

Delaware County Regional Sewer District



The Home Builders

of Central Ohio

Presentation



November 2, 2016



DELAWARE COUNTY

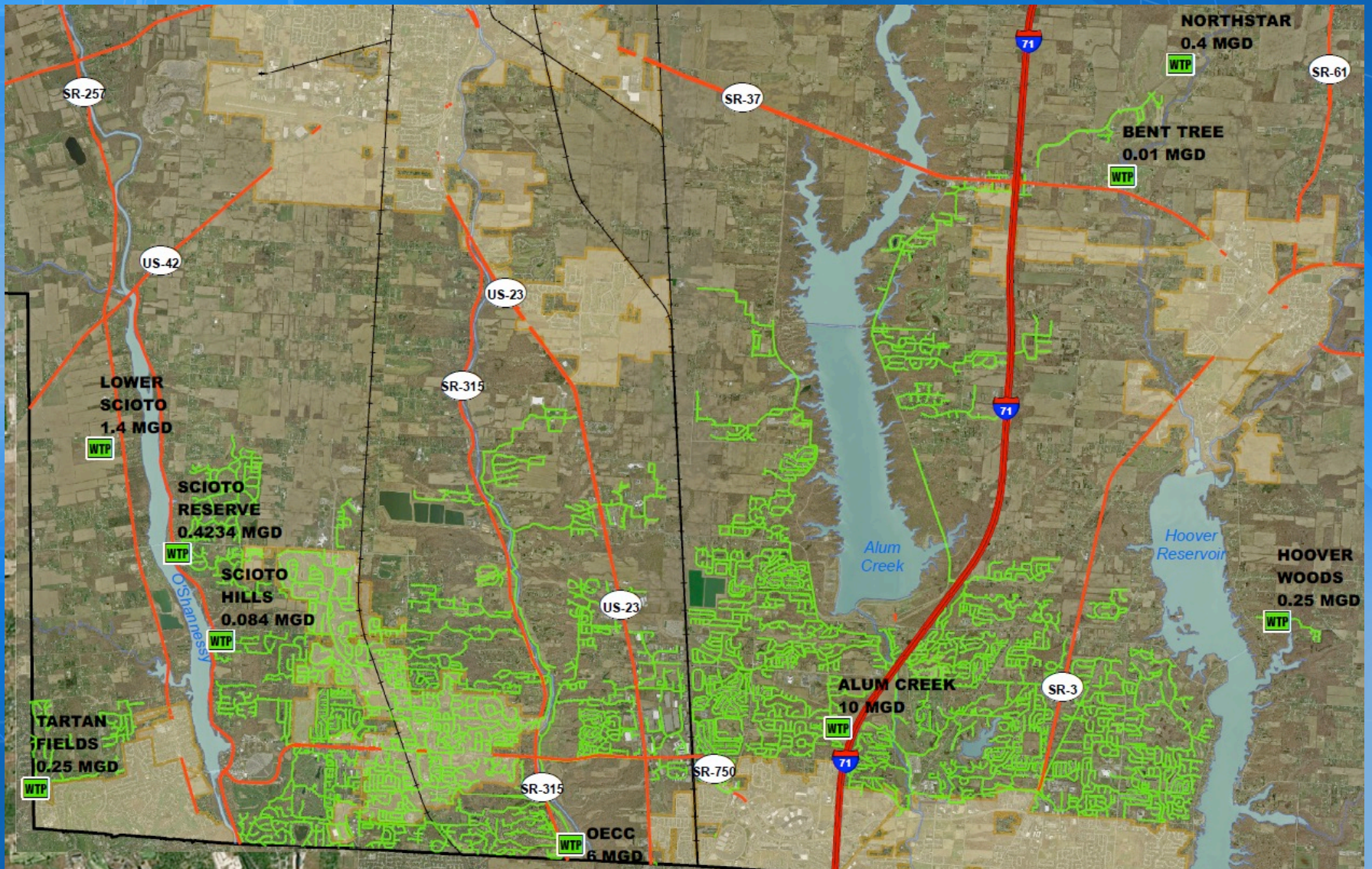
- Fastest Growing County in Ohio
- Healthiest County in Ohio
- Wealthiest County in Ohio (MHI)
- Highly Educated (>60% Bachelors Degree)
- 2nd Happiest County in U.S.
- AAA bond rating; first Ohio since 1990s



Great Place to Live, Work, and Play

.....And Build New Houses and Condos!

Regional Sewer District



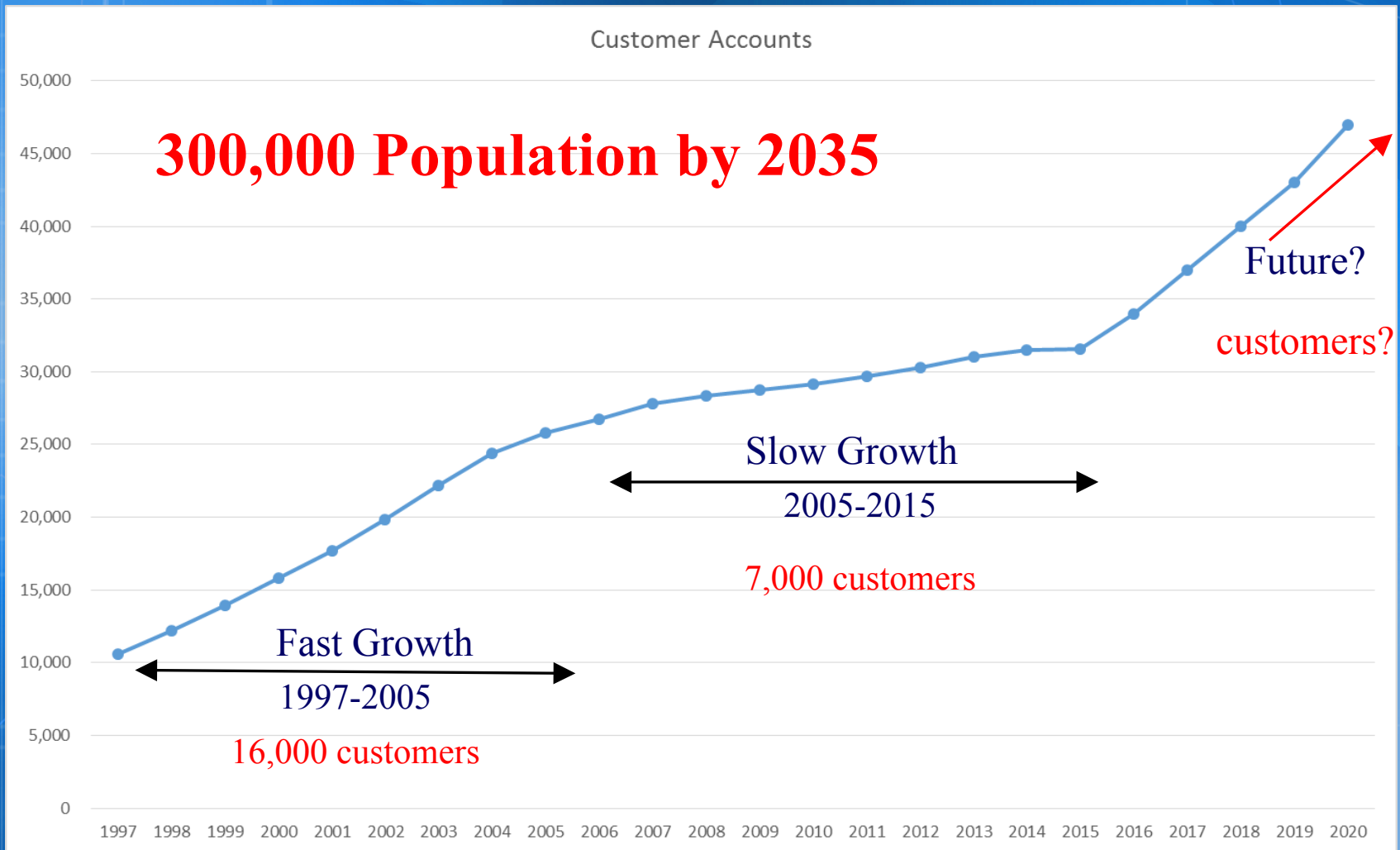
Master Plan Goals

- Progressive Infrastructure Strategy to Support Rapid Development
 - Meet current needs
 - Accommodate 25 years of growth
 - Sustainable ultimate system operation
- Maintenance of our current and really good assets
- Focus on innovation and technology to improve Evaluation and Decision Making
 - Hydraulic Modeling

Master Plan Goals

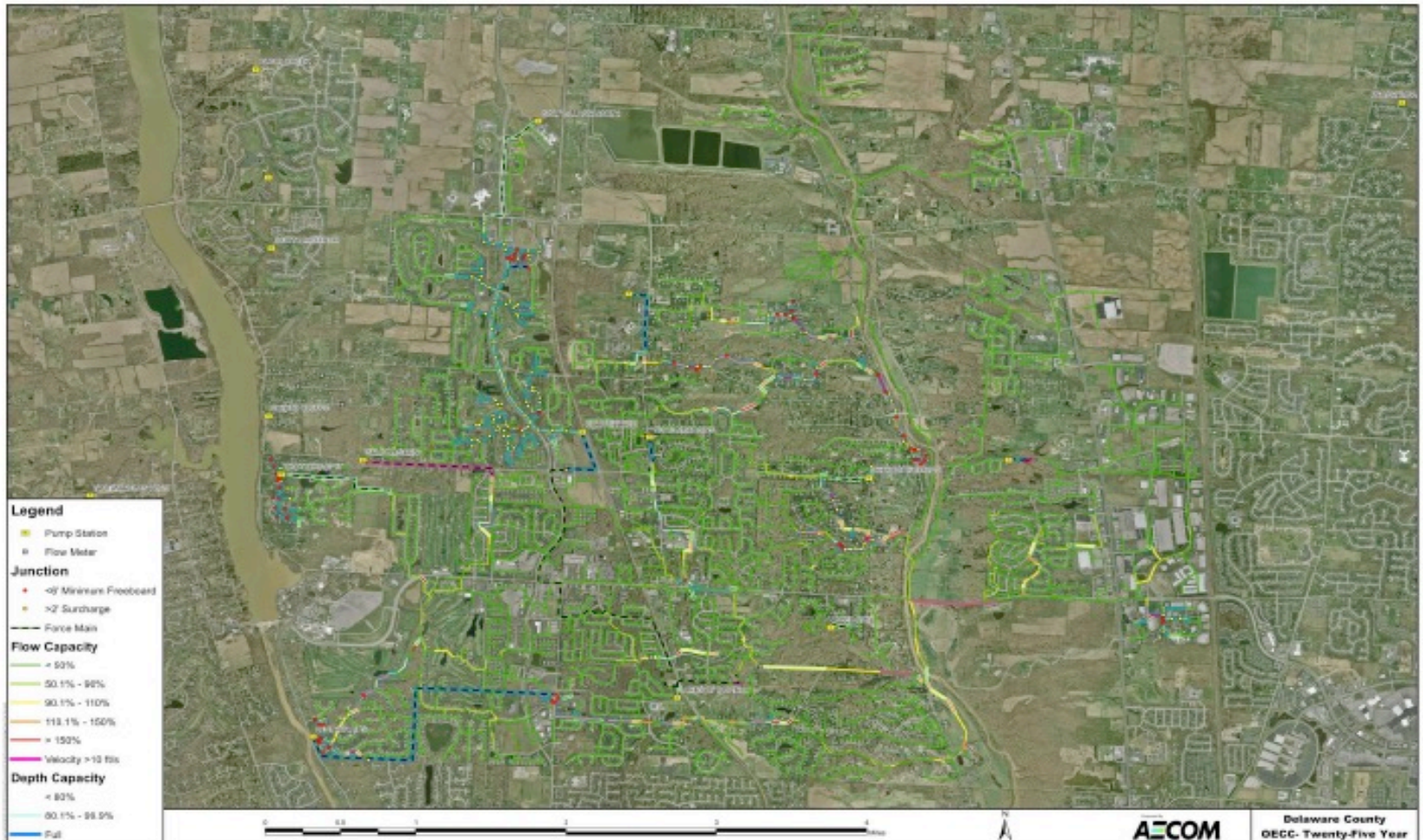
- Focus on operational excellence and sustainability
 - Target Energy Savings
 - Biological Nutrient Removal in lieu of Chemical Treatment (Cost Savings)
- Risk Allocation of Significant Development Infrastructure Investments – “if we build it and they don’t come?”
- Continue the Culture of Safety

