



# Pt. Hadlock Wastewater System

Sewer Advisory Group

October 6, 2009

Meeting Number 4

**KI&A**  
Katy Isaksen & Associates



Pt. Hadlock Wastewater System – Sewer Advisory Group

## Agenda

- Introduction
- Acceptance of meeting summary
- Update/Follow-up from last SAG meeting
- Policies & ordinances
- Policy discussion – SAG input
- Finalize Policy recommendations to DCD
- Technical update
- Final questions/comments





## Recap – SAG #3

- Review recommendations.



## Updates Since Previous Meeting

- UGA Compliance Update
  - Second appeal decision
- Additional written comment from SAG member
- Recap of Financing/Cash Flow Plan



# Cash Flow From Facility Plan

**TABLE 9-5 PART 1.  
ESTIMATED REPAYMENT STREAM THROUGH 2018**

Phase	Core Plus Alcohol		Rhody Drive			Residential Area #1			
Est. Repayment Stream	2010	2011	2012	2013*	2014	2015	2016	2017	2018*
New Connection ERU's	432	70	82	95	111	129	149	174	202
Connection Charge Revenue	6,519,428	1,061,457	1,234,278	1,435,236	1,668,914	1,940,637	2,256,601	2,624,008	3,051,234
Additional Borrowing				2,000,000					8,000,000
Annual Debt Payments:									
USDA-RD 20 yrs	657,000								
PWTF/DOE 20 yrs	665,000			128,294					513,177
<b>Total Debt Payments</b>	<b>1,322,000</b>	<b>1,322,000</b>	<b>1,322,000</b>	<b>1,322,000</b>	<b>1,450,294</b>	<b>1,450,294</b>	<b>1,450,294</b>	<b>1,450,294</b>	<b>1,450,294</b>
Future Capital Improvements			1,337,000	5,346,013			1,398,000	1,357,000	9,445,454
<b>Ending Balance</b>	<b>5,197,428</b>	<b>4,936,885</b>	<b>3,512,163</b>	<b>279,386</b>	<b>498,006</b>	<b>988,348</b>	<b>396,655</b>	<b>213,368</b>	<b>368,854</b>

\* Year of Significant Treatment Plant expansion



# Cash Flow From Facility Plan

**TABLE 9-5 PART 2.  
ESTIMATED REPAYMENT STREAM THROUGH 2024 AND 2025-2030**

Phase	Residential Area #2				Residential Area #3		
Est. Repayment Stream	2019	2020	2021	2022	2023	2024*	2025-2030
New Connection ERU's	235	273	318	369	430	500	633
Connection Charge Revenue	3,548,019	4,125,688	4,797,410	5,578,498	6,486,758	7,542,897	9,552,787
Additional Borrowing							500,000
Annual Debt Payments:							
USDA-RD 20 yrs							
PWTF/DOE 20 yrs							32,074
<b>Total Debt Payments</b>	<b>1,963,471</b>	<b>1,963,471</b>	<b>1,963,471</b>	<b>1,963,471</b>	<b>1,963,471</b>	<b>1,963,471</b>	<b>11,780,828</b>
Future Capital Improvements	996,000	361,000	353,000			5,872,000	11,073,000
<b>Ending Balance</b>	<b>957,402</b>	<b>2,758,619</b>	<b>5,239,558</b>	<b>8,854,585</b>	<b>13,377,872</b>	<b>13,085,297</b>	<b>284,256</b>

\* Year of Significant Treatment Plant expansion





## Policies & Ordinances - Overview

- ✓ Connections to system (SAG Meetings #1 & 2)
- ✓ System management (SAG Meeting #2)
- ✓ Cost allocation/ULID (SAG Meetings #2 & 3)
- ✓ Rate structure (SAG Meeting #3)
- ✓ Ancillary services (SAG Meeting #3)
  - Sewer availability (SAG Meeting #4)
  - Extension of system (SAG Meeting #4)
  - Recap of SAG recommendations (SAG Meeting #4)



## What We Want from You Today...

- Advice on policies & ordinances
  - Sewer Availability – How will the Sewer Utility determine when sewer is available in an area?
  - Extension of the System – How will the planned expansions be made to the sewer system?
  - Finalize SAG recommendations



## NOTE

- Advice on policies & ordinances
  - In order to assist the SAG, a slide is included for each question with a potential recommendation/s.
  - SAG can use this recommendation/s, or
  - SAG can make any recommendation it thinks is appropriate, or
  - SAG can provide a range of opinions if consensus isn't reached.



