

**Summary of Rates & Finance Subcommittee October 7, 2021, Meeting
For MWPAAC General Meeting October 27, 2021**

1. Capacity Charge Review Study

Presenter: Joe Crea, Vice President, Raftelis

Mr. Crea, a consultant hired by King County Wastewater Treatment Division (WTD), spoke from presentation slides about the Capacity Charge Review Study. The presentation slides were sent by email to MWPAAC members on October 4, 2021. These notes should be read together with that slide deck.

His presentation began with the background of the capacity charge and the impetus for the study. He then covered the three basic methods for calculating a system development / general facilities charge – Buy-in, Incremental, and Combined. Then Mr. Crea sought input from the attendees about these different options for alternative calculation methods for the capacity charge.

Attendees asked questions and provided observations about the following:

- Question about how the future-based portion of the charge would be calculated.
- Question about whether there are state-level guidelines about which calculation methods are acceptable.
- Observation that projected project costs from the Clean Water Plan (CWP) have a very wide range. Even at end of CWP, the ranges are likely to be broad. How would the capacity charge calculation have more certainty about actual project costs?
- Observation that capacity charge is paid primarily by growth communities and that we should consider how changes to the capacity charge impact growth communities and areas not experiencing significant growth.
- Question about changes in average wastewater generation over time and its impact on the capacity charge calculation.
- Question about the AWWA M1 manual and what it says about when each calculation method is appropriate.
- Question about whether the current practice of using the capacity charge as a revenue balancing would continue after transitioning to a new calculation method.

2. Updating the Plumbing Fixture Table

Presenter: Lulu St. John, Revenue and Accounts Receivable, Wastewater Treatment Division (WTD)

Ms. St. John spoke from presentation slides about the project to update the plumbing fixture table. The presentation slides were sent by email to MWPAAC members on October 7, 2021. These notes should be read together with that slide deck.

Her presentation covered background on the plumbing fixture units table and the history of it in relation to the plumbing code and the capacity charge. She also shared calculation examples before ending with a project timeline for reviewing and updating the plumbing fixture table.

Throughout the presentation, Ms. St. John took questions from the attendees regarding:

- Question about the basis for the conversion factor of 20 fixture units to 1 Residential Customer Equivalent (RCE).
- Question about why the total RCE x monthly rate was also multiplied by three.
- Question about the source of the conversion factor of 187 gpd that is used to convert additional flows to RCEs.
- Some concern that there is currently some inconsistency with how the plumbing fixture units and other capacity charge rules are applied.
- Question about whether infiltration & inflow from single-family homes is used in the calculation of the total RCE.

The next Rates and Finance Subcommittee meeting will be held on November 4, 2021. Please attend this teleconference meeting.

Questions?

Jack Broyles, Jr., Rates & Finance Subcommittee Chair
Woodinville Water District
jbroyles@woodinvillewater.com 425.487.4106

Gregg Cato, Rates & Finance Subcommittee Vice-Chair
Alderwood Water & Wastewater District
GCato@awwd.com 425.741.7955