System Growth – Future

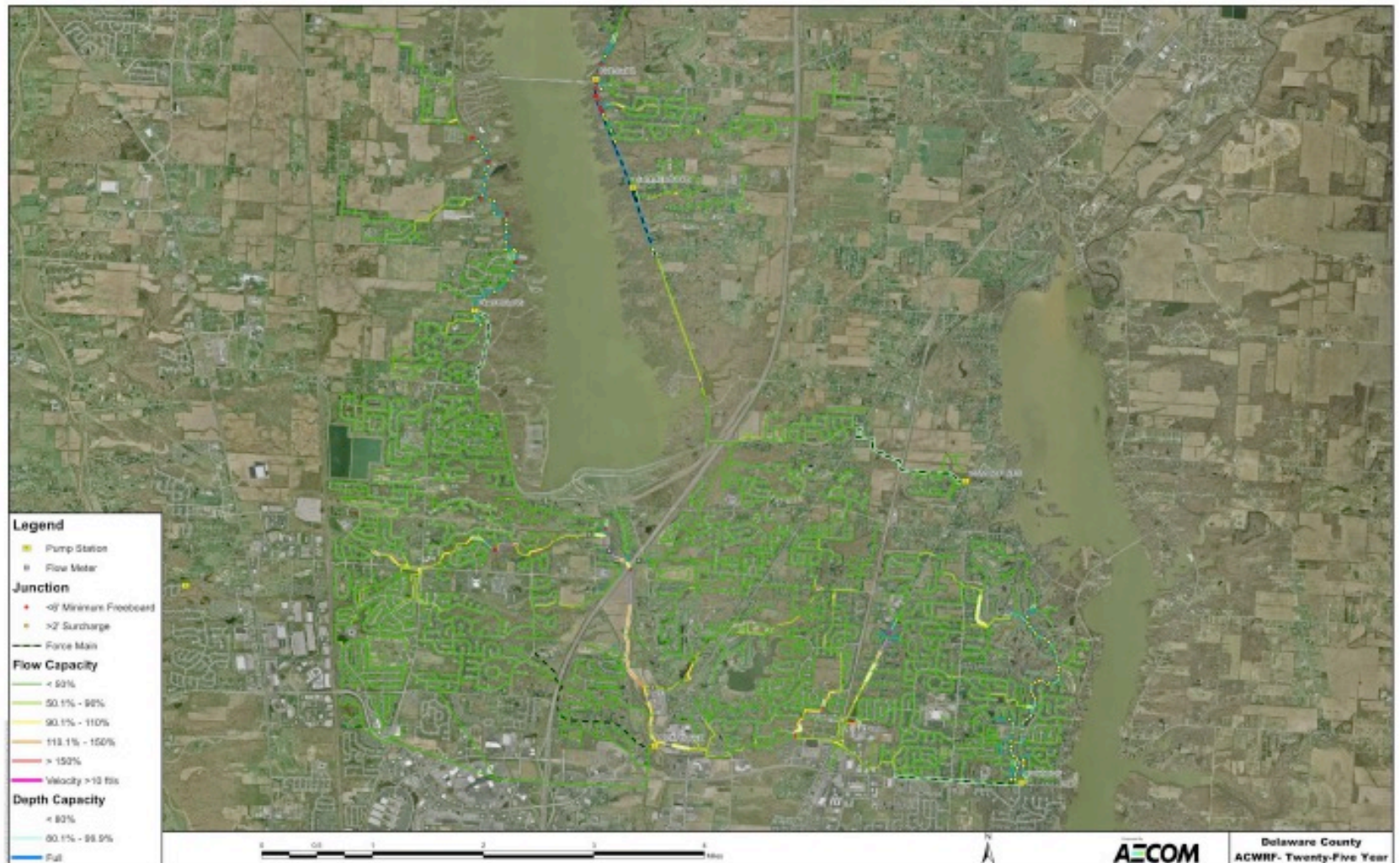


Plan for Rapid Growth – Evaluate on Annual Basis

OECC System Model



Alum Creek System Model



Pump Station Evaluation

Pump Station	Average DWF	Modeled Station Capacity (MGD)	Peak WWF (MGD)			25-Year Conditions	
			5-Year	10-Year	25-Year	Upstream Minimum Freeboard (ft)	Surcharge (ft)
MAXTOWN	0.3045	2.380	● 2.623	● 2.812	● 2.779	● 8.3	● 14.1
EAST ALUM CREEK	0.05114	0.551	● 0.357	● 0.419	● 0.480	● 10.4	● 0.0
CHESHIRE	0.5377	1.116	● 0.975	● 1.195	● 1.187	● 0.0	● 9.3
SUMMERWOOD	0.1121	0.612	● 0.521	● 0.590	● 0.672	● 9.5	● 0.0
VINMAR FARMS	0.0342	0.428	● 0.153	● 0.166	● 0.193	● 19.2	● 0.0
PEACHBLOW	0.1842	0.864	● 0.989	● 0.925	● 1.041	● 2.6	● 15.1
TROTTERS GAIT	0.0616	0.423	● 0.462	● 0.512	● 0.577	● 3.9	● 13.2
SELDOM SEEN	0.0163	0.706	● 0.330	● 0.382	● 0.460	● 6.0	● 0.0
LEATHERLIPS	0.8751	2.993	● 4.404	● 4.762	● 5.185	● 0.0	● 11.7
GOLF VILLAGE NORTH	0.0104	0.474	● 0.235	● 0.300	● 0.350	● 16.2	● 0.0
WOODCUTTER	0.0074	0.186	● 0.102	● 0.122	● 0.145	● 22.5	● 0.0
GOLF VILLAGE	0.1698	1.795	● 2.156	● 1.888	● 2.199	● 5.1	● 12.1
LAKES OF POWELL	0.2649	0.860	● 0.603	● 0.732	● 0.913	● 13.9	● 0.0
DEERRUN	0.022	0.230	● 0.066	● 0.072	● 0.080	● 7.9	● 0.0
SHERBORNE MEWS	0.0088	0.154	● 0.165	● 0.234	● 0.177	● 7.5	● 6.4
QUAIL MEADOWS	0.0292	0.551	● 0.372	● 0.442	● 0.529	● 17.1	● 0.0

OECC Improvements

- New Headworks (Reduces O&M)
- North Plant Rehab (Capacity)
- Aeration Upgrade (Electrical \$\$)
- Mixing Upgrade (Chemical \$\$)



Alum Creek Improvements

- Aeration System Modification (Electrical \$\$)
- New Mixers (Chemical \$\$)
- Outdated Electrical and I&C
- Filter Upgrades (Reduces O&M)



O&M Plant & PS Improvements

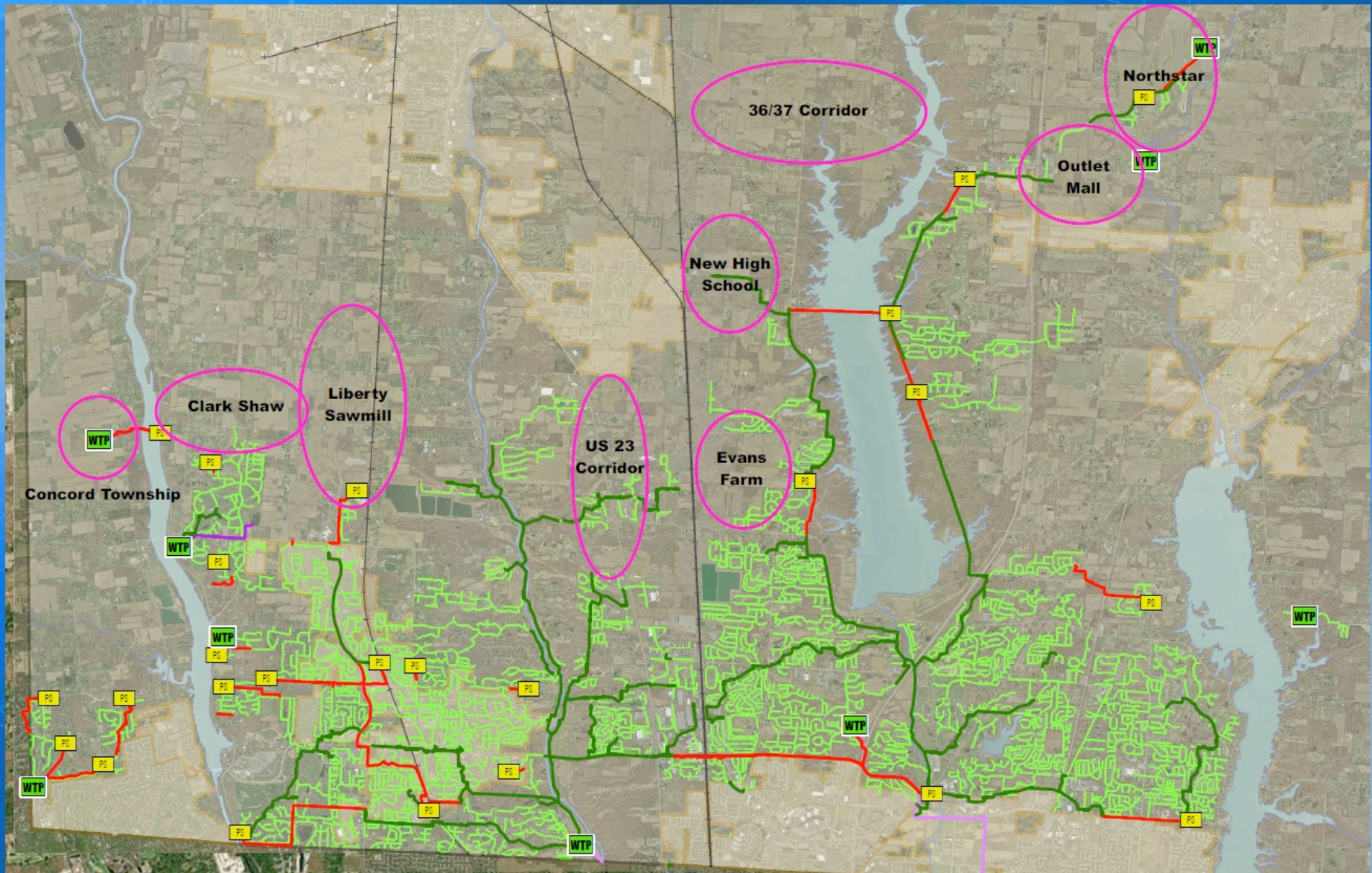
- OECC Upgrades - \$30M
- ACWRF Upgrades - \$12.5M
- Tartan Fields - \$1M
- Scioto Reserve - \$1.5M
- Lower Scioto WRF Upgrades - \$1.5M
- Leather Lips Pump Station Upgrades \$0.3M

Development

- Concord Township
- Clark Shaw Area
- Liberty Sawmill Parkway Extension
- U.S. 23 Corridor
- Evans Farm
- New Olentangy High School
- Tanger Outlet Mall
- 36/37 Corridor
- NorthStar



