RESOLUTION NO. 940

A RESOLUTION ESTABLISHING AND ADOPTING METHODOLOGY FOR WATER SYSTEM DEVELOPMENT CHARGES, IMPOSING WATER SYSTEM DEVELOPMENT CHARGES AND DEFINING FISCAL ACCOUNTABILITY.

WHEREAS, the City of Troutdale's water system development charges after July 1, 1991 must meet certain requirements incorporated in the state law; and

WHEREAS, the City has undertaken a complete review of its water system development charges in order to insure its compliance with state law; and

WHEREAS, the City Council has authorized water system development charges pursuant to Ordinance No. 574-0;

NOW, THEREFORE, BE IT RESOLVED BY THE COMMON COUNCIL OF THE CITY OF TROUTDALE THAT:

ARTICLE I

AUTHORITY AND AFFIRMATION

SECTION 1: Acquire, own, construct, equip, operate and maintain a comprehensive water supply and storage system; to expand and extend the existing water supply system of the city; and to reconstruct such existing portions of the system as may be deemed proper by the city council or State Department of Environmental Quality or the Federal Environmental Protection Agency and the State Water Resource Department; and, to collect water system development charges appropriate to the capital needs of the system.

ARTICLE II

DEFINITIONS

SECTION 1: Unless the context dictates otherwise, the meaning of terms used in this resolution shall be those defined in Troutdale Municipal Code 13.04.030 and Ordinance No. 574-0.

ARTICLE III

METHODOLOGY

SECTION 1: The purpose of this Article is to establish the methodology for the imposition of water system development charges. In developing the methodology, certain cost concepts are commonly included in the charge-setting process. The methodology basis for water system development charges is set forth in EXHIBIT A, (including Tables 1, 2 and 3) and is hereby incorporated herein.

ARTICLE IV

WATER SYSTEM DEVELOPMENT CHARGES

SECTION 1: The purpose of this Article is to impose the capital cost of municipal water service improvements upon those developments that create the need for or increase the demands for such improvements. The fee imposed by this Article is separate from and in addition to any applicable taxes, assessments, fees, charges, including but not limited to system development charges, or fees otherwise provided by or imposed as a condition of development. Fees for connection to the water system shall be charged to the permit applicant or owner(s) of any building(s) in which a water connection is made. Said connection fees shall be a revenue source to the City and shall entitle the applicant or owner(s) to a service connection to the water system.

SECTION 2: The water system development charge (SDC) set forth in EXHIBIT A is hereby imposed to be effective on March 1, 1992. Such charge based on meter size equivalency factor shall be implemented on a prorated daily factor until such daily charges equal the total charge established in EXHIBIT A (Table 3), no later than January 1, 1993. The SDC's hereby imposed shall include the financing costs of the City as reflected in Exhibit A, Table 3.

SECTION 3: As set forth in Ordinance No. 574-0, the City shall annually review the fee schedules presented in EXHIBIT A to determine whether additional fee revenues should be generated to provide extra-capacity improvements needed to address new development or to ensure that revenues do not exceed identified demands. In so doing, the City shall consider:

1. Construction of facilities by federal, state or other revenue sources;

2. Receipt of unanticipated funds from other sources for construction of facilities.

Upon completion of this review the City shall consider such amendments, including adjustment to the fee imposed herein, as are necessary to address changing conditions.

Notwithstanding any other provision, the dollar amounts set forth in Table 3 of EXHIBIT A shall on March 1st of each year be computed to increase automatically by the Engineering News Record Northwest (Seattle, WA.) construction cost index. Notwithstanding the foregoing, all calculations shall be carried out to the hundredths place. A final product ending in .49 or less shall be rounded down to the nearest dollar, .50 or more up to the next dollar.

SECTION 4: The water SDC Fee is based upon existing or intended use of the property at the time of application for connection. If the property is improved, expanded, subdivided or otherwise modified so as to increase the water SDC due for that property or structure, a water SDC shall be charged for the modified portion of the property or structure based on the water SDC schedule in effect at the time of the modification.

SECTION 5: As provided by Ordinance No. 574-0, Article X, any citizen or other interested person may challenge an expenditure of SDC revenues as being in violation of this resolution provided a written petition for review is filed with the Troutdale City Council within two years of expenditure.

