



**Water Environment Services Advisory Committee  
AGENDA**

**Date:** May 16, 2024  
**Time:** 6:00 – 7:30 pm  
**Format:** Zoom  
**Link to Zoom:** <https://clackamascounty.zoom.us/j/87075017261>

**Facilitator:** Greg DiLoreto, WES Advisory Committee Chair

<b>Time</b>	<b>Topic</b>	<b>Action</b>
<b>6:00 pm</b> <i>2 minutes</i>	<b>Call to Order</b> <i>Chair, Greg DiLoreto</i>	<b>Roll Call</b>
<b>6:02 pm</b> <i>7 minutes</i>	<b>Welcome &amp; Updates</b> <i>Greg Geist, Director</i>	<b>Inform</b>
<b>6:09 pm</b> <i>5 minutes</i>	<b>Approve March Minutes</b> <i>Chair, Greg DiLoreto</i>	<b>Approval</b>
<b>6:14 pm</b> <i>6 minutes</i>	<b>Public Comment</b> <i>Each public member who would like to speak will have 3 min. The meeting adjourn time may vary depending on public comments.</i>	<b>Comment</b>
<b>6:20 pm</b> <i>60 minutes</i>	<b>Budget Presentation</b> <i>Presented by Erin Blue, Finance Manager</i>	<b>Motion for Approval</b>
<b>7:20 pm</b> <i>2 minutes</i>	<b>Lunch &amp; Learn Announcement</b> <i>Alexa Morris, Utility Relations Coordinator</i>	<b>Inform</b>
<b>7:22 pm</b> <i>8 minutes</i>	<b>WES Advisory Committee Report-outs</b> <i>Chair, Greg DiLoreto</i>	<b>Share</b>
	<b>Adjourn</b>	



## Minutes for Clackamas Water Environment Services (WES) Advisory Committee

Location: Zoom

Video link: <https://youtu.be/EQsgvzYCStg>

Time: 6:00-7:30pm

Date: March 14, 2024

Acting Chair: Denyse McGriff, Secretary: Chris Koontz

Approval of previous meeting's minutes: Yes

### Attendees:

Members in attendance: Rita Baker, Christopher Bowker, Christina Brow, Carol Bryck, Anthony Fields, William Gifford, David Golobay, Renee Harber, Brian Johnson, Preston Korst, Denyse McGriff, Michael Milch, Kathryn Miller, Michael Morrow, Neil Schulman

Quorum was established.

Members not in attendance: Richard Craven, Greg DiLoreto, Roseann Johnson, Adam Khosroabadi

Meeting called to order at 6:04PM by Acting Chair McGriff.

### Agenda items with timestamps from video linked above:

- **00:01:37** Welcome & Updates – Presenter: Greg Geist, Director (Inform)
- **00:12:21** Approve January Minutes – Facilitator: Denyse McGriff, Acting Chair (Consensus Approval)
- **00:12:40** Public Comment – Facilitator: Denyse McGriff, Acting Chair (Comment)
- **00:13:18** 2023 WES State of the District – Presenter: Greg Geist, Director (Inform)
- **00:30:18** Financial Strategy Review and Budget Planning – Presenter: Erin Blue, Finance Manager (Inform)
- **00:57:27** Appoint Budget Committee Members – Facilitator: Denyse McGriff, Acting Chair (Motion to Appoint)
- **01:02:07** Outfall Groundbreaking & Tunnel Naming Update – Presenter: Alexa Morris, Utility Relations Coordinator (Inform)
- **01:09:45** WES Advisory Committee Report-Outs (Share)

### Motions:

Budget Committee Appointment: Christopher Bowker, Carol Bryck, William Gifford, Denyse McGriff & Neil Schulman were nominated and accepted the nomination. A vote was taken.

First to motion: William Gifford, seconded by David Golobay.

all in favor/0 opposed/0 abstention. Motion to Elect Carries.

**Announcements:** None

Meeting adjourned at 7:14pm by Acting Chair McGriff

Respectfully submitted by:  
Chris Koontz



# Agenda

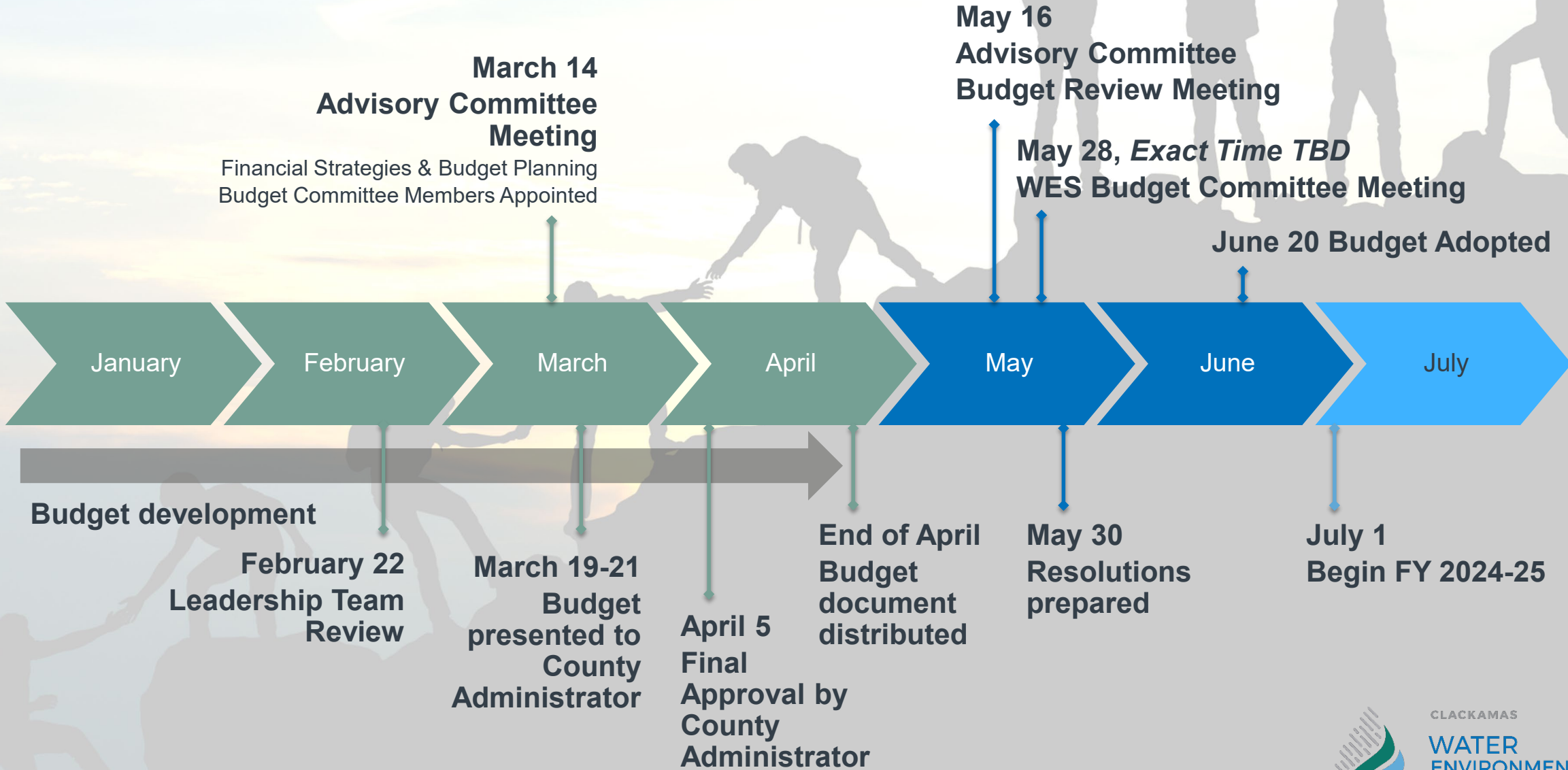
- 1 / Budget Development**
- 2 / Factors and Priorities**
- 3 / Total Budget and Significant Changes**
  - 3.1 Expenditures**
  - 3.2 Revenues**
  - 3.3 Contingencies & Reserves**
- 4 / Rates**
- 5 / Long-Range Planning**
- 6 / Next Steps and Request for Motion**



# Budget Process

PUBLIC PROCESS

INTERNAL PROCESS



## RATE ZONE

Service(s) Provided  
& Estimated Population

### RATE ZONE 1

Wastewater Treatment  
77,376 Population

### RATE ZONE 2

Wastewater Treatment  
Wastewater Collection  
Surface Water Management  
89,973 Population

### RATE ZONE 2A

Wastewater Treatment  
21,837 Population

### RATE ZONE 3

Surface Water Management  
7,727 Population

# WES Service Area

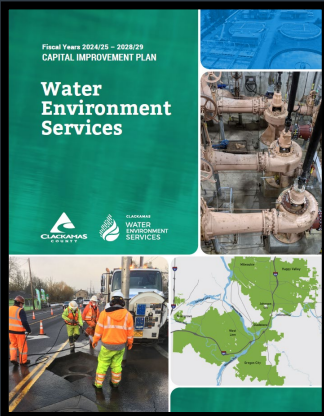


# Financial Structure

Sanitary Sewer Funds	Surface Water Funds	Sources	Uses
Operating Fund	Operating Fund	<ul style="list-style-type: none"> <li>• Service charges</li> <li>• Interest</li> <li>• Other income</li> </ul>	<ul style="list-style-type: none"> <li>• Materials and Services</li> <li>• Transfers to Construction and Debt Service Funds</li> </ul>
Construction Fund	Construction Fund	<ul style="list-style-type: none"> <li>• Transfers from Operating Funds</li> <li>• Project participation and grants</li> <li>• New debt issuances</li> <li>• Interest</li> </ul>	<ul style="list-style-type: none"> <li>• Capital project expenditures</li> </ul>
System Development Charge Fund	System Development Charge Fund	<ul style="list-style-type: none"> <li>• System Development Charges (SDCs) for new connections</li> <li>• Interest</li> </ul>	<ul style="list-style-type: none"> <li>• Capacity-enhancing capital project expenditures</li> <li>• Transfers to the Debt Service Fund for SDC-eligible debt</li> </ul>
Debt Service		<ul style="list-style-type: none"> <li>• Transfers from Operating Funds and SDC Funds</li> <li>• New debt issuances</li> <li>• Interest</li> <li>• Assessment collections</li> </ul>	<ul style="list-style-type: none"> <li>• Principal and interest payments on long-term debt</li> </ul>



# Budget Inputs



## INPUT

## RELATION TO BUDGET

### Strategic Plan

Guides investment decisions to realize WES' Vision

### Capital Improvement Plan

Provides the basis for the annual Capital Budget

### Long-Term Financial Plan

Specifies strategies and objectives for:

- Capital investment
- Cost-effective service delivery
- Steady, predictable rate increases
- Revenue sufficiency and debt management

