



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	1.07
	2.56	2.05
	5.12	4.32
	10.68	8.71

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**

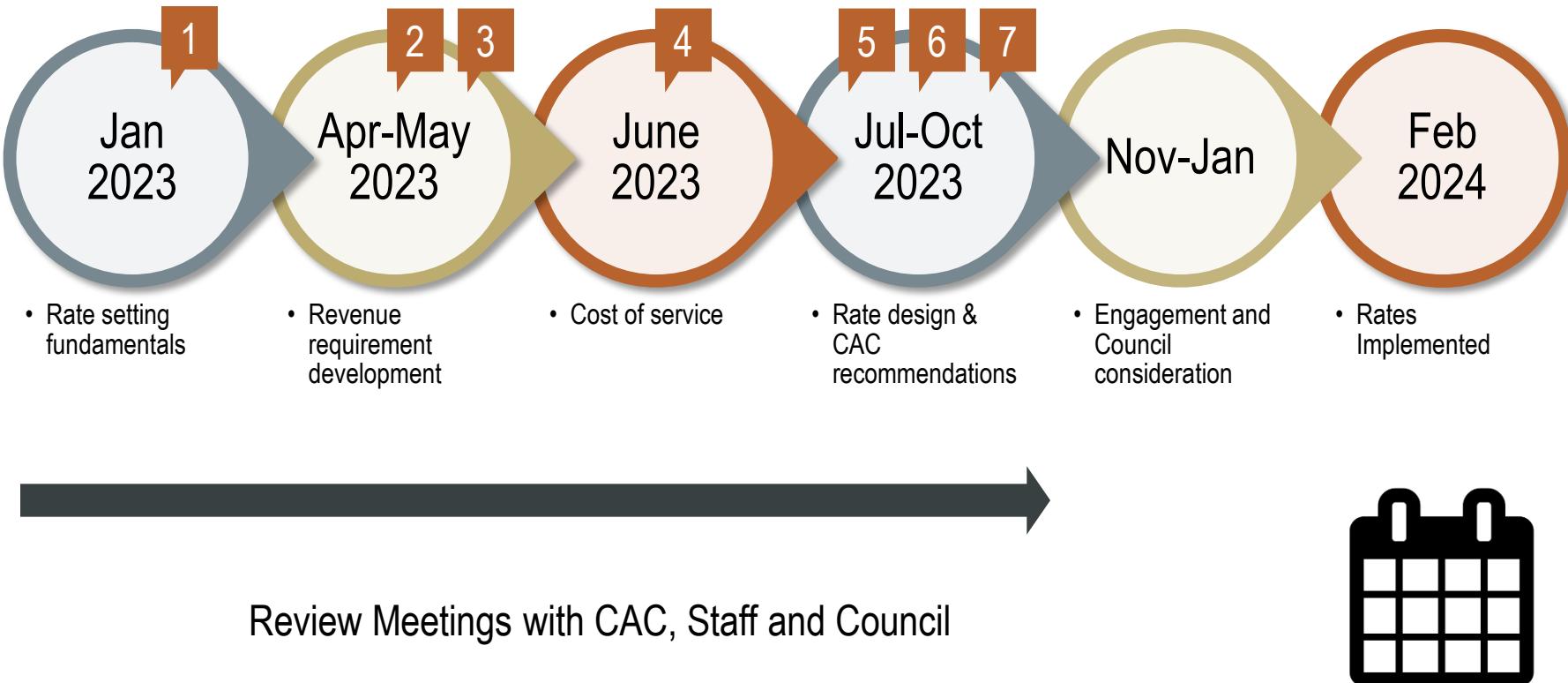


Discussion Overview: CAC Role

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



Wrap-up & Next Steps



Thank you!

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