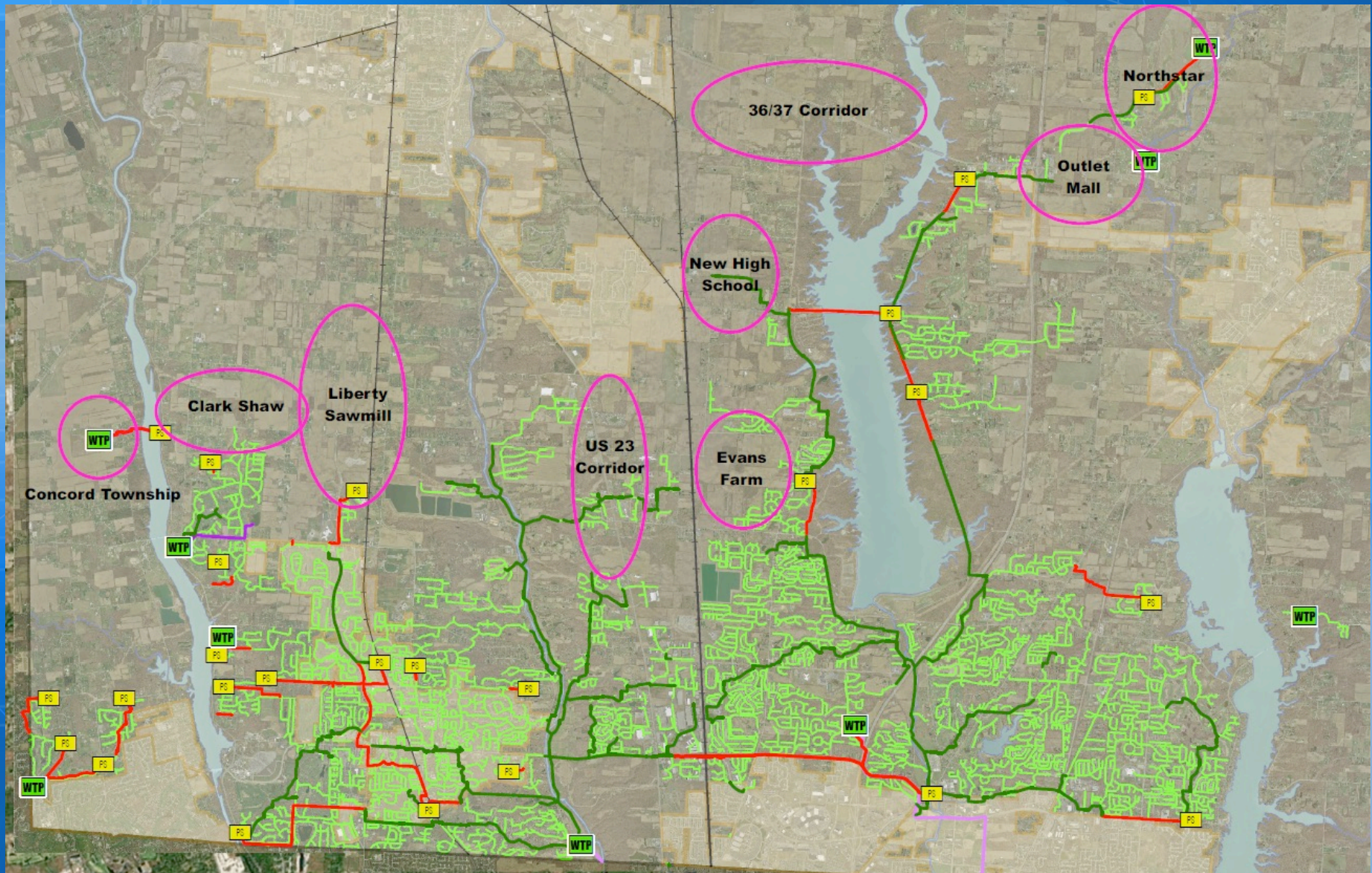
Growth Areas



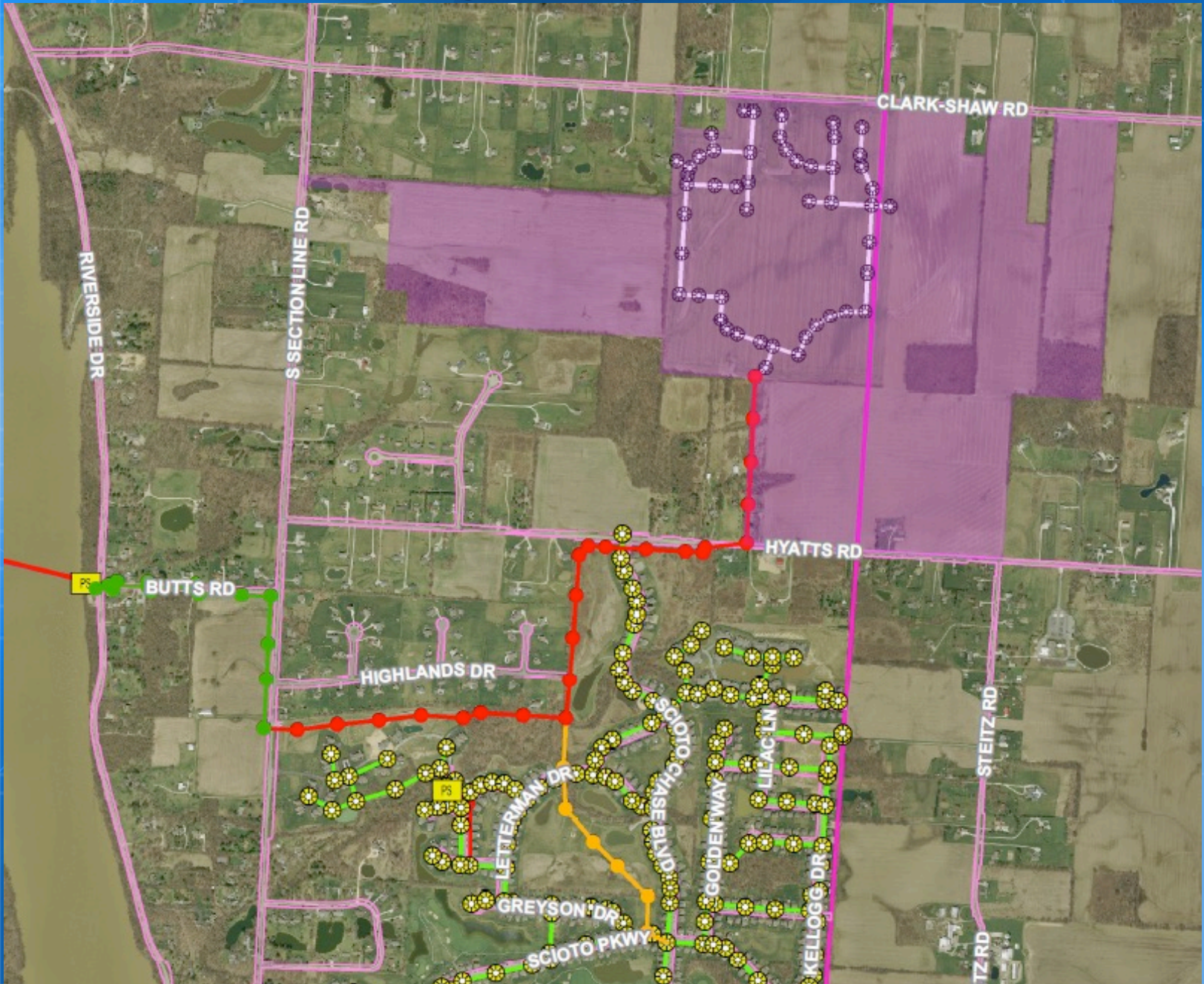
Concord Township



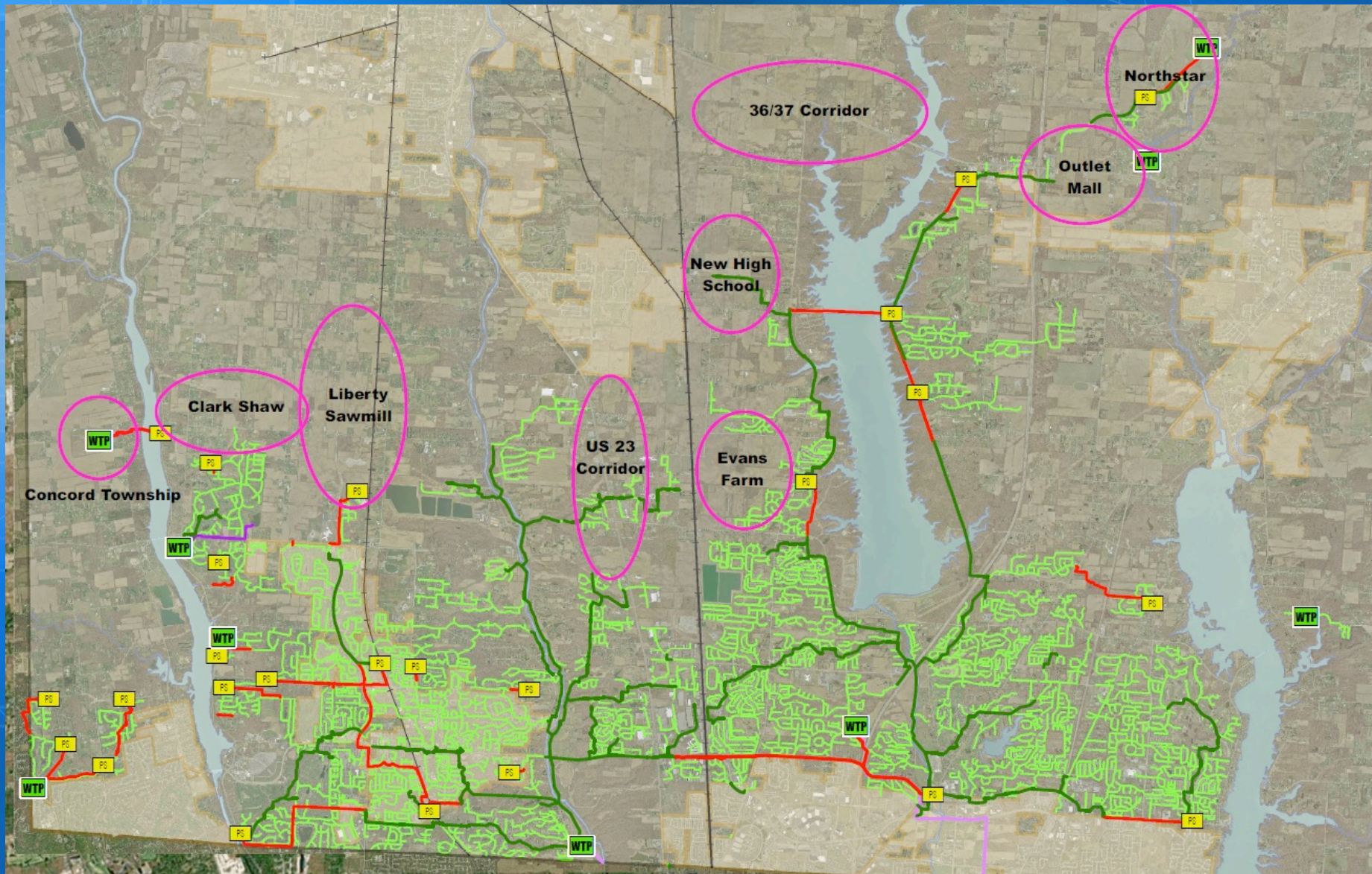
Growth Areas



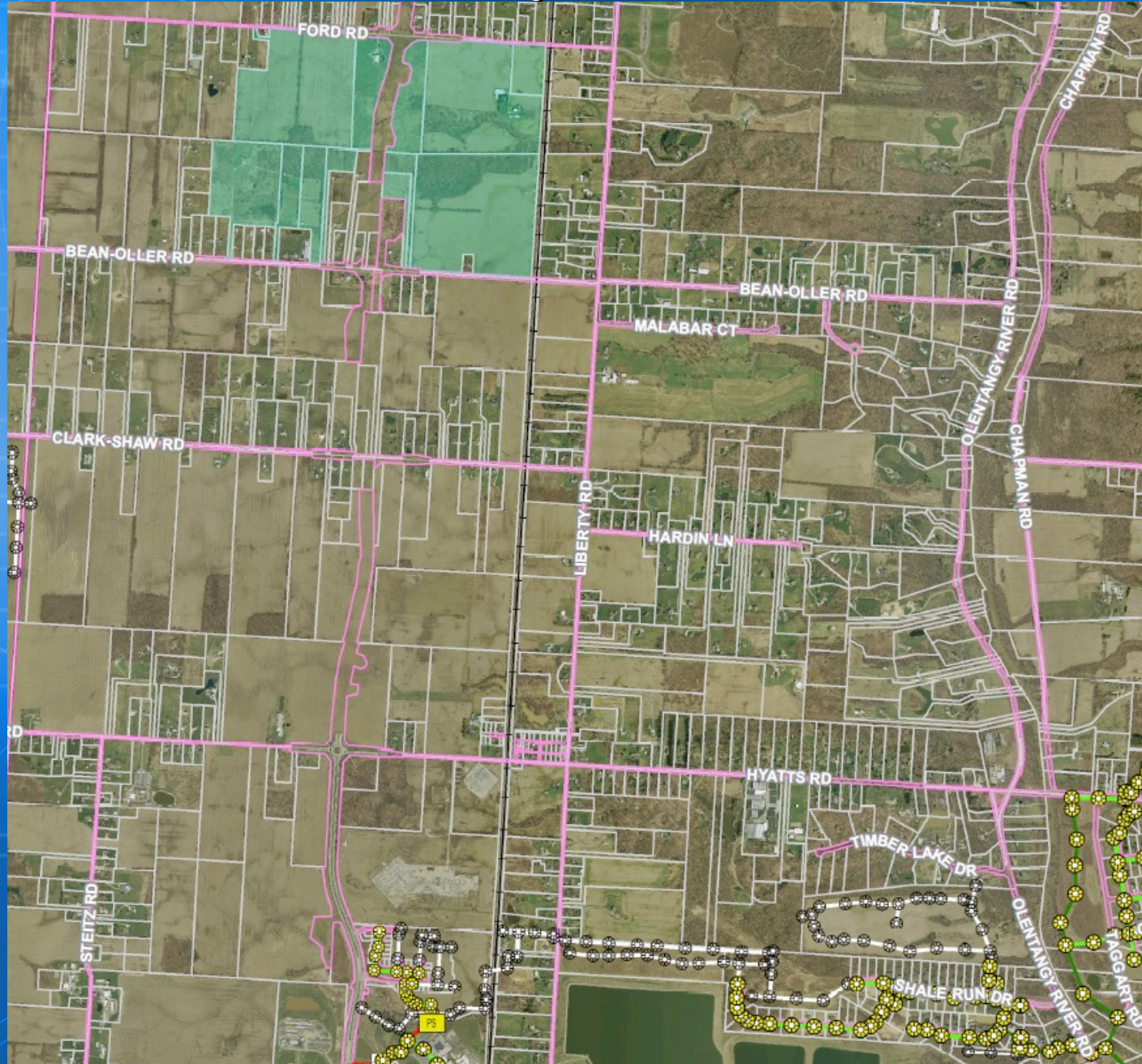
Clark Shaw



Growth Areas