### Performance Clackamas Plan

Links WES' budget to countywide priorities

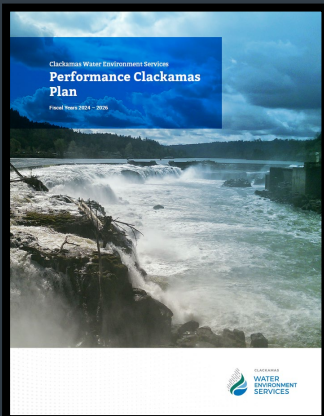
### Financial Policies

Direct WES' management of financial activities

### Economic Outlook

Informs:

- Operating cost increases
- Construction Cost Index – SDC adjustments
- Service area growth estimates





# Strategic Plan – Long-term Strategies

Workforce Planning and Development	We build an organization and work culture that attracts, retains, develops, engages, and invests in a high performing workforce to achieve our vision, mission, and support our values.
Utility Operations and Environmental Protection	We effectively manage wastewater and stormwater systems to meet or surpass environmental, safety, and public health standards, to recover resources and to protect watersheds.
Asset Management	We proactively invest in and maintain WES' infrastructure assets to ensure the cost-effective, sustainable delivery of reliable, high quality, and efficient clean water services.
Capital Planning and Delivery	We strategically plan and upgrade WES' infrastructure to ensure the sustainable delivery of reliable, high quality, and climate-resilient clean water services that support the growth and vitality of our communities, natural environment, and economy.
Financial Viability	We manage WES' financial resources to meet present and future funding needs, and to maintain fair, reasonable, and equitable rates that demonstrate fiscal responsibility.
Customer Satisfaction	We provide reliable, responsive customer service that aligns with our communities' values and the expressed needs of our customers.
Stakeholder Support	We are committed to building collaborative partnerships that result in a resilient clean water future, where all people benefit and rivers thrive, through proactive engagement, effective communication, public education, and community leadership.



# FY 2024-25 Budget Factors and Priorities

## Factor / Priority

## Budget Impact

### Aging Infrastructure & Service Area Growth

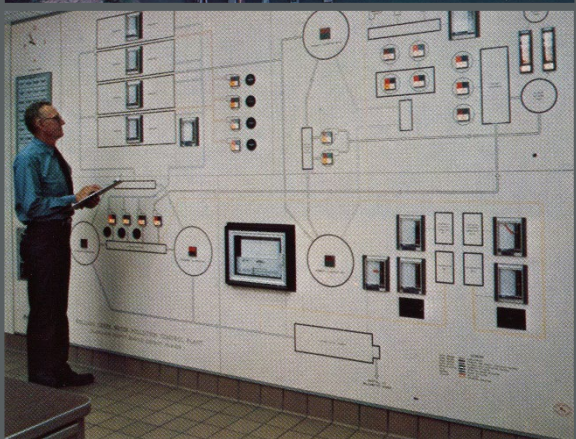
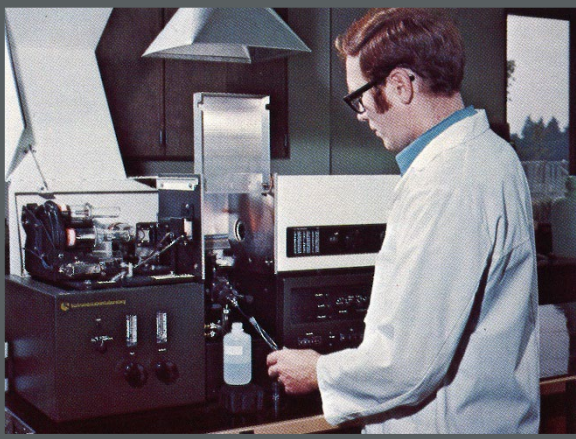
- Continuing implementation of Adopted CIP
- Increased capital spending for FY 2024-25
- Engineering positions added in current FY

### Persistent Inflationary Pressures & Controlling Costs

- Unavoidable increases in utilities, chemicals, labor, and County allocated costs
- Prioritization and/or reductions in non-essential line items
- Continued incorporation of frictional vacancy assumptions

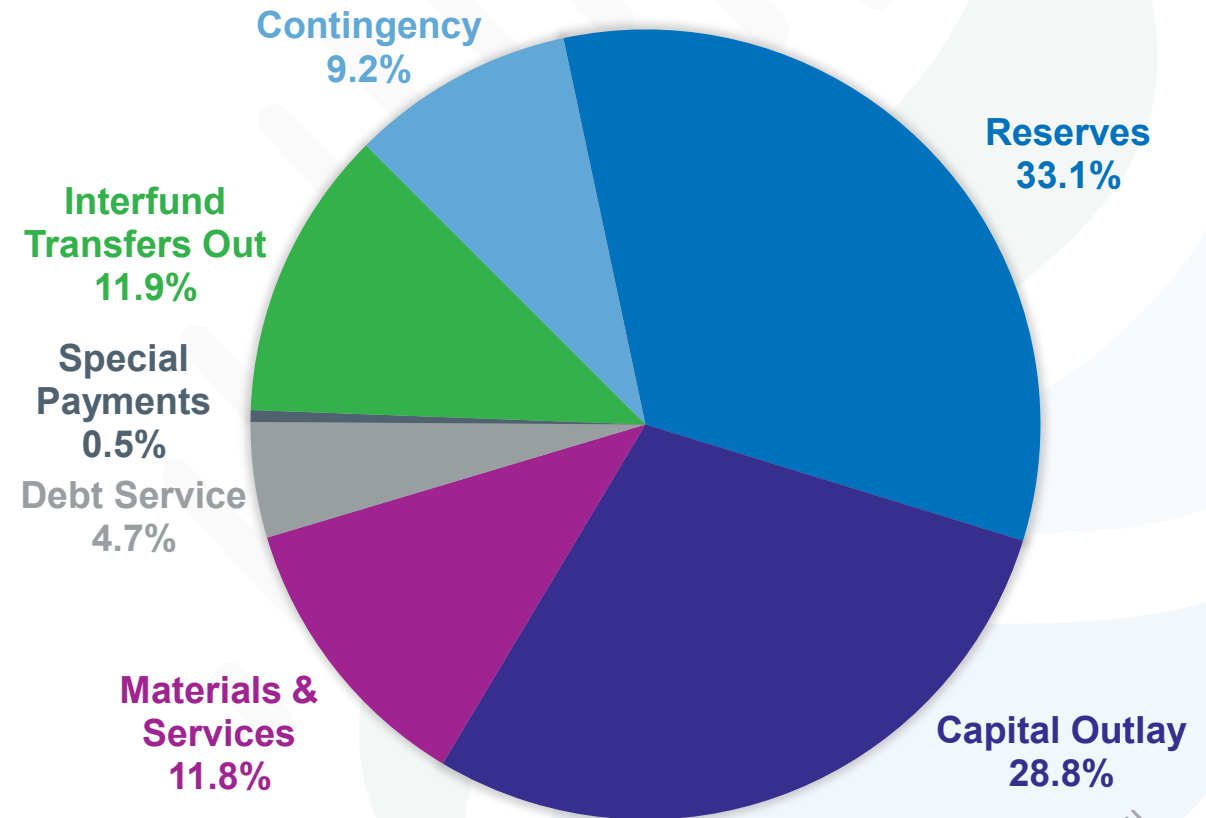
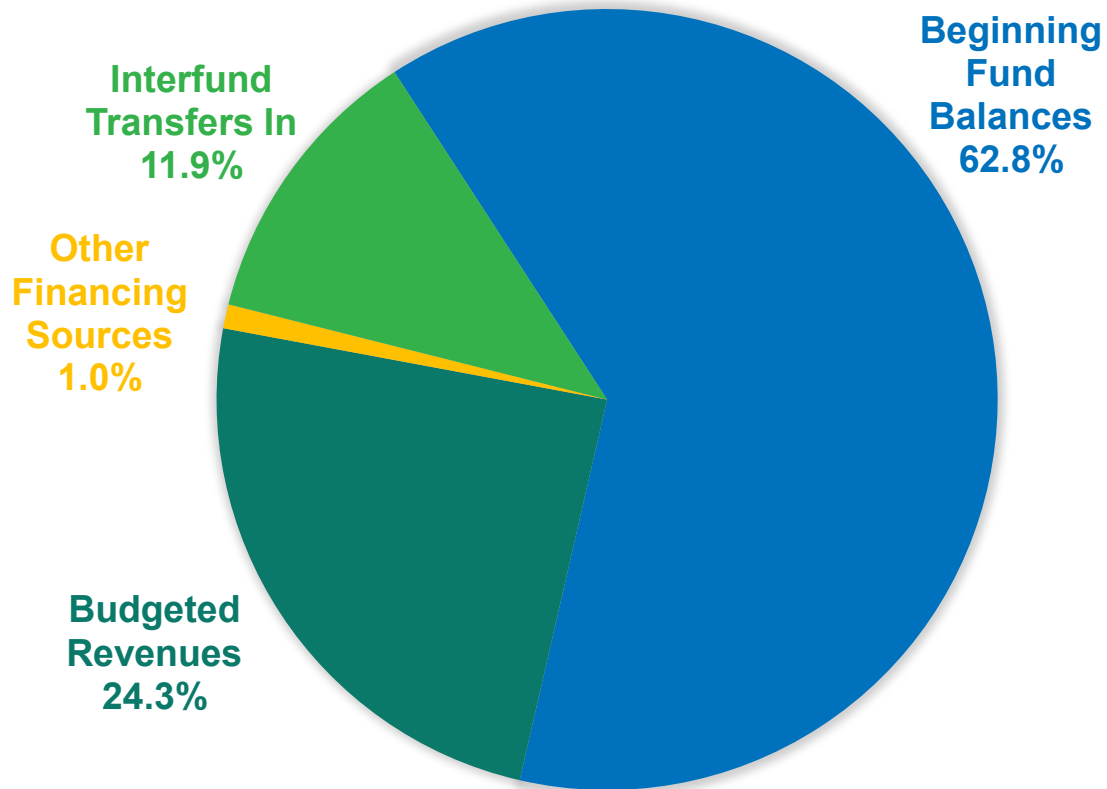
### Rate Increases & Service Affordability

- 5% increases in monthly rates for Wastewater Treatment, Collection, and Surface Water Management
- 2.7% increases in System Development Charges
- Reduction in Legacy Debt Component



