

January 17, 2024



Board of Trustees
Packet



Duckett Creek Sanitary District

Posted
January 12, 2024
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NOTICE OF PUBLIC HEARING

The Duckett Creek Sanitary District
will conduct a Public Hearing at 4:00 and 6:00 p.m. on January 17, 2024 at the
Duckett Creek Conference Room, 3550 Highway K, O'Fallon, MO 63368
for the purpose of discussing the following items:

OPEN PUBLIC HEARING Reference Commercial Rate Increase

RATE INCREASE PRESENTATION

Stantec Presentation Information

PUBLIC COMMENTS

CLOSE PUBLIC HEARING



Duckett Creek Sanitary District

Public Rate Hearing

January 17, 2024





Agenda

- For the 3rd consecutive year, the District has retained Stantec to develop a rate model to address current and future District obligations
- Goal: evaluate District needs and recommended rates for 2024
- Review financial plan to achieve a reasonable approach to implementing user rate adjustments
 - Evaluate timing of rate increases (if any)
 - Single or multi-year approach
 - Maintain parity between residential and commercial rates
- Provide recommendation to District on implementation of rates for residential and commercial customers
- Present rate history graphs
- Questions?



Fiscal Year (FY) 2024 Revenue Sufficiency Analysis

Model Inputs and Assumptions

- Updated 30-year capital improvement program (CIP) schedule including existing and future infrastructure and plants (including Hopewell Plant)
- Hopewell Plant project includes approximately \$46.1M in borrowing
- Prepared financial plan required to meet current and future operations, maintenance, and capital costs including future staffing and cash vs debt funding of CIP projects
- Commercial Rate increase effective March 1st, 2024
- Calculated rates rounded to nearest 5¢
- Riverdale and Wyndgate customers continue at current rate until surcharges sunset in December 2025



Commercial increase in FY24 to achieve 100% parity with Residential rates



DUCKETT CREEK SANITARY DISTRICT

No further rate increases for projection period with current assumptions



1 year rate increase

	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2028	FY 2033
Residential Fixed Rate Plan	22.97%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Commercial Usage Rate Plan	29.35%	21.64%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	21.59%	21.59%
Total Fund Balance as a % of O&M	197.6%	144.5%	109.3%	102.1%	98.0%	89.5%	85.6%	76.4%	68.8%	61.4%	52.7%		
Senior-Lien DSC	1.79	1.53	1.37	1.95	1.93	1.71	1.80	1.59	1.45	1.33	1.23		
All-In DSC	1.58	1.35	1.21	1.59	1.93	1.71	1.80	1.59	1.45	1.33	1.23		
Single Family Residential Bill	\$26.75	\$26.75	\$26.75	\$26.75	\$26.75	\$26.75	\$26.75	\$26.75	\$26.75	\$26.75	\$26.75		
\$ Chg in Res. Bill		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00		
Residential/ Commercial Parity	82%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%		
Commercial Rate	\$4.40	\$5.35	\$5.35	\$5.35	\$5.35	\$5.35	\$5.35	\$5.35	\$5.35	\$5.35	\$5.35		
\$ Chg in Non-Res. Rate		\$0.95	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00		