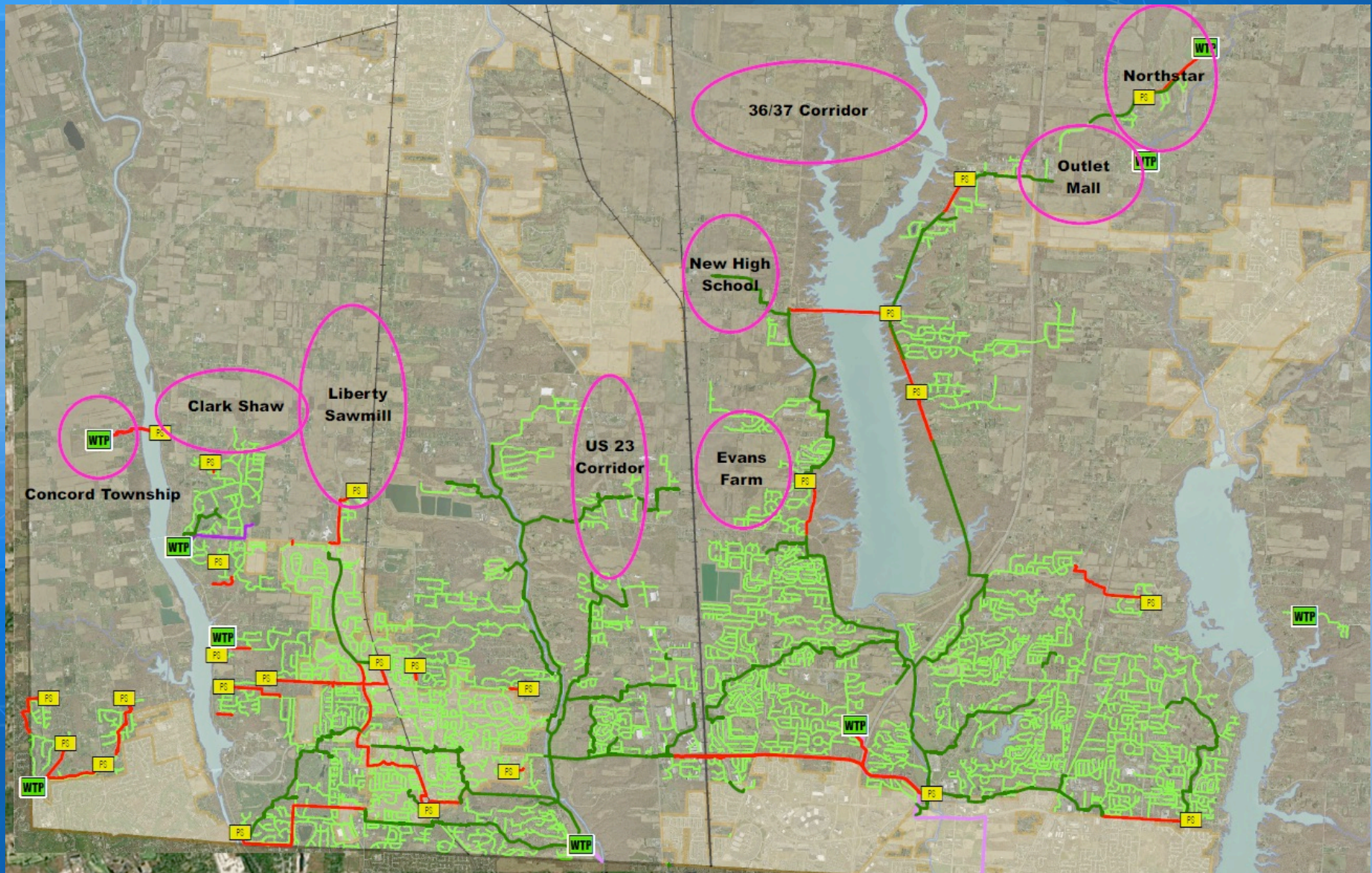
Liberty Sawmill



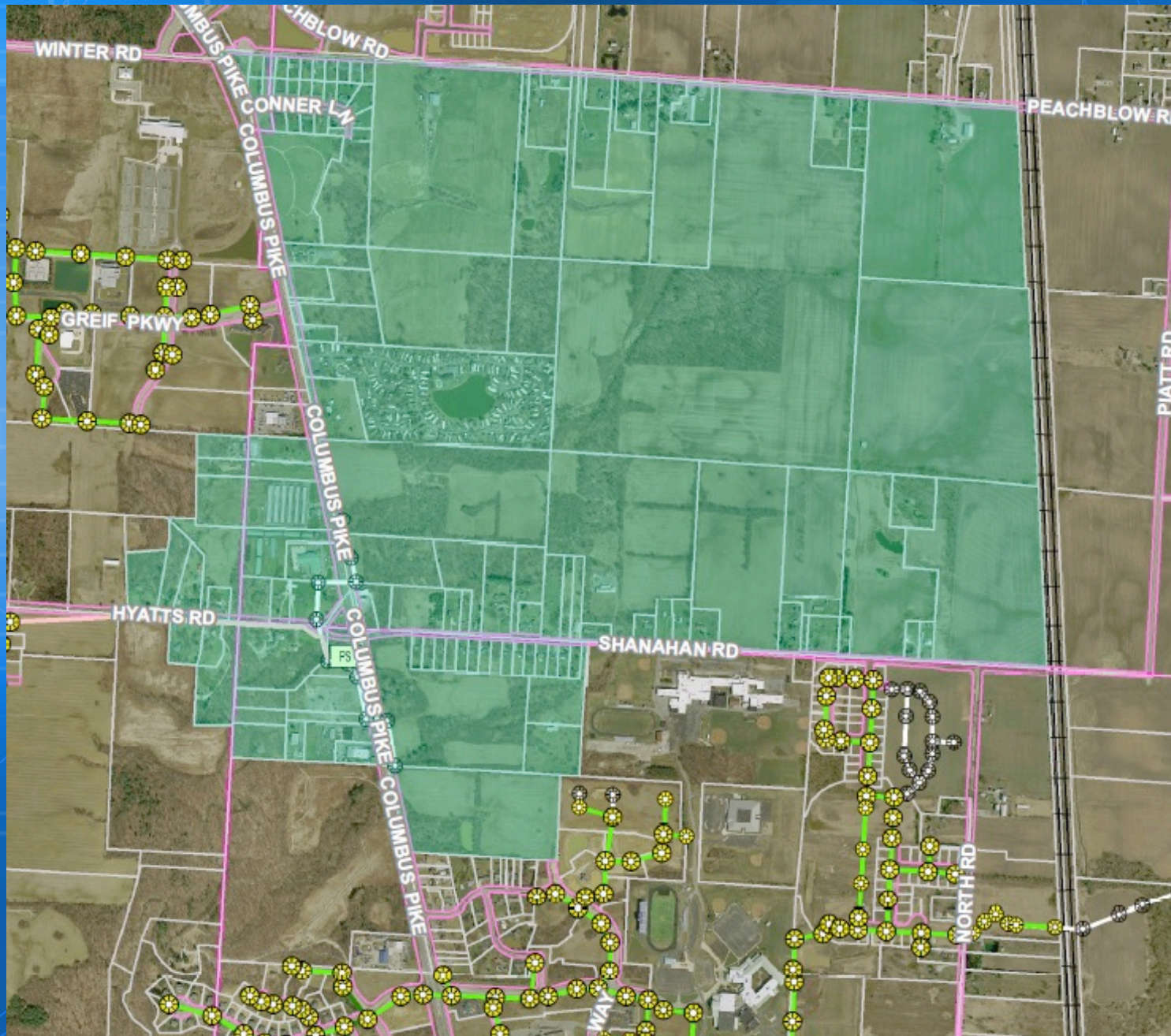
Sawmill Parkway Extension



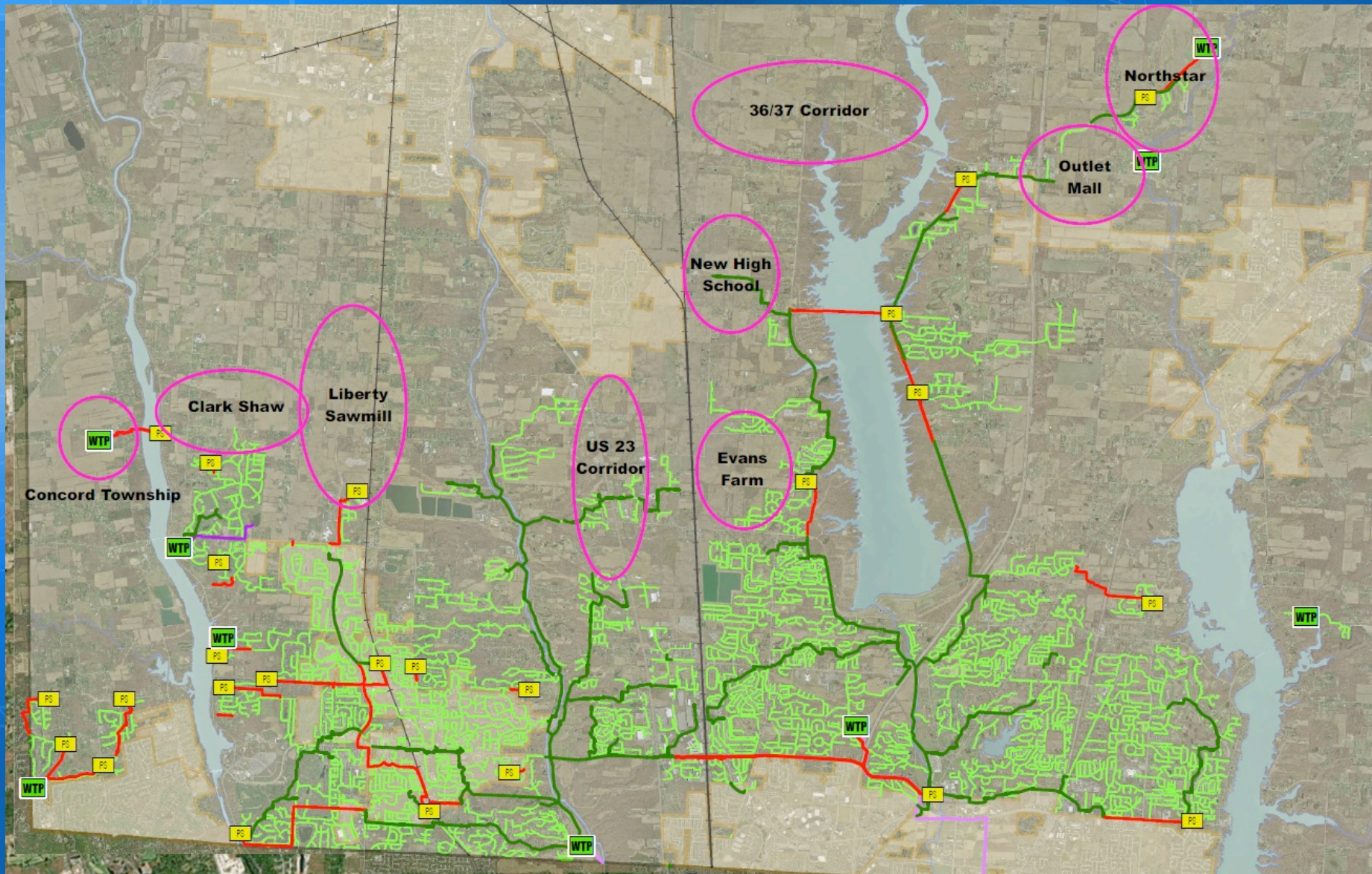
Growth Areas



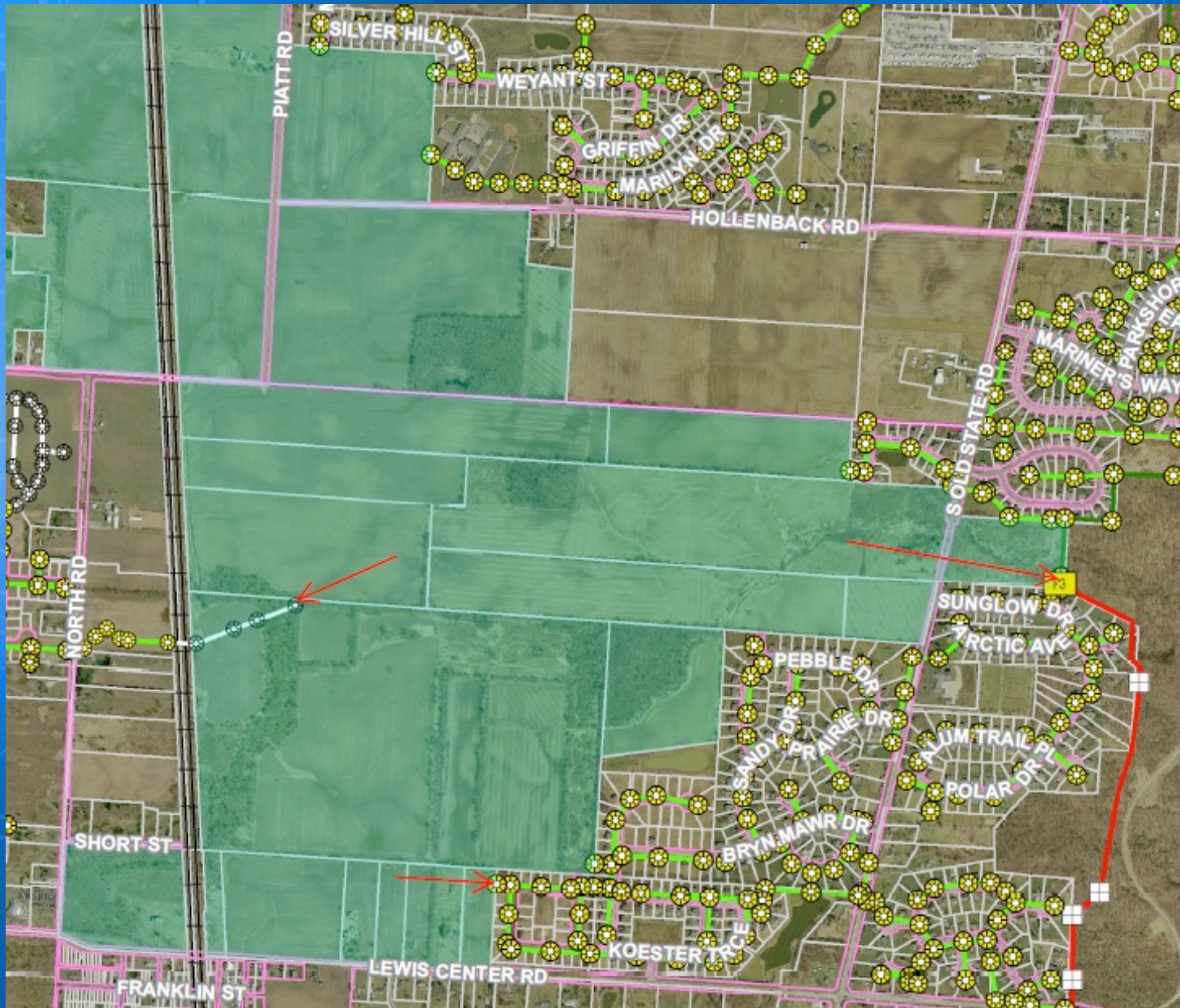
US 23 Corridor