ARTICLE V

PAYMENT

SECTION 1: The SDC imposed hereby is due and payable at the time of issuance of a building permit by the city. Except as otherwise provided in Ordinance No. 574-0, no building permit shall be issued for a development subject to the SDC unless the SDC is first paid in full.

ARTICLE VI

CREDIT

SECTION 1: As provided in Ordinance No. 574-0, an applicant for a building permit is eligible for credit against the SDC for constructing a qualified capital improvement.

ARTICLE VII

EXEMPTIONS

SECTION 1: The following development is exempt from the SDC:

A. Remodeling or replacement of any single-family structure (including mobile homes):

B. Multi-family structure remodeling or replacement except to the extent of addition of dwelling units;

C. Remodeling or reconstructing of office, business and commercial, industrial or institutional structures except to the extent it generates additional meter size equivalency.

ARTICLE VIII

REFUNDS

SECTION 1: Refunds of SDCs may be made upon initiation of the Director or upon written application filed with the Director. Refunds shall only be allowed upon a finding by the director that there was an actual clerical error in the calculation of the SDC. Refunds shall be allowed for failure to claim a credit provided the claim for refunds is in writing and actually received by the city within thirty (30) days of the date of issuance of the building permit. No refund shall be granted for any reason other than those expressly provided for herein.

ARTICLE IX

COLLECTION

SECTION 1: The SDC's are payable upon and as a condition of issuance of development or building permit pursuant to Ordinance 574-0, Article VII, Section 1.

SECTION 2: For purposed of this section, delinquent party shall include any person controlling a delinquent corporate permittee and, conversely, any corporation controlled by a delinquent individual permittee.

ARTICLE X

FISCAL ACCOUNTABILITY

SECTION 1: Revenues received from water system development charges shall be deposited in the Water Improvement Fund in accordance with Troutdale Municipal Code 13.08.080. Such revenues shall be expended and accounted for as required by ORS 223.297 to 223.314 and Troutdale Municipal Code 13.08.080.

ARTICLE XI

SEVERABILITY

SECTION 1: The invalidity of any section, subsection, paragraph, sentence, or phrase of the resolution or the exhibit which is incorporated herein, shall not affect the validity of the remaining portions thereof.

ADOPTED BY THE COMMON COUNCIL OF THE CITY OF TROUTDALE THIS 25th **DAY OF** FEBRUARY, 1992

YEAS: 4
NAYS: 1 (Fowler)
ABSTAINED: 0

Sam K. Cox

Sam K. Cox, Mayor

Dated: February 26, 1992

ATTEST:

Valerie J. Raglione

Valerie J. Raglione, CMC
City Recorder

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CITY OF TROUTDALE

WATER SYSTEM SDC STUDY

FEBRUARY 1992

Prepared by:
Public Financial Management, Inc.

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INTRODUCTION AND SCOPE

In early 1991, Public Financial Management, Inc. (PFM), was retained by the City of Troutdale (the City) to conduct an analysis of system development charges (SDCs) that are authorized under state law for various public facilities. These public facilities include:

- Water
- Sewer
- Transportation
- Parks
- Storm Drainage

In conducting this analysis, PFM's primary focus has been to develop and document a SDC methodology that is consistent with state law and that helps ensure equity between current and future users.

STATUTORY REQUIREMENTS

The Oregon legislature in its 1989 legislative session passed into law requirements for the establishment of system development charges collected in the state by local governments. Specific elements of the law (Oregon Revised Statutes Chapter 223.297 through 223.314) include:

1. Preparing the system development charge based on a reimbursement for the costs associated with capital improvements already constructed or under construction, the costs of capital improvements to be constructed, or a combination of a capital improvement costs.

2. Making the methodology for establishing the system development charge available for public inspection.

3. Limiting the use of monies received from system development charges to capacity increasing capital improvements associated with the systems for which they are assessed, including the repayment of debt issued to finance such improvements.

4. Preparing a capital improvements plan which sets forth improvements to be funded with the system development charges, including their estimated cost and timing.

