



Mason County Public Works Utility Rate Review Belfair Wastewater

PRESENTED BY MASON COUNTY PUBLIC WORKS

About Belfair Wastewater and Water Reclamation Facility

INSERT PICTURES OF THE FACILITY

The Belfair Wastewater and Water Reclamation Facility is located in Belfair, WA. Belfair is an unincorporated community in Mason County. The facility is responsible for treating wastewater and reclaiming water for various purposes, contributing to environmental sustainability in the region.

Objectives & Considerations

- Provide sufficient revenue and financial stability to fund the projected operating and anticipated Capital expenditures.
- Meet the County's reserve fund targets:
 - Operating reserves
 - Capital reserves
- Rate payer equity:
 - Each customer/ERU class pays their proportionate share of expenses.
- Ratepayer "affordability".

Affordability

Most sewer grant/loan programs use an “affordability” index of 2% of the Median Household Income (MHI).

Using the 2021 MHI of \$5527/month for this census tract, a 2024 rate at or below \$110.54 is considered affordable for the average Belfair household.

Current rate = \$100.80

Equivalent Residential Units (ERU):



What is an ERU?

It's the daily average usage of water or wastewater of a typical single family residential unit.



For water, an ERU is estimated at 185 gallons per day or 5550 gallons per month. This translates to about 700 cubic feet per month.

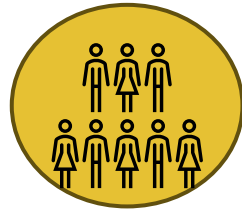


For wastewater, an ERU is estimated at 147 gallons per day or 4410 gallons per month. This translates to about 600 cubic feet per month.

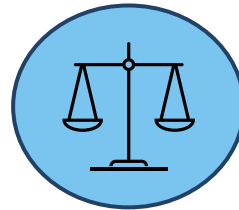


The Belfair UGA community has 550 sewer ERU's.