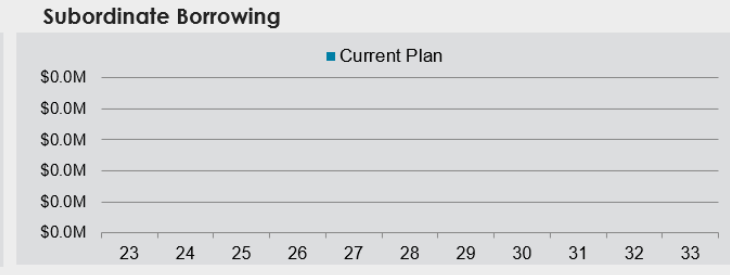
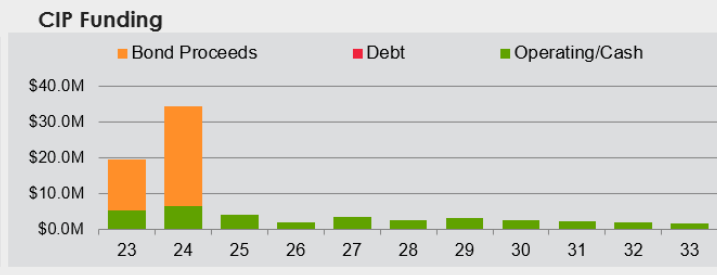
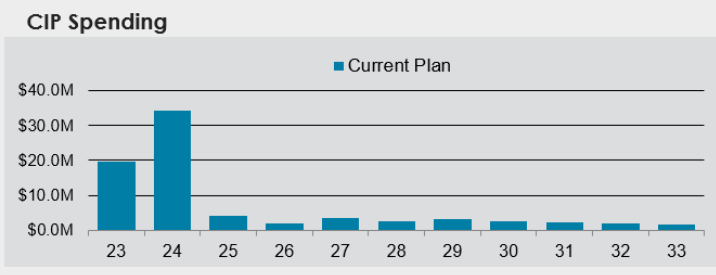
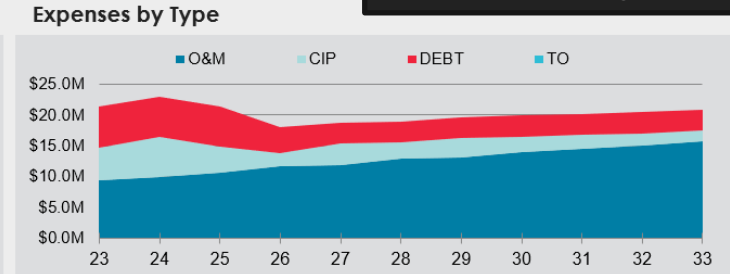
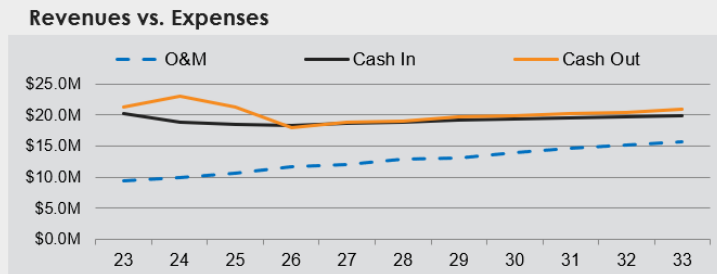
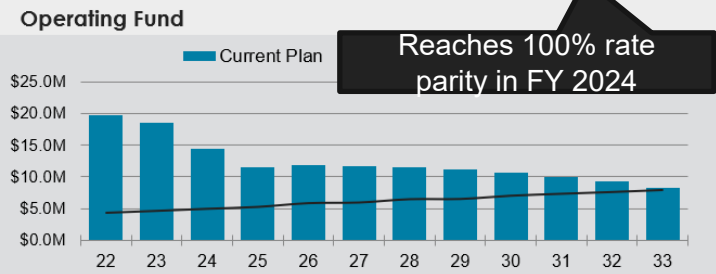
Scenario Manager

Hopewell: Phase 1

LAGERS: No

System: Yes

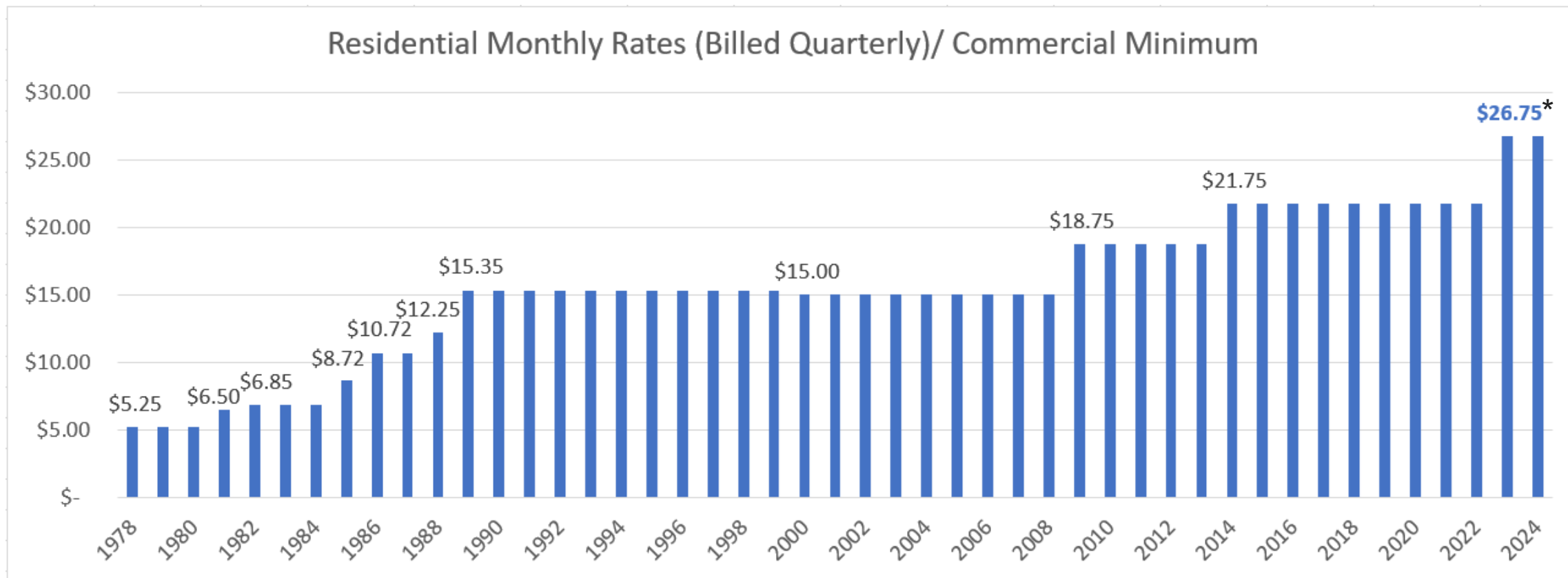
Maintains 1.10x minimum debt service coverage





