

Costs of Servicing Kala Point Septic Systems

Presented by
Jefferson County PUD
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Overview

- Identification of Typical Costs
- Costs of Servicing 5 Systems
- Next Steps

Kala Heights - 5 Gravity Systems - left side of street				Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Total	
# units	Type	Inflation Rate:			2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%		
1	Pressurized with pump														
5	Gravity-each customer														
		Mos.	Qty	Rate											
	Expenses:														
	Annual evaluation-pump chamber	1	3	\$51	153	157	161	165	169	173	177	182	186	191	\$1,714
	Evaluation of gravity system-every 3 years	1	7.5	\$51	383			412			444			478	\$1,718
	Septic tank pumping-every 5 years	1	1	\$400	400	410	420	431	442	453	464	475	487	500	\$4,481
	Pump chamber pumping-every 2 years	1	1	\$200	200		210		221		232		244		\$1,107
	New pump-approx every 10 years	1	1	\$600					662						\$662
	New lid-approx every 3 years	1	1	\$75			79			85			91		\$255
	Checking alarm lights-drive through	12	0.25	\$51	153	157	161	165	169	173	177	182	186	191	\$1,714
	Onsite supervision during tank pumping	1	1.50	\$51	77	79	81	83	85	87	89	92	94	96	\$863
	Onsite supervision during chamber pumping	1	1.50	\$51	77		81		85		89		94		\$426
	Administrative support by R Calkins	12	1.00	\$49	588	603	618	633	649	665	682	699	716	734	\$6,588
	Billing, Customer Service	1	2.50	\$48	120	123	126	129	132	136	139	143	146	150	\$1,344
	Total Estimated Expenses				\$2,151	\$1,528	\$1,936	\$2,018	\$2,614	\$1,772	\$2,495	\$1,772	\$2,246	\$2,340	\$20,872
	Revenues:														
	Current Rates	12	5	\$15	900	900	900	900	900	900	900	900	900	900	\$9,000
	Annual Margin/Loss-Current Rates				-\$1,251	-\$628	-\$1,036	-\$1,118	-\$1,714	-\$872	-\$1,595	-\$872	-\$1,346	-\$1,440	-\$11,872
	Monthly Rate to Break Even	12	5	\$35	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100	\$21,000
	Annual Margin/Loss-Break Even Rates				-\$51	\$572	\$164	\$82	-\$514	\$328	-\$395	\$328	-\$146	-\$240	\$128

Kala Heights - 5 Gravity Systems - right side of street					Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Total
# units	Type	<i>Inflation Rate:</i>			2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	
		Mos.	Qty	Rate											
1	Pressurized with pump														
5	Gravity-each customer														
Expenses:															
	Annual evaluation-pump chamber	1	3	\$51	153	157	161	165	169	173	177	182	186	191	\$1,714
	Evaluation of gravity system-every 3 years	1	7.5	\$51	383			412			444			478	\$1,718
	Septic tank pumping-every 5 years	1	1	\$400	400	410	420	431	442	453	464	475	487	500	\$4,481
	Pump chamber pumping-every 2 years	1	1	\$200	200		210		221		232		244		\$1,107
	New pump-approx every 10 years	1	1	\$600					662						\$662
	New lid-approx every 3 years	1	1	\$75			79			85			91		\$255
	Checking alarm lights-drive through	12	0.25	\$51	153	157	161	165	169	173	177	182	186	191	\$1,714
	Onsite supervision during tank pumping	1	2.00	\$51	102	105	107	110	113	115	118	121	124	127	\$1,143
	Onsite supervision during chamber pumping	1	2.00	\$51	102		107		113		118		124		\$564
	Administrative support by R Calkins	12	1.00	\$49	588	603	618	633	649	665	682	699	716	734	\$6,588
	Billing, Customer Service	1	2.50	\$48	120	123	126	129	132	136	139	143	146	150	\$1,344
	Total Estimated Expenses				\$2,201	\$1,554	\$1,989	\$2,045	\$2,669	\$1,800	\$2,552	\$1,802	\$2,306	\$2,372	\$21,290
Revenues:															
	Current Rates	12	5	\$15	900	900	900	900	900	900	900	900	900	900	\$9,000
	Annual Margin/Loss-Current Rates				-\$1,301	-\$654	-\$1,089	-\$1,145	-\$1,769	-\$900	-\$1,652	-\$902	-\$1,406	-\$1,472	-\$12,290
	Monthly Rate to Break Even	12	5	\$36	2,160	2,160	2,160	2,160	2,160	2,160	2,160	2,160	2,160	2,160	\$21,600
	Annual Margin/Loss-Break Even Rates				-\$41	\$606	\$171	\$115	-\$509	\$360	-\$392	\$358	-\$146	-\$212	\$310