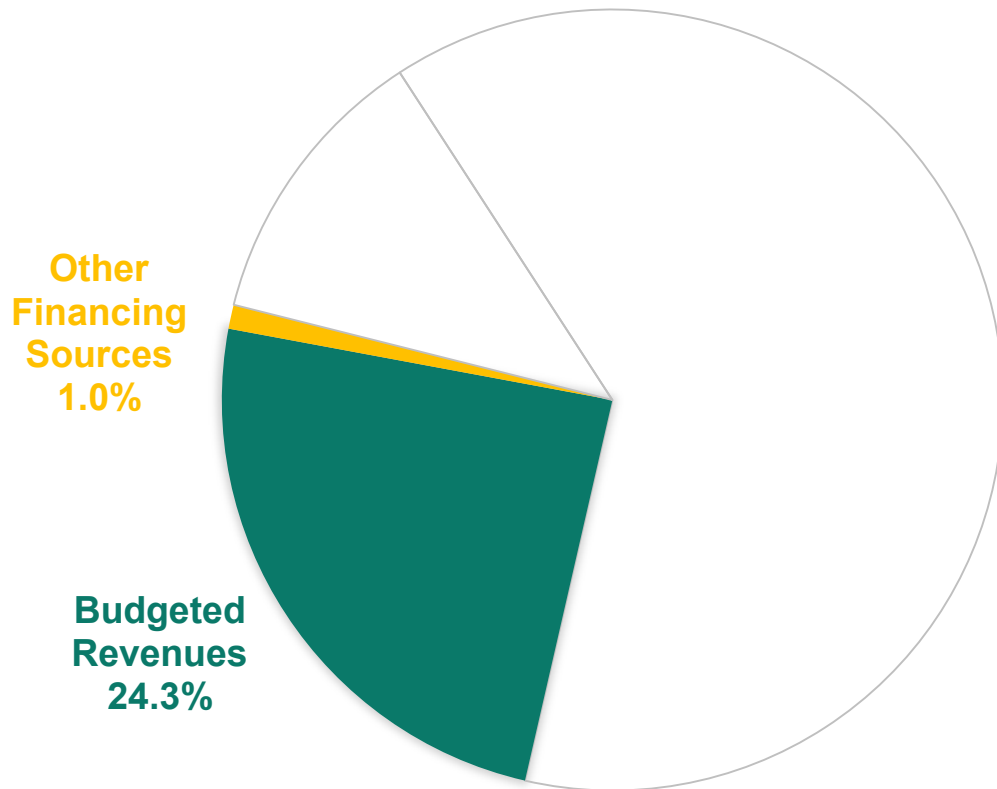
# FY 2024-25 Total Proposed Budget: \$275.9 M

Total Resources = Total Requirements

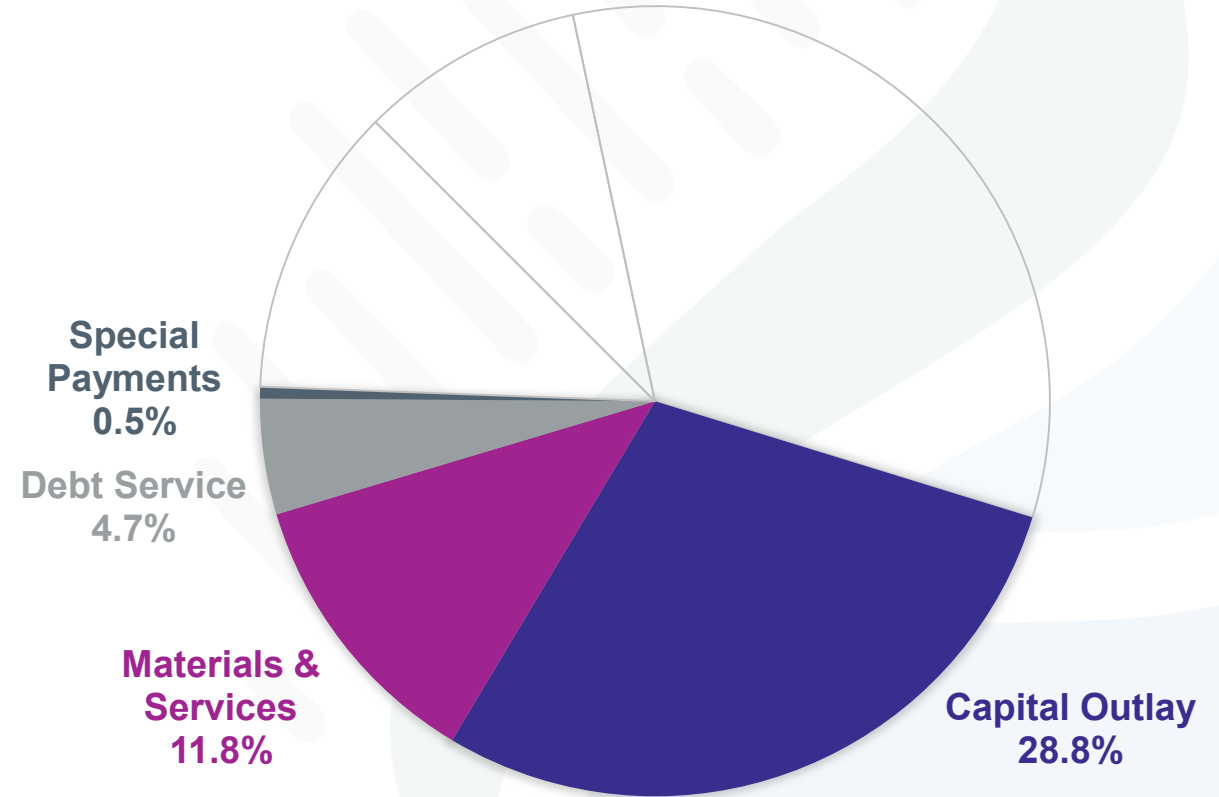


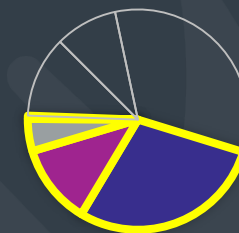
# FY 2024-25 Total Proposed Budget: \$275.9 M

## Revenues and Other Financing Sources: \$69.9 M



## Expenditures: \$126.5 M

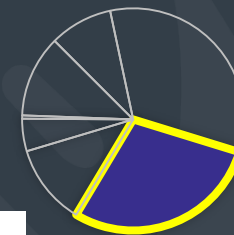




# Budgeted Expenditures

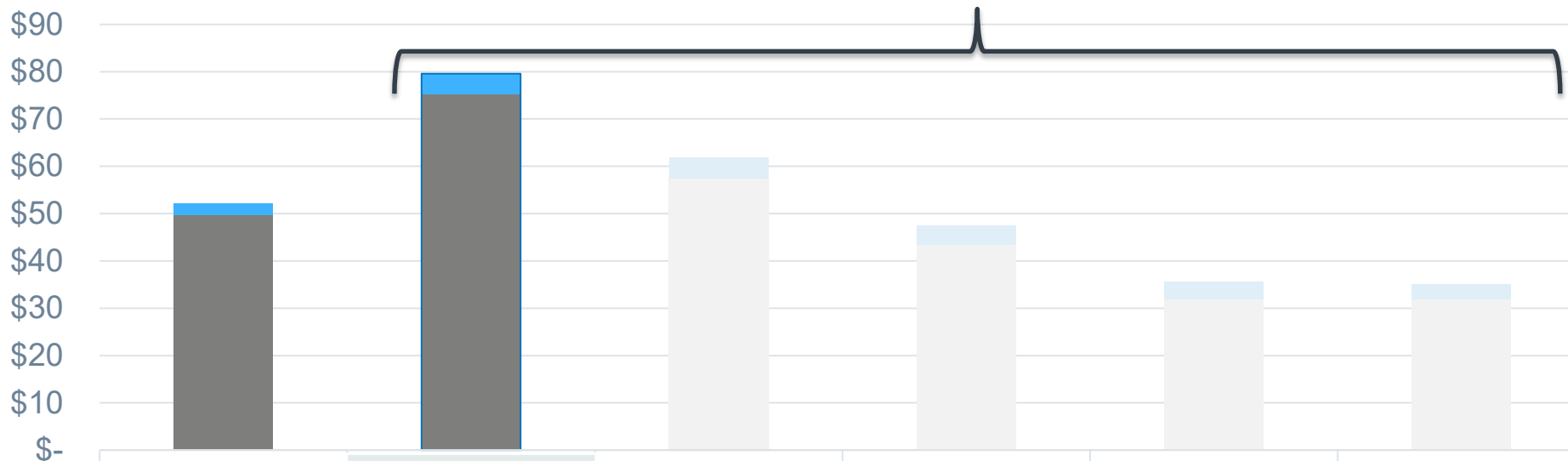
	Service Category		FY 2024-25 Budget	FY 2023-24 Budget	Change	
	Sewer	Surface Water			\$	%
<b>Capital Outlay</b>	\$ 75,186,500	\$ 4,359,500	<b>\$ 79,546,000</b>	\$ 52,062,327	\$ 27,483,673	52.8%
<b>Materials &amp; Services</b>	26,429,691	6,121,400	<b>32,551,091</b>	31,085,707	1,465,384	4.7%
<b>Debt Service</b>	12,956,022	82,600	<b>13,038,622</b>	12,770,987	267,635	2.1%
<b>Special Payments</b>	1,327,900	-	<b>1,327,900</b>	1,250,300	77,600	6.2%
<b>Total Expenditures</b>	\$ 115,900,113	\$ 10,563,500	<b>\$ 126,463,613</b>	\$ 97,169,321	\$ 29,294,292	30.1%





# Capital Outlay: \$79.5 M

**Adopted 5-Year Capital Improvement Plan: \$259.5 M**



	FY 23/24 Budget	FY 24/25 Budget	FY 25/26	FY 26/27	FY 27/28	FY 28/29
■ Surface Water	\$2.3	<b>\$4.4</b>	\$4.5	\$4.0	\$3.7	\$3.2
■ Wastewater	\$49.7	<b>\$75.2</b>	\$57.4	\$43.4	\$31.9	\$31.9
<b>TOTAL</b>	<b>\$52.1</b>	<b>\$79.5</b>	\$61.9	\$47.4	\$35.6	\$35.1



# Major Sewer Capital Projects

Project	FY 2024-25 Budget	Estimated Total Cost	Current Status
Tri-City Wet Weather Outfall	\$ 30.0 M	\$ 66.5 M	Construction in progress; ongoing through December 2025.
Willamette Pump Station and Force Main	\$ 9.2 M	\$ 30.5 M	Construction of the Force Main on the I-205 Bridge is anticipated to be complete this coming FY. Design of Pump Station in progress.
Intertie 2 Pump Station and Force Main	\$ 8.0 M	\$ 25.0 M	The Force Main will begin construction in Fall 2024 and the Pump Station will be out to bid in early 2025.
Regional Inflow & Infiltration Reduction Program	\$ 5.6 M	N/A	FYTD spending of ~\$550 thousand; 11 projects totaling \$8.6 M of funding currently approved by Technical Advisory Team.
Tri-City WRRF Primary Clarifier Rehabilitation	\$ 5.0 M	\$ 16.8 M	Two of the six primary clarifier basins will be rehabilitated Summer 2024.
Multiple Pump Station Upgrades	\$ 2.4 M	\$ 9.6 M	Last of the bid packages currently in development. Construction at the Gladstone Pump station will begin Summer 2024.
Boring Upgrades	\$ 2.0 M	\$ 10.0 M	Boring Facility Plan is currently underway. Once a recommended approach is identified, design and construction will be completed.



