

**Summary of Rates & Finance Subcommittee January 5, 2023, meeting
For MWPAAC General Meeting January 25, 2023**

1. **2024 Sewer Rate Process – 10 year review (2023 – 2032) Sewer rate forecast and preliminary 2024 rate setting policy direction.**

Presenters: Devin ViBarnes – Rates, Capital, and Debt Management Manager, WTD

WTD reviewed the goals for 2024 sewer rate development. Some drivers of 2024 rates include:

- Increasing regulatory requirements
- Increase reliability of WTD systems
- Respond to growth demands on the system
- Address critical asset management risks
- Respond to County priorities including Clean Water Health Habitat, Strategic Climate Action Plan and E&SJ.

WTD provided a detailed 2024 Sewer Rate Schedule detailing milestone date as the process moves toward adoption in June 2023 (2024 rates adopted in summer 2023).

A 10-year sewer rate forecast was presented showing increases of at least 5.75% each year with out-years showing 9% increases.

Updated operating assumptions was the next topic of discussion. Factors included:

- Nutrient Permit (11 FTEs)
- Strategic Climate Action Plan (3 FTEs)
- General Wage increases (the CBA requires a 4% increase in 2024)
- Other, unspecified new operating investments, which are said to be under discussion my WTD management
- Finally, a discussion of updated capital assumptions occurred. Key drivers to new capital spending include:
 - New nutrient removal requirements that will result in capital expenses
 - The continued negotiations regarding the consent decree related to CSO

- PFAS a new issue on the horizon. Currently, no new capital expenses have been identified but this issue now has the attention of WTD
- Asset management needs.

A detailed handout of the presentation is available and is highly recommended to obtain better context of the meeting.

The next R&F meeting will be held on February 2, 2023, and will include discussion of the rate response letter. Please attend this teleconference meeting.

Questions?

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