Kala Heights - 2 Customers					Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Total
# units	Type	<i>Inflation Rate:</i>				2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	
		Mos.	Qty	Rate											
1	Pressurized with pump														
2	2 homes sharing a septic system														
Expenses:															
	Annual evaluation-entire septic system	1	3	\$51	153	157	161	165	169	173	177	182	186	191	\$1,714
	Septic tank pumping-every 5 years	1	1	\$800				862					975		\$1,836
	New pump-approx every 10 years	1	1	\$600					662						\$662
	New lid-approx every 10 years	1	1	\$75					83						\$83
	Checking alarm lights-drive through	12	0.25	\$51	153	157	161	165	169	173	177	182	186	191	\$1,714
	Onsite supervision during tank pumping	1	2.00	\$51				110					124		\$234
	Administrative support by R Calkins	12	0.25	\$49	147	151	154	158	162	166	170	175	179	184	\$1,647
	Billing, Customer Service	1	1.00	\$48	48	49	50	52	53	54	56	57	58	60	\$538
	Total Estimated Expenses				\$501	\$514	\$526	\$1,511	\$1,298	\$567	\$581	\$596	\$1,709	\$626	\$8,428
Revenues:															
	Current Rates	12	2	\$15	360	360	360	360	360	360	360	360	360	360	\$3,600
	Annual Margin/Loss-Current Rates				-\$141	-\$154	-\$166	-\$1,151	-\$938	-\$207	-\$221	-\$236	-\$1,349	-\$266	-\$4,828
	Monthly Rate to Break Even	12	2	\$36	864	864	864	864	864	864	864	864	864	864	\$8,640
	Annual Margin/Loss-Break Even Rates				\$363	\$350	\$338	-\$647	-\$434	\$297	\$283	\$268	-\$845	\$238	\$212

Sea View					Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Total
# units	Type	Inflation Rate:			2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	
		Mos.	Qty	Rate											
1	Pressurized with pump														
8	4 duplexes (2 customers each)-pump to gravity														
Expenses:															
	Annual evaluation-pump chamber	1	3	\$51	153	157	161	165	169	173	177	182	186	191	\$1,714
	Evaluation of gravity system-every 3 years	1	7.5	\$51	383			412			444			478	\$1,718
	Septic tank pumping-every 2.5 years	1	4	\$400	1,600			1,723			1,856			1,998	\$7,177
	Pump chamber pumping-every 2 years	1	1	\$200	200		210		221		232		244		\$1,107
	New pump-approx every 10 years	1	1	\$600					662						\$662
	Lid replacement program	2	1	\$75	150										\$150
	New lid-approx every 5 years (12 total)	1	1	\$75	75	77	79	81	83	85	87	89	91	94	\$840
	Checking alarm lights-drive through	12	0.25	\$51	153	157	161	165	169	173	177	182	186	191	\$1,714
	Onsite supervision during tank pumping	4	1.50	\$51	306			330			355			382	\$1,373
	Onsite supervision during chamber pumping	1	0.50	\$51	26		27		29		30		32		\$144
	Administrative support by R Calkins	12	0.25	\$49	147	151	154	158	162	166	170	175	179	184	\$1,647
	Billing, Customer Service	1	4.00	\$48	191	196	201	206	211	216	222	227	233	239	\$2,140
	Total Estimated Expenses				\$3,384	\$737	\$993	\$3,239	\$1,705	\$813	\$3,750	\$855	\$1,151	\$3,757	\$20,385
Revenues:															
	Current Rates	12	8	\$15	1,440	1,440	1,440	1,440	1,440	1,440	1,440	1,440	1,440	1,440	\$14,400
	Annual Margin/Loss-Current Rates				-\$1,944	\$703	\$447	-\$1,799	-\$265	\$627	-\$2,310	\$585	\$289	-\$2,317	-\$5,985
	Monthly Rate to Break Even	12	8	\$22	2,112	2,112	2,112	2,112	2,112	2,112	2,112	2,112	2,112	2,112	\$21,120
	Annual Margin/Loss-Break Even Rates				-\$1,272	\$1,375	\$1,119	-\$1,127	\$407	\$1,299	-\$1,638	\$1,257	\$961	-\$1,645	\$735

Summary of Kala Point Systems									
			Over 10 Years				10 Years	Years 1-5	Years 6-10
		Current	Current		Current	Break Even	Break Even	Break Even	Break Even
System	# Customers	Monthly Rate	Revenue	Expense*	Net Margin	Monthly Rate	Revenue	Margins	Margins
Kala Heights - 5 Gravity Systems - left side of street	5	\$15	\$9,000	\$20,872	-\$11,872	\$35	\$21,000	\$253	-\$125
Kala Heights - 5 Gravity Systems - right side of street	5	\$15	9,000	21,290	-12,290	\$36	21,600	342	-33
Kala Heights - 2 Customers	2	\$15	3,600	8,428	-4,828	\$36	8,640	-30	242
Village Time Share-121 Village Drive (20 Village Drive)	6	\$15	10,800	15,981	-5,181	\$23	16,560	1,198	-619
Sea View	8	\$15	14,400	20,385	-5,985	\$22	21,120	502	233
Totals	26		\$46,800	\$86,957	-\$40,157		\$88,920	\$2,264	-\$301
One Rate Plan	26					\$28			
Total Kala Point Customers	117								
Total All Sewer/Septic Customers	358								

*Above costs do not include administrative type costs, such as governance, management, accounting, communication, IT, etc. These are around 30% of operation and maintenance costs.

Going Forward...

- Agreement on services provided and not provided
- Adjustment on fees based on services provided
- PUD will track costs by system
- Annual report on costs