5. Depositing system development charges into a separate account and providing an annual accounting showing the receipt of revenues and the projects that were funded.

The effective date of the legislation is July 1, 1991. The results of PFM's analysis will enable the City to update existing SDCs and implement new charges that comply with state law.

IMPACTS ON THE CITY

The City has a long-standing practice of collecting SDCs from new connections to its water and sewer systems. These charges have enabled the City to help fund expansion of and improvements to its water and sewer systems, and to increase the equity of its cost recovery system. Expanding SDCs to include transportation, parks, and storm drainage will augment the City's ability to fund the expansion of these facilities to meet current and future growth needs.

REPORT FORMAT

The next section of this report provides a discussion of the methodology that PFM has utilized to calculate the water SDC. Following the methodology discussion is a summary of capital costs, capacity units, and charges for the City's water system. Following the discussion of the water SDC is a summary of SDC implementation issues that the City will need to address.

ACKNOWLEDGEMENTS

Development of the water SDC presented in this report represent a collaborative effort between PFM and City staff. Throughout the course of this study PFM has worked closely with public works, planning, finance, and administrative staff to develop cost and demographic data, review alternative methodologies, discuss implementation issues, and review initial findings and recommendations. PFM appreciates the assistance and efforts of all City staff that have been involved in this project.

PROPOSED METHODOLOGY

In developing a methodology for determining an SDC, many factors are involved and the selected approach can choose to incorporate some or all of the "cost concepts" that are commonly considered in the charge-setting process. Factors that are typically considered in arriving at a SDC methodology include:

1. Historical cost of capital facilities.

2. Inclusion or exclusion of accumulated "accounting" depreciation.

3. Adjustments to historical cost to reflect price changes since the date of acquisition or construction.

4. Interest costs or opportunity costs incurred by the utility since facilities have been built or acquired.

5. Customer contributions, grants, etc.

6. Outstanding long-term debt.

7. Cost of future facilities as expressed in nominal or real dollars, inclusive or exclusive of expected financing costs.

PFM has considered all of these concepts and the requirements of state law in developing the water SDC for the City. The methodology utilized by PFM is based on the cost of capacity-increasing capital improvements that the City expects to incur over a specified planning period, either 20 or 30 years. As such, the methodology represents an "improvement fee" as described in state law in determining the system development charge. The major steps involved in calculating the proposed system development charge include:

1. Determining the improvement fee cost basis.

2. Estimating the future capacity of the system.

3. Calculating the system development charge per equivalent unit of demand or usage.

Based on the approach outlined above, a system development charge can be determined based on the estimated average cost of system capacity. The following sections of this report will discuss in detail the specific cost and demand elements associated with the water system, along with the resulting charge.

Although the City currently collects a system development charge from new connections to its water system, the charge does not meet all the documentation requirements of state law. PFM has reviewed the existing water SDC and has determined that it should be modified to reflect the improvement fee approach discussed in the previous chapter.

IMPROVEMENT FEE COST BASIS

Future Capital Costs

The City's public works engineers have prepared a capital improvements program for the water system that will provide sufficient capacity to meet the demand requirements of the City's planned build-out population of 30,000 in the year 2020. These capital improvement costs have been adopted by the City as part of its public facilities plan. Table 1 summarizes capacity-increasing water system capital costs that the City expects to incur during the forecast period. Water system capital improvements include the construction of reservoirs and standpipes, wells, and water main extensions and interconnections. Water system capital costs, in current dollars, total $2,344,800 over the forecast period.

Future Financing Costs

In addition to the actual costs of construction, City's often incur financing costs in conjunction with capital improvements if SDC revenues during a given year are insufficient to fully fund capital outlays. For analysis purposes PFM developed a forecast model for the City's water system for the period 1992-2020. During this period capital improvement cash flow requirements were compared with annual water SDC revenues that were expected to be collected. If revenues were less than expenditures it was assumed that the City would borrow for the difference and that the additional financing costs would be included in the SDC cost basis. The following assumptions were used to calculate estimated financing costs:

- Issuance costs equal 2 percent of the borrowed amount.
- Interest rate on borrowed funds equals 7.5 percent.
- Amortization period equals 20 years.

