Summary of Rates & Finance Subcommittee March 5, 2015 meeting
For MWPAAC General Meeting March 25, 2015

1: SEWER RATE DISCUSSION

Tim Aratani provided an overview of WTD's current 2017 budget request and compared it to the previous financial plan, noting that the current request is $270,000 less than the previous request. He went into further details for both 2016 and 2017 as follows:

- He discussed 2016 WTD "efficiencies" which are projected to reduce expenses in 2016 by $6.374 million. The majority of the savings ($5.01 million) are the result of WTD's January 2015 bond refunding issue which will save ratepayers over $5 million per year over the life of current debt.

- Preliminary (unaudited) 2014 operating results were presented alongside comparative/projected data for 2015-2020. Operating expenses are projected to increase 32% over the life of the projection while capital expenses are projected to increase 47% over the same time period.

- Various rate scenarios were presented for the period 2017-2021. At this time, WTD appears to continue to favor a two-year rate rate.

- As previously discussed, 2016 rates will be identical to 2015 for periodic sewer charges as operating costs remain stable. Capacity charge is proposed to be increased from $57.00 to $58.70, a 3% increase.

2. RATE LETTER TO COUNTY EXECUTIVE

A discussion was held regarding the time schedule needed in order to get the rate letter to the County Executive in a timely manner. WTD informed R&F staff that the proposed 2016 rates were being forwarded to the County Exec. on March 19, and would go to the Council on April 16. In order to meet MWPAAC charter requirements for the letter to be presented to general membership 1 week prior to a general meeting, the letter would need to be completed and distributed no later than March 18. The letter was provided to WTD for distribution on March 16, 2015.

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