

A Presentation To

**Town Council of Hayden Arizona
July 9, 2007**

Project Name: Sewer Rate Study

Elements of the Hayden Sewer Rate Study

- Current sewer utility budget for collection and discharge
- Existing customer base
- Sewer rates needed to meet current budget
- Financing costs for sewage transfer infrastructure and the WWTP upgrade
- Operation and maintenance costs for new transfer facilities and Hayden's share of the treatment costs
- Reserve fund calculation

Sewer Utility Projected FY 2006-07 Final Budget

Expenditures	Amount
Salaries & Benefits	\$36,000
Supplies	\$5,000
Maintenance Expense	\$56,000
Depreciation	\$43,000
Miscellaneous expense	\$1,000
Telephone & Utilities	\$11,000
Admin. & Contingency @ 2%	<u>\$3,040</u>
Total Cost of Collection and Discharge:	\$155,040

Customer Data

Customer Class	Basis of Charge	Number of Units	No. of Connections ¹	Wastewater Characteristics		
				Aver. Daily Flow/Unit (GPD)	BOD mg/l	TSS mg/l
		(A)		(B)	(C)	(D)
<u>Residential</u>						
Single-Family (includes MH)	per Unit	249	249	225	500	250
Multi-Family ²	per Unit	6	2	215	500	250
Mobile Homes ²	per Unit	29	19	225	500	250
RV	per Unit					
<u>Non-Residential</u>						
Business/Retail/Office	per Unit	15	15	300	500	250
Restaurant/Bar	per Unit	2	2	500	750	350
Churches	per Unit	1	1	500	500	250
Totals:		302	288			
¹ Total number of connections from 2006 WIFA Rate Study, connections per class						
² Multi-family and mobilehome units are based on the 2000 U.S. Census occupied units data						

Sewer Rates for Current Budget

Customer Class	Flow MG/ Yr.	Cost/ MG	Total Variable Costs	Units	Variable Cost/Unit/ Yr	Fixed Cost/Unit /Yr.	Cost/Unit/ Yr	Cost/ Unit /Mon
	A	B	C=AxB	D	E=C/D	F	E+F	(E+F)/12
<u>Residential</u>								
Single-Family	20.45	\$1,638	\$ 33,491	249	\$ 134.50	\$ 375.13	\$ 509.64	\$42.47
Multi-Family	0.47	\$1,638	\$ 771	6	\$ 128.53	\$ 375.13	\$ 503.66	\$41.97
Mobile Homes	2.38	\$1,638	\$ 3,901	29	\$ 134.50	\$ 375.13	\$ 509.64	\$42.47
<u>Non-Residential</u>			\$ -					
Business/retail	1.64	\$1,638	\$ 2,690	15	\$ 179.34	\$ 375.13	\$ 554.47	\$46.21
Restaurant/Bar	0.37	\$1,638	\$ 598	2	\$ 298.90	\$ 375.13	\$ 674.03	\$56.17
Churches	0.18	\$1,638	\$ 299	1	\$ 298.90	\$ 375.13	\$ 674.03	\$56.17
Total:	25.49		\$ 41,750	302				

Sewer Rates for Current Budget

<u>Customer Class</u>	<u>Monthly Rate</u>
Residential	
Single Family	\$42.47
Multi-Family	\$41.97
Mobile Homes	\$42.47
Non-Residential	
Business/retail	\$46.21
Restaurant	\$56.17
Churches	\$56.17

Note: these rates do not include charges for new facilities, upgrades or treatment

Financing Costs for New Facilities & WWTP Upgrade

- Sewer Rate Study based on total project cost of \$1.5 million.
- \$1 million is an outright grant
- \$500,000 is budgeted as a loan from USDA (or other source) which would be repaid by charges collected from Sewer Utility customers.
- This Sewer Rate Study assumes a bond interest rate of 4.75% over a 40-year period, the annual debt service payment would be \$28,150.

Annual Cost to Treat Hayden Effluent in Upgraded Winkelman WWTP

- Total expense due to increased flow = \$71,500
 - Additional personnel costs
 - Power and water
 - Maintenance
 - Sludge disposal
 - Permit fees and DMA application
- Hayden's share of fixed costs = \$12,300
 - Testing and monitoring
 - Insurance
 - WIFA Grant Match
 - Consultants
- Total Treatment Cost = \$83,800

Total Annual Budget for Current O&M plus Upgrade Debt Service and Treatment Cost

Collection And Discharge	\$155,000
Debt Service	\$28,150
Treatment	<u>\$83,800</u>
Total	\$266,950

Sewer Rates for Current O&M plus Upgrade Debt Service and Treatment Cost

<u>Customer Class</u>	<u>Monthly Rate</u>
Residential	
Single Family	\$72.55
Multi-Family	\$70.89
Mobile Homes	\$72.55
Non-Residential	
Business/retail	\$85.02
Restaurant	\$130.15
Churches	\$118.27

Sewer Rates from Cash Flow Analysis w/Reserve Fund

<u>Customer Class</u>	<u>Monthly Rate</u>
Residential	
Single Family	\$69.84
Multi-Family	\$68.18
Mobile Homes	\$69.86
Non-Residential	
Business/retail	\$81.81
Restaurant	\$125.29
Churches	\$113.51

2020 Rates

Current

Proposed

Sewer

Residential

Single Family	49.06	58.85
Multi-Family	48.48	58.15
Mobile homes	49.06	58.85

Non-Residential

Business/Retail	53.38	64.05
Restaurant	64.88	77.85
Churches	64.88	77.85

It is anticipated that the proposed rate increase will bring in an additional \$23,371 per year in sewer fees to the Town.

TOWN OF MAMMOTH SEWER FEES

Private Resident	27.00
Commercial	42.50

TOWN OF KEARNY

No Sewer Service

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