A summary table showing the financing cost cashflow analysis is shown in the Appendix to this report. Based on the timing of water system capital expenditures and growth in system connections over the forecast period, the City could expect to incur an additional $890,456 in financing costs. Combined improvement fee costs would then total $3,235,256.

TABLE 1
CITY OF TROUTDALE
SYSTEM DEVELOPMENT CHARGE ANALYSIS
WATER FUND CAPITAL IMPROVEMENTS

ITEM	SCHEDULED CONSTRUCTION	AMOUNT
North Harlow Loop	1993	$22,000
North Harlow Loop Phase II	1995	45,000
244th Extension/Loop	1993	85,000
Cherry Park Loop	1994	25,000
Cherry Park Phase II	1995	30,800
Hensley Extension	1994	52,000
Reservoir No. 5	1998	700,000
Stark Street Standpipe	1995	500,000
Well No. 7	1991	250,000
Sweetbriar Lane Interconnect	1999	85,000
Reservoir No. 7	2005	250,000
Stark Street Booster	1992	75,000
Booster Network	2010	225,000
Total Capital Costs		$2,344,800
Financing Costs		890,456
Total Costs		$3,235,256

Source: City of Troutdale and Public Financial Management, Inc.

SYSTEM CAPACITY

An important aspect in computing a system development charge is the determination of system capacity and the units of service that such capacity will provide. It is also important to reflect system capacity and demand in terms of the primary design factor used in sizing utility system improvements. In the case of water systems, a key design consideration is peak day demand and the demand that various types of customers can place on the system based on the size of the meter or service connection to the water distribution main.

City staff have used 1990 water production and consumption data to measure system peak day usage factors and consumption. During 1990, average day water production totalled almost .92 million gallons per day (mgd). However, water produced on the peak day totalled about 2.62 mgd. This equates to a peak day to average day ratio of 2.85. During this period the City served a total of 2,301 customers. Table 2 provides a breakdown of water customers by class and meter size. As previously mentioned, because the potential demand that a water system customer is measured in terms of hydraulic capacity, it is necessary to convert customer connections into hydraulic equivalencies based on meter size and conversion or equivalency factors that have been established by the American Water Works Association. As Table 2 shows, estimated hydraulic equivalencies totalled about 2,660 for the City during 1990.

During 1990 metered watered consumption totalled 291,138,000 gallons, or about 312 gallons per day per hydraulic equivalent. Based on the system peak day factor, estimated peak day consumption per hydraulic equivalent totalled 888.2 gallons. The City estimates that water system peak day capacity of 7.83 mgd will be required to meet the 2020 build-out population. By adjusting for system losses (3 percent is the loss factor used by the City) it is possible to measure the incremental peak day capacity that the City will need to provide, along with the number of hydraulic equivalents that can be served. According to City calculations, additional peak day capacity of 5.05 mgd will be required. This represents additional hydraulic equivalents totalling 5,693.

CALCULATING THE SYSTEM DEVELOPMENT CHARGE

After the cost basis and capacity units have been developed, the City's water system development charge can be calculated based on the following formula:

$$\frac{\text{Future Improvement Costs + Financing Costs}}{\text{Hydraulic Equivalencies}}$$

Table 3 shows the water system development charge for various meter sizes based on the appropriate equivalency factor. The table provides two SDC schedules, one without financing costs and one which includes such estimated costs in the cost basis. Without financing costs, the water SDC for a 3/4-inch meter (typical residential) totals $500. For an 8-inch meter the charge would total $26,650 reflecting the additional demand that

TABLE 2
CITY OF TROUTDALE
WATER SYSTEM ACCOUNTS AND HYDRAULIC EQUIVALENCIES
CALENDAR YEAR 1990 AVERAGE

CUSTOMER CLASS	RATE CODE	METER SIZE (INCHES)	NUMBER OF ACCOUNTS	HYDRAULIC FACTOR	HYDRAULIC EQUIVALENCIES
Agriculture	A2	1	1	1.7	1.7
Commercial	C1	3/4	28	1	28.0
	C2	1	11	1.7	18.7
	C3	1-1/2	10	3.3	33.0
	C4	2	14	5.3	74.2
	C5	3	2	10	20.0
	C6	4	1	16.7	16.7
Residential	R1	3/4	2,119	1	2,119.0
	R2	1	93	1.7	158.1
	R3	1-1/2	7	3.3	23.1
	R4	2	1	5.3	5.3
Commercial Service	S1	3/4	2	1	2.0
	S2	1	5	1.7	8.5
	S4	2	4	5.3	21.2
	S5	3	3	10	30.0
Total			2,301		2,559.5

Source: City of Troutdale.