2024 Sewer Utility Overview



ERU
644



OPERATING
BUDGET
\$3,495,262



10-YEAR
CAPITAL
\$11,122,204

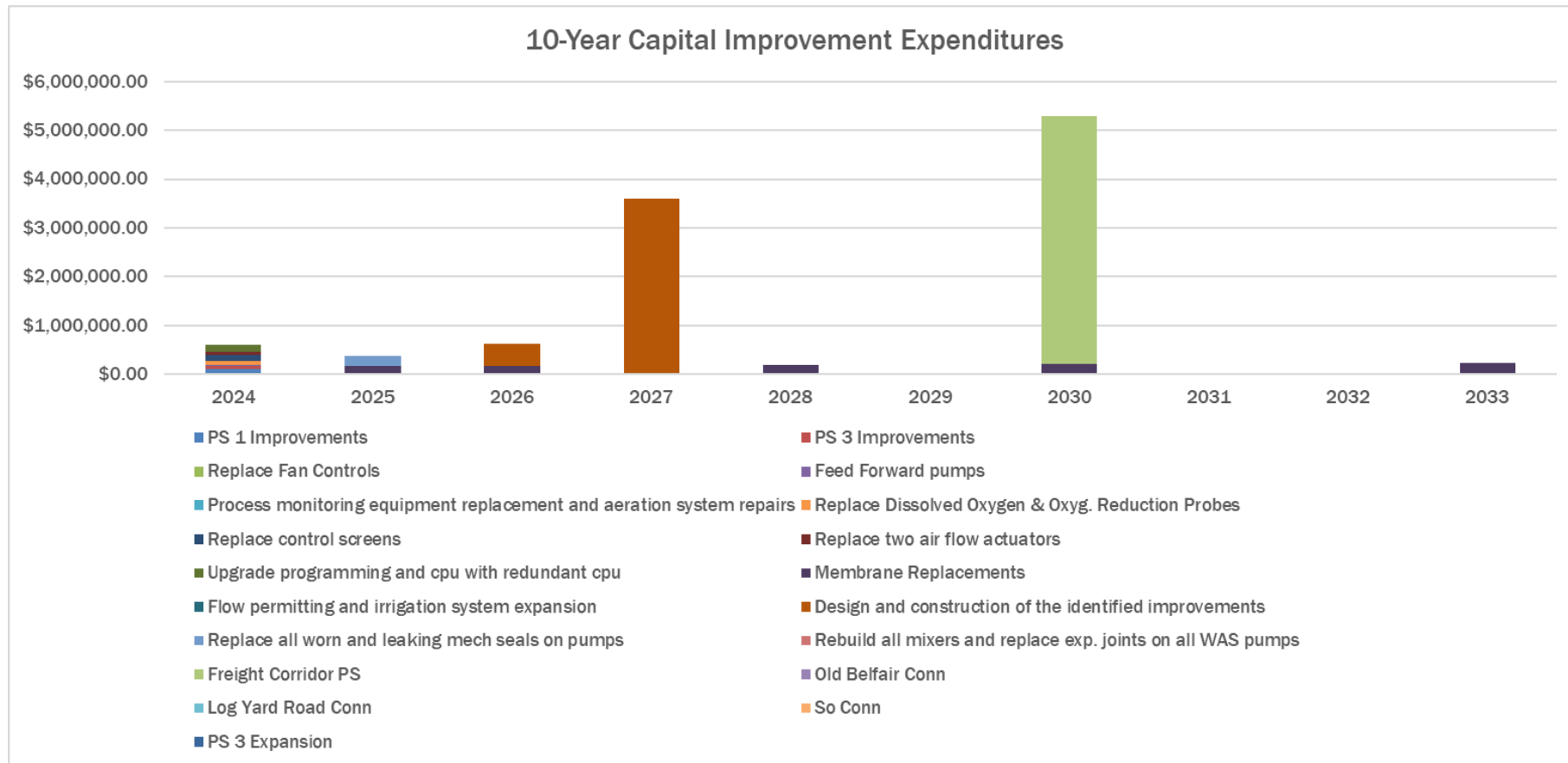
What It Costs to Operate the Utility

In 2024, operating, capital and loan payment expenditures are anticipated at \$4,145,291

- ~ 26% Operating
- 48% Capital
- 26% Debt

The equitable annual proportion of each Belfair sewer customer would be about \$6,436.79 a year or nearly \$536 per month.