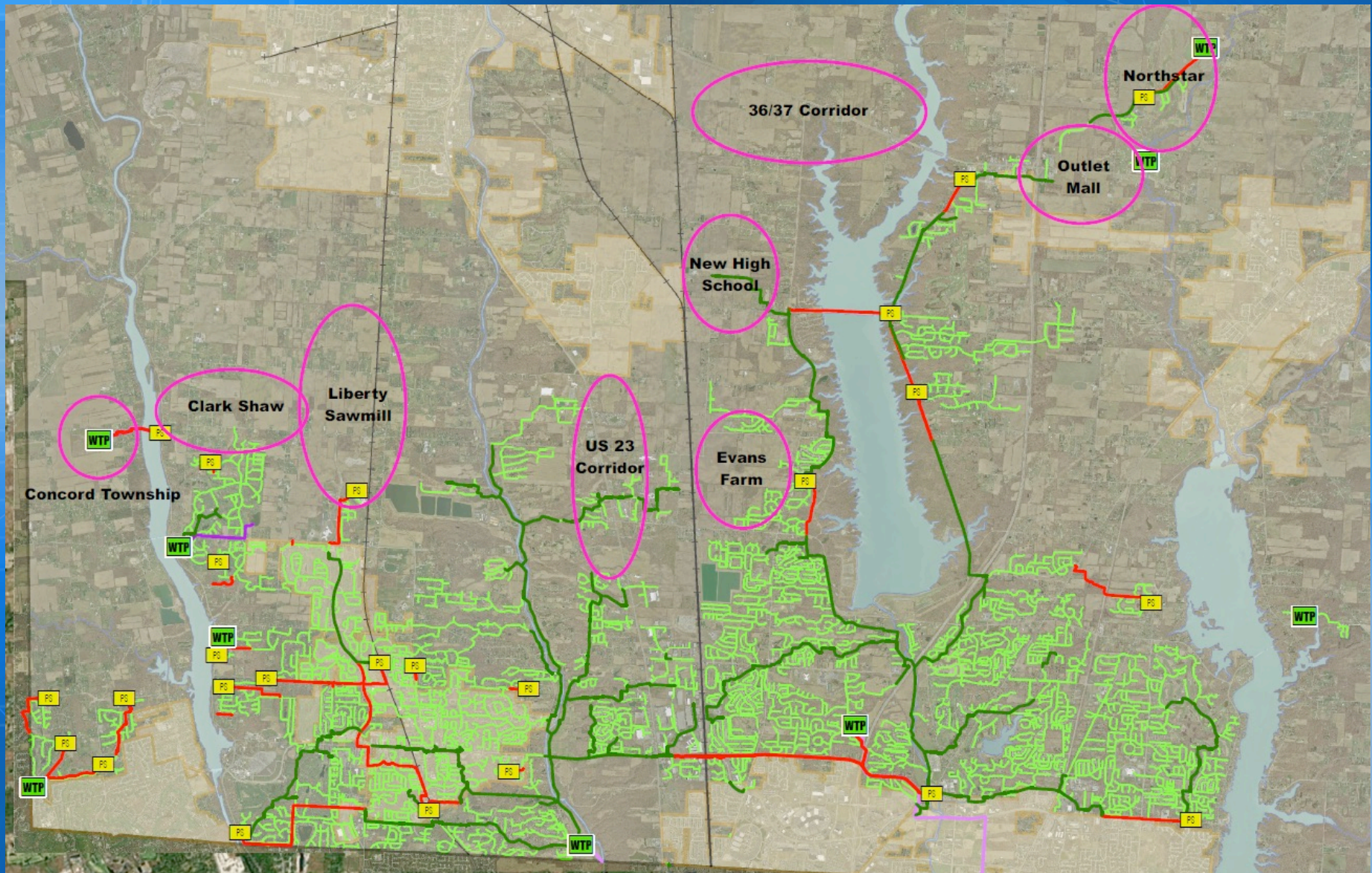
Growth Areas



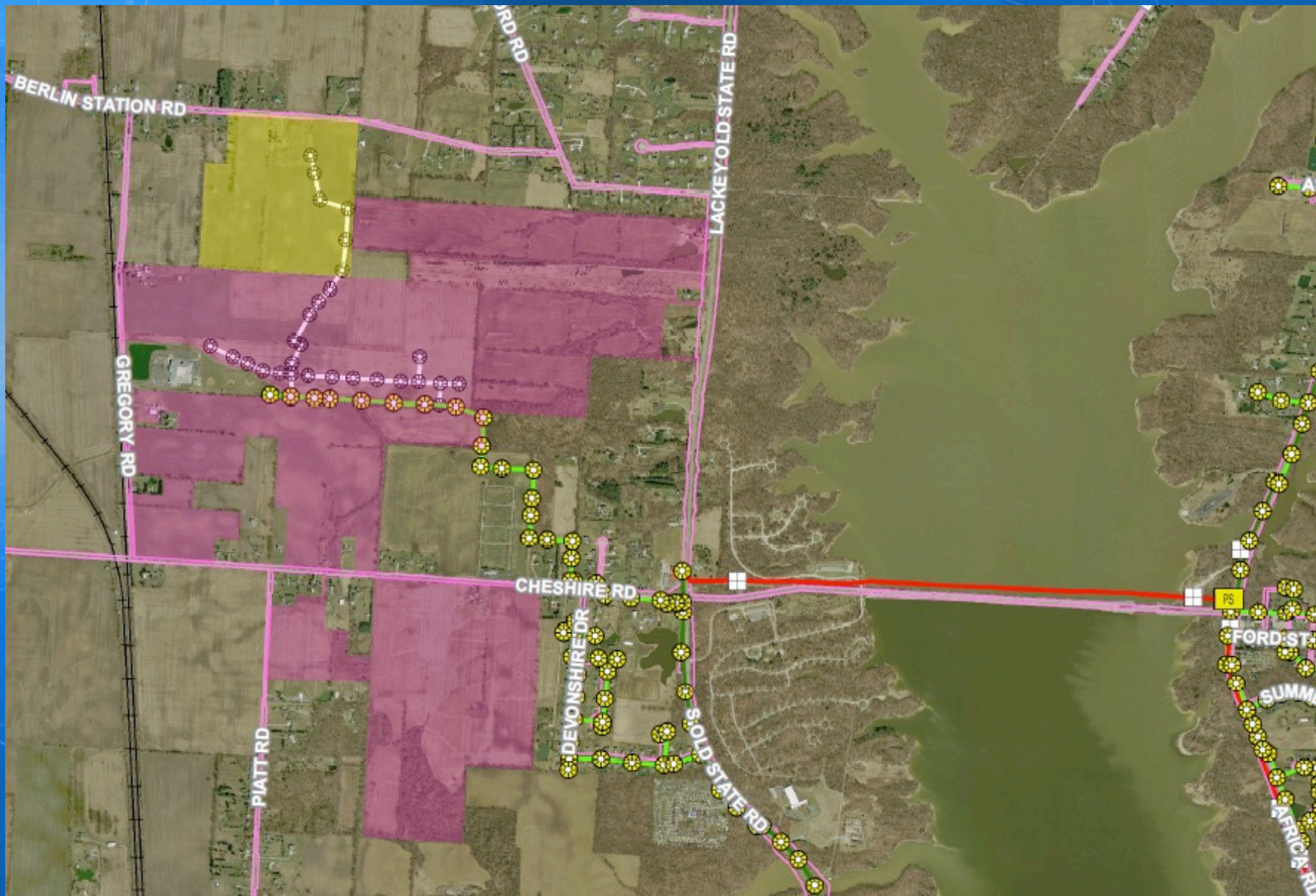
Evans Farm



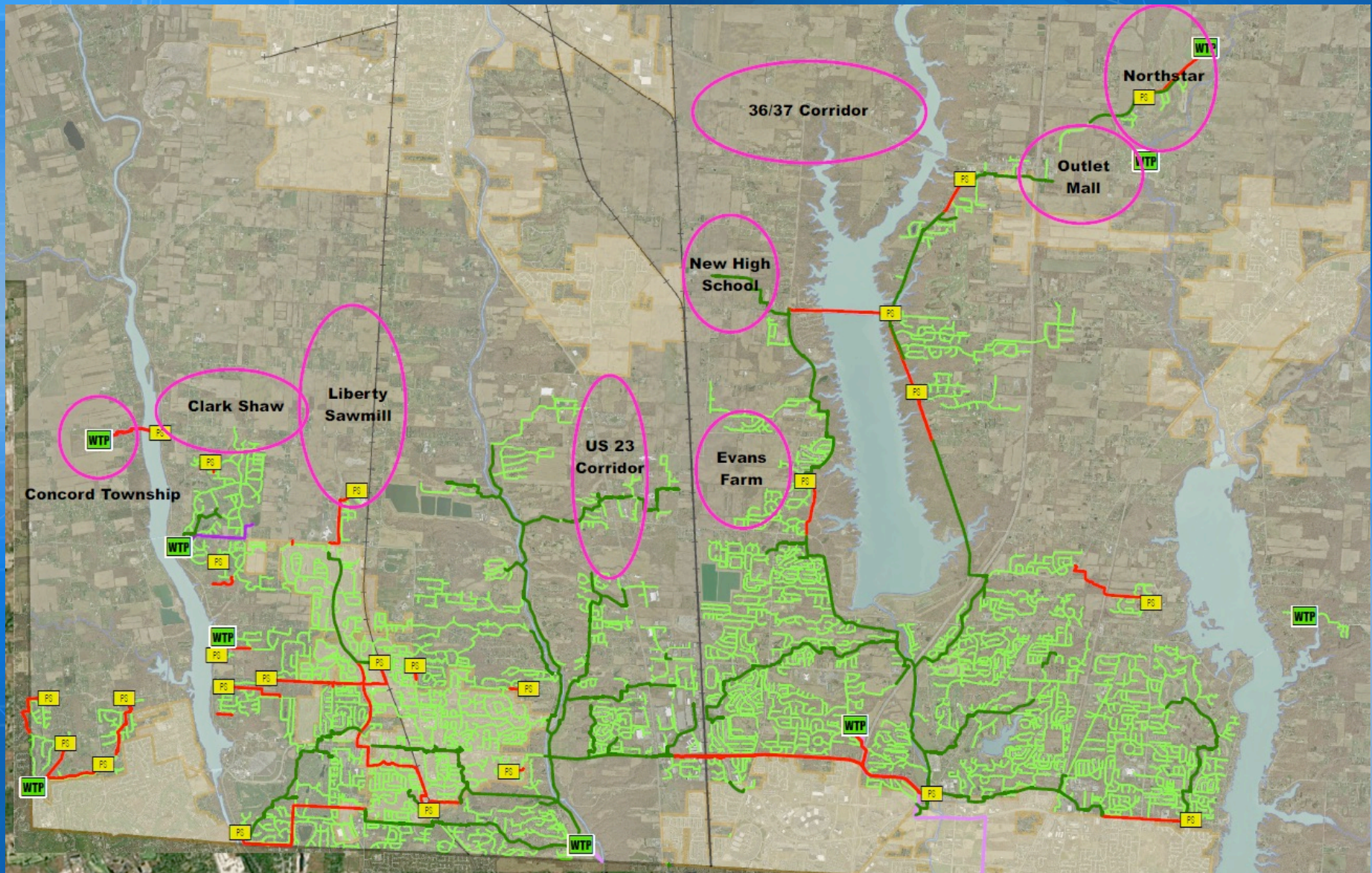
Growth Areas



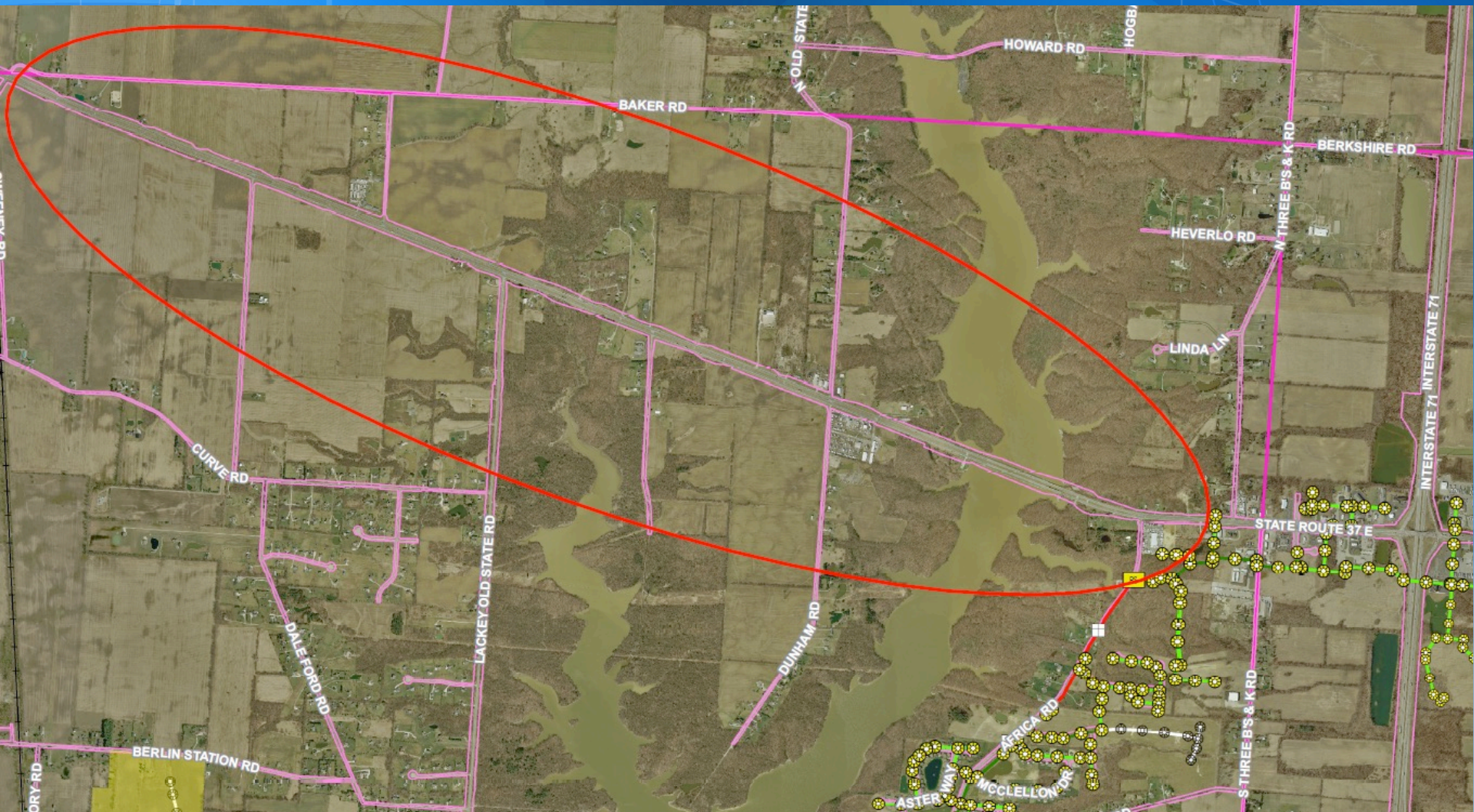
New High School



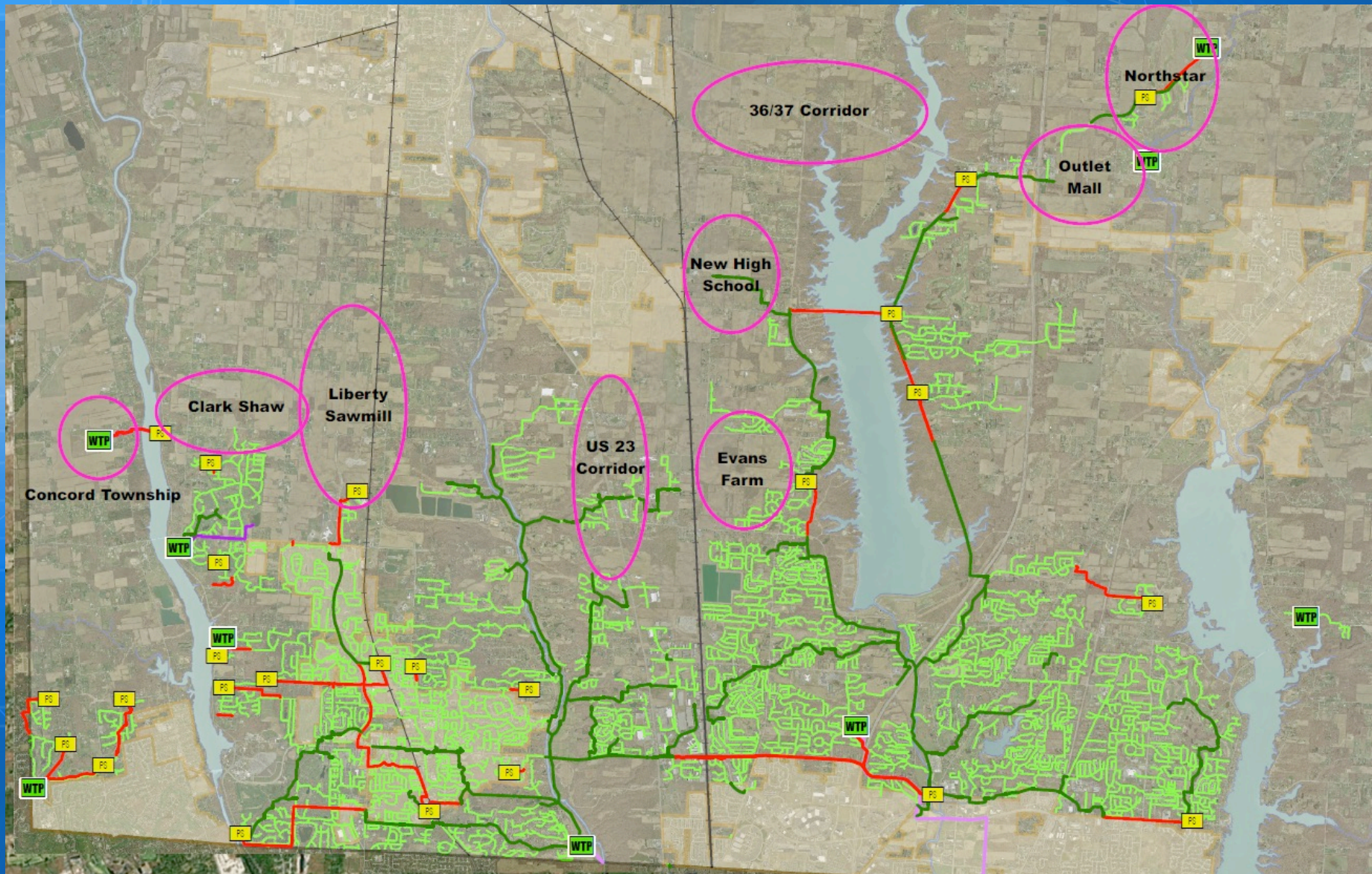
