

South Placer
Wastewater Authority

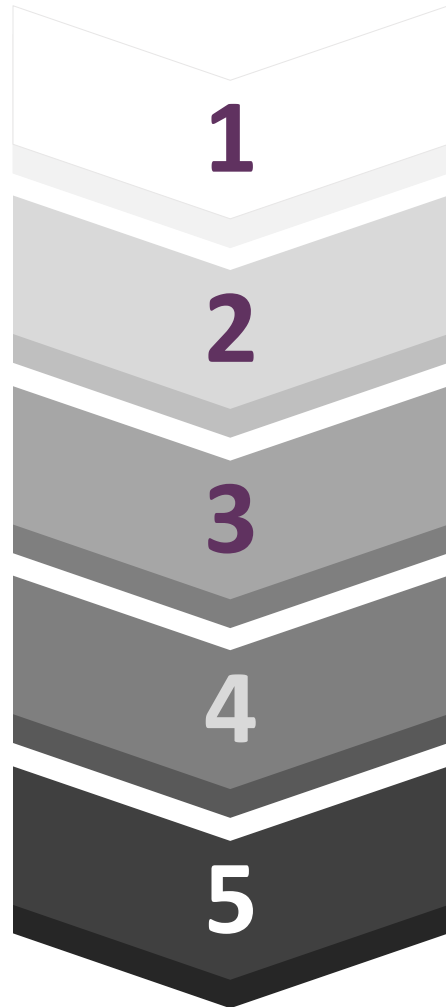
Capacity Fees

January 25, 2024



Agenda

Board Meeting



Project Objectives

Capacity Fee Background

Future Growth and Facilities

Reserves and Existing Debt

Updated Capacity Fee

Project Objectives

Study Goals

Main Objectives



Update Capacity Fees To Reflect 2023 Costs



Connect Recently Completed Master Plan to Capacity Fee



Ensure Fair Share Allocation Of Facility Costs To Growth



Maintain Compliance With Prop. 26



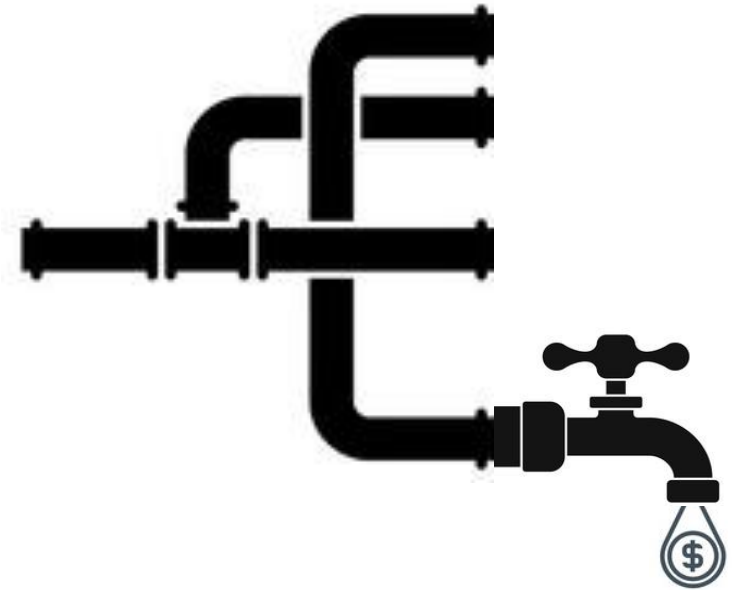
Prepare A Comprehensive Report

Capacity Fees

Capacity Fees

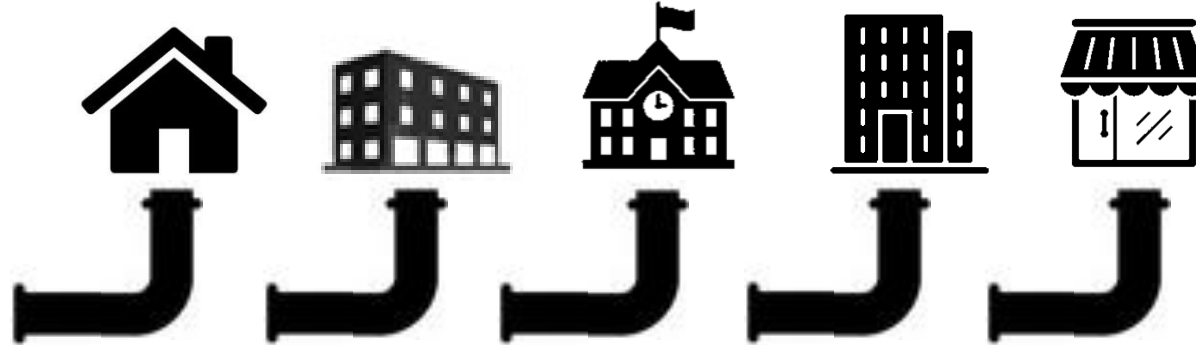
Purpose of fees

- One-time capital charges against new development to fund facilities needed to accommodate growth
 - *“Growth pays for growth”*
- Existing customers should not be burdened with facility requirements for future customers
- Generates equity through a fair share allocation of system facility costs between existing customers and growth