# Major Surface Water Capital Projects

Project	FY 2024-25 Budget	Estimated Total Cost	Current Status
3-Creeks Water Quality Project	\$ 3.0 M	\$ 4.9 M	60% design completed (funded with DEQ SRF sponsorship loan); construction anticipated to begin Summer/Fall 2024 and be completed Spring 2026. \$620k grant funding from Metro.
Aldercrest Culvert & Kellogg Creek Restoration	\$ 0.4 M	\$ 2.2 M	ARPA funding approved by BCC in October 2022; Preliminary modeling and alternatives analysis completed; full design in progress.
SE Clackamas Road Drainage Infrastructure	\$ 0.1 M	\$ 0.8 M	
SE Wildlife Estates Drive Ditch Inlet and Upstream Detention	\$ 0.3 M	\$ 2.0 M	Preliminary data collection completed.
Small Drainage Projects	\$ 0.2 M	N/A	SSMP Program; FY 2024-25 includes 2 projects.

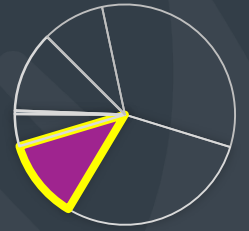




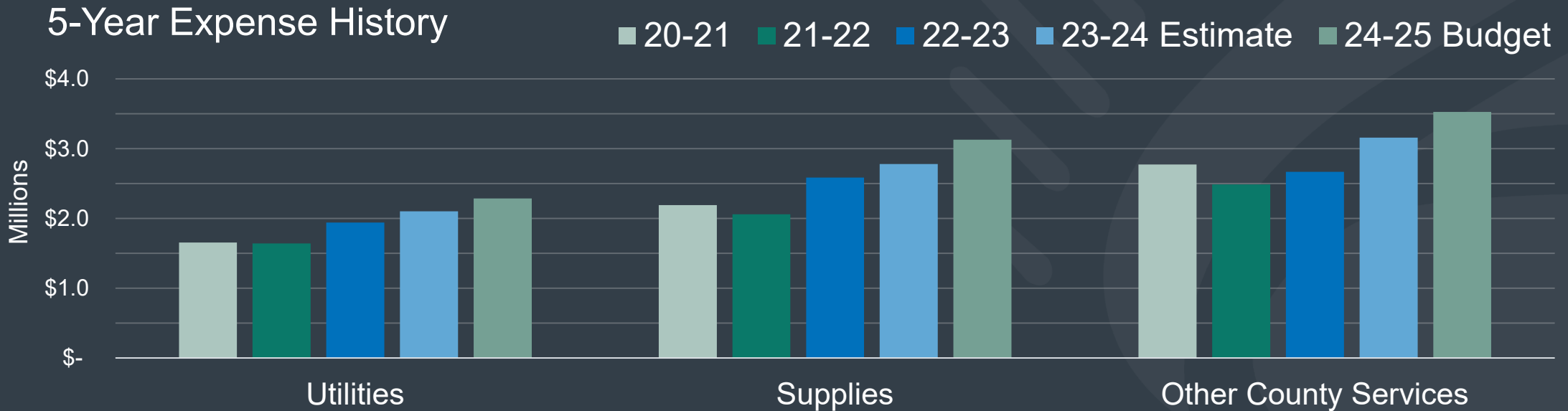
# Materials and Services: \$32.6 M

Non-labor: \$15.7 M

Requirements



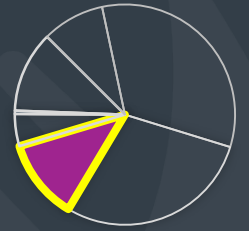
Expense	FY 2024-25 Budget	FY 2023-24 Budget	\$ Change	% Change
Utilities	\$ 2,286,180	\$ 1,975,340	\$ 310,840	15.7%
Supplies	3,127,900	2,859,250	268,650	9.4%
Other County Services	3,526,829	3,284,617	242,212	7.4%



# Materials and Services: \$32.6 M

Non-labor: \$15.7 M

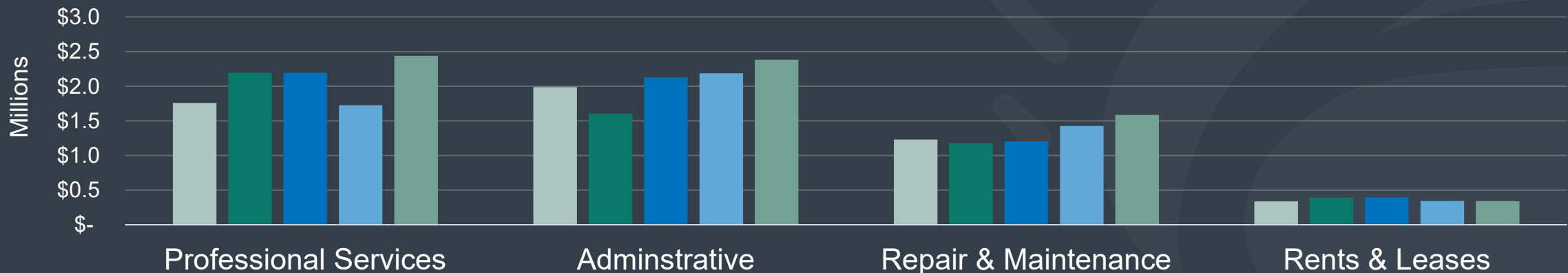
Requirements



Expense	FY 2024-25 Budget	FY 2023-24 Budget	\$ Change	% Change
Professional Services	\$ 2,439,620	\$ 2,140,360	\$ 299,260	14.0%
Administrative	2,382,270	2,212,150	170,120	7.7%
Repair & Maintenance	1,588,210	1,951,310	(363,100)	-18.6%
Rents & Leases	342,192	347,930	(5,738)	-1.6%

## 5-Year Expense History

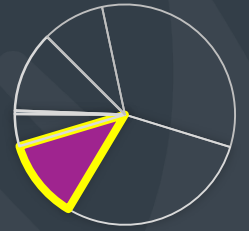
20-21 21-22 22-23 23-24 Estimate 24-25 Budget



# Materials and Services: \$32.6 M

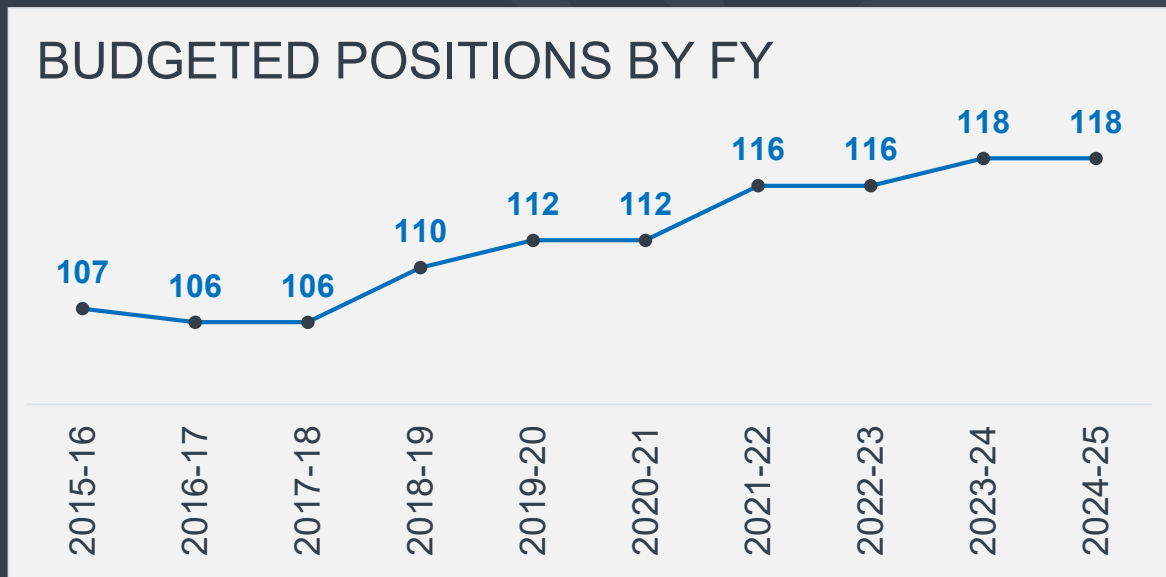
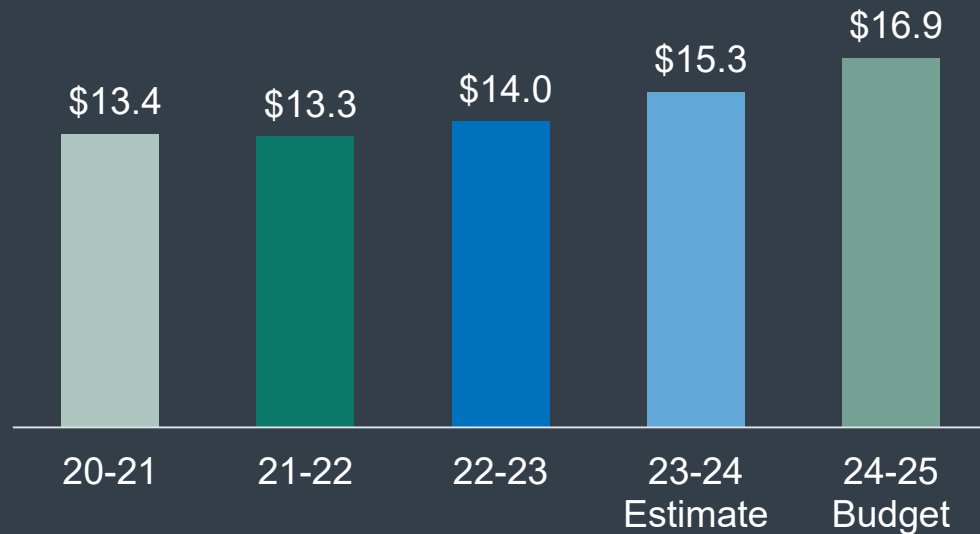
Labor: \$16.9 M

Requirements



Expense	FY 2024-25 Budget	FY 2023-24 Budget	\$ Change	% Change
WES Labor	\$ 16,857,890	\$ 16,314,750	\$ 543,140	3.3%

