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To: Patrick Brama, City of Ramsey
From: Kevin P. Kielb, P.E
Date: September 19, 2017
RE: Sewer Service to 167th Area

BACKGROUND

We have completed the Sanitary Sewer and Watermain Plan Updates to be used in coordination with the City's 2040 Comprehensive Plan update. A question arose related to the impacts of providing service to the 167th Area, known in previous studies as the NE Expansion Area.

There are a few key considerations related to the updates we completed:

- Revenue generation considered billings to existing users, along with connection fees and Availability Charges for undeveloped parcels.
- Expenses included costs associated with extending trunk facilities to undeveloped areas.
- The sewer system was designed to ensure all parcels within the City could connect to the system, if they desired (both developed and undeveloped).
- While the 167th Area Improvements will be required to serve the undeveloped parcels in that area, it will also be required to serve the developed properties if they ever want to connect.

The spreadsheet contained in the update is very dynamic and considers both short term and long term improvements across the entire City. Balancing and averaging occurs in the spreadsheet to account for peaks and lows in connections and required improvements. This is completed to give the City an indicator of whether or not the fund is sustainable based on the current charges and fee structure.

The projections for future connections to the system include all areas of the City, including the 167th Area. Without this area included in the projections, the total number of future connections may decrease by the total number of connections available in that area, or by a percentage of that number.

To gain a general understanding of how that area might impact the entire analysis, we completed a somewhat empirical analysis to provide an idea of how the 167th Area impacts the charges and fees.

ANALYSIS

We looked at costs of improvements and available Residential Equivalent Connections (REC) with and without the 167th Area. For reference, from past studies, a REC is calculated as follows:

- The base unit is a residential dwelling and is equal to 1 REC.
- A High Density Residential connection is equal to 0.7 RECs per unit.
- Commercial and Industrial areas are equal to 3.01 RECs per acre.

The total of all of the undeveloped areas within the City, INCLUDING the 167th Area, has the potential of an additional 4572 RECs. The estimated present day costs of all improvements needed to serve these

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areas is \$10,119,600, which includes a 20% contingency for unforeseen improvements that may be needed for the system. Dividing the total costs by the total connections yields a value of \$2,213.

The total of all of the undeveloped areas within the City, EXCLUDING the 167th Area, has the potential of an additional 3984 RECs. The estimated present day costs of all improvements needed to serve these areas is \$8,343,600, which includes a 20% contingency for unforeseen improvements that may be needed for the system. Dividing the total costs by the total connections yields a value of \$2,094.

Based on this analysis, the connection charge increases in the range of 5% with the inclusion of the 167th Area connections and improvements.