



# Washougal Rate Study



## CAC Meeting #6: Letter Review/Outreach

September 28, 2023



# Welcome & Introductions

- **Welcome!**
- **Team Introductions**
- **CAC Introductions**



# Agenda

- **Welcome & Introductions**
- **CAC Role & Schedule**
- **CAC Letter**
  - » Review and edit
  - » Approve
  - » Sign
- **Community Outreach**
  - » Methods
  - » Messaging
  - » CAC roles
- **Wrap-up & Next Steps**



# CAC Role & Schedule

- **Role in public process**
- **Meet 5-6 times: January – September 2023**
- **Represent the Community**
- **Provide input, feedback, and recommendations**
- **Discussion/Questions**



# Operating Principles

- 1. I will come to each meeting with an open mind**
- 2. I will focus on solutions**
- 3. I will listen to what others have to say and do my best to understand**
- 4. I will let others participate**
- 5. I will treat others with respect**
- 6. I will think before speaking**
- 7. It's ok to disagree, but I will do my best to find common ground**
- 8. I will stay on topic**
- 9. I will explore interests, not positions**
- 10. I will tackle the topic, not the person**
- 11. I will work to reach consensus on all decisions**



# Background

- **Rate study update commenced in 2022**
- **Public outreach workshop** 11/5/2022
- **CAC Meeting #1: Rate Setting Fundamentals** 1/25/2023
- **CAC Meeting #2: Revenue Requirement** 5/3/2023
- **CAC Meeting #3: Revenue Requirement Follow Up** 5/23/2023
- **CAC Meeting #4: Cost of Service** 6/20/2023
- **CAC Meeting #5: Rate Design** 8/9/2023
  - » Reviewed cost of service results for water and sewer utilities for both revenue requirement options
    - Committee preferred reduced revenue requirement option targeting 15% cumulative increase for an average residential customer
  - » Committee generally agreed with the proposed cost of service phase-in recommendations for the water and wastewater utilities
  - » Committee generally did not prefer the monthly billing alternative if it would increase overall rates



# Overview of Rate Setting Process

## Fiscal Policies – Set the Management Foundation

**Step 1:**  
**Revenue Requirement**  
(defining overall needs)

Revenue

Debt

Reserves

O&M

Capital

**Step 2:**  
**Cost of Service**  
(equity evaluation)

Define Customer Classes

Allocate Costs

**Step 3:**  
**Design Rates**  
(collect target revenue)

Fixed Charge

Variable Charge



MONTHLY PAYMENT  
NEEDED TO PAY BACK A LOAN

3 YEARS	4 YEARS	5 YEARS
1.63	1.28	2.56
	5.12	5.68

# CAC Letter





# Discussion Overview

## **Previously...**

- **Drafted on behalf of the CAC**
- **Sent to CAC on 9/15**
- **Received comments and edits**
- **Tracked and responded to comments and edits**

## **Today...**

- **Review and address comments and edits**
- **Finalize and approve**
- **Sign letter**

## **Next...**

- **Submit letter to City Council**
- **Council will review letter at its November 13 meeting**



# Comments/Edits

- **“Recommendation” usage**
- **Rate design scenarios**
  - » Declining block
  - » Number of scenarios evaluated
- **Rate “increase” vs. rate “modifications”**
- **Monthly billing**



# Outreach



# Discussion Overview: Methods

- **Website: FAQs**
- **Social Media**
- **Media**
- **Postcard**
- **Video**
- **Open house (November 29)**



# Discussion Overview: Messaging/FAQs

- **Rate study**
- **CAC role**
- **Small increase**
  - » Below the cost of inflation
  - » Equates to about the cost of a gallon of milk
- **Comparisons**
- **Importance of maintaining infrastructure**

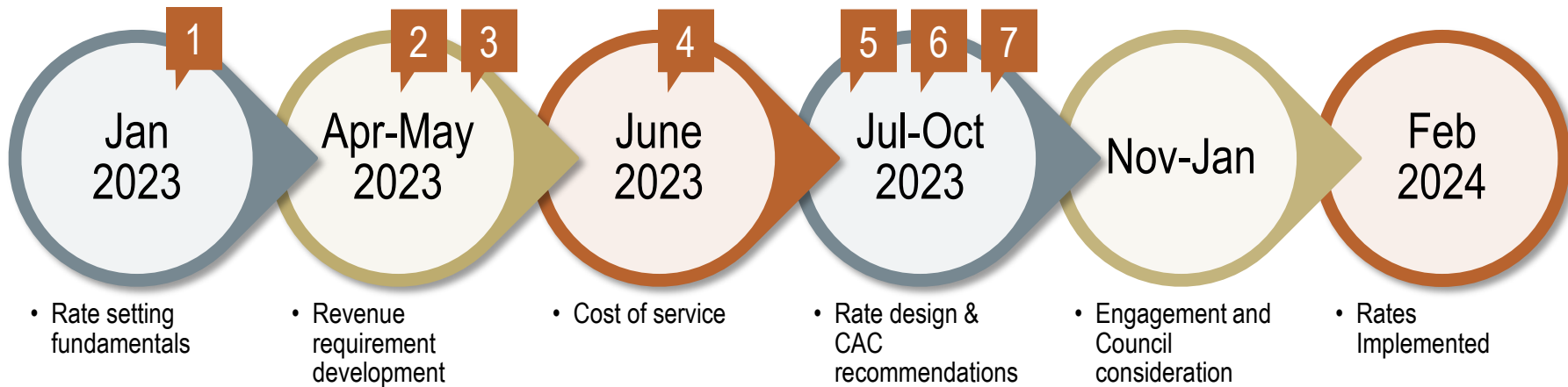


# Discussion Overview: CAC Role

- **Social Media**
- **Media**
- **Video**
- **Open house (November 29)**



# Wrap-up & Next Steps



Review Meetings with CAC, Staff and Council





# Thank you!

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