Growth Areas



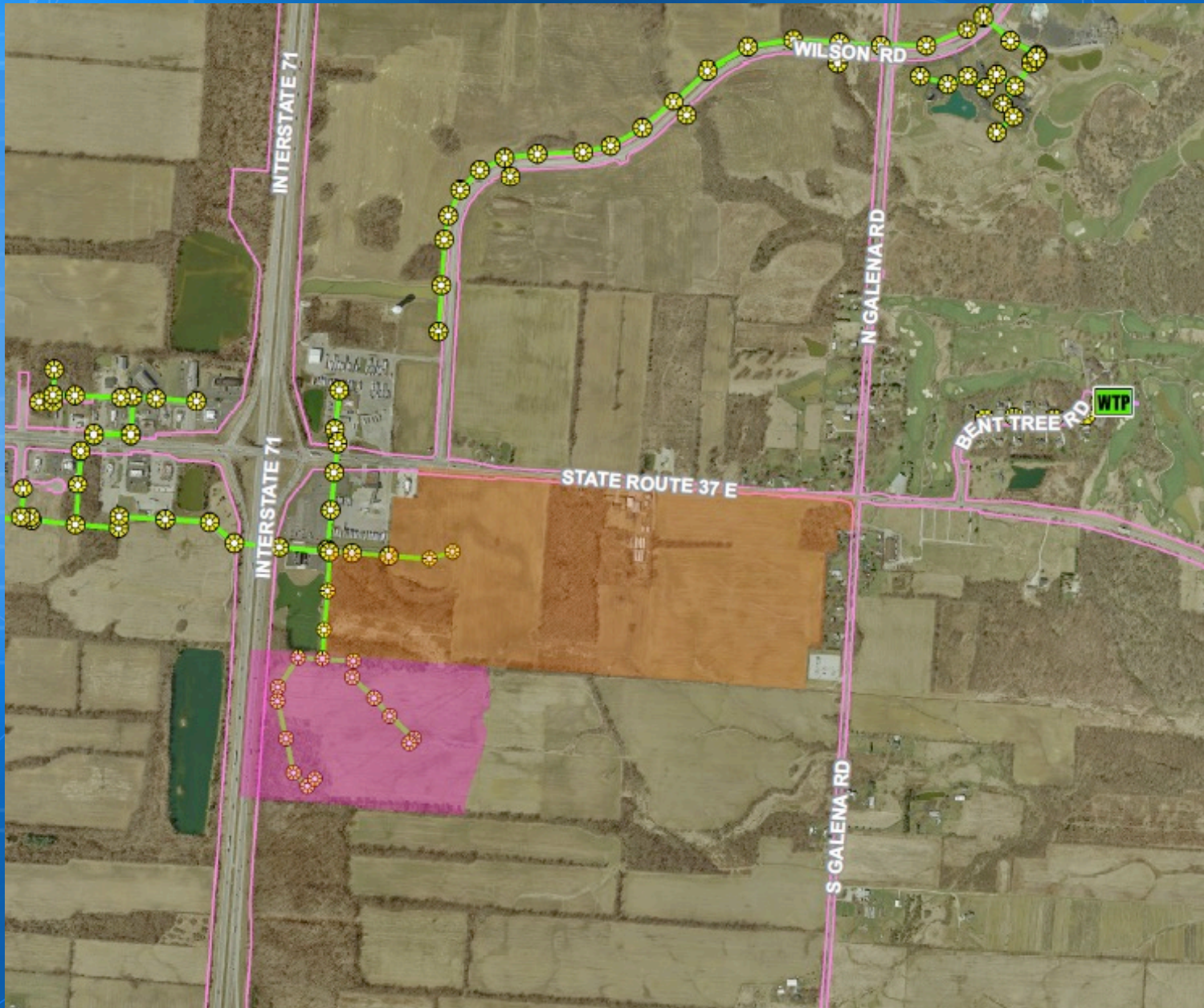
36/37 Corridor



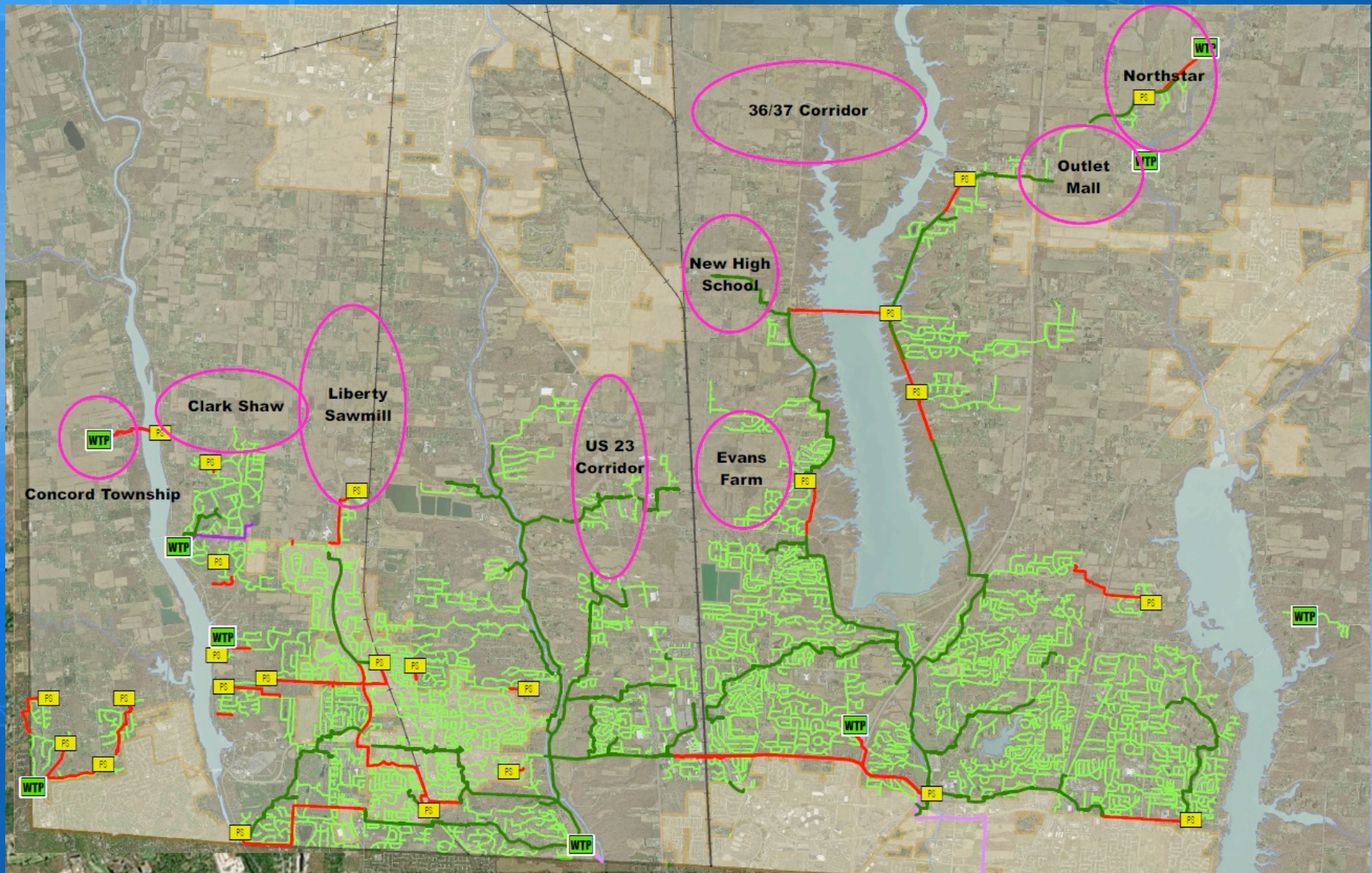
Growth Areas



Outlet Mall



Growth Areas



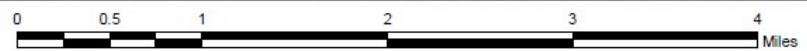
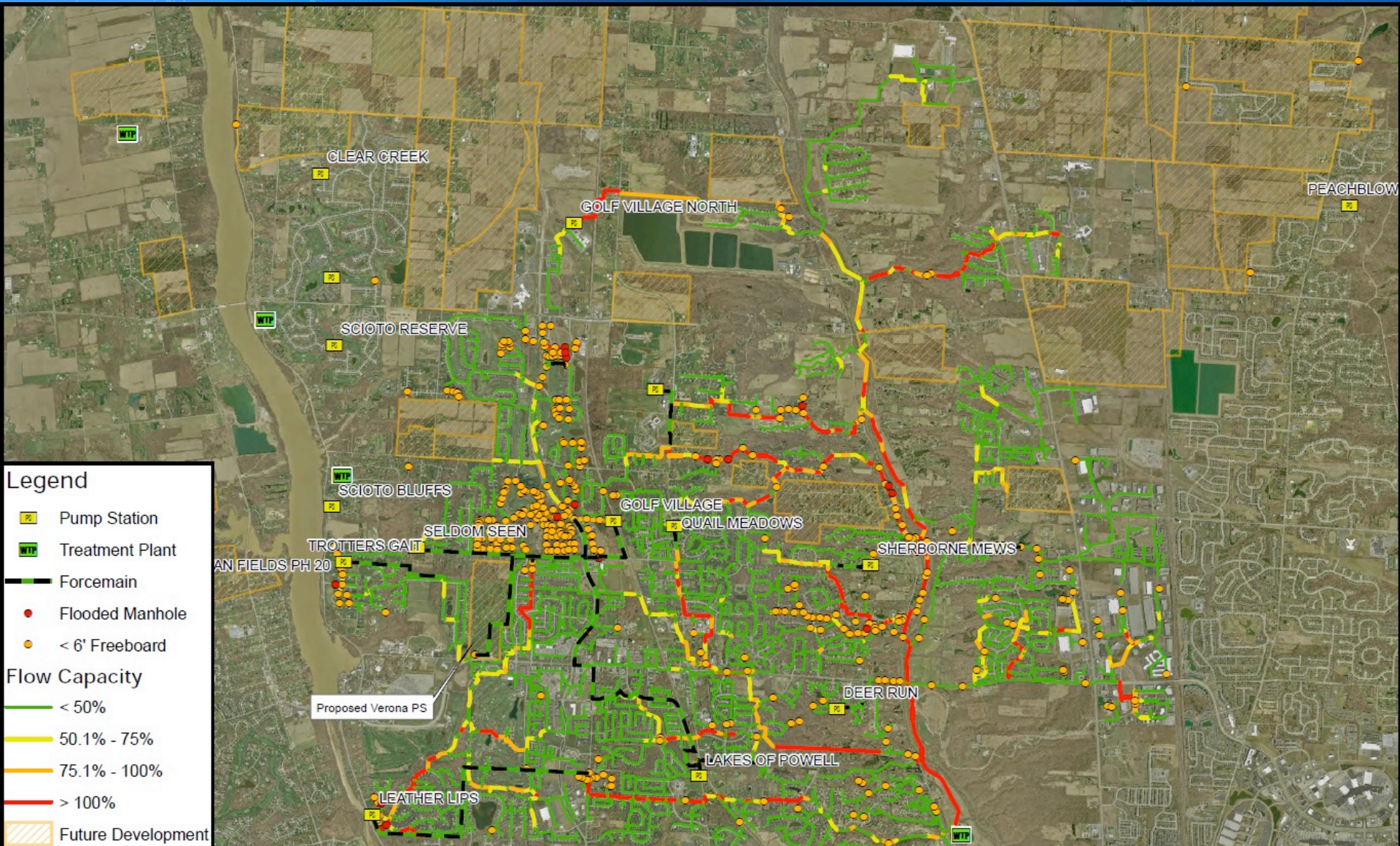
Northstar



