

Oconee Joint RSA

Wastewater Rate Study

March 6, 2025

Willdan Financial Services

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Rate Study Goals & Objectives

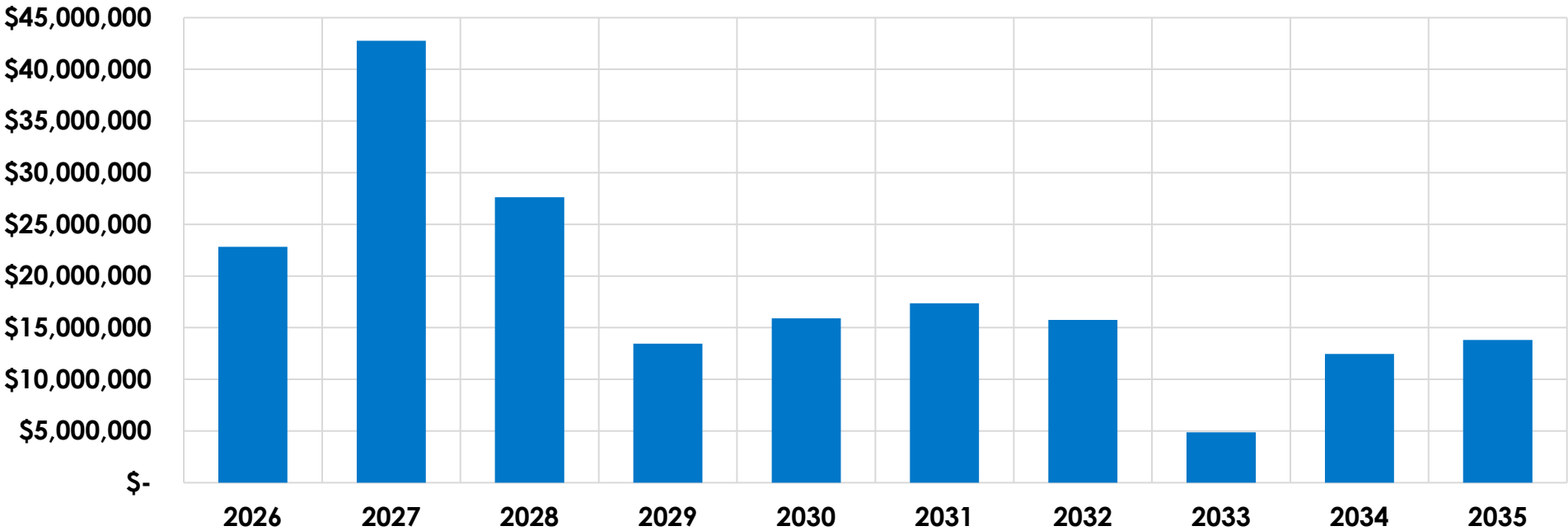
The primary goals and objectives of the rate study include:

- Full Cost Recovery of utility expenditures
- Cost-based rate structure
- Equity among customer classes
- Administrative efficiency
- 5 to 10-Year financial plan (FY 2026 – FY 2035)
- Consistency with common industry standards

Issues Driving The Financial Plan

- Rising operating costs (chemicals, supplies, equipment, etc.)
- Rising personnel costs (labor, benefits, etc.)
- Major capital expenditure needs, primarily to serve regional growth
 - Davis Creek Road No. 1 Pump Station & Force Main (Newry Area)
 - Martin Creek Pump Station & Force Main
 - Newry Area Pump Station & Force Main
 - Coneross Creek WRF Upgrade Phase 1 (Upgrade to 10.4 mgd)
 - Systemwide Improvements (Rehab 100% of System Plus Misc. Gravity Sewer Improvements)