SPWA Capacity Fee Methodology

Incremental Cost Approach



- The Agency has detailed planning documents identifying facility needs between existing and new development
- Expansions and improvements required to accommodate growth are solely paid by growth
 - Future costs are recovered over the additional capacity of expansions
- Projects are typically debt-financed
 - Existing Pleasant Grove facility secured by capacity fees
 - New SRF Loans: PG Energy Recovery and PG Phase 1 Expansion

Future Growth and Facilities

Assumptions

Growth through FY 2060

Agency	Residential EDUs	Commercial EDUs
Roseville	10,158	13,578
Placer County	13,695	4,832
SPMUD	10,220	<i>Captured as Residential Equivalents</i>
Total	34,073	18,410

➤ Total EDUs over Planning Period = **52,483**

Master Plan Projects

2023 Dollars

Incremental Costs	Total Cost
Pleasant Grove WWTP - Energy Recovery	\$34,798,613
Pleasant Grove Electrical Expansion	\$31,500,000
DCWWTP and PGWWTP Capacity Evaluation	\$1,500,000
Pleasant Grove UV	\$5,720,000
Dry Creek Expansion Phase 1	\$16,725,000
Dry Creek Expansion Phase 2	\$156,401,000
Pleasant Grove Expansion Phase 1	\$77,254,600
Pleasant Grove Expansion Follow Up Projects	\$1,500,000
Pleasant Grove Expansion Phase 2	\$98,000,000
Regional Pump Station 26 and Force Main Capacity Improvement	\$4,597,071
PGWWTP Maintenance Administration and Shop Building	\$25,350,000
Corridors Capacity Addition	\$5,400,000
Dry Creek Operations and Lab Building	\$13,500,000
Total	\$472,246,283

Treatment Plant Expansions

Pleasant Grove and Dry Creek

Treatment Plant	Plant Capacity (GPD)	
Capacity - Pleasant Grove	9,000,000	Current Capacity
PG Exp (Phase 1)	3,000,000	
Capacity - PG + Phase 1	12,000,000	Total Capacity with Expansions
PG Exp (Phase 2)	5,600,000	
Capacity - PG + Phase 1&2	17,600,000	
DC Exp (Phase 1)	3,000,000	
Capacity - Total PG + DC Phase 1	20,600,000	
DC Exp (Phase 2)	3,500,000	Capacity of Expansions
Capacity - PG + All Exp	24,100,000	
Capacity - PG + All Exp @ 90% Ops Capacity Expansions Only	21,690,000	
PG Exp - Phase 1 & 2	8,600,000	
DC Exp - Phase 1 & 2	6,500,000	
Total - All Expansions	15,100,000	
All Expansions @ 90% Ops Capacity	13,590,000	

➤ Operating Capacity set to 90%

Reserves and Existing Debt

Reserves and Existing Funding

RSR, Bond Proceeds, and SRF Reimbursements

Capital Reserves/Proceeds	Total
Rate Stabilization Reserve	<u>\$172,105,105</u>
Roseville	\$101,206,517
Placer County	\$5,436,276
SPMUD	\$65,462,312
Bond Proceeds	\$30,000,000
SRF Reimbursements	\$22,961,108
Total	\$225,066,213

Debt Obligations

Principal and Interest

Debt Obligation	Principal	Interest	NPV of Interest	Included in Capacity Fee
Principal to Date	\$79,500,000			\$79,500,000
Interest to Date		\$129,299,624		\$129,299,624
Revenue Bond, Series 2017	\$63,590,000	\$21,111,500	\$18,565,651	\$82,155,651
Revenue Bond, Series 2020	\$46,920,000	\$23,184,000	\$20,464,055	\$67,384,055
SRF, Energy Recovery	Part of Project costs	\$5,495,628	\$4,345,057	\$4,345,057
SRF, PG Phase 1 Exp	Part of Project costs	\$16,770,013	\$13,259,022	\$13,259,022
FY 2044 Proposed Debt	Part of Project costs	\$30,859,783	\$16,087,471	\$16,087,471