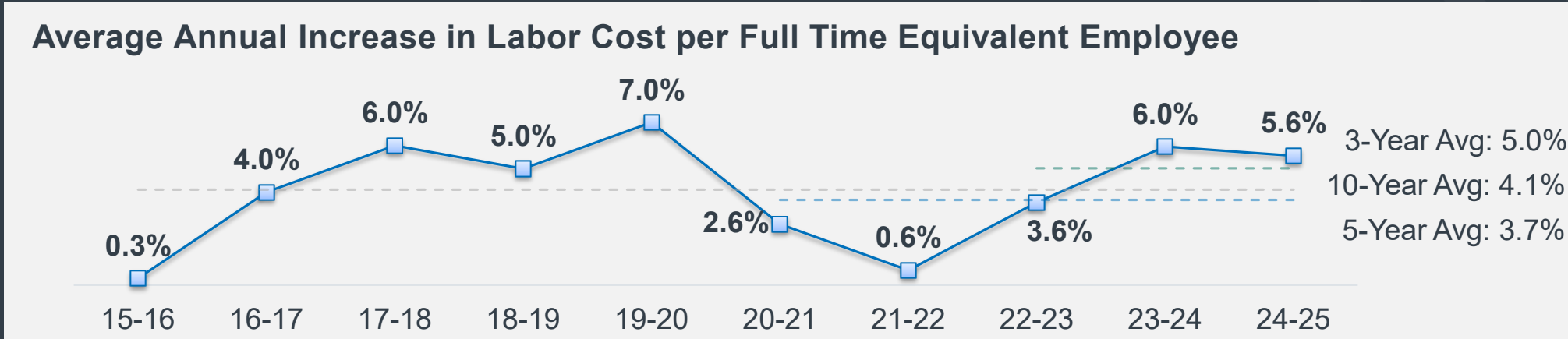
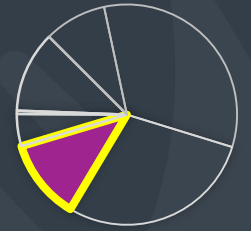
## 5-Year Expense History



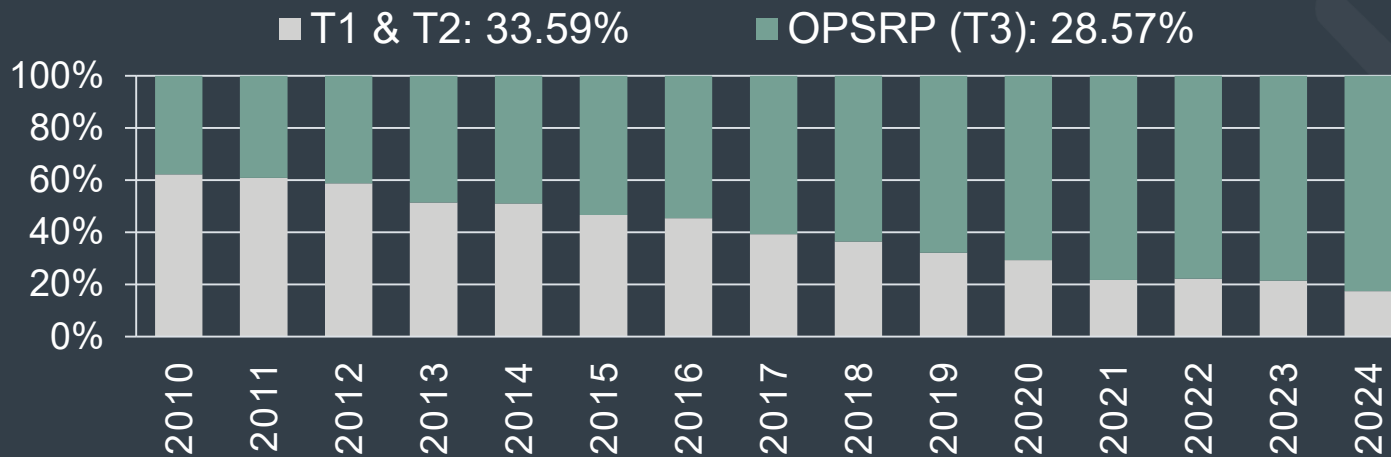
# Materials and Services: \$32.6 M

Labor: \$16.9 M

Requirements



## STAFF PENSION PLAN %S BY FY

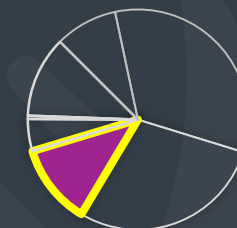


FY 24-25 Average Personnel Cost <i>(Represented Staff)</i>	
Salary	\$ 87,000
Pension	26,000
Health Insurance	22,400
Other	9,100
<b>Total</b>	<b>\$ 144,500</b>



# Materials and Services: \$32.6 M

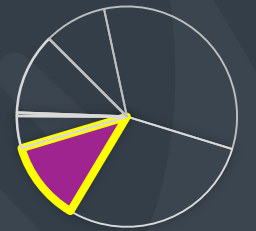
Labor: \$16.9 M



Labor Component	FY 2024-25 Budget	FY 2023-24 Budget	\$ Change	% Change
Salaries	\$ 11,206,558	\$ 10,499,007	\$ 707,551	6.7%
Pension Costs	3,345,617	3,164,224	181,393	5.7%
Health Insurance	2,691,396	2,616,690	74,706	2.9%
Other (Misc Fringe/Statutory)	1,317,594	1,302,472	15,122	1.2%
<b>Total Labor Cost before adj.</b>	<b>\$ 18,561,165</b>	<b>\$ 17,582,393</b>	<b>\$ 978,772</b>	<b>5.6%</b>
<b><i>Adjustments</i></b>				
Capitalized Labor	\$ (1,500,800)	\$ (1,282,150)	\$ (218,650)	17.1%
Specific Vacancies	(200,455)	(205,573)	5,118	-2.5%
Frictional Vacancy Assumption	(508,840)	(377,420)	(131,420)	34.8%
Overtime & Temporary Labor	506,820	597,500	(90,680)	-15.2%
<b>Total Labor as Budgeted</b>	<b>\$ 16,857,890</b>	<b>\$ 16,314,750</b>	<b>\$ 543,140</b>	<b>3.3%</b>



# FY 2024-25 Operating Budget by Program



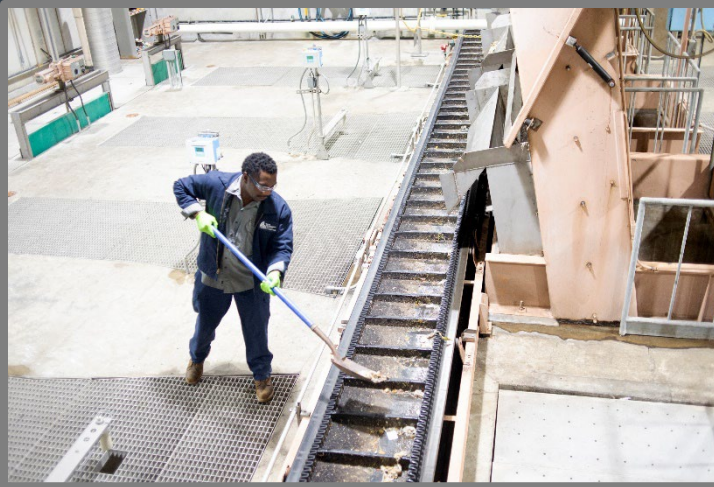
- Operations: \$ 17.8 M
- Business Services: \$6.2 M
- Environmental Services: \$7.2 M
- Capital Planning and Management: \$ 1.4 M

Plant Operations and Maintenance \$ 11.9 M	Field Operations and Maintenance \$ 4.0 M	Watershed Protection \$ 2.3 M	Resource Recovery \$ 1.9 M	Administrative Services \$ 3.4 M	Financial Mgmt \$ 1.6 M
	Asset Management \$ 1.9 M	Environmental Monitoring \$ 1.6 M	Permit Services \$ 1.4 M	Account Services \$ 1.4 M	
				Capital Delivery \$ 1.4 M	

*\*Business Services' Line of Business budget total includes Equipment Cost Pool Contra-Expense of \$(297,730)*



# Operations



Expense Category	Proposed FY 2024-25 Budget	FY 2023-24 Budget	Change
M&S: Labor	\$ 8,378,380	\$ 7,721,810	\$ 656,570
M&S: Other	9,422,981	9,294,280	128,701
<b>Total</b>	<b>\$ 17,801,361</b>	<b>\$ 17,016,090</b>	<b>\$ 785,271</b>
<b>FTE</b>	<b>59.00</b>	<b>56.68</b>	<b>+ 2.32</b>

## Major FY 2024-25 Initiatives

- Continuing proactive maintenance of treatment and collection facilities
- Achieving targets for collection system inspection and cleaning
- Cybersecurity policy and recovery plan
- Critical spare parts inventory and tracking system



# Environmental Services

Expense Category	Proposed FY 2024-25 Budget	FY 2023-24 Budget	Change
M&S: Labor	\$ 4,019,140	\$ 3,023,870	\$ 995,270
M&S: Other	3,156,450	2,122,900	1,033,550
<b>Total</b>	<b>\$ 7,175,590</b>	<b>\$5,146,770</b>	<b>\$ 2,028,820</b>
<b>FTE</b>	<b>24.33</b>	18.20	+ 6.13

## Major FY 2024-25 Initiatives

- Macroinvertebrate and geomorphic monitoring
- PFAS monitoring
- Stormwater design model validation
- Recycled Water Plan
- Energy savings (SEM, Demand Response Program)



# Capital Planning and Management



Expense Category	Proposed FY 2024-25 Budget	FY 2023-24 Budget	Change
M&S: Labor	\$ 609,210	\$ 1,860,750	\$ (1,251,540)
M&S: Other	762,660	1,021,110	(258,450)
<b>Total</b>	<b>\$ 1,371,870</b>	<b>\$ 2,881,860</b>	<b>\$ (1,509,990)</b>
<b>FTE</b>	<b>9.85</b>	<b>18.42</b>	<b>- 8.57</b>

## Major FY 2024-25 Initiatives

- Capital project delivery, including the Tri-City Outfall and Intertie 2 Pump Station and Force Main
- Hydraulic Model update
- Inflow & Infiltration Reduction Program and related reporting

# Business Services

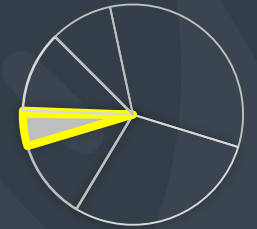


Expense Category	Proposed FY 2024-25 Budget	FY 2023-24 Budget	Change
M&S: Labor	\$ 3,851,160	\$ 3,708,320	\$ 142,840
M&S: Other	2,648,840	2,655,107	(6,267)
<b>Total</b>	<b>\$ 6,500,000</b>	<b>\$ 6,363,427</b>	<b>\$ 136,573</b>
<b>FTE</b>	<b>24.82</b>	<b>24.70</b>	<b>+ 0.12</b>