## Policy: Sewer System Availability

- How will the sewer utility determine when sewer service will be available in a given area?
- Alternatives:
  - Utility issues letter/certificate of sewer availability
  - Collection system by phase as scheduled in Facility Plan
  - Treatment capacity as scheduled in Facility Plan
  - Combination of above
- Factors to Consider:
  - Allow for orderly connection to the new sewer system
  - Provide predictable schedule for existing and new development
  - Ensure that treatment capacity keeps pace with collection system expansion
  - Maintain a strong financial utility (cash flow)



# Determining When Sewer is Available

SEWER AVAILABILITY AND CAPACITY CONTROL	
<b>Sewer Availability</b>	New connections to make application, sewer utility to determine whether sewer is available.
• <b>Collection System Phases</b>	As system expands into next phase of the Facility Plan, utility sends letter to those eligible.
• <b>Treatment Plant Capacity</b>	Sewer utility to track plant capacity that is available and promised.
<b>Sewer Permit</b>	Property owner/licensed contractor must obtain sewer permit before connecting.
<b>Pre-purchase Capacity</b>	Can property owners pre-purchase capacity in current phase? Consider increasing connection charges annually to reflect cost increases and interest on funds borrowed.



# Recommendation ? : Sewer Service Availability

## Sewer service will be considered available when:

- **Collection System Phases:**
  - **Facility Plan:** in strict accordance with the plan
  - **Specific Development Plans:** allow adjustment according to specific funded development plans
- **Treatment Plant Capacity:**
  - Sewer Utility to track capacity that is available and promised
- A certificate of sewer availability to be required from the sewer utility; existing development to receive a letter stating their eligibility by phases.
- May allow pre-purchase of capacity based upon best interest of the utility
- Connection fees will be adjusted annually to reflect actual costs and/or interest on funds borrowed





# Policy: System Extension

- How will the new sewer utility allow for system extension?
- Alternatives:
  - By Sewer Utility
  - By ULID
  - By Developer extensions
  - Latecomer Agreement
- Factors to Consider:
  - Allow for planned orderly extension of the system
  - Provide alternatives for property owners/developers to accelerate their own schedule when possible
  - Ensure all customers pay their equitable share
  - Ensure a strong financial utility – balance debt and customers



# Methods of Extending the Sewer

EXTENSION OF SYSTEM	
<b>Sewer Utility</b>	The sewer utility will phase the general facilities. The equitable share of the cost of the facilities will be funded by connection charges.
<b>Utility Local Improvement District (ULID) Process</b>	The local collection system may be extended thru the ULID process where property owners pay their equitable share of the cost of the facilities by ULID assessment over 10-20 years.
<b>Developers Extension</b>	Developer or property owner extends the system to the far edge of the property and pays for such extension. Oversize when required.
<b>Latecomers Agreement</b>	Allows the party that funded the facilities to be reimbursed by others connecting into such facilities within 15 years.





## Recommendation?: Sewer System Extension

### To allow for planned orderly expansion of the system:

- Anticipate that the sewer utility will expand the treatment facilities as necessary
- Allow the ULID process for extending local facilities
- Allow developer extensions so that property owners and/or developers can accelerate their own schedule when possible
- Allow latecomers agreements to make sure that the developer extensions can be reimbursed by others connecting into the facilities
- Ensure all customers pay their equitable share of the costs



## Policies & Ordinances

- Review of SAG recommendation summary
- Questions and edits to summary table
- Additional recommendations/comments
- Recommendation to forward summary to DCD





## Preliminary Design – What's Next

- System site evaluation:
  - County determining course of action for discussion/negotiation.
- MBR technology:
  - Submitted draft recommendation to County.
  - BoCC to confirm recommendation in coming months.
- Open house:
  - November 19<sup>th</sup> 6:30 – 8:00pm
  - Jefferson County Library
  - SAG members encouraged to attend/ask public to attend.



## Future of SAG

- What do you think your role should be?
- Future questions
- Opportunities for public outreach
- Thoughts & recommendations?



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# Thank You!!!

