Carlsborg Urban Growth Area
Sewer Project - Project Update

Sequim Association of Realtors
March 4, 2015
PROJECT STATUS

• FACILITY PLAN COMPLETED – Approved by Department of Ecology – January 9, 2015
• Collection system design in progress, 70% done, Conveyance design 25%
• Sequim/County Agreement executed 11/24/14
• Financial Plan Completed & funding available
Facility Plan Amendment - Alternatives
## Carlsborg Facilities Plan
### 15 & 35 year Capital Costs

<table>
<thead>
<tr>
<th></th>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>Lift Station and Conveyance</td>
<td>$6,024,600</td>
<td>$1,247,700</td>
<td>$7,215,700</td>
</tr>
<tr>
<td>Carlsborg Collection System</td>
<td>$5,324,500</td>
<td>$3,800,000</td>
<td>$9,124,500</td>
</tr>
<tr>
<td>Sequim Treatment &amp; Collection System Upgrades – Carlsborg Share</td>
<td>$194,600</td>
<td>$2,932,500</td>
<td>$3,127,100</td>
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<tr>
<td>Sequim WRF – Capacity Purchase</td>
<td>$898,900</td>
<td>$172,600</td>
<td>$1,071,500</td>
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<tr>
<td>Sequim WRF – Carlsborg Share of CIP 2016 - 2030</td>
<td>$897,900</td>
<td>$1,441,500</td>
<td>$2,339,400</td>
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<tr>
<td>Total Capital Cost</td>
<td>$13,340,500</td>
<td>$9,594,300</td>
<td>$22,878,200</td>
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</tbody>
</table>
## Carlsborg Facilities Plan

### Estimated Annual O&M Costs

<table>
<thead>
<tr>
<th>Facility</th>
<th>Average 2016 – 2030 Costs (per year)</th>
<th>Average 2030-2050 Costs (per year)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-Sequim O&amp;M Costs</td>
<td>$110,000</td>
<td>$147,000</td>
</tr>
<tr>
<td>Sequim Treatment O&amp;M</td>
<td>$213,000</td>
<td>$528,000</td>
</tr>
<tr>
<td>Total O&amp;M Cost</td>
<td>$323,000</td>
<td>$675,000</td>
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</tbody>
</table>
## Facilities Plan Alternatives
### Life Cycle Cost Comparison

<table>
<thead>
<tr>
<th>Facility</th>
<th>Sequim Alternative</th>
<th>Carlsborg Alternative</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Initial System (2016-2030)</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Carlsborg Collection System</td>
<td>$5,324,500</td>
<td>$5,395,000</td>
</tr>
<tr>
<td>Lift Station, Conveyance</td>
<td>$6,024,000</td>
<td>--</td>
</tr>
<tr>
<td>Carlsborg WRF</td>
<td>--</td>
<td>$10,650,000</td>
</tr>
<tr>
<td>WRF Capacity &amp; Sequim CIP share</td>
<td>$1,991,400</td>
<td>--</td>
</tr>
<tr>
<td>Average Annual O&amp;M (2016-2030)</td>
<td>$323,000</td>
<td>$379,000</td>
</tr>
<tr>
<td><strong>15-year Life Cycle Cost – Initial System</strong></td>
<td>$18,185,500</td>
<td>$21,730,000</td>
</tr>
<tr>
<td><strong>Additional System to Serve 2050 Flows</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Carlsborg Collection System</td>
<td>$3,800,000</td>
<td>$3,800,000</td>
</tr>
<tr>
<td>Olympic Lift Station Expansion</td>
<td>$1,247,700</td>
<td>--</td>
</tr>
<tr>
<td>WRF Capacity, Sequim CIP, Sequim Collection System</td>
<td>$4,546,600</td>
<td>--</td>
</tr>
<tr>
<td>Carlsborg WRF</td>
<td>--</td>
<td>$13,610,000</td>
</tr>
<tr>
<td>Annual O&amp;M (2030-2050)</td>
<td>$675,000</td>
<td>$748,000</td>
</tr>
<tr>
<td><strong>20-year Life Cycle Cost – 2030-2050 System</strong></td>
<td>$23,094,300</td>
<td>$32,370,000</td>
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</tbody>
</table>
Sequim/County ILA - Costs Paid to City

