Memo

To: Lesley Nalley, CEO
From: Jason Charles Temple, PE; Director of Public Utilities
       Linda Mayhood, COO
Date: August 15, 2018
Re: Discussion: Receiving Wastewater from the Boys & Girls Club Area owned by the Jessieville / Fountain Lake School Districts

At the May 16, 2018 Board meeting, Jason Temple, Director of Public Utilities presented a proposal from the Jessieville/Fountain Lake School Districts (JFLSD) to connect their wastewater system to HSVPOA’s system. The Board authorized management to draft an agreement for review and approval.

Attached is a draft agreement that has been reviewed and approved by HSVPOA attorneys.

Article 4.1 outlines JFLSD’s obligation to “construct, operate and maintain all of its existing and new collection and conveyance facilities”.

The Millcreek Waste Water Treatment Plant (WWTP) has a one (1) million-gallon design capacity and is currently operating at 50% of the design load. The JFLSD’s wastewater load is very small and would use 0.34% of the Millcreek WWTP design wastewater load, thus increasing the current wastewater load from 50% to 50.34%. This addition of wastewater will have no significant impact to the plant.

HSV will bill JLFSD based on the volume of wastewater received. JFLSD’s rates will be higher than the HSV Commercial rate. The Non-member Commercial Wastewater Rate for entities outside the Village includes additional fees for administrative, collection system capacity, and WWTP capacity. Initial estimations of the proposed Non-HSV Commercial Rate include the following:

- **Proposed Non-HSV Wastewater Commercial Rate:**
  - $40.52 per month Base + $14.39 / 1000 Gallons

- **Current HSVPOA (inside HSV) Wastewater Commercial Rate:**
  - $38.02 per month base + $12.39/1000 gallons (covers current cost of operations, maintenance, and debt service)
Projected Revenue / Expense

The ongoing revenue and operating expenses associated with conveying and treating JFLSD’s wastewater is summarized below:

- Estimated annual gross revenues: $20,117.47
- Estimated annual cost of services: $6,434.29 (based on 2017 costs)
- Estimated Annual Net Revenues: $13,683.19

Remaining Action Items:

- Who’s property do the lines affect and have permissions been received
- Confirmation of third party maintenance agreement of Jessieville/Fountain Lake School District system
- Final notification by HSVPOA to ADEQ of addition
- JFLSD request that ADEQ modify their Consent Administration Order

The proposed agreement, unless otherwise directed by the Board during today’s discussion, will be sent to JFLSD for their review.

This will be on the September 19, 2018 agenda for final approval.