Town of Bridgeville

Public Presentation

May 24, 2021

Originally presented July 5th and 10th, 2017
HISTORICAL BACKGROUND

- In May of 2016, the Town of Bridgeville signed the Administrative Order of Consent with the US EPA mandating treatment improvements estimated at $15.9 million.

- In February of 2017, the municipal councils of Bridgeville and Greenwood requested Sussex County to investigate an alternate sewer service 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 $12.7 million.

- In July 2017, Sussex County presented the alternate scenario to the councils of Bridgeville and Greenwood which voted for the inclusion in the District.

- On August 22, 2017, County Council adopted a resolution establishing the Western Sussex Area of the Unified Sewer District pursuant to Title 9 Del. Code § 6501.

- However, for the time being Bridgeville still owns and operates the system serving the Bridgeville/Greenwood area until June 30, 2021.
Proposed Western Sussex Sewer District Area

- Proposed Sewer District
- Municipal Annexation Areas
- Parcels

Miles

WESTERN SUSSEX SEWER DISTRICT BOUNDARY
FUNDING STATUS

• The County submitted the project to DNREC for funding consideration under the Clean Water State Revolving Fund and on August 14, 2018, the State issued a binding commitment offer in the overall amount of $16,634,748* to be repaid within 30-years with 2.5% interest.

• On November 27, 2018, Council accepted the offer and approved the associated borrowing ordinance. After project completion, $3,200,000 will be applied in principle forgiveness reducing the overall borrowing.

• On May 15, 2020, the County filed a supplemental CWSRF funding request in the amount of $850,000 which was approved by the Water Infrastructure Advisory Council on July 21, 2020, in the form of “Loan Forgiveness”.

* Includes existing debt refinancing.
EXPECTED CHANGES

• The inclusion in the 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.

• Sussex County assumes all municipal sewer related assets, liabilities and legacy obligations after district expansion.

• Sussex County has a “uniform” service charge for all its 75,000 EDUs. Future expansion of treatment & transmission systems is included in the service charge assuring “rate stability” and historically annual increases have been +/-2%.

• Sussex County invoices all property owners quarterly for the sewer service charge on an Equivalent Dwelling Unit (EDU) basis NOT on a metered rate.

• Sussex County assess all non-tax-exempt parcels, vacant or improved, with sewer service availability an annual debt service assessment. The assessment is billed in conjunction with the property tax.

• All future customers within and outside the municipal boundaries of the Western Sussex District Area will pay the identical assessment contributing to rate stabilization.
WESTERN SUSSEX SEWER DISTRICT COSTS

• The proposed Sewer Service Charge for FY 2022 is $296/year per EDU (house, mobile home, apartment, business, etc.); billed quarterly to all properties.

• The proposed Western Sussex Sewer District Area annual assessment is $285/EDU.

• Commercial customers are assessed on a fixture unit or historic flow basis establishing the base line EDU number per account.

• Annual costs:
  - $296/EDU – proposed FY 2022 system wide sewer service charge
  - $285/EDU – annual assessment incl. refinanced existing debt
  - Total: $581/year per EDU

• The current impact fees in Bridgeville are $6,000/EDU & $1,080/EDU infill lot special.

• Sussex County’s proposed Sewer Connection Charge (impact fee) in FY 2022 is $6,600/EDU with no “infill” lot exception.
WESTERN SUSSEX BILLING SCHEDULE

### Quarterly Service Billing Schedule

<table>
<thead>
<tr>
<th>Bill Date</th>
<th>Billing Period</th>
<th>Due Date</th>
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</thead>
<tbody>
<tr>
<td>2/1</td>
<td>January 1 – March 31</td>
<td>3/31</td>
</tr>
<tr>
<td>5/1</td>
<td>April 1 – June 30</td>
<td>6/30</td>
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<tr>
<td>*8/1</td>
<td>July 1 – Sept 30</td>
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<tr>
<td>11/1</td>
<td>Oct 1 – Dec 31</td>
<td>12/31</td>
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</tbody>
</table>

*First Sussex County billing

### *Annual Assessment Billing Schedule*

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</thead>
<tbody>
<tr>
<td>7/1</td>
<td>July 1 – June 30</td>
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*Billed as part of annual property tax bill
QUESTIONS