Types of Sequim Costs

- O&M Costs
  - Treatment
  - Collection

- Capital Costs
  - Future Capital Costs
    - After January 2016
  - Transmission Route
  - Overall Collection System

Cost-Recovery Method

- Treatment O&M Charge per Gallon based on Actual Costs and Flows
- Annual Pipe Charge 1.71% of Applicable Costs, plus % Markup
- Cost Share based on Capacity Reservation as % of Treatment Plant Capacity
- Cost Share based on Carlsborg % of Flows in Specific Pipe Segment
- Cost Share based on Carlsborg % of Flows in Collection System (1.71%)
- Capacity Charge

Historical Capital Net Book Value of Pre-2016 Assets
Carlsborg Sewer System – Timeline

• Ordinance setting connection policies & fees – March/April
• Adoption of Sewer Use Ordinance – May/June, 2015
• County/PUD Agreement on water supply – May/June 2015
• Invitation to bid – Late Summer 2015
• Bid Award – Fall 2015.
• Construction Fall 2015 – Spring 2016
• Begin operation – Spring/Early Summer 2016
PROPOSED CONNECTION POLICIES

- No new septic systems once sewer system is available – hardship exception
- No requirement for immediate connection
- Substantial discount of connection fees within first two years
- Phase out existing septic systems at change of ownership – if within 200’ of sewer main.
- Must connect if septic system fails
- Provisions for developer reimbursement agreements for new sewer mains.
CARLSBORG SEWER CONNECTION POLICY
Draft February 24, 2015

New or Existing Development?

Existing

Dist. To Nearest Sewer Main

>200'

Existing private sewer systems can continue as long as functioning

<200'

Septic System working properly?

Yes

SepticSewar may operate until Change in Ownership

No

Land Division?

Yes

Must provide lateral sewer lines to all parcels

No

Connection Cost? **

<150%

Connection Required

>150%

Connection Required

Agree to Future UI?

Yes

Waiver of Connection requirement

No

Connection Required

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* Distance measured from nearest parcel line to public sewer main

** Compared to cost of approved Septic system
Early Connection Incentive

- $500 Connection fee if connection within two years vs. $8,000 after two years.
- If connection during collection system construction, will provide lateral sewer.
- Include bid item for septic de-commissioning and side sewer construction in collection system contract.
Early connection cost Comparison

Typical Connection Costs – Single Family Residence

<table>
<thead>
<tr>
<th>Item</th>
<th>First 2 Years</th>
<th>After 2 Years</th>
</tr>
</thead>
<tbody>
<tr>
<td>Connection fee</td>
<td>$ 500</td>
<td>$7,976</td>
</tr>
<tr>
<td>Sewer lateral (^1)</td>
<td>0</td>
<td>$ 500</td>
</tr>
<tr>
<td>County Right of way permit</td>
<td>0</td>
<td>$ 180</td>
</tr>
<tr>
<td>Repair of County road/shoulder (^1)</td>
<td>0</td>
<td>$ 500</td>
</tr>
<tr>
<td>80’ Side sewer (from home to prop. Line)(^3)</td>
<td>$1,375</td>
<td>$1,375</td>
</tr>
<tr>
<td>Decommissioning Septic System(^3)</td>
<td>$ 750</td>
<td>$ 750</td>
</tr>
<tr>
<td><strong>Totals</strong></td>
<td><strong>$2,625</strong></td>
<td><strong>$11,281</strong></td>
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</tbody>
</table>

1 – Assumes sewer main is on the same side of the road as the property
2 – Add $2,000 if County Road must be crossed
3 – Based on estimates assembled by CCAC
ESTIMATED MONTHLY USER FEES

• Base Rate $26 per month
• Consumption rate $8.66 per 100 cubic foot of water used
• Average monthly bill - $70 per ERU
• Unmetered flat rate - $78.80 per ERU
• Rate capped for first 2-3 years.
QUESTIONS?
COMMENTS?
Figure 1: Annual Water Right (Qa) and Average Daily Demand (ADD)

- Build Out Qa of 924 af/yr
- Required Qa of 454 af/yr (57 af/yr from conservation)
- Existing Qa runs out in 2055
- Current Qa at 467.6 af/yr
- 4,618 ERU’s at full buildout in 2086