



# Belfair Wastewater and Water Reclamation Facilities Project



Mason County Commissioners  
***Interim Rate Ordinance Public Meeting***  
July 12, 2011



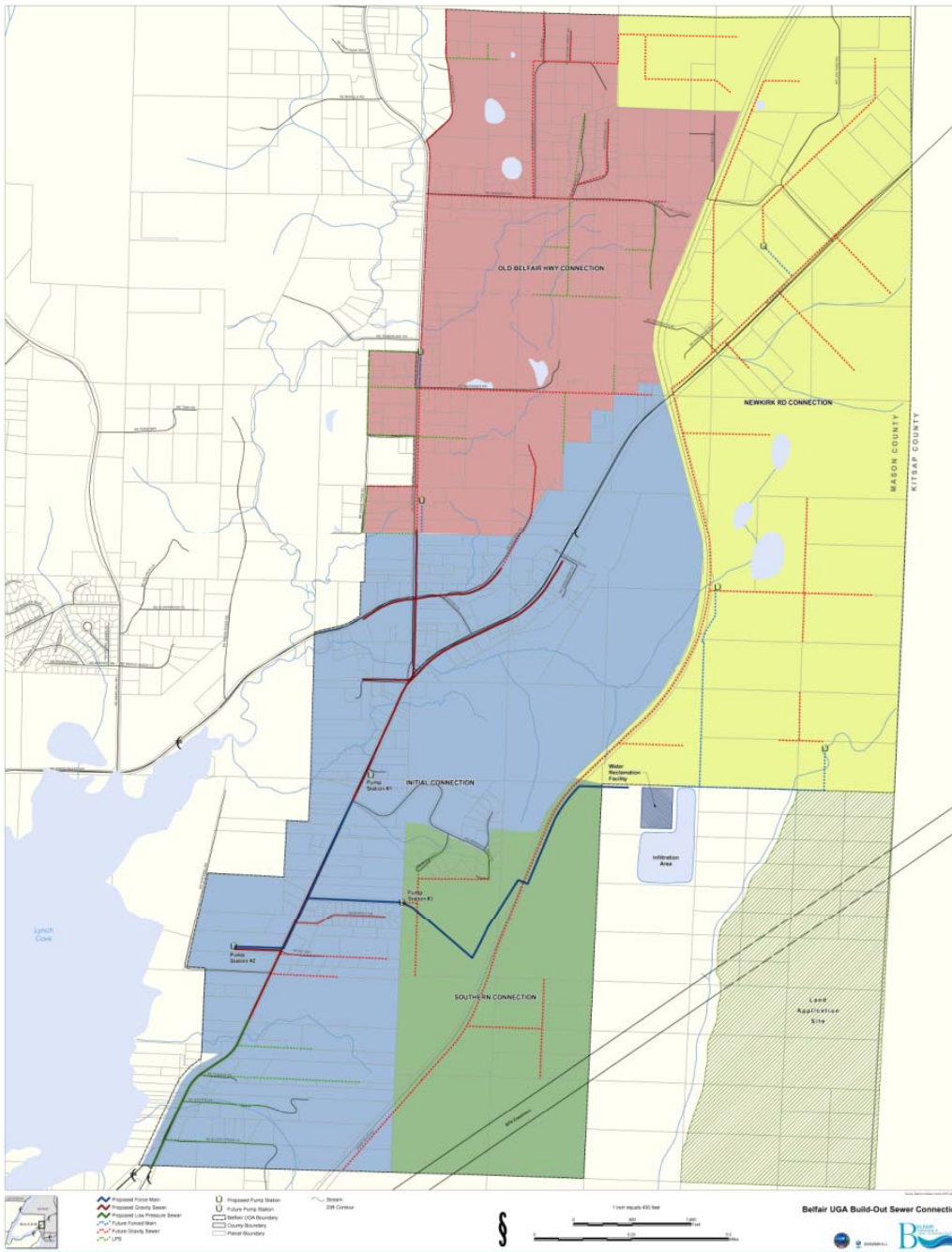


# Tonight's Topics

- Project history and outreach efforts (6:00 – 6:15)
- Schedule for hook-ups and system start up (6:15 – 6:20)
- County hook-up program (6:20 – 6:30)
- Interim Sewer Rate Ordinance review (6:30 – 7:15)
- Public comments (7:15 – 7:55)
  - **Please sign up to comment**

