

**Summary of Rates & Finance Subcommittee June 1, 2017 meeting
for MWPAAC General Meeting June 28, 2017**

- 1. Efforts Underway to Review and Potentially Revise Industrial Waste Fees** – Chris Townsend, Environmental and Community Services Section Manager, discussed plans for upgrading King County Industrial Waste Issuance fees and Administration and Monitoring Fees. Issuance fees pay for issuing or renewing discharge approvals, and Administration and Monitoring fees pay for inspections, sampling, lab work, and permit management. The current fee structure can be complex and does not reflect the level-of-effort to monitor different kinds of customers. Chris went over guiding principles for the process to create a new fee structure and asked for input. They are seeking input on the guiding principles from a variety of customers. Changes to the fee structure will require approval from the King County Council to amend King County Code.
- 2. 2016 Financial Audit** – Max Foster, Business and Finance Officer, WTD shared information on the 2016 Financial Audit. Max noted the statements are available on WTD's web site. For 2016, Moss Adams issued an "Unqualified Opinion," the highest level opinion. There were no findings. There were some comments about IT issues and WTD has agreed to quarterly review of system access. The audit noted that the debt service, revenue sufficiency, and junior lien ratios are very good compared to what is needed. In response to a question on use of the Brightwater tunnel judgment award, there will be discussion and recommendations on the use of the funds as part of the 2019 sewer rate development, including the option to cash fund capital and reduce debt that would otherwise be incurred.
- 3. Asset Tracking for Recycled Water Component fo Lake Hills Project** – Tom Lienesch, WTD Finance, noted that all assets are tracked separately. Committee members wanted to make sure that this asset is being tracked separately, and can be captured as a reclaimed water cost.

Questions? Jack Broyles, Jr., Rates & Finance Subcommittee Chair
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