

# DOUGLAS COUNTY SEWER DISTRICT

## NOTICE OF RATE INCREASE

- The District has identified capital improvements that are needed in order to maintain our sewer system and meet anticipated demands and projected growth. In order to fund these capital projects, which are in addition to paying for current operating costs, the District must rely on external financing sources.
- The Washington State Public Works Trust Fund Loan Program has historically served as a source of low-cost financing for District infrastructure investment needs. In recent years, the State has suspended this Program and diverted its resources to fund other mandatory priorities including education. Without this Program, the District must turn to higher-cost financing sources such as revenue bonds. In addition to higher interest costs, bonds come with other requirements such as maintaining cash reserves and meeting certain financial performance standards.
- In late 2013, the District retained the services of FCS Group, a Redmond, Washington based consulting firm with extensive experience in reviewing utility rate structures and providing government entities with utility rate adjustment recommendations. The FCS Group, working with District staff and the District engineering firm, RH2 Engineering, completed a comprehensive rate study that included a review of current operating costs and projected capital facilities expenditures. The FCS Group Study recommended the District increase rates to generate funds to help pay for necessary anticipated capital projects and to enable the District to maintain the required standards of financial performance that will reduce bond interest rates and borrowing costs.

Currently (Oct 2018-Sept 2019), District Ratepayers will be charged a fixed rate of \$40.50 per month, per Equivalent Residential Unit ("ERU"). Residential Ratepayers are charged this monthly fixed rate and are billed bi-monthly. Commercial and Industrial Ratepayers are charged the fixed rate for each ERU of water usage (one ERU equals 900 cubic feet of water usage) and are also billed bi-monthly.

To attain the minimum financial standards recommended by the FCS Group Study, the District Commissioners recently approved a six year plan for rates. The per month, per ERU rates are as follows:

October 1, 2015 to September 30, 2016 - \$33.00  
October 1, 2016 to September 30, 2017 - \$35.50  
October 1, 2017 to September 30, 2018 - \$38.00  
October 1, 2018 to September 30, 2019 - \$40.50  
**\*\*\*October 1, 2019 to September 30, 2020 - \$43.00\*\*\***  
October 1, 2020 to September 30, 2021 - \$45.50