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| ORGANIZATION: | Town of Wake Forest Stormwater Utility Advisory Group |
| NAME OF MEETING: | Meeting #3 |
| RECORDED BY: | Blair Hinkle, Trey Shanks |
| DATE: | July 12, 2023 |
| LOCATION: | Wake Forest Town Hall |
| DATE SENT FOR APPROVAL: | August 3, 2023 |
| ATTENDEES: | Advisory Group Mike Almquist Nicole Clift Andi Curtis Brian Pate Juan Montes Nathan Robb Norman Bell Nathan Robb James Holding |
| | Town / Consultants Monica Sarna (Asst. Dir. Eng.) Joe Guckavan (Dir. Eng.) Nick Nolte (Stormwater Eng.) Chris Glass (Engineer) Tim Bailey (Pub. Works Dir.) Trey Shanks (Freese and Nichols) Blair Hinkle (Freese and Nichols) |

The following reflects our understanding of the items discussed during the subject meeting. If you do not notify us within five working days, we will assume that you are in agreement with our understanding.

Minutes:

Recommendations

1. Operating reserve
 - a. 3 month minimum
 - b. Possibly 6 to 12 month goal
 - c. 2 months in Year 1 per LGC recommendation
2. 5-Year rate recommendation
 - a. Fixed over 5 years
 - b. Incremental, planned adjustments - NO
3. Cost of Service
 - a. New operations - YES
 - b. Capital - YES
 - c. Existing operations
 - i. Yes Scenario 1
 - ii. No Scenario 2
4. CIP
 - a. Rate of execution (# years)
5. Inflation
 - a. 3% too conservative
 - b. 5% in model per Sam - AG is good with this
6. Growth rate
 - a. 3% per Sam - AG is good with this
7. Fee Basis
 - a. Impervious area - discussed, not decided
 - b. Factor onsite SCMs Through credits

- 8.** Fee Credit
 - a.** Residential?
 - b.** Commercial?
 - c.** Assume 5%?
 - d.** Build in as option
- 9.** Show SW-specific fees as cost offsets