

# ALBEMARLE COUNTY SERVICE AUTHORITY

## AGENDA ITEM EXECUTIVE SUMMARY

<b>AGENDA TITLE:</b> North Fork Regional Pump Station Special Rate District	<b>AGENDA DATE:</b> April 21, 2016
<b>STAFF CONTACT(S)/PREPARER:</b> Peter C. Gorham, P.E., Director of Engineering <i>PA</i>	<b>ACTION:</b> <input type="checkbox"/> <b>INFORMATION:</b> <input checked="" type="checkbox"/>
	<b>ATTACHMENTS:</b> (YES)

**BACKGROUND:** On October 18, 2012 the Board of Directors adopted a resolution setting the value of the North Fork Regional Pump Station (NFRPS) Special Rate District Fees and the effective date to begin collection of said fees. The fees were determined based upon a calculated total project cost using the project related expenditures as of that date, plus a projection of remaining expenses. The fee for the South Zone was set at \$1,389 per ERC and the fee for the North Zone was set at \$2275, which was the sum of the North Zone project cost per ERC (\$886) and South Zone fee per ERC (\$1,389). A copy of the Total Project Cost Estimate used to set these fees, dated August 16, 2012, is attached.

Now that the project is complete ACSA staff has calculated the total project cost based upon all project related expenditures. The total cost associated with the South Zone went down slightly (\$41,565), whereas the total cost associated with the North Zone increased (\$567,938). Using the previous methodology for calculating the project cost per ERC the South Zone would decrease by \$5 and the North Zone would increase by \$139. A copy of the Connection Fee Determination spreadsheet, dated February 17, 2016, is attached. It shows the anticipated ERC's for the four major developers, the ACSA share of ERC's for customers on service prior to the NFRPS Project, and the projected ERC's for the other undeveloped properties in the South and North Zones.

Using the total potential ERC's in the North Zone ( $4103 - 422 = 3681$ ), the calculated shortfall of connection fees, if the special rate district fees are not changed, is approximately \$511,700. Dividing this number by the current project cost per ERC in the South Zone (\$1,389) shows us that an additional 368 ERC's would need to connect in the NFRPS Special Rate District to make up the shortfall. This amounts to about a 4.7% increase in ERC's over what was projected in 2012.

In calculating the projected ERC's in the undeveloped areas outside the properties owned by the four major developers, a conservative number of ERC's was used for the allowable densities at the current zoning. Given the County of Albemarle will likely push for dense development in their Places 29 Master Plan and the tendency of developers to maximize the density of their parcels by

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rezoning, ACSA staff believes that the number of ERC's served by the NFRPS Project will increase enough to make up the shortfall.

### **DISCUSSION:**

- The project cost per ERC for each zone is determined by dividing the total cost to provide the wastewater facilities serving each zone by the projected ERC's in each zone.
- The North Zone developments pay both the North Zone project cost and South Zone project cost per ERC because both pump stations delivery systems are utilized to transport their wastewater to the treatment facility.
- The projected ERC's in each zone are calculated using the anticipated development densities from the major property developers and projected ERC's from the remaining undeveloped properties within the zones, based upon current zoning.
- Neighborhood Density Residential is 3 – 6 dwelling units or ERC's per acre. ACSA used 3 ERC's per acre, which is the lowest end of the range.
- Urban Density Residential is 6 – 34 dwellings or ERC's per acre. ACSA used 20 ERC's per acre, which is the middle of the range.

**BUDGET IMPACT:** None at this time.

**RECOMMENDATIONS:** Keep the NFRPS Special Rate District Fees at their current value.

**BOARD ACTION REQUESTED:** No action is requested.

### **ATTACHMENTS:**

- North Fork Regional Pump Station Special Rate District executive summary memo dated October 18, 2012.
- Total Project Cost Estimate dated August 16, 2012.
- Total Project Cost dated February 17, 2016.
- NFRPS Connection Fee Determination Spreadsheet dated February 17, 2016.

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## AGENDA ITEM EXECUTIVE SUMMARY

<b>AGENDA TITLE:</b> Public Hearing on North Fork Regional Pump Station Special Rate District	<b>AGENDA DATE:</b> October 18, 2012
<b>STAFF CONTACT(S)/PREPARER:</b> Peter C. Gorham, P.E., Director of Engineering	<b>ACTION:</b> <input checked="" type="checkbox"/> <b>INFORMATION:</b> <input type="checkbox"/>
	<b>ATTACHMENTS:</b> (YES)

**BACKGROUND:** On February 18, 2010 the Board of Directors adopted a resolution creating the North Fork Regional Pump Station (NFRPS) Special Rate District and authorizing the collection of special connection fees for all new sewer connections served by the North Fork Regional Pump Station Project. It was determined that special connection fees could not be collected until the facilities were in place and operational. The two pump stations and their respective sewer mains are now in service and delivering wastewater to the Moores Creek Wastewater Treatment Plant via a network of gravity sanitary sewers.

ACSA staff recalculated the total project cost based upon all project related expenditures to date, plus a projection of remaining expenses. The NFRPS Special Rate District Fees were re-advertised on August 19, 2012, September 16, 2012 and again on October 7, 2012, to allow the Board to adopt the revised fees along with a new effective date for the fees, plus include the list of affected properties in each zone and a map of the Special Rate District in the ACSA Rules and Regulations. When the final total project cost is determined the NFRPS Special Rate District Fees will be adjusted, if necessary, and brought back before the Board for final adoption.