## Major FY 2024-25 Initiatives

- Workforce Plan
- Records management system
- Customer Assistance Program update
- SDC methodology update
- Miscellaneous fee updates
- Customer satisfaction survey

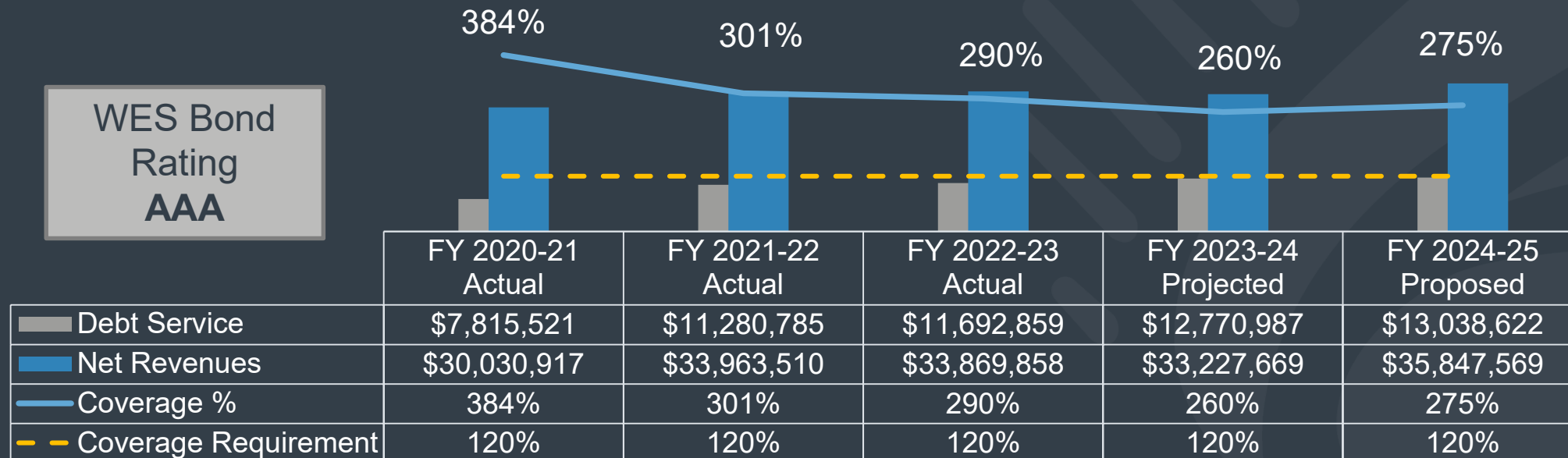
\*Budget total does not include Equipment Cost Pool Contra-Expense of \$(297,730)



# Debt Service & Special Payments: \$14.4 M

Expense	FY 2024-25 Budget	FY 2023-24 Budget	\$ Change	% Change
Debt Service	\$ 13,038,622	\$ 12,770,987	\$ 267,635	2.1%
Special Payments	1,327,900	1,250,300	77,600	6.2%

## Bond Debt Service Coverage

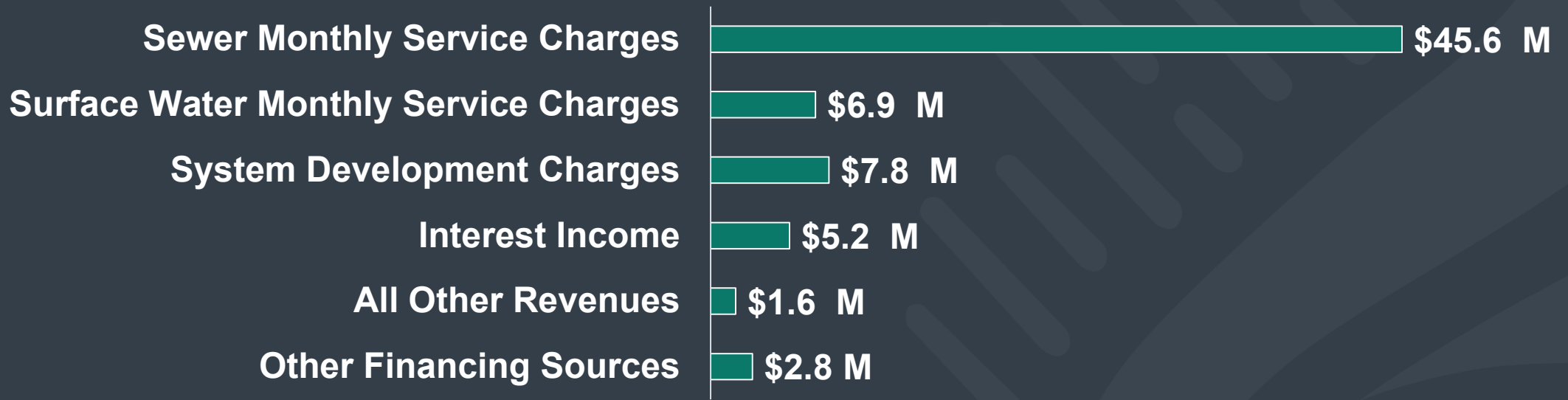


# FY 2024-25 Proposed Budget Sources of Funds

Resources



## Revenues and Other Financing Sources - \$69.9 M



## Use of Reserves - \$56.6 M

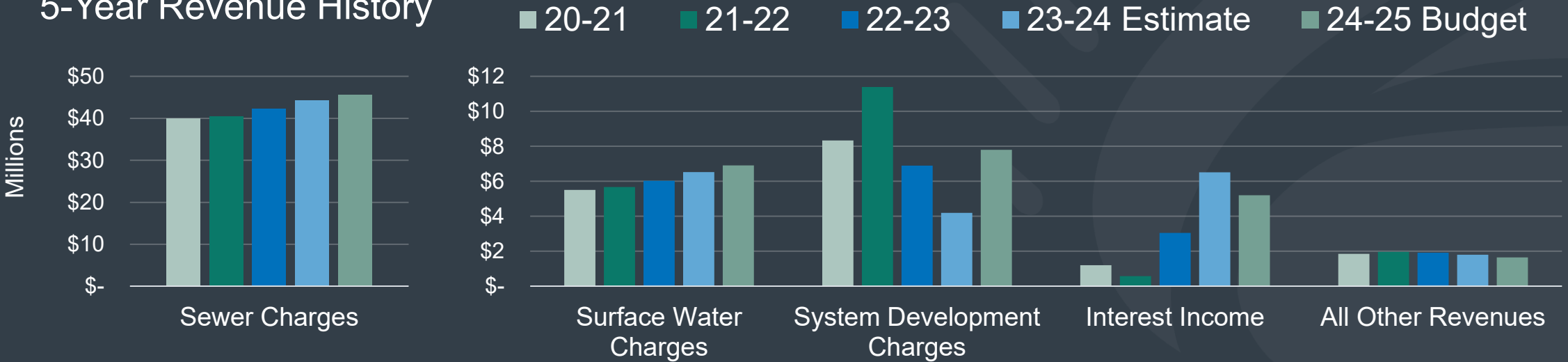




# Revenues: \$67.1 M

Revenue Source	FY 2024-25 Budget	FY 2023-24 Budget	\$ Change	% Change
Sewer Charges	\$ 45,603,300	\$ 43,521,300	\$ 2,082,000	4.8%
Surface Water Charges	6,906,100	6,476,300	429,800	6.6%
System Development Charges	7,794,200	7,442,400	351,800	4.7%
Interest Income	5,195,600	2,901,400	2,294,200	79.1%
All Other Revenues	1,642,420	1,632,420	10,000	0.6%

## 5-Year Revenue History

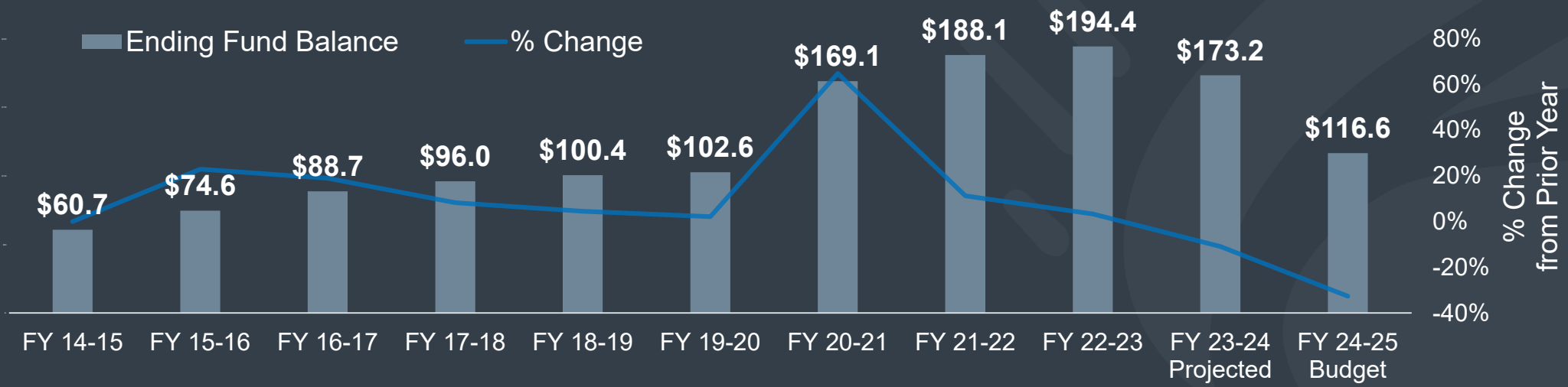




# Contingencies and Reserves: \$116.6 M

	FY 2024-25 Budget	FY 2023-24 Budget	\$ Change	% Change
Contingencies	\$ 25,311,500	\$ 18,779,932	6,531,568	34.8%
Reserves / Ending Fund Balance	91,298,012	140,478,813	(49,180,801)	-35.0%
<b>Total</b>	<b>\$ 116,609,512</b>	<b>\$ 159,258,745</b>	<b>(42,649,233)</b>	<b>-26.8%</b>

Aggregate Ending Fund Balance (Millions) and Percentage Change by FY



# Rates for Services

**Wastewater Treatment** – Applies to all sewer ratepayers; covers costs of operating and maintaining WES’ Water Resource Recovery Facilities and funds new asset construction and asset replacement for treatment plants and interceptors.

	Proposed FY 2024-25 Rate	FY 2023-24 Rate	Change	
			\$	%
<b>Rate Zones 1 and 2</b>	<b>\$ 29.30</b>	\$ 27.90	\$ 1.40	5.0%

**Wastewater Local Collection** – Applies to sewer ratepayers in Happy Valley and unincorporated areas such as Hoodland, Boring, etc.; covers costs of operating and maintaining WES’ collection system feeding into the interceptors and funds asset replacements necessary to maintain aging infrastructure, especially inflow and infiltration reduction efforts.

