

Western Sussex Sewer District

Sussex County Presentation
to the
Bridgville Commissioners & the Greenwood Council

July 5th and 10th , 2017

July 5, 2017



CURRENT STATUS

- In May of 2016 the Town of Bridgeville signed the Administrative Order of Consent with the US EPA mandating system improvements on tight timelines estimated at **\$15.85 million**.
- An associated referendum on the borrowing was delayed due to rate impacts.
- In February of 2017 the municipal councils of Bridgeville and Greenwood requested Sussex County to investigate an alternate scenario.
- Sussex County in conjunction with the respective municipal engineering consultants developed an alternate scenario for a Western Sussex County Sewer District connecting to the City of Seaford estimated at a project cost of **\$12.68 million**.
- The alternate scenario, if submitted to DNREC for funding, would rank very high based on Clean Water State Revolving Fund (CWSRF) project evaluation criteria.
- USDA/RD (Federal) and CWSRF (State) funding has been pledged towards the alternate solution in an equal or better grant/loan ratio than the stand-alone solution.



CURRENT STATUS CONT.

- The Town of Bridgeville has two (Bridgeville Park Center and Heritage Shores) prepaid sewer capacity legacy obligations. The first one involves a very small number of EDUs while Heritage Shores has many prepaid EDUs remaining. However, it is expected that this legacy obligation will be significantly reduced at the time of connection.
- The City of Seaford Council has agreed in principle to the outlined arrangement including a full buy-in for the existing municipal systems as they exist today, including any remaining legacy obligations conditioned upon the nutrient load allocation transfer under the Chesapeake TMDL.
- Sussex County would assume all municipal sewer related assets, liabilities and legacy obligations after district expansion. Assets no longer needed will be liquidated and proceeds will be contributed toward debt reduction.
- Sussex County has a “uniform” user rate for all its accounts. In addition to O&M it covers system wide transmission and treatment debt service. All future expansion of treatment & transmission is included in said rate assuring future “rate stability”.
- Sussex County would invoice all sewer customers on an Equivalent Dwelling Unit (EDU) basis NOT on a metered rate.



CURRENT STATUS CONT.

- The creation of a Western Sussex Sewer District Area does not change the underlying land use. The municipal and County Comprehensive Plans, in particular the annexation areas remain in effect.
- Seaford's consulting engineers determined sewer-shed wide annual interim and final growth rate limits based on most likely plant nutrient loading scenarios.
 - Interim (<10yr) = 2.3% per year
 - Final (through 2045) = 3.0% per year
- The allowable annual growth rates are higher than aggregate past growth rates experienced by the City of Seaford and Towns of Bridgeville, Greenwood and Blades and hence pose no hindrance to municipal growth.
- The current agreement between Sussex County and the City of Seaford on behalf of the Blades Sewer District Area allows for capacity set asides and additional capacity purchases based on need. The Western Sussex Area agreement would mirror the one for Blades with the added option to also "sell" unused capacity.
- Sussex County operates four (4) wastewater treatment plants which allows options of high waste strength transfers if additional treatment capacity were needed.



WESTERN SUSSEX SEWER DISTRICT COSTS

- The current Sussex County Service Charge is \$286/year per Equivalent Dwelling Unit (house, mobile home, apartment, etc.); billed quarterly to all customers in the system.
- Commercial customers are assessed on a fixture unit or historic flow basis establishing the base line EDU number per account used in billing.
- The proposed debt service, based on an equal or better grant/loan ratio than currently offered, is expected to be in the range of \$250- &275 per year per EDU.
- Estimated annual household cost:
 - \$286 – current (FY 2018) system wide User Charge per EDU
 - \$275 – total debt service incl. refinanced existing debt
 - **Total: \$561/year per EDU**
- Sussex County rolls all necessary future treatment and transmission upgrades in the system wide User Charge. Historically annual user charge increases have been +/-2%.
- All potential future customers within and outside the municipal boundaries of the Western Sussex district area will pay the identical debt service contributing to rate stabilization.
- Sussex County's Sewer Connection Charge (impact fee) in FY 2018 is \$6,360 which compares well with the current Town of Bridgeville impact fee of \$6,000 hence no impediment to future growth. However, the current impact fee in Greenwood is lower at \$1,750 per EDU. After sewer district creation all fee should be adjusted accordingly.

