedi Popochock – WTD Financial Services Manager

- A discussion of the ongoing rate setting process was led by Ms. Popochock. Ms. Popochock provide some details on recurring themes of upcoming cost drivers for Wastewater Treatment:
- Effect of Covid-19 on revenues. Because the County has a billing lag for volume charges in arrears, the impact is still not completely known. The County expects that some of the losses will be offset by its ability to borrow money at record low interest rates.
- WTD has received an administrative order from the Department of Ecology to correct power reliability issues at its West Point Treatment facility. WTD has had to reallocate staff (and funds) to address this issue.
- WTD is continuing negotiations on a consent decree addressing CSO issues. WTD has asked for a longer compliance period and has shifted costs of compliance accordingly. If not approved, WTD will incur significant costs this decade instead of next. Current rate projections assume a longer compliance period.
- Current rate projections include funds to allow WTD to start “catching-up” on critical asset management needs.
- The impending release of a “nutrients” permit by the Department of Ecology and the related costs to comply with that permit are not currently included in rate projections. WTD intends to add those costs in its next biennial rate projection.

Concluding the discussion was a rate projection showing the effects of MWPAAC’s requested 4% increase in 2022 and annual increases thereafter.

Some questions were asked and answered by Ms. Popochock, including:

- What does the sewer rate look like if the CSO consent decree extension is not approved?
- Why are rates biennial instead of annual?
- How does WTD’s “asset management strike team” scale with the increasing need to deliver asset management projects?

**The next Rates and Finance Subcommittee meeting will be held on May 6, 2021. Please attend this teleconference meeting.**

Questions?

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