	Proposed FY 2024-25 Rate	FY 2023-24 Rate	Change	
			\$	%
<b>Rate Zone 2</b>	<b>\$ 15.65</b>	\$ 14.90	\$ 0.75	5.0%

**Surface Water Management** – Applies to ratepayers in WES’ two surface water service areas; covers costs of constructing, operating and maintaining surface water infrastructure.

	Proposed FY 2024-25 Rate	FY 2023-24 Rate	Change	
			\$	%
<b>Rate Zone 2</b>	<b>\$ 9.10</b>	\$ 8.65	\$ 0.45	5.2%
<b>Rate Zone 3</b>	<b>\$ 5.45</b>	\$ 5.20	\$ 0.25	4.8%



# Additional Rate Adjustments

## Wastewater Legacy Debt Component

Applies to Rate Zone 2 only, including Johnson City and Milwaukie; covers annual debt service costs associated with debt transferred from CCSD No. 1 when WES was formed.

	Proposed FY 2024-25 Rate	FY 2023- 24 Rate	Change	
			\$	%
<b>Rate Zone 2</b>	<b>\$ 8.65</b>	<b>\$ 10.05</b>	<b>\$ (1.40)</b>	<b>-13.9%</b>

## Right-of-Way (ROW) Surcharges

Non-WES fees collected on behalf of, and remitted to, other municipalities. ROW fees apply to ratepayers in the Cities of Gladstone, Happy Valley, and Oregon City.

City	City ROW Fee (as a percentage of total bill)
Gladstone	5%
Happy Valley	5%
Oregon City	6%





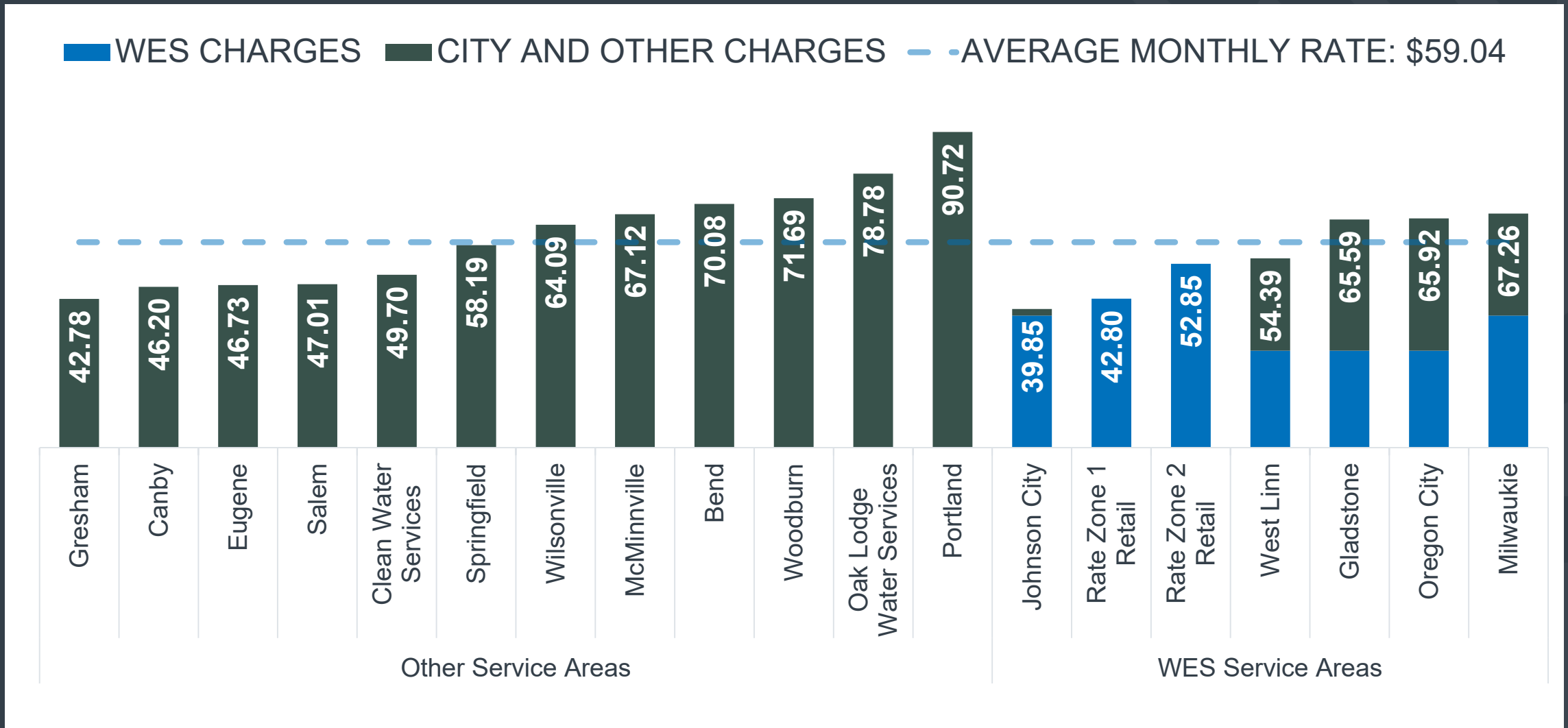
# Service Charge Changes

Rate Zone	Customer Type	City / Area	Changes in WES Rate Components					Monthly Bill Increase
			Wastewater Treatment	Local Collection	Legacy Debt	Surface Water	ROW Fees	
1	Wholesale	Gladstone	\$ 1.40				\$ 0.05	\$ 1.45
		Oregon City	\$ 1.40				\$ 0.10	\$ 1.50
		West Linn	\$ 1.40					\$ 1.40
	Retail	Unincorporated	\$ 1.40	\$ 0.75				\$ 2.15
2	Wholesale	Johnson City	\$ 1.40		\$ (1.40)			\$ -
		Milwaukie	\$ 1.40		\$ (1.40)			\$ -
	Retail	Happy Valley	\$ 1.40	\$ 0.75	\$ (1.40)	\$ 0.45	\$ 0.06	\$ 1.26
		Unincorporated	\$ 1.40	\$ 0.75	\$ (1.40)	\$ 0.45		\$ 1.20
3	Retail	Rate Zone 3				\$ 0.25	\$ 0.25	

ROW Fees changes in the above chart are estimated based on proposed changes in the underlying service charge.



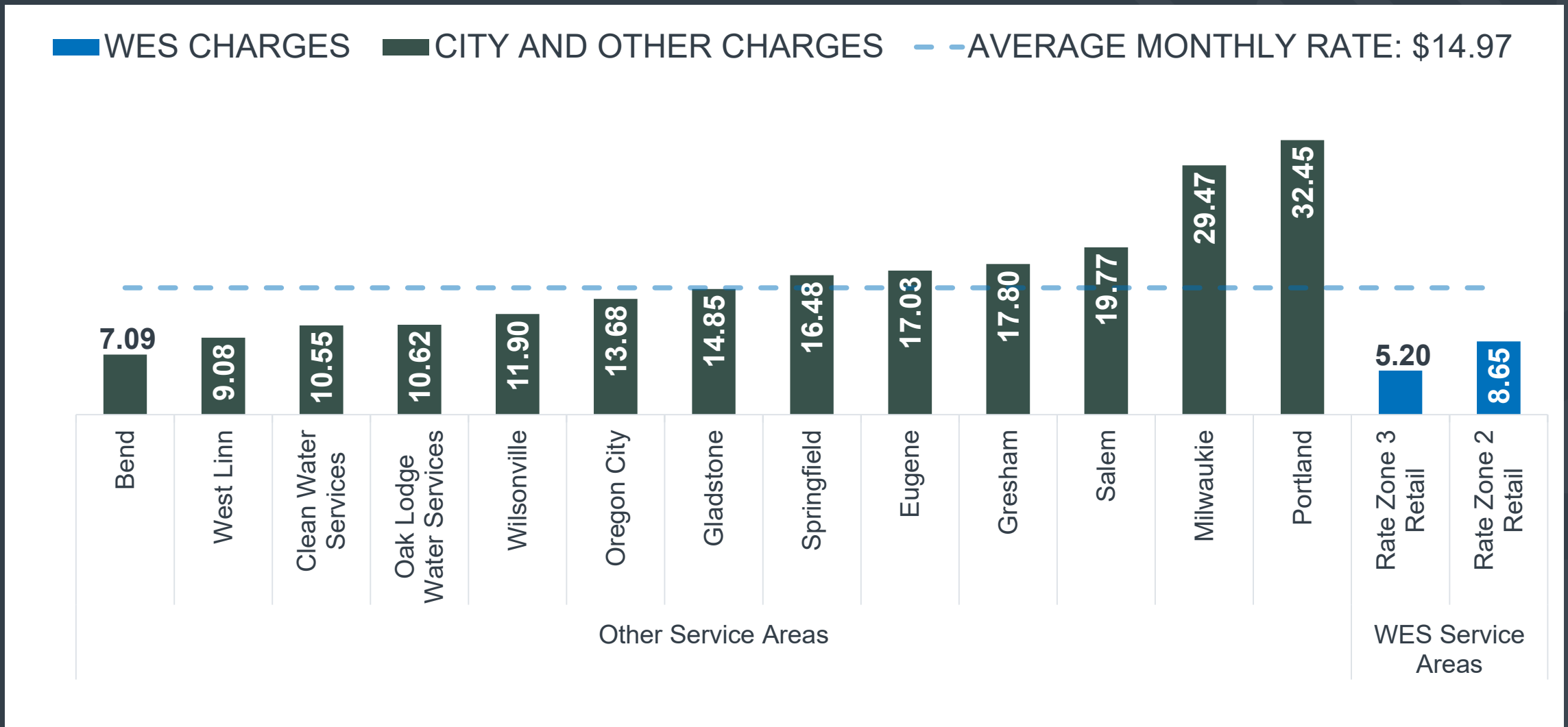
# Monthly Rate Comparison - FY 2023-24 Sewer Rates



Sewer rates in the above chart are based on rates for single family dwellings; in those cities where consumption charges apply, totals are calculated based on a monthly consumption of 7 CCF. City and other charges includes ROW fees, where applicable.



# Monthly Rate Comparison - FY 2023-24 Surface Water Rates

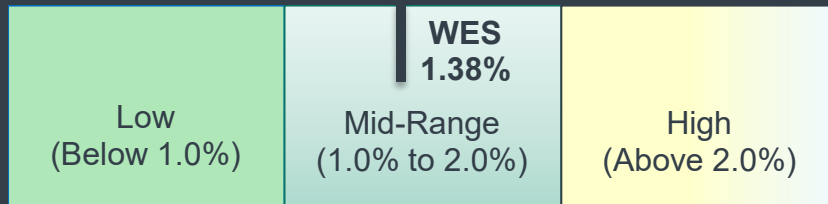


# Rate Affordability and Customer Assistance Programs

## EPA Affordability Metric

- Household economic burden

WES FY 2024-25 Projected LQRI



**Goal:** Maintain a fair and equitable rate structure that fully recovers revenue requirements and promotes affordability.