### DISCUSSION:

- The initial NFRPS Special Rate District fees adopted in February 2010 were higher because they were based on project cost estimates at the 60% design phase.
- The current fee for each zone was determined by dividing the estimated cost of facilities serving each zone by the projected ERC's in each zone.
- The projected ERC's in each zone were calculated using the anticipated development densities from the major developers and projected ERC's from the remaining undeveloped properties within the zones, based upon current zoning.
- The special rate district fees are in addition to the standard connection charges in effect at the time of application for service.
- The final total project cost will be determined upon project close-out and the completion of an audit by the bonding company.

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- If necessary, the NFRPS Special Rate District Fees will be adjusted when the final total project cost is established.

**BUDGET IMPACT:** Allows staff to begin collecting the NFRPS Special Rate District fees for each new sewer connection served by the North Fork Regional Pump Station Project. The collection of these fees will allow the ACSA to recover the funds required to design, construct and finance the project.

**RECOMMENDATIONS:** Conduct the Public Hearing on the NFRPS Special Rate District. Adopt the new special rate district fees and the effective date for payment of these fees; add the tax map parcel list of the properties within the NFRPS Special Rate District and the Special Rate District Map to the ACSA Rules and Regulations.

**BOARD ACTION REQUESTED:** Adopt the attached Resolution for the amendment of the ACSA Rules and Regulations, effective October 18, 2012.

**ATTACHMENTS:**

- Estimate of the total project cost dated August 16, 2012.
- Spreadsheet showing the methodology for determining the NFRPS Special Rate District fees dated August 16, 2012.
- Resolution to amend the ACSA Rules and Regulations.

**Albemarle County Service Authority  
North Fork Regional Pump Station Project  
Total Project Cost Estimate**

<u>Item</u>	<u>Estimated Cost</u>	<u>North Zone</u>	<u>South Zone</u>
Construction			
North Fork Regional Pump Station and Force Main	\$6,693,225		\$6,693,225
Camelot Pump Station and Force Main (including 12-inch force main river crossing)	\$1,883,803	\$1,883,803	
Land Acquisition	\$976,191	\$195,024	\$781,167
Engineering, Survey, Permitting, Inspection (including Construction Admin. & Finance Admin.)	\$1,984,809	\$682,125	\$1,302,684
Financing	\$3,654,043	\$874,381.42	\$2,779,662
<b>TOTAL PROJECT COST</b>	<b>\$15,192,071</b>	<b>\$3,635,333</b>	<b>\$11,556,738</b>

**Albemarle County Service Authority  
North Fork Regional Pump Station Project  
Total Project Cost Estimate**

<u>Item</u>	<u>Estimated Cost</u>	<u>North Zone</u>	<u>South Zone</u>
Construction			
North Fork Regional Pump Station and Force Main	\$6,535,371		\$6,535,371
Camelot Pump Station and Force Main (including 12-inch force main river crossing)	\$2,302,078	\$2,302,078	
Land Acquisition	\$965,898	\$187,694	\$778,204
Engineering, Survey, Permitting, Inspection (including Construction Admin. & Finance Admin.)	\$2,114,274	\$697,121	\$1,417,153
Financing	\$3,800,822	\$1,016,378.30	\$2,784,444
<b>TOTAL PROJECT COST</b>	<b>\$15,718,443</b>	<b>\$4,203,271</b>	<b>\$11,515,173</b>

**Albemarle County Service Authority  
North Fork Regional Pump Station Project  
Connection Fee Determination\***

Organization	North Zone					South Zone					Total			
	ADDWF Allocation (MGD)	ERC (270 GPD)	%	Estimated Amount	Connection Fee (\$/ERC)	ADDWF Allocation (MGD)	ERC (270 GPD)	%	Estimated Amount	Connection Fee (\$/ERC)	%	Estimated Amount	Connection Fee (\$/ERC)	Amount Recovered
ACSA	0.114	422	10%	\$432,572	N/A	0.1285	476	6%	\$658,555	N/A	7%	\$1,091,126	N/A	N/A
Developer A	0.914	3385	83%	\$3,468,164	\$1,025	0.914	3385	41%	\$4,684,194	\$1,384	52%	\$8,152,358	\$2,408	\$8,152,357.83
Developer B	0.0665	246	6%	\$252,334	\$1,025	0.0665	246	3%	\$340,808	\$1,384	4%	\$593,142	\$2,408	\$593,142.01
Developer C	0	0	0%	\$0	\$0	0.46	1704	20%	\$2,357,472	\$1,384	15%	\$2,357,472	\$1,384	\$2,357,471.62
Developer D	0	0	0%	\$0	\$0	0.19	704	8%	\$973,738	\$1,384	6%	\$973,738	\$1,384	\$973,738.28
Other Connections-North	0.01	49	1%	\$50,201	\$1,025	0.01	49	1%	\$67,803	\$1,384	1%	\$118,004	\$2,408	\$118,004.04
Other Connections-South	0.00	0	0%	\$0	\$0	0.47	1758	21%	\$2,432,603	\$1,384	15%	\$2,432,603	\$1,384	\$2,432,603.21
<b>TOTAL</b>	<b>1.11</b>	<b>4103</b>	<b>100%</b>	<b>\$4,203,271</b>		<b>2.25</b>	<b>8322</b>	<b>100%</b>	<b>\$11,515,173</b>		<b>100%</b>	<b>\$15,718,443</b>		<b>\$14,627,317</b>

ADDWF - Average Daily Dry Weather Flow

\* - The table has been created to show the methodology to be used in calculating connection fees for the proposed Special Rate District for the North Fork Regional Pump Station Project.