

**MINUTES OF MEETING OF FINANCE AND AUDIT COMMITTEE
OF THE BOARD OF WATER WORKS TRUSTEES
PURSUANT TO NOTICE**

Tuesday, October 3, 2023

3:30 p.m.

Present (or Participating by Video or Audio Conference Link):

Board Members: Mr. Alec Davis

Staff Members: Pat Bruner, Caitlin Caldwell, Nathan Casey, Ted Corrigan, Kyle Danley,
Doug Garnett, Amy Kahler, Michelle Holland, Jenny Puffer, Laura
Sarcone, Melissa Walker, Lindsey Wanderscheid, Michelle Watson

Also in attendance: None

Meeting called to order at 3:30 p.m.

Proposed 2024 Budget

The Board of Trustees will set the Public Hearing for the 2024 Budget at the November Board meeting. Ms. Holland reviewed projections for 2024 revenue and additional funding, and for expenses.

She also highlighted department statistics. Total revenue for 2024 is proposed to be budgeted at \$84.8 million, up \$5.8 million compared to the 2023 budget. Water pumpage is proposed to be budgeted at 18.2 billion gallons, based on seven-year average pumpage. The 2024 proposed revenue budget reflects recommended rate increases taking effect on April 1, 2024.

Cost of Service Study & Proposed 2024 Water Rates

DMWW's draft 2023 Cost of Service Study Report was presented and reviewed.

Ms. Kahler advised that in 2017, DMWW engaged Raftelis to review our cost of service study to ensure the principles and methodologies used are consistent with generally accepted industry standards. At that time, Raftelis recommended several changes, including changing from a historical cost model to a forward-looking revenue requirements model.

The draft 2024 Cost of Service Study Report summarizes how revenue requirements are allocated not only to various cost functions, but also to various customer classes. The Study assigns costs attributable to peaking based on the demands each customer class places on the system.

Proposed 2024 Water Rates were presented and discussed.

Based on COS results, staff recommends a 10% increase for Purchased Capacity customers, and a 0% rate increase for the Wholesale With Storage customer class. All rates are proposed to be effective April 1, 2023.

CFO's Comments

Ms. Kahler noted that nothing at this meeting each year they usually present on corporate insurance however this year there is nothing noteworthy happening. She did mention that there would be a slight increase.

Public Comments

There were no comments from the public.

Meeting adjourned at 4:35 p.m.