**Initiative:** Annually maintain a mid-range or low impact rating for total annual cost of wastewater service relative to lowest quintile household income.

## WES Low-Income Discount Program

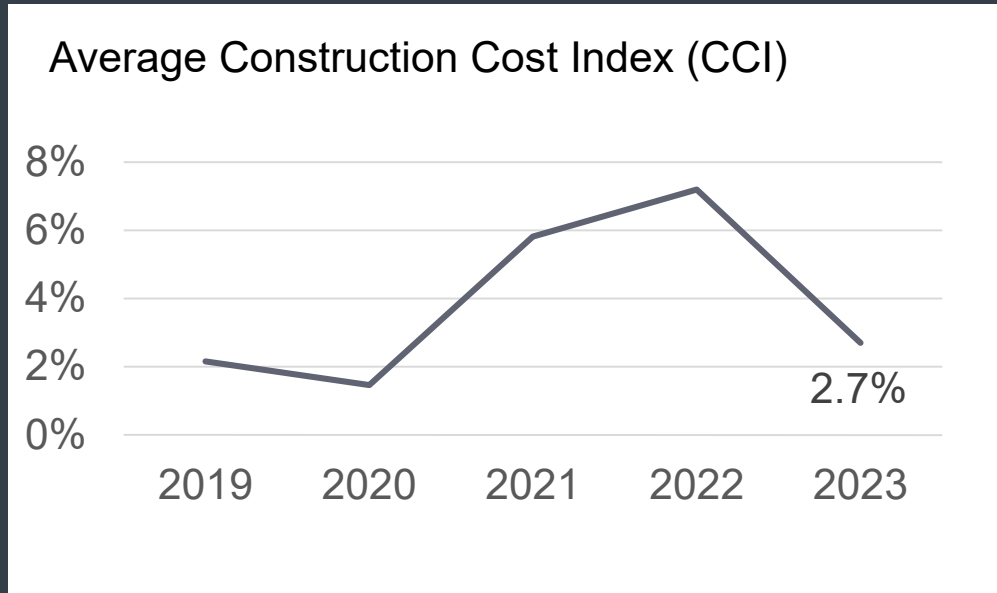
- 50% reduction for Sewer services
- Discount is passed through to partner Cities

**Goal:** Increase awareness of, and access to, customer assistance programs that align with best practices and community values.

**Initiative:** By 2025, update the low income discount program.



# FY 2024-25 System Development Charges



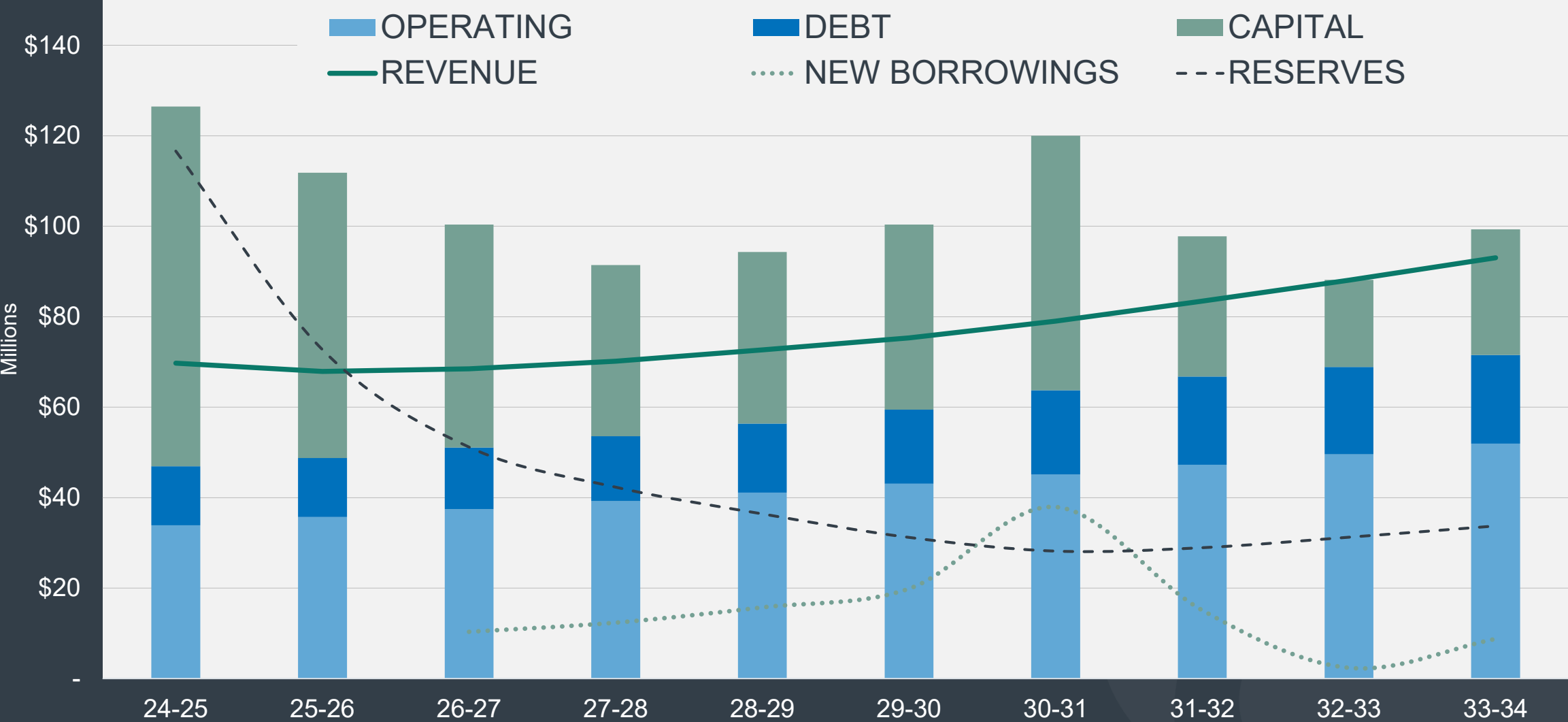
- The CCI is based on:**
- 200 hours construction labor
  - 25 hundredweight (cwt) structural steel
  - 1.128 tons portland cement
  - 1,088 board-feet 2 x 4 lumber

	Proposed FY 2024-25	FY 2023-24	\$ Change	% Change
Sewer	<b>\$ 9,100</b>	\$ 8,860	\$ 240	2.7%
Surface Water	<b>\$ 246.50</b>	\$ 240	\$ 6.50	2.7%

- Inflationary adjustments linked to ENR Cost Index
- Proposal continues to be for less than full cost recovery

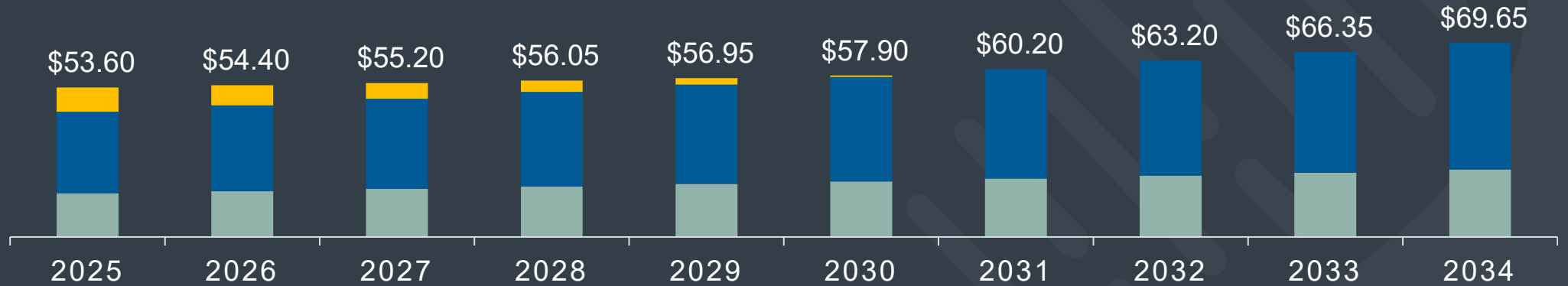


# Financial Forecast



# Forecasted Monthly Sewer Charges

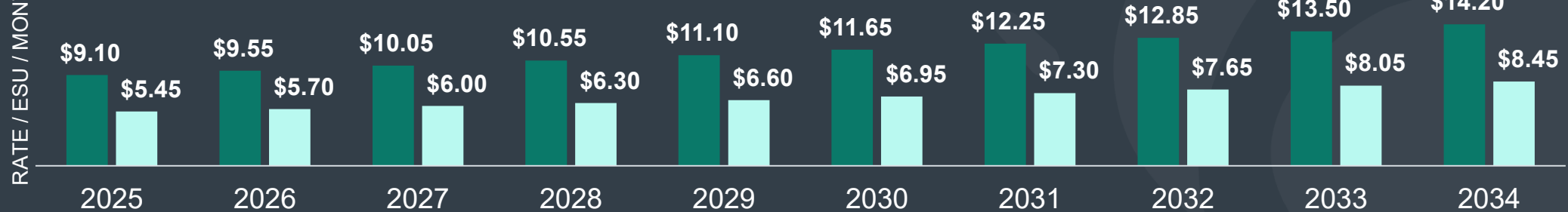
Local collection fee   Wastewater treatment fee   Legacy Debt service fee



RZ1 Wholesale	\$ 29.30	\$ 30.75	\$ 32.30	\$ 33.90	\$ 35.60	\$ 37.40	\$ 39.25	\$ 41.20	\$ 43.25	\$ 45.40
RZ1 Retail	44.95	47.20	49.55	52.00	54.60	57.35	60.20	63.20	66.35	69.65
RZ2 Wholesale	37.95	37.95	37.95	37.95	37.95	37.95	39.25	41.20	43.25	45.40
RZ2 Retail	53.60	54.40	55.20	56.05	56.95	57.90	60.20	63.20	66.35	69.65

# Forecasted Monthly Surface Water Charges

Rate Zone 2   Rate Zone 3



# Next Steps



1

Advisory Committee recommendations will be shared with the Budget Committee

Budget Committee will meet on May 28, 2024 to consider the budget, discuss changes, and vote to approve the budget

2



3

Board of County Commissioners will meet on June 20, 2024 to formally adopt the budget, which will be effective July 1<sup>st</sup>





# Motion

Staff requests from the Advisory Committee a recommendation to approve the WES FY 2024-25 budget as proposed.