Duckett Creek Rate History

Including Rate Study Recommendations

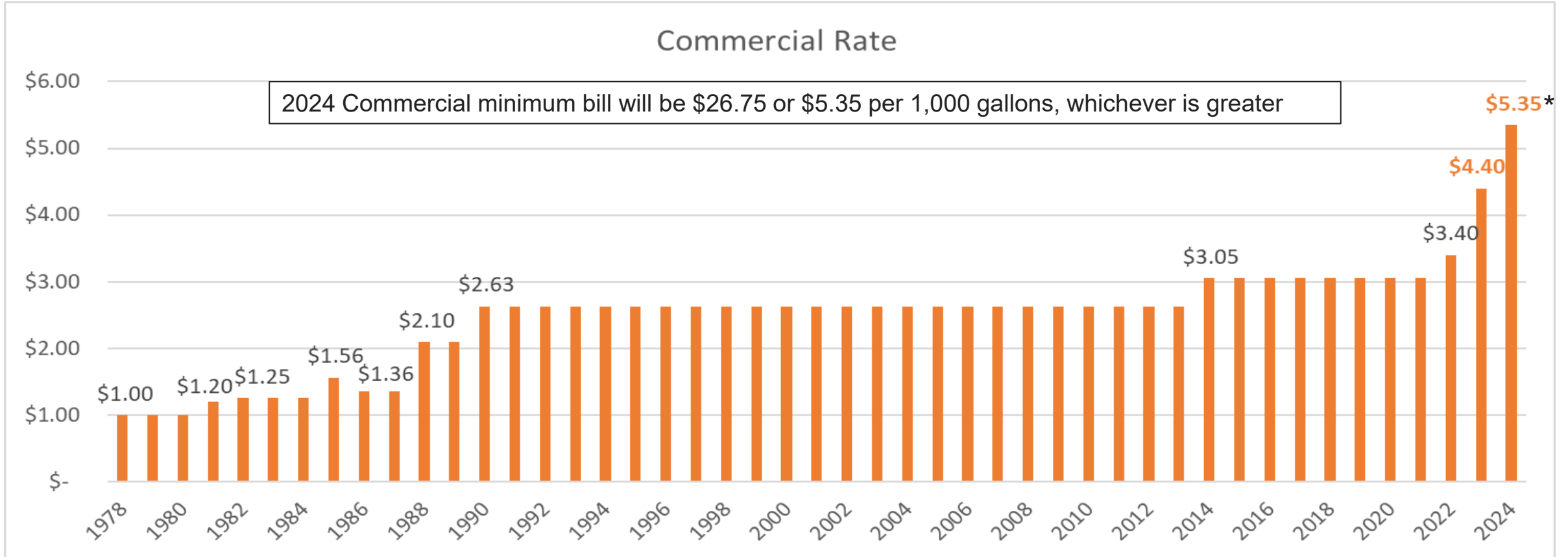


*2024 rates are projected to be maintained until 2033



Duckett Creek Rate History

Including Rate Study Recommendations



*2024 rates are projected to be maintained until 2033



Questions?



What is our customer parity target?

Current Rate Structure

Customer Class	Rate Schedule	Existing Parity per kgal
Residential	\$26.75 per account	$\frac{\$26.75}{\$4.40} = 6.08$ kgals per month
Commercial	\$4.40 per kgal	

Target Customer Parity

- District's goal is to move closer to desired parity of 5 kgals without significant customer impacts





Connection Fees for Hopewell

Meter size	Meter Equivalent Ratio*	Connection Fees
3/4"	1.0	\$2,000
1"	1.67	\$3,340
1.5"	3.33	\$6,660
2"	5.33	\$10,660
3"	11.67	\$23,340
4"	20.00	\$40,000
6"	45.00	\$90,000

* Per AWWA Manual M22 3rd edition, Table 6-1