Updated Capacity Fee

Available Funding and Existing Debt

2023 Dollars

Adjustment Description	Value (\$)	Allocation Basis	Units of Service	Unit Rate	Conversion Factor	\$ per EDU
Adjustments						
(+/-) Capital Related Reserves/Proceeds	(\$30,000,000)	All Exps @ 90% Ops Capacity	13,590,000	(\$2.21)	190	(\$420.00)
(+) Principal and Interest Paid to Date (through FY 2023)	\$208,799,624	PG + All Exps @ 90% Ops Capacity	21,690,000	\$9.63	190	\$1,830.00
(+) Outstanding Debt Principal	\$110,510,000	PG + All Exps @ 90% Ops Capacity	21,690,000	\$5.09	190	\$969.00
(+) Net Present Value of Outstanding Interest						
Wastewater Revenue Bonds, Series 2017	\$18,565,651	PG + All Exps @ 90% Ops Capacity	21,690,000	\$0.86	190	\$163.00
Wastewater Revenue Bonds, Series 2020	\$20,464,055	PG + All Exps @ 90% Ops Capacity	21,690,000	\$0.94	190	\$180.00
CWSRF 8215-210	\$4,345,057	All Exps @ 90% Ops Capacity	13,590,000	\$0.32	190	\$61.00
CWSRF 8215-110	\$13,259,022	All Exps @ 90% Ops Capacity	13,590,000	\$0.98	190	\$186.00
FY 2044 New/Proposed Debt	\$16,087,471	All Exps @ 90% Ops Capacity	13,590,000	\$1.18	190	\$224.92
Net Adjustment Unit Rate						\$3,193.92

Incremental Project Costs

2023 Dollars

Capital Projects	Projected Cost	Allocation Basis	Units of Service	Unit Rate	Conversion Factor	\$ per EDU
Pleasant Grove WWTP - Energy Recovery	\$34,798,613	All Exps @ 90% Ops Capacity	13,590,000	\$2.56	190	\$487.00
Pleasant Grove Electrical Expansion	\$31,500,000	All Exps @ 90% Ops Capacity	13,590,000	\$2.32	190	\$441.00
DCWWTP and PGWWTP Capacity Evaluation	\$1,500,000	All Exps @ 90% Ops Capacity	13,590,000	\$0.11	190	\$21.00
Pleasant Grove UV	\$5,720,000	All Exps @ 90% Ops Capacity	13,590,000	\$0.42	190	\$80.00
Dry Creek Expansion Phase 1	\$16,725,000	All Exps @ 90% Ops Capacity	13,590,000	\$1.23	190	\$234.00
Dry Creek Expansion Phase 2	\$156,401,000	All Exps @ 90% Ops Capacity	13,590,000	\$11.51	190	\$2,187.00
Pleasant Grove Expansion Phase 1	\$77,254,600	All Exps @ 90% Ops Capacity	13,590,000	\$5.68	190	\$1,081.00
Pleasant Grove Expansion Follow Up Projects	\$1,500,000	All Exps @ 90% Ops Capacity	13,590,000	\$0.11	190	\$21.00
Pleasant Grove Expansion Phase 2	\$98,000,000	All Exps @ 90% Ops Capacity	13,590,000	\$7.21	190	\$1,371.00
Regional Pump Station 26 and Force Main Capacity Improvement	\$4,597,071	All Exps @ 90% Ops Capacity	13,590,000	\$0.34	190	\$65.00
PGWWTP Maintenance Administration and Shop Building	\$25,350,000	All Exps @ 90% Ops Capacity	13,590,000	\$1.87	190	\$355.00
Corridors Capacity Addition	\$5,400,000	All Exps @ 90% Ops Capacity	13,590,000	\$0.40	190	\$76.00
Dry Creek Operations and Lab Building	\$13,500,000	All Exps @ 90% Ops Capacity	13,590,000	\$0.99	190	\$189.00
Total Incremental Component						\$6,608.00



System Buy-In Debt Component

FY 2024

Wastewater Infrastructure	
(+/-) Capital Related Reserves/Proceeds	(\$420)
(+) Principal and Interest Paid to Date (through FY 2023)	\$1,830
(+) Outstanding Debt Principal	\$969
(+) Net Present Value of Outstanding Interest	
Wastewater Revenue Bonds, Series 2017	\$163
Wastewater Revenue Bonds, Series 2020	\$180
CWSRF 8215-210	\$61
CWSRF 8215-110	\$186
FY 2044 New/Proposed Debt	\$225
Total System Buy-In Debt Component	\$3,194

Incremental Component

Pleasant Grove WWTP - Energy Recovery	\$487
Pleasant Grove Electrical Expansion	\$441
DCWWTP and PGWWTP Capacity Evaluation	\$21
Pleasant Grove UV	\$80
Dry Creek Expansion Phase 1	\$234
Dry Creek Expansion Phase 2	\$2,187
Pleasant Grove Expansion Phase 1	\$1,081
Pleasant Grove Expansion Follow Up Projects	\$21
Pleasant Grove Expansion Phase 2	\$1,371
Regional Pump Station 26 and Force Main Capacity Improvement	\$65
PGWWTP Maintenance Administration and Shop Building	\$355
Corridors Capacity Addition	\$76
Dry Creek Operations and Lab Building	\$189
Total Incremental Component	\$6,608

Total Proposed Wastewater Capacity Fee	\$9,802
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SPWA
Capacity Fee
Comparison

Existing Capacity Fee	Proposed Capacity Fee	Difference (\$)
\$9,852	\$9,802	(\$50)

Next Steps

Upcoming Tasks / Meetings

- Draft Report
- Final fee approval at the April Board Meeting
- The fee will be effective July 1st, 2024