

## **D. Cost Allocations / Sewer Rate Study**

Inquired with Christine DeMaster about a review of the existing sewer user charge methodology. District discussed with Trilogy the timing and desire for a review based on new projects and the debt service that comes hand in hand with large infrastructure projects. District does not anticipate throwing out the existing and starting over, but rather an outside review of the existing sewer user charge to include changes over time, projects in process, and incorporate new/emerging industry standards.

Points of discussion:

- The District seeks a review of its methodology and the allocations that are used to generate specific rates parameters like BOD or TSS. The current Sewer User Charge system dates back to 2008.
- Review of the new projected debt service for filter project and the interceptor project – are the proper parameters being used in the proper proportion for debt service payments due to be paid back to Clean Water Fund
- Cash flow analysis– this is the second major focus for Trilogy on other utility projects. Informed Christine that we have been using Ehler’s for cash flow analysis and that less time and focus would be necessary with this HOVMSD effort versus other projects
- Hauled waste station rehab – are there any methods or creative ways (other than waste treatment revenue) that the project costs might be paid for?
- Trilogy cannot have a proposal ready for January but will be able to produce a proposal for consideration for February Commission meeting
- Review Demand and Reserve Capacity charges – still appropriate as is?
- Industry trends – give it’s been since 2008 – what has changed and what trends might be incorporated into the District’s allocations and rate setting process. Utility “fixed” cost recognition versus variable costs

Time remains to further refine the project scope with Trilogy if other concerns remain that were not mentioned?