Ten-Year Capital Expenditures



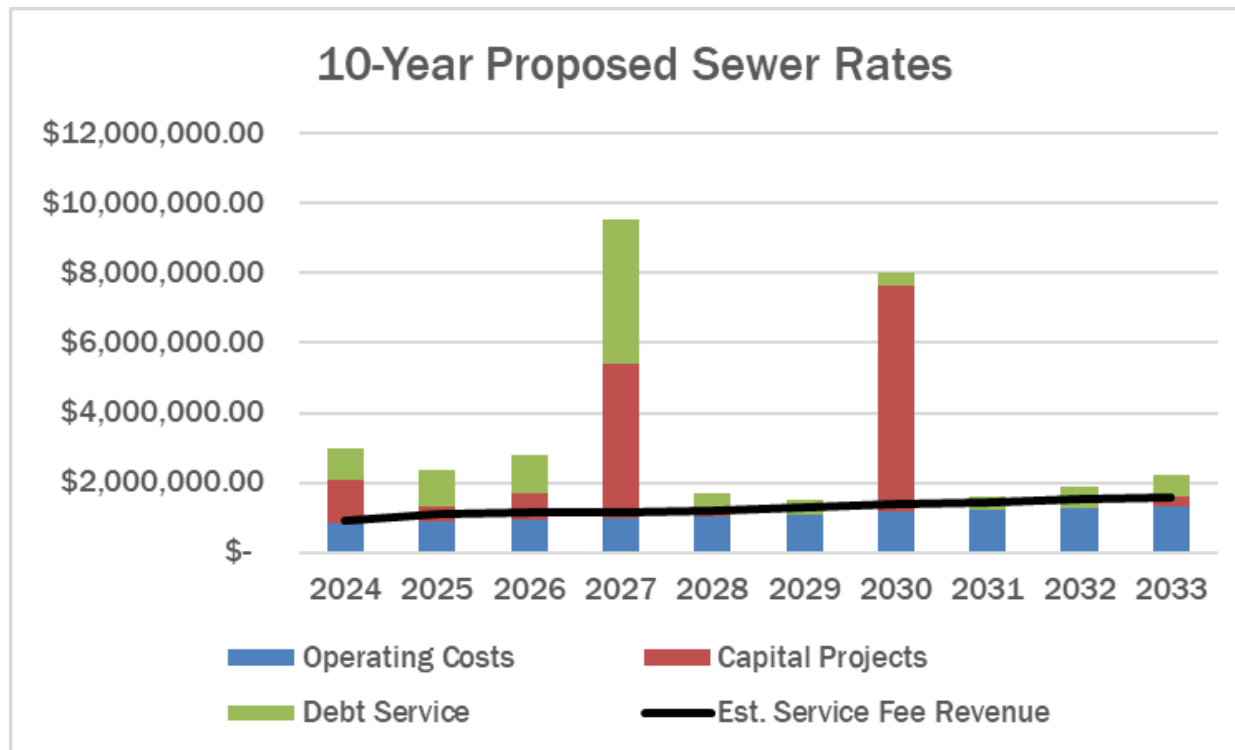
Sewer Rate Scenario # 1

	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Current Users	550	620	644	664	679	694	709	724	739	754
Increase Per year	70	24	20	15	15	15	15	15	15	10
Rate	\$ 107.76	\$ 113.14	\$ 118.80	\$ 124.74	\$ 130.98	\$ 137.53	\$ 144.40	\$ 151.62	\$ 159.20	\$ 167.16
Est. Annual % Increase	6.90%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
Est. Monthly \$ Increase	\$ 6.96	\$ 5.39	\$ 5.66	\$ 5.94	\$ 6.24	\$ 6.55	\$ 6.88	\$ 7.22	\$ 7.58	\$ 7.96
Est. Annual \$ Increase	\$ 83.46	\$ 64.65	\$ 67.89	\$ 71.28	\$ 74.84	\$ 78.59	\$ 82.52	\$ 86.64	\$ 90.97	\$ 95.52

Sewer rates proposed #1:

- Current sewer rates are increased by the prior years April CPI-U index. In 2023, BOCC held the rate at 5% as CPI was 9.1%. In 2024, CPI would increase the current rate 6.9%.
- This proposed rate increase and annual projected increases do not ensure sufficient cash flow for operating, debt and capital expenditures.
- It is anticipated that the community will grow 39% over the next 10 years.
- County staff are working to secure more than \$11 million dollars in grants and/or debt issuance to cover the additional expenditure needs.

Ten Year Revenue vs Expenses Projection



Belfair 2023 Sewer Rates:

Monthly Sewer Rate: \$ 100.80

Connection Fee: \$ 11,300.00

Proposed 2024 Sewer Rate

Monthly Sewer Rate: \$ 107.76

Connection Fee: \$ 13,112.81

Revenues from proposed rates do NOT cover all projected operating, debt and capital project expenditures.

