



Mason County Public Works Utility Rate Review North Bay/Case Inlet Sewer

PRESENTED BY MASON COUNTY PUBLIC WORKS

About the North Bay/Case Inlet Community

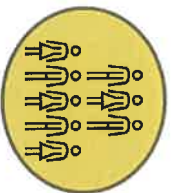


North Bay sewer serves 1,435 customers with capacity to serve 2,356.
The system continues to grow.

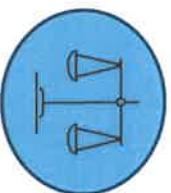
Objectives & Considerations

- 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" as a percent Median Household Income

Sewer Utility Overview



ERUS
1435



OPERATING
BUDGET
\$ 2,843,708



10-YEAR
CAPITAL
\$13,355,000

What It Costs to Operate Your Utility

In 2024, operating, capital and loan payment expenditures are anticipated at \$2,843,708.

- 58% operating
- 35% capital
- 7% debt

The equitable annual proportion of each North Bay sewer customer would be about \$1982 a year or nearly \$165 per month.

Affordability

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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 North Bay household.

Current rate = \$124.86

“All In” rate = \$165

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



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.



The North Bay/Case Inlet community has 1,435 wastewater ERU's.

Sewer Rate Scenario # 1

	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
# of Current Customers	1435	1445	1455	1465	1470	1475	1480	1485	1490	1495
Increase Per Year	10	10	10	5	5	5	5	5	5	5
Rate	\$ 133.48	\$ 141.48	\$ 149.97	\$ 158.97	\$ 168.51	\$ 178.62	\$ 189.34	\$ 200.70	\$ 212.74	\$ 225.50
Annual % Increase	6.90%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%
Monthly \$ Increase	\$ 8.62	\$ 8.01	\$ 8.49	\$ 9.00	\$ 9.54	\$ 10.11	\$ 10.72	\$ 11.36	\$ 12.04	\$ 12.76
Annual \$ Increase	\$ 103.38	\$ 96.10	\$ 101.87	\$ 107.98	\$ 114.46	\$ 121.33	\$ 128.61	\$ 136.32	\$ 144.50	\$ 153.17

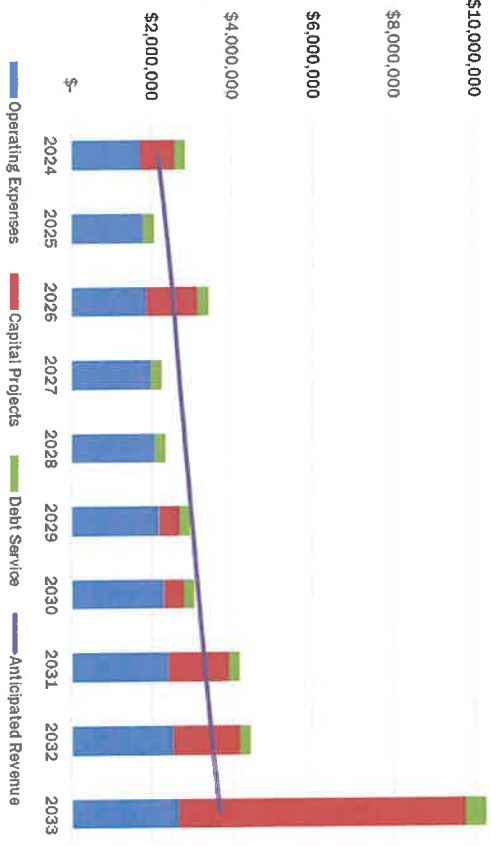
Current sewer rate:

- 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 doesn't ensures sufficient cash flow for operating, debt and capital expenditures.
- It is anticipated that the community will grow 5% over the next 10 years.
- This proposed rate includes the County staff working to secure more than \$7.5million dollars in grants and/or debt issuance or other.

Ten Year Revenue vs Expenses Projection

10-Year Proposed Sewer Rates

\$12,000,000
 \$10,000,000
 \$8,000,000
 \$6,000,000
 \$4,000,000
 \$2,000,000
 \$-



North Bay 2023 Sewer Rates:

Monthly Sewer Rate: \$ 124.86
 Duplex Sewer Rate: \$ 174.80
 Connection Fee: \$11,954.72

Scenario #1 2024 Sewer Rate

Monthly Sewer Rate: \$ 133.48
 Duplex Sewer Rate: \$ 186.86
 Connection Fee: \$11,954.72

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

Other Revenue Opportunities:



GRANTS



LOANS



COUNTY SUPPORT



Mason County
Commissioners and staff
work hard to multiply
your tax dollars.

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](#)