Capital Improvement Program

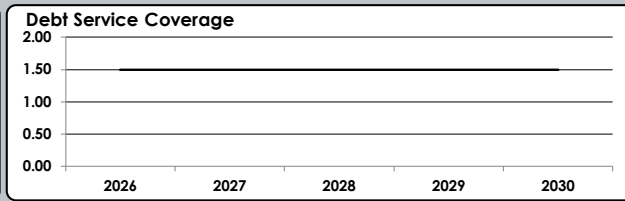
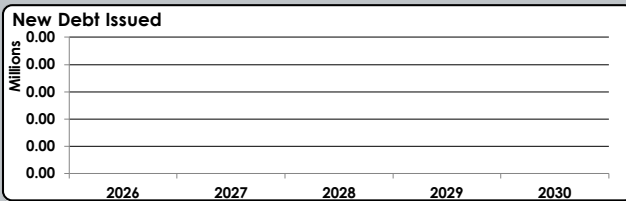
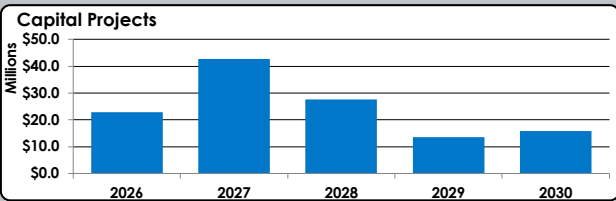
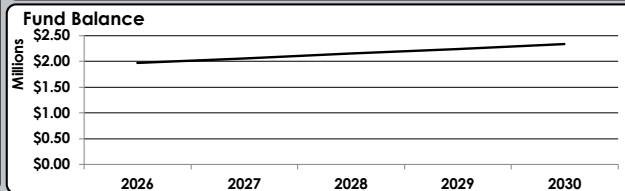
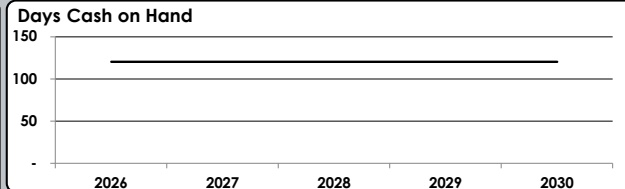
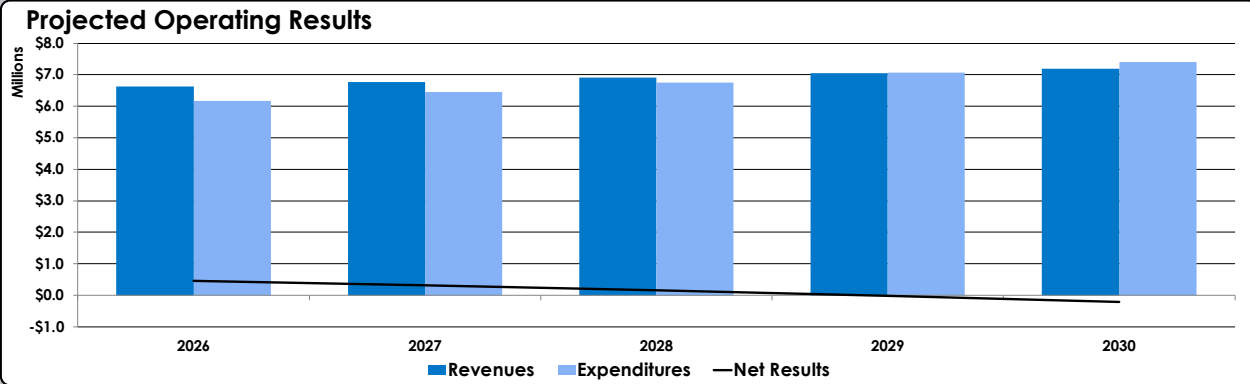


10 – Year Total = \$186.8 Million
3 – Year Total = \$ 93.2 Million

Financial Impacts of Funding the CIP

- Projections assume Pay-Go funding only (no debt)
- Capital projects prioritized by staff
- Rate adjustments based on target of 120 days-cash-on-hand
 - Scenario 1 – Fund All Capital Projects
 - Scenario 2 – Fund Priority 1-3 Projects
 - Scenario 3 – Fund Priority 1-2 Projects
 - Scenario 4 – Fund Only Priority 1 Projects
 - Scenario 5 – Don't Fund Any Projects

Review Analysis Model



Conclusion

- Sizable capital improvement costs
- Rate adjustments needed to:
 - Continue addressing Consent Order, CMOM, aging equipment and facilities, and other compliance matters
 - Pay for rising operating costs (energy, fuel, supplies, etc.)
 - Pay for rising personnel costs (labor, benefits, etc.)
 - Meet targeted financial metrics for Fund Balance Reserves/Days Cash on Hand

QUESTIONS & DIRECTION FROM THE BOARD

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