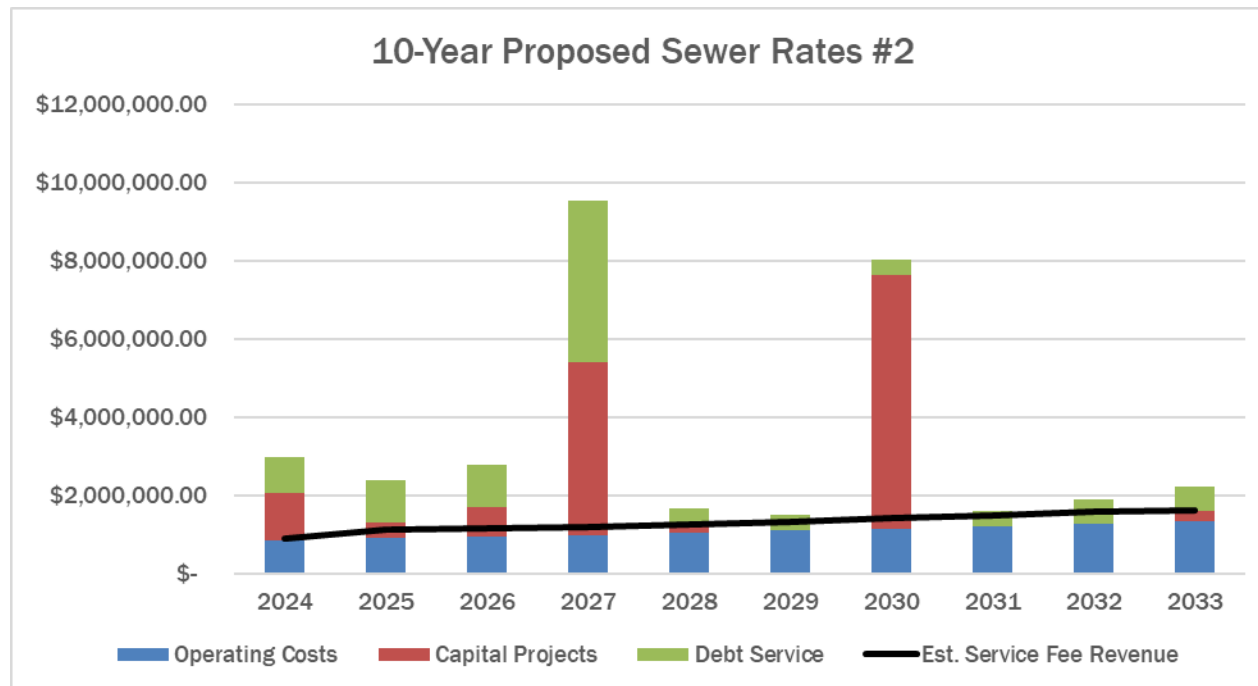
Sewer Rate Scenario #2

	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Residential Customers	503	620	690	695	698	703	706	709	724	744
Increase Per year	70	24	20	15	15	15	15	15	15	10
Rate	\$ 110.54	\$ 116.07	\$ 121.87	\$ 127.96	\$ 134.36	\$ 141.08	\$ 148.13	\$ 155.54	\$ 163.32	\$ 171.48
Annual % Increase	9.66%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
Monthly \$ Increase	\$ 9.74	\$ 5.53	\$ 5.80	\$ 6.09	\$ 6.40	\$ 6.72	\$ 7.05	\$ 7.41	\$ 7.78	\$ 8.17
Annual \$ Increase	\$ 116.88	\$ 66.32	\$ 69.64	\$ 73.12	\$ 76.78	\$ 80.62	\$ 84.65	\$ 88.88	\$ 93.32	\$ 97.99
	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Commercial Customers	47	47	47	47	47	47	47	47	47	47
Increase Per year										
Rate	\$ 105.01	\$ 110.26	\$ 115.78	\$ 121.57	\$ 127.64	\$ 134.03	\$ 140.73	\$ 147.76	\$ 155.15	\$ 162.91
Annual % Increase	6.90%	4.00%	4.00%	4.00%	5.00%	5.00%	5.00%	6.00%	6.00%	6.00%
Monthly \$ Increase	\$ 4.21	\$ 5.25	\$ 5.51	\$ 5.79	\$ 6.08	\$ 6.38	\$ 6.70	\$ 7.04	\$ 7.39	\$ 7.76
Annual \$ Increase	\$ 50.56	\$ 63.01	\$ 66.16	\$ 69.47	\$ 72.94	\$ 76.59	\$ 80.42	\$ 84.44	\$ 88.66	\$ 93.09

Sewer rates proposed #2:

- Residential sewer rate would increase 9.66% to \$110.54 per ERU.
- A new commercial sewer rate would be introduced at a 5% reduction to residential rates of \$105.01 per ERU.
- A typical residential home is one ERU, commercial properties typically are 2+ ERU. A reduced commercial rate may entice new commercial businesses to the Belfair Urban Growth Area.
- This proposed rate increase and annual projected increases do not ensure sufficient cash flow for operating, debt and capital expenditures.
- County staff are working to secure more than \$11 million dollars in grants and/or debt issuance to cover the additional expenditure needs.

Ten Year Revenue vs Expenses Projection



Belfair 2023 Sewer Rates:

Monthly Sewer Rate: \$ 100.80
 Connection Fee: \$ 11,300.00

Proposed 2024 Sewer Rate

Mthly Res. Sewer Rate: \$ 110.54
 Mthly Com. Sewer Rate: \$ 105.01
 Connection Fee: \$13,112.81

Revenues from proposed rates #2 do NOT cover all projected operating, debt and capital project expenditures.

Do you have additional questions?

Public Hearing April 23, 2024 @ 9:15 am
email testimony to msmith@masoncountywa.gov

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[Mason County Utilities and Waste Management](#)