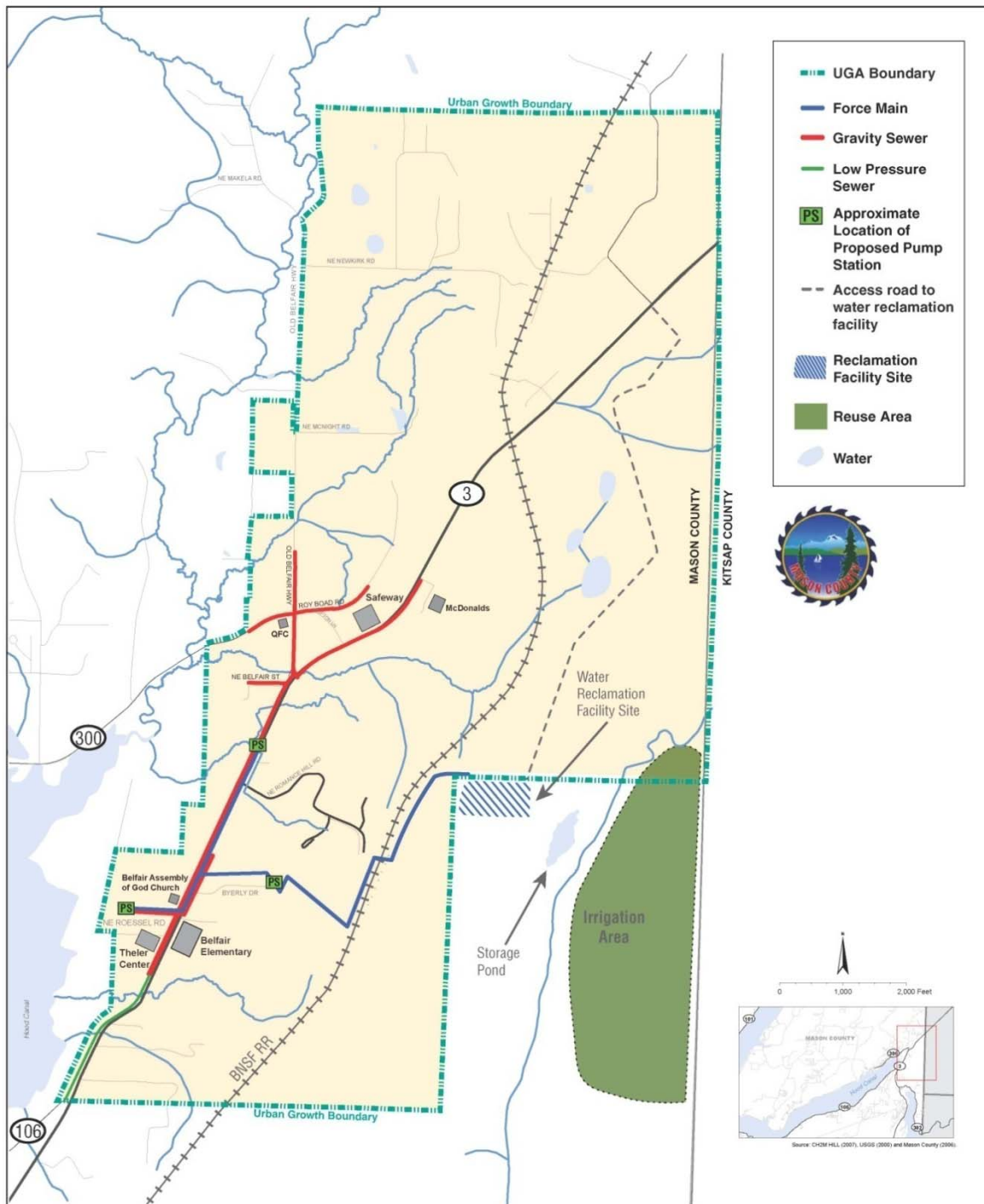
# Policy & Planning

- Facilities Plan (2007) established the elements of the sewer system and long-term development.



