

DRAFT
Summary of Rates & Finance Subcommittee February 2, 2023, meeting
For MWPAAC General Meeting February 22, 2023

1. Preliminary 2024 Rate-setting Policy Direction and Operational & Capital Investments

Presenters: Devin ViBarnes – Rates, Capital, and Debt Management Manager, WTD, and Crystal Fleet, Capital Portfolio Planning & Analysis Unit Manager, WTD

WTD provided a long and in-depth discussion regarding 2024 rates and drivers of change. Included on the agenda was:

- Current Status including summary of key rate drivers as were reviewed in November 2022, current capital projection updates due in February, WTD’s review of “decision packages” for the next year, and a 10-year preliminary rate forecast
- Drivers of 2024 and 10-year rates
- A comparison of 2023 and preliminary 2024 rate forecast
- A discussion of financial practices, policies, assumptions, and sensitivity analysis options.

WTD staff discussed the current issues that continue to drive rates higher than projected in prior years, including general inflation, capital construction costs that are escalating more quickly than general costs, and existing and new regulatory requirements that include better WTD estimates or more complete costs than prior years. Current regulatory issues include the CSO consent decree and related costs, nutrient removal costs (which are not yet fully included in rate projections) and the likely requirement for PFAS removal from treated wastewater (there are no costs for this included in current projections).

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 March 2, 2023, and there will be a second meeting in March to formulate a formal MWPAAC response to WTD’s rate proposal for 2024. These are some of the most important meetings of the year and members are encouraged to attend to make sure that MWPAAC response letter includes concerns of the local sewerage agencies.

Questions?

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