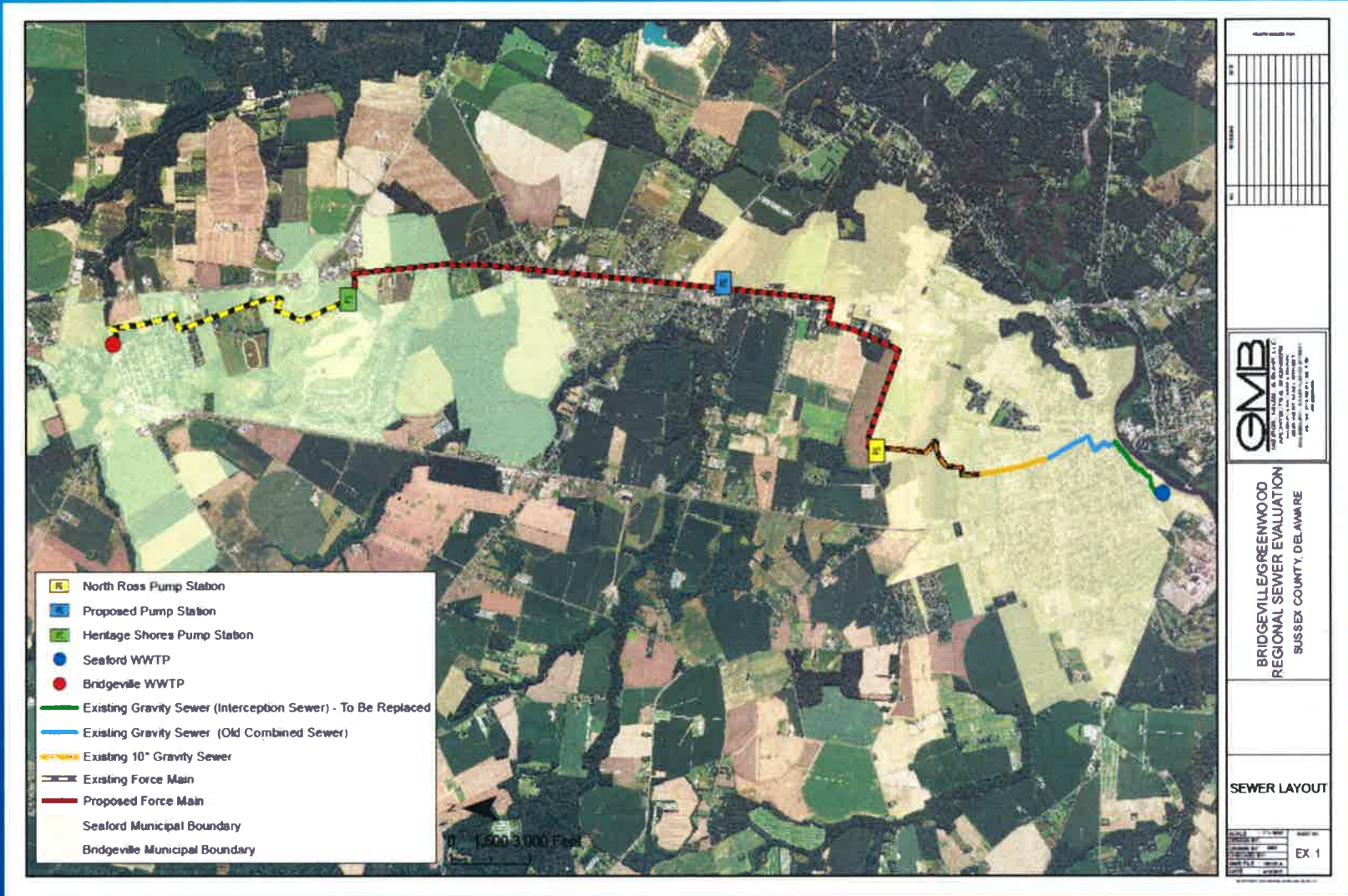


NEXT STEPS

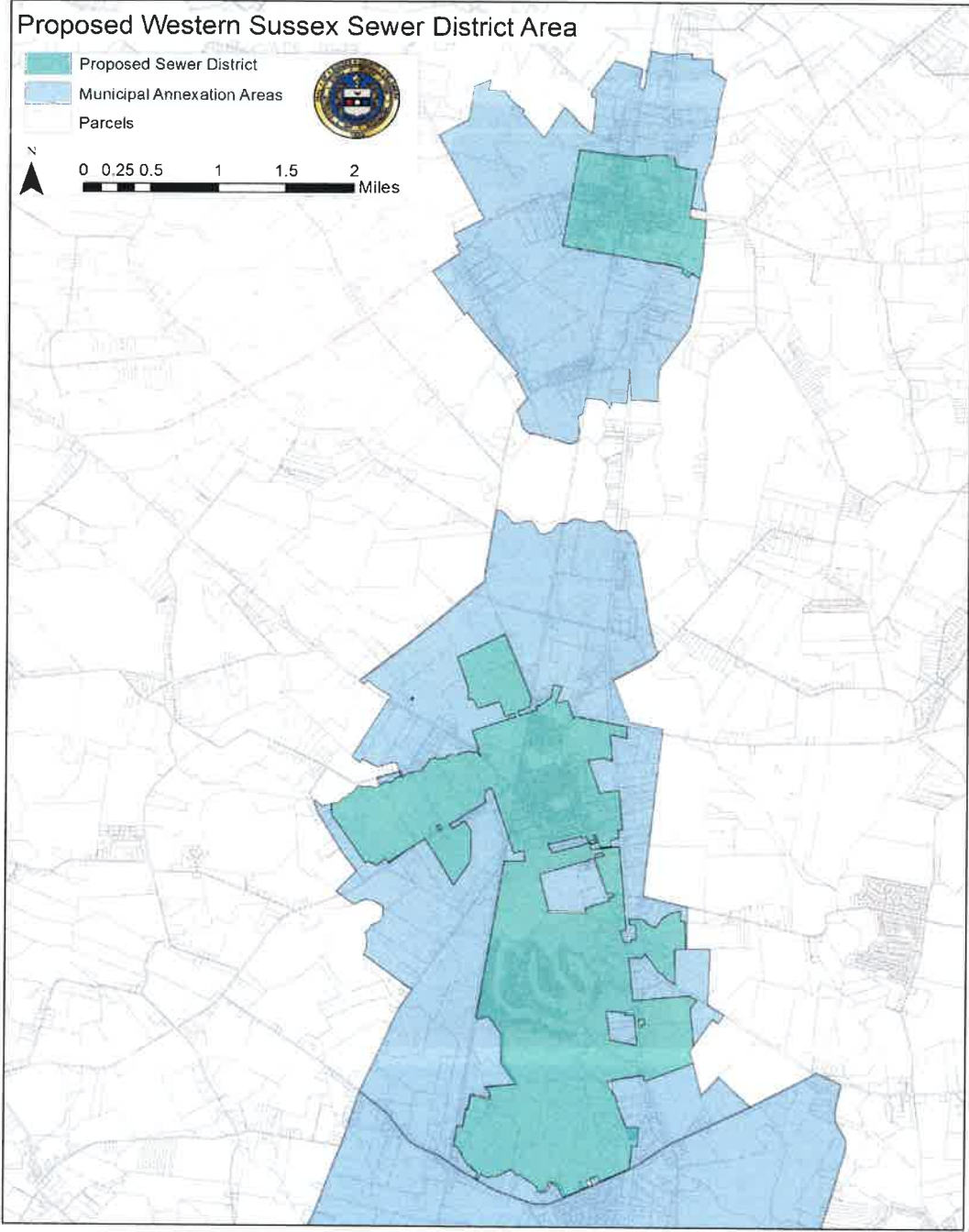
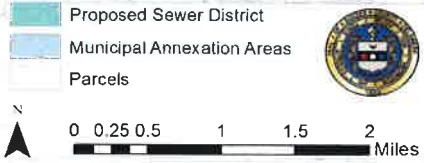
1. Municipal Councils may request formation of a County sewer district pursuant to Title 9 Del. Code § 6501.
2. Bridgeville Commissioners may want to negotiate an interim operations agreement with the County prior to the transmission system being operational pursuant to Title 9 Del. Code § 6702.
3. After receipt of the requests from the municipal Councils; Sussex County Council may establish the initial Western Sussex Area of the Unified Sewer District under an initial proposed boundary matching the municipal sewer service areas contingent upon load allocation transfer under the Federal TMDL.
4. After the Unified Sewer District expansion approval by the Sussex County Council, the Engineering Department will submit a Preliminary Engineering Report, Environment Assessment and a Planning Advance funding request to the State CWSRF.
5. The Preliminary Engineering Report will develop a detailed cost estimate based on the proposed initial boundary and identify expansion areas for an even better economy of scale.



PROPOSED TRANSMISSION SYSTEM CONCEPT



Proposed Western Sussex Sewer District Area



PROPOSED SEWER DISTRICT BOUNDARY