# Policy Application

- Developed parcels within 500 feet of the sewer, and inside the Urban Growth Area (UGA), are required to connect as the sewer becomes available (*per Mason County Ordinance 91-07*).





# Reminder of Project Activities Since 2007

<p><b>2007</b></p>	<ul style="list-style-type: none"> <li>• Facility Plan Approved by Washington State Department of Ecology</li> <li>• Adoption of Mason County Ordinance 91-07</li> <li>• Hiring of engineering firm</li> <li>• Exploratory field work</li> <li>• Conversations about rate ranges</li> </ul>
<p><b>2008</b></p>	<ul style="list-style-type: none"> <li>• MBR Technology pre-selection</li> <li>• Design, permitting, real estate conversations</li> <li>• WSDOT right-of-way conversations</li> <li>• Healthy Hood Canal Celebration</li> <li>• Conversations about rate ranges</li> </ul>
<p><b>2009</b></p>	<ul style="list-style-type: none"> <li>• Environmental review and final design completed; and permits approved</li> <li>• Construction preparation, including bidding process for two major contracts</li> <li>• Value engineering study</li> <li>• Conversations about rate ranges</li> <li>• Groundbreaking</li> </ul>
<p><b>2010</b></p>	<ul style="list-style-type: none"> <li>• Substantive construction, including at Water Reclamation Facility site, on SR 3 and surrounding roadways</li> <li>• Conversations about rate ranges</li> </ul>
<p><b>2011</b></p>	<ul style="list-style-type: none"> <li>• Construction continues; final contracts bid and issued</li> <li>• <b><i>Specifics about rate ranges, moving toward interim and final rate ordinance</i></b></li> <li>• <b><i>Side sewer connections</i></b></li> </ul>



# And Project Outreach Since 2007

- Extensive outreach during NEPA/SEPA environmental review processes
- **16** public meetings, briefings and events
- Issued **12** press releases, and have been the focus of **142** articles in local newspapers
- **9** notifications via mail, including **5** Phase 1 property owner specific mailings
- Received and responded to over **700** calls and e-mails
- Distributed **76** weekly construction updates
- Contacted/surveyed over **100** businesses to estimate ERUs
- Mailed/delivered **96** ERU emails and letters to businesses
- Coordinated with the Water District on water data records



# Phase 1 Start Up Timeline (2011)

<p><b>Summer</b></p>	<ul style="list-style-type: none"> <li>• Apply for permits to build your side sewer</li> <li>• Build your side sewers</li> <li>• Get your system inspected</li> </ul>
<p><b>Fall</b></p>	<ul style="list-style-type: none"> <li>• Construction of system complete</li> <li>• Testing of system begins</li> </ul>
<p><b>Fall / Winter</b></p>	<ul style="list-style-type: none"> <li>• Properties begin to connect to the new sewer system</li> </ul>
<p><b>Winter</b></p>	<ul style="list-style-type: none"> <li>• System online -- operation commences!</li> <li>• Completed private property conversions, connections and septic decommissioning</li> <li>• Rate collection begins (January 2012)</li> </ul>



# What happens if I don't connect?

- As of January 1, 2012 you will be charged a higher connection fee if you do not connect during this initial hook-up phase.
- The health department has the authority to condemn your septic tank; thus making your property “uninhabitable” under current health standards.



# Phase 1 Hook-up Deadline is **December 31, 2011!**



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# **County Hook-up Program – Last Chance !**



# County Hook-up Program

As part of the program, the County will:

- Hire a contractor to build your side sewer
- Apply for all of the permits required
- Inspect your system and decommission your septic tank (*after sewer is operational*)
- Allow you to finance some costs of connecting to the system through low-interest loans (*payable through monthly sewer bill*)



# County Hook-up Anticipated Program Costs

- Construction costs:
  - \$5,900 for gravity system (if under 150 feet)
  - \$7,000 for low pressure system (if under 150 feet)
  
- Connection fees:
  - \$1,500 (half of one ERU) –must still pay \$1,500 upfront

*Terms: For every \$1,000 of cost financed through the County for 10 years at 5% per year, an additional \$10.61 will be added to your monthly bill.*



# Interim Sewer Rate Ordinance



# Process: Interim vs. Final Ordinances

- *Interim Sewer Rate Ordinance (Phase 1 only)*
  - Establishment of ERUs for Phase 1 connections
  - Fees for Phase 1 connections
  