Hydraulic Modeling of Growth Areas

- Immediate Projects
- Short Term Service
- Long-Term Solutions

OECC Basin



Alum Creek Basin

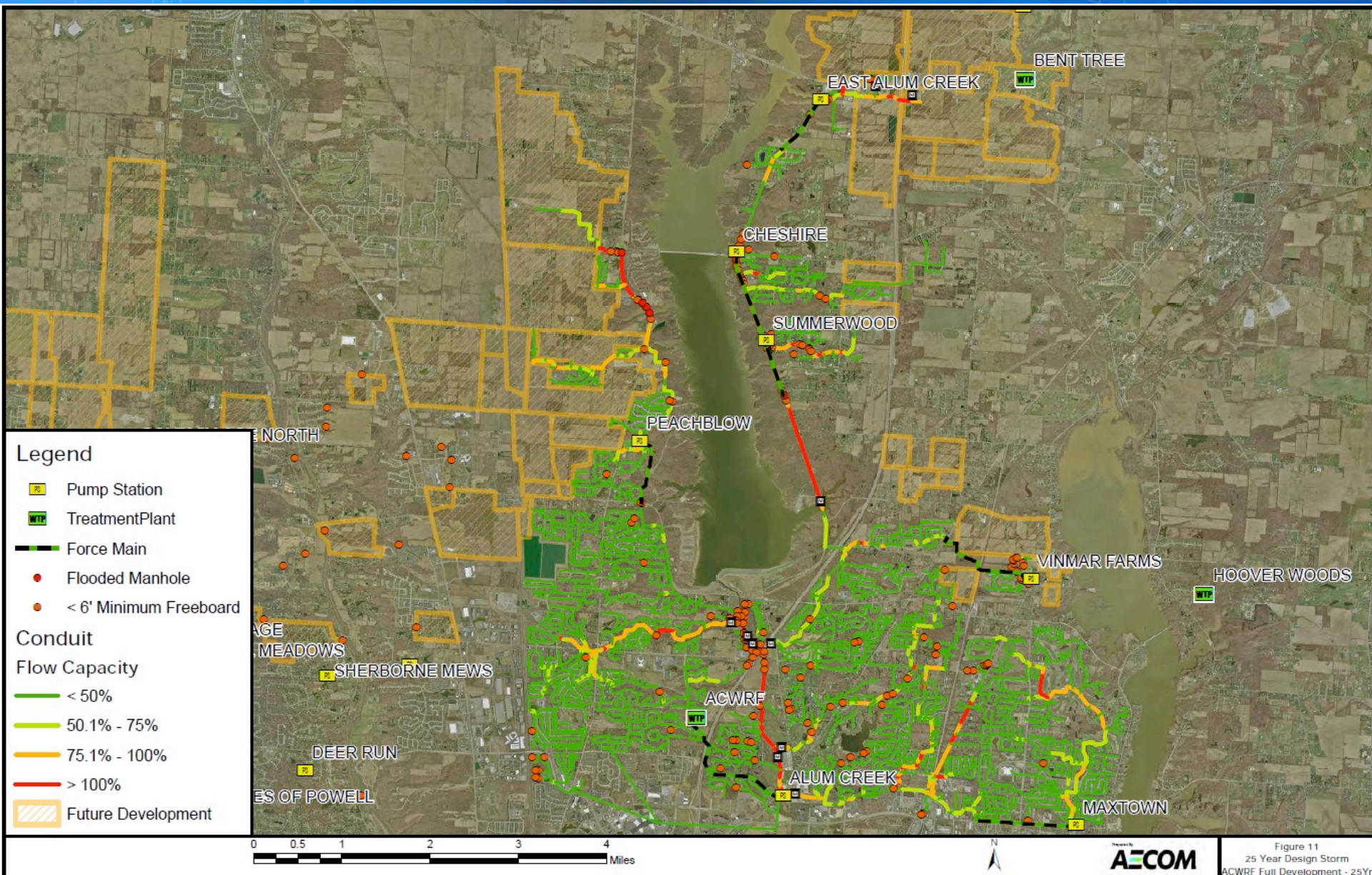
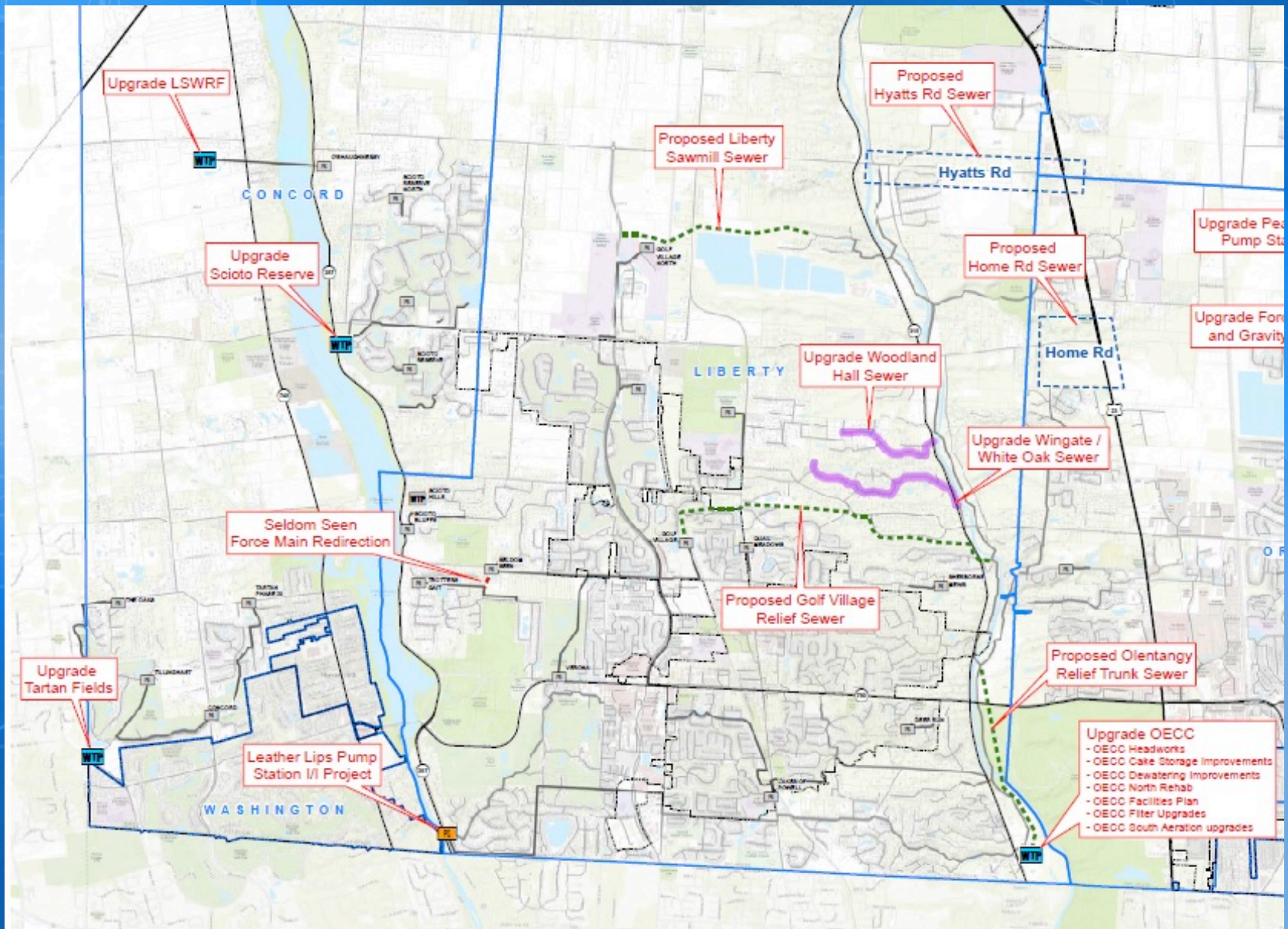
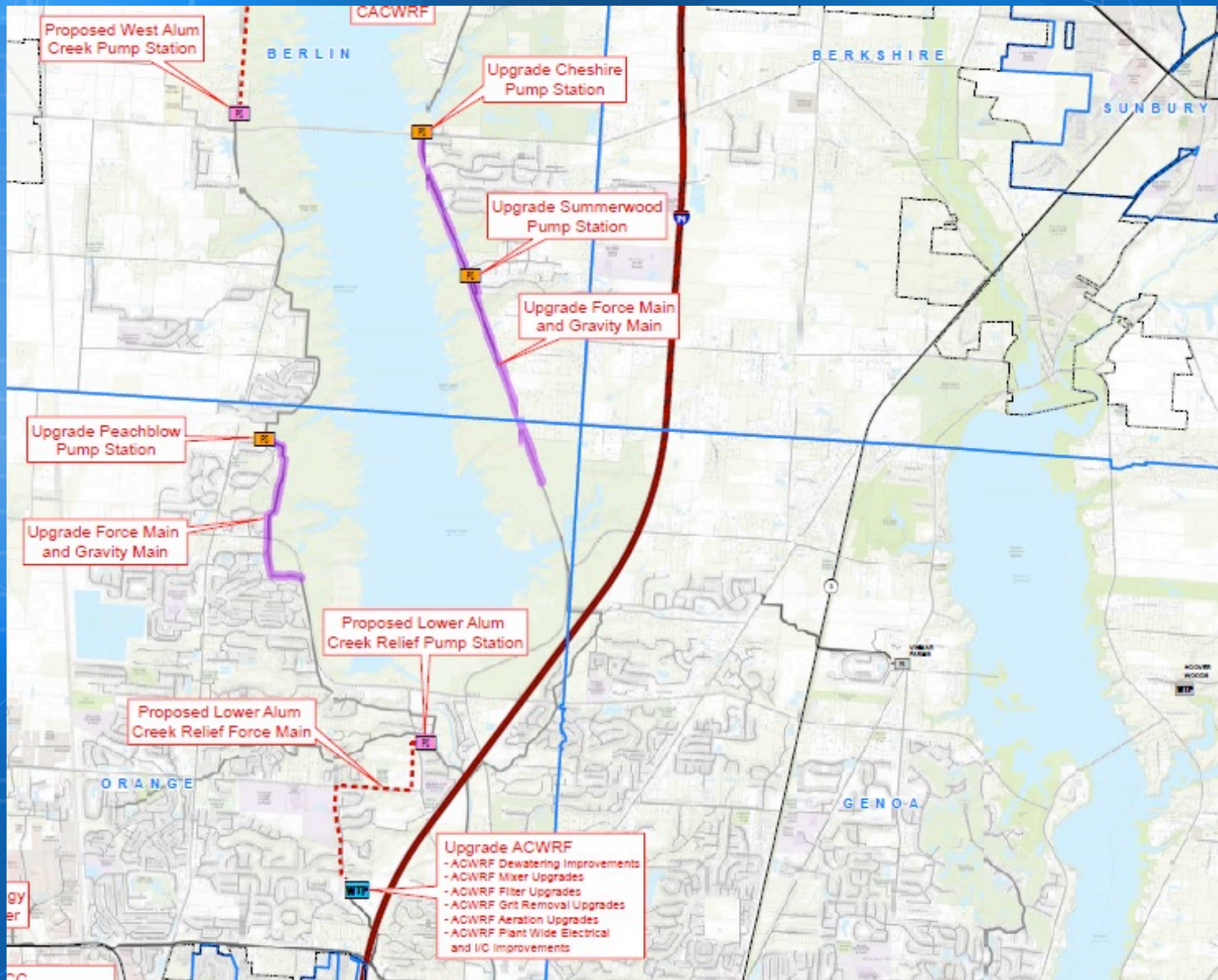