- *Final Sewer Rate Ordinance (whole UGA)*
  - Monthly rates
  - Connection fees for future development and properties in Phases 2-4
  - Future phases and extensions of the current system
  - Possible changes to the UGA



# Total Funding: over \$47M!

State Revolving Fund
Washington State Community, Trade and Economic Development (CTED) Jobs/Communities
CTED Job Development
CTED
Environmental Protection Agency State and Tribal Assistance Grant (STAG)
Department of Ecology
Department of Ecology Centennial Clean Water Fund (awarded spring 2009)
Recovery Act
Recovery Act

# Project Funding

## Capital Costs

Phase 1 Project Costs	\$ 44,400,000
Phase 2 Planning and Design	800,000
County Hook-Up Program	1,428,000
Interfund Loan Repayment at Project Closure	<u>1,260,000</u>
Total to be Funded/Financed	\$ 47,888,000

## Funding Resources

Grants	\$ 27,834,850
Forgiven Principal	6,916,829
Ecology Loan 2.8% 20 years	3,118,464
Ecology Loan 1.5%, 20 years	337,413
SRF Loan 3.1%, 20 years	3,033,500
Interfund County Loan 5%	1,200,000
County Hook-Up Program Grant	1,146,000
County Hook-Up Program borrowing 5%, 10 years	282,000
Phase I Bond Proceeds	<u>4,018,944</u>
Total Funding/Financing	\$ 47,888,000

## Resulting Debt Service (2012)

	2012	2017
County Limited Tax Gen Obligation Bond	\$ 231,814	410,451
Other Loans	<u>442,993</u>	<u>442,993</u>
Total Debt Service	\$ 674,807	\$ 853,444

# Annual Rate Revenue Requirement

	2012
Operating & Maintenance Costs	\$ 600,130
Taxes	34,241
Debt Service	674,807
Total Cash Needs	\$ 1,309,179
<i>Offset by Non-Rate Revenue:</i>	
Interest Earnings	\$ 1,023
Capital Svc Charge (Phase 2 Capacity Reservations)	16,380
Connection Charge Revenue Available for Debt Svc	674,807
Total Non-rate Revenue	\$ 692,211
Rate Revenue Requirement	\$ 616,968

# Customer Base

## Current Customer Base Estimate:

- About 70% of current estimated ERUs for existing development is based on actual water use data, rather than rough engineering formulas.
- Using Belfair Water District data, average single-family residential water use last year was 135 gallons per day. This figure is adjusted for seasonal occupancy, seasonal irrigation, and leaks.

## Rate Forecast Customer Base:

- ERU total depends on method of rounding:
  - If an ERU is considered to be the basic unit and any fraction is treated as an additional one ERU, then estimated total is 585 ERUs in 2011.
  - If the calculated ERUs are rounded in either direction to the nearest tenth, then estimated total is 546.6 ERUs in 2011.
- Forecast assumes 5% annual growth rate through 2019, 6% thereafter.



# Interim Ordinance Policy Definitions

- Strength charge
- Capacity rental charge
- Irrigation water
- ERUs
  - Single family, multi-family, and commercial properties
  - Businesses: water data vs. engineering standards
  - Gallons per day assumptions
  - Seasonal use
  - Rounding



# Interim Ordinance Fees

Cost	Amount
Initial Connection Charge	\$3,000 per ERU*
Initial monthly sewer rate	<i>To be established in final rate ordinance</i>

*\*To be approved by Mason County Commissioners.*



# Public Comments

- *Please focus your comments on the Interim Sewer Ordinance*
  - *Comments on the Final Sewer Ordinance will be taken later this year.*
- *Keep comments concise so that everyone has time to speak.*
- *Please wait for your name to be called.*



# Next Steps

- **Public Hearing on Interim Ordinance and Action**
  - July 19, 2011 at 9:00 a.m. (Commissioners Chambers, Shelton)
- **Final Sewer Rate Ordinance**
  - More information in August 2011
  - Adoption of final rate ordinance anticipated in December 2011



# Contact Us

## Hotline:

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## Email:

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## Website:

[www.masoncountywastewater.com](http://www.masoncountywastewater.com)