Figure 11
25 Year Design Storm
ACWRF Full Development - 25Y

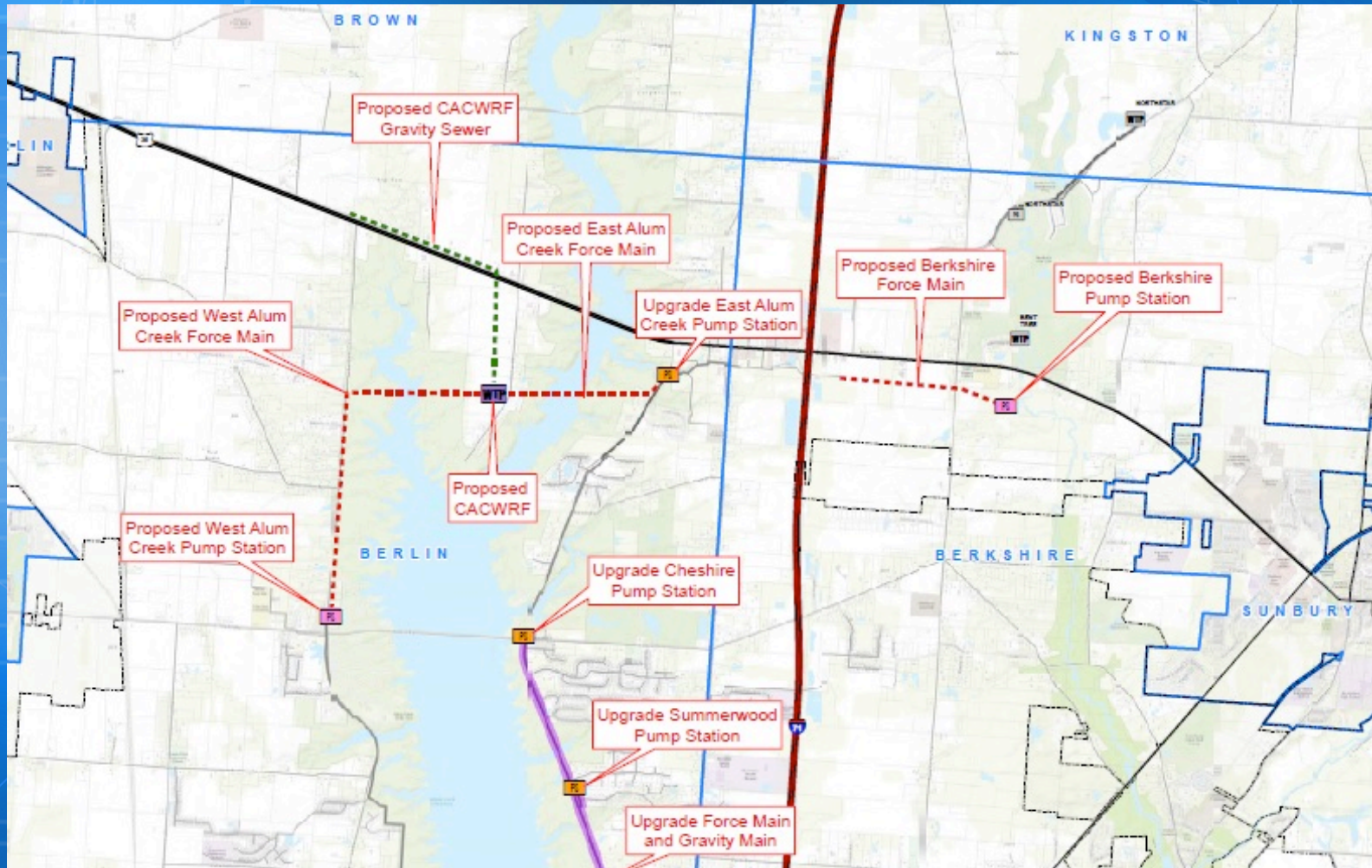
Development Improvements



Development Improvements



Development Improvements



Improvements

Peachblow Pump Station and Sewers - \$4M

Lower Alum Creek Pump Station - \$8M

Liberty Sawmill Sewer (Phase 1 and 2) - \$10M

Clarkshaw Project 1, 2, and 3 - \$4M

Central Alum Creek WRF and Sewers - \$30M

Cheshire Pump Station and Forcemain - \$3M

Golf Village Relief Sewer - \$10M

Olentangy River Trunk Sewer - \$9M

Miscellaneous Improvements - \$6M

Funding Plan

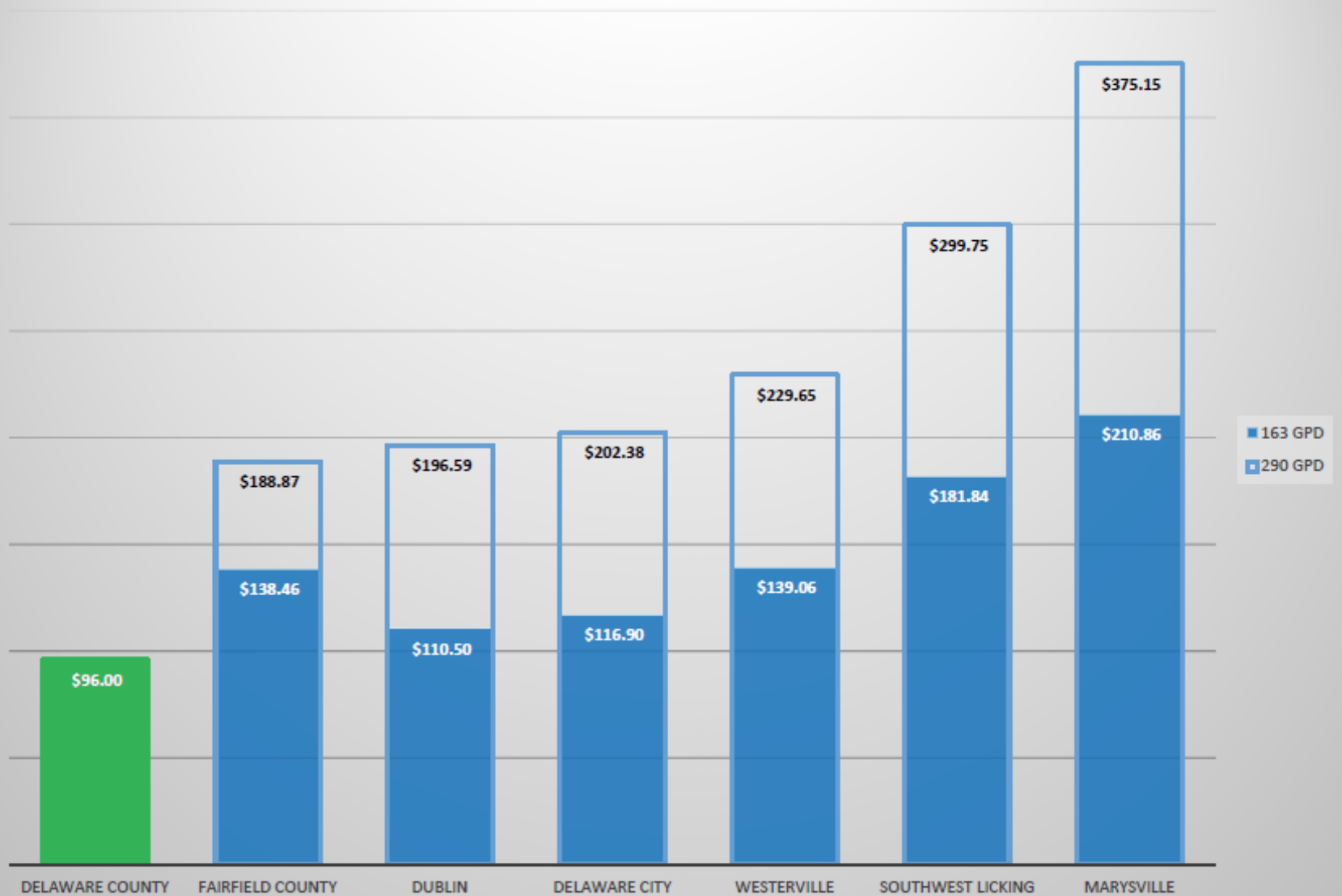
- Total Cost (2016 Dollars):
 - \$55.7M for O&M
 - \$97.8M for Development
 - \$153.5M Total
- Currently \$39M in Reserves
- Separate Funds for Expenses, Development Capital, and O&M Capital
- Balances can be used for bond coverage
- Implement Alternative Financing Strategies
 - Tax Increment Financing (TIF)
 - Community Authorities
 - Developer Recoupment
 - Performance Contracts

Separate Funds

- Sewer Revenue Fund – Monthly Service Charges; Cash Balance of 1 Year Operating Expenses.
- O&M Capital Fund – O&M Infrastructure (\$23.7M funded with Cash and \$15M in Debt Issuance)
- Development Capital Fund – Development Infrastructure
 - 90% of Connection Fees; 750 new homes annually from 2016-2020 and 2.25% increase beyond.
 - 3% of Monthly Service Fees (per Resolution)
 - \$65.4M Funded with Cash, \$35.5M Debt Issuance, and \$4.1M in TIF Proceeds.

Rate Comparison

User Fee per Quarter

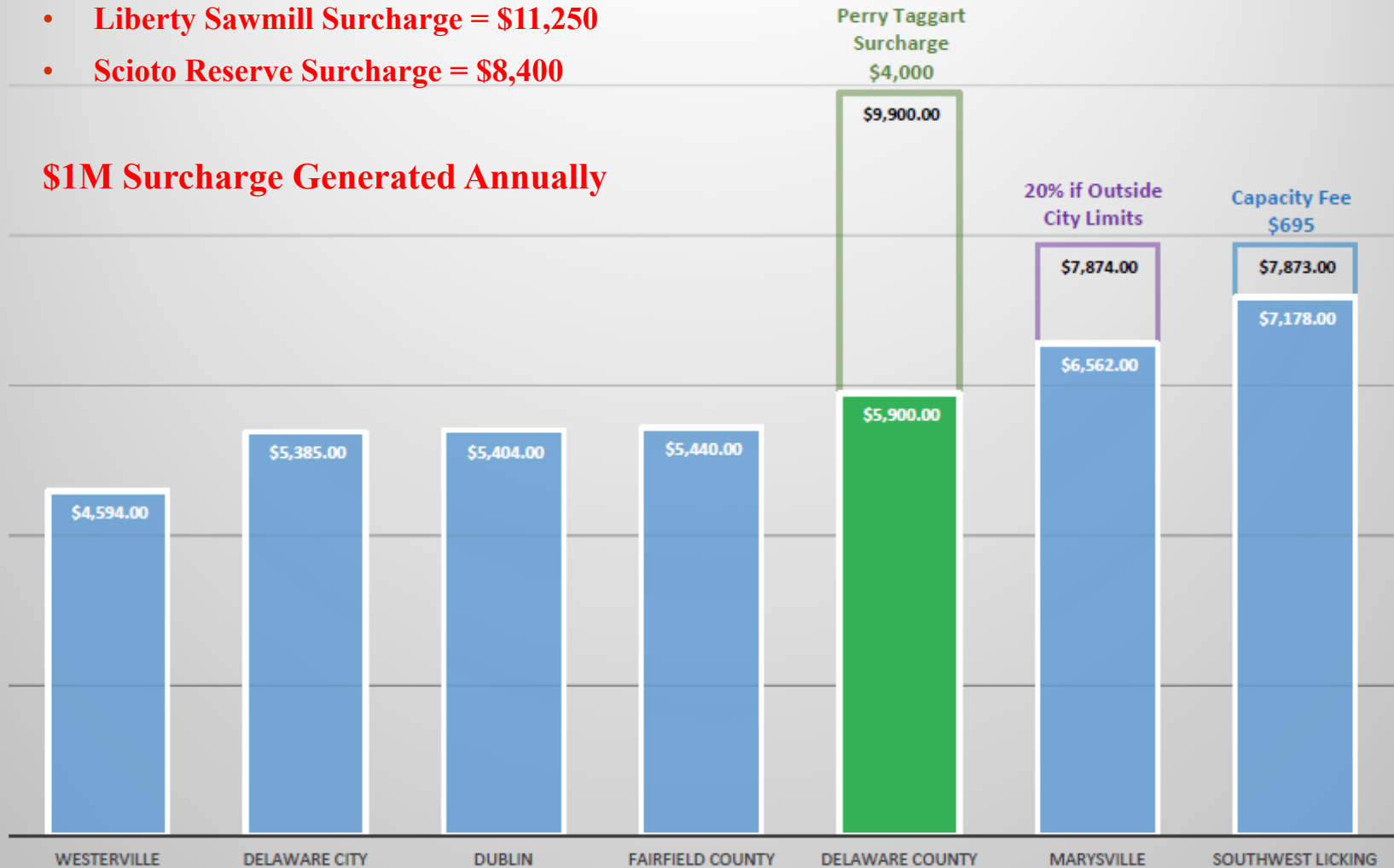


Tap Fee Comparison / Surcharges

Tap Fee

- **Cheshire Surcharge = \$8,950**
- **Lower Scioto Surcharge = \$8,400**
- **Liberty Sawmill Surcharge = \$11,250**
- **Scioto Reserve Surcharge = \$8,400**

\$1M Surcharge Generated Annually



Rate/Connection Fee Scenarios

Scenario	#1	#2		#3
Rates	3% Annual Increase \$33 to \$39 2018 to 2024	3% Annual Increase \$33 to \$39 2018 to 2024		3% Annual Increase \$33 to \$39 2018 to 2024
Connection Fees	\$6300 in 2017 \$6600 in 2018 \$6900 in 2019 \$7200 in 2020	<u>4 Yr Phase In</u> \$6400 in 2017 \$7000 in 2018 \$7600 in 2019 \$8300 in 2020	<u>2 Yr Phase In</u> \$7000 in 2017 \$8200 in 2018	\$6300 in 2017 \$6700 in 2018 \$7200 in 2019 \$7700 in 2020
Surcharges*	Yes	No		Reduced Surcharge
Advantages	<ul style="list-style-type: none"> Reduced impact to development costs 	<ul style="list-style-type: none"> Eliminates reliance on surcharges 		<ul style="list-style-type: none"> Reduces reliance on surcharges Gradual changes to development costs
Disadvantages	<ul style="list-style-type: none"> Continued tracking of surcharges 	<ul style="list-style-type: none"> Changes development costs (up and down) immediately 		<ul style="list-style-type: none"> Tracking of reduced surcharges

*Surcharges generate approximately \$1M per year

Financial Considerations

- Main Variables are Connections and Capital Costs
 - Is 750 homes the correct estimate?
- Operating Expenses and Monthly Rates are Constant
- Development Cost Impacts with Proposed Increases
 - Timing of Connection Fee Payment?
 - Timing of Increases?
- Potential Risk Allocation Strategies
 - Community Authorities
 - Elimination of Surcharges
 - Other thoughts?????

What's Next?

- Stakeholder Feedback
 - BIA Presentation
 - Chamber Presentation
 - Rotary Presentation
- Adopt Rate and Connection Fee Increases
- Finalize Master Plan
- Update Policies and Procedures – Evaluate Rate Structure and Methodology

Questions?

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