TABLE 3
CITY OF TROUTDALE
PROPOSED WATER SYSTEM DEVELOPMENT CHARGE PER METER SIZE

METER SIZE (INCHES)	EQUIVALENCY FACTOR	SYSTEM DEVELOPMENT CHARGES	
		WITHOUT FINANCING	WITH FINANCING
3/4	1	$412	$568
1	1.7	700	966
1-1/2	3.3	1,360	1,874
2	5.3	2,184	3,010
3	10	4,120	5,680
4	16.7	6,880	9,486
6	33.3	13,720	18,914
8	53.3	21,960	30,274

Source: Public Financial Management, Inc.

such a large connection can place on the system. If financing costs are included in the cost basis, the water SDC increases by about 32 percent.

The preceding methodology is designed to produce a system development charge that considers ratemaking principles, is fair and equitable and reflects the cost of future system capacity. Although the schedule of water SDCs shown in Table 3 can be justified based on the foregoing methodology, state statutes do not require that the maximum amount be implemented. The City may choose to initially establish the charge at a lower level, with annual increases aimed at bringing the charge up to its maximum level over a defined time period.

IMPLEMENTATION OF SYSTEM DEVELOPMENT CHARGES

As the City moves forward with the implementation of its water system development charge it needs to recognize that certain procedures must be followed in conjunction with the imposition and collection of such charges. Key elements of the state law authorizing and regulating the collection of SDCs include the uses of SDC monies and accounting for their annual receipt and expenditure. This section of the report outlines the reporting requirements that the City will need to follow in order to fully comply with SDC statutory provisions.

ACCOUNTING REQUIREMENTS

ORS 223.311 requires that SDCs be deposited in accounts designated for such monies, and an annual accounting be provided showing revenues collected and projects that were funded. The City will need to create accounts for the deposit of SDC monies. Although the statutes are unclear as to whether creation of a single account for all SDCs would satisfy this requirement, it may make sense to establish a unique account for each separate SDC adopted by the City.

SDC UPDATE PROCESS

The water SDCs presented in this report are based on the City's adopted capital facilities plans and population and employment projections that are consistent with adopted land use plans. Adopted SDCs will need to be updated by the City at the time it updates or revises its capital and land use plans. Furthermore, capital costs are based on current cost estimates that have not been adjusted to reflect inflation that may occur over the forecast period. Consequently, the City may want to index the water SDC to reflect price changes in the Portland area.

Water SDC options that include financing costs are based on estimates regarding the timing of expenditures and the City's need to finance facilities. If a water SDC option that includes financing costs is implemented, the City may want to update the charge periodically to reflect actual borrowing costs and/or changes in project timing or future borrowing costs.

LEGISLATIVE CHANGES

Because the SDC legislation is very new and is just now taking effect, changes in the law could occur in the future that may impact the methodology proposed by PFM and outlined in this report. Furthermore, implementation of Ballot Measure No. 5 may also have some impacts on the City's SDCs, although this appears unlikely at this time. Given these factors, the City should monitor the legal and legislative environment for developments which may affect its SDCs, and make any changes that may be required to maintain compliance.

APPENDIX:
SDC CASHFLOW ANALYSIS

CITY OF TROUTDALE

SYSTEM DEVELOPMENT CHARGE ANALYSIS--INCLUDING ESTIMATED FINANCING COSTS

WATER FUND IMPROVEMENTS FOR IMPROVEMENT FEE COST BASIS

Year	Annual CIP Outlays	Projected SDC Revenues	Annual Surplus/(Deficit)	Interim Balance	Cash Funding	Borrowing	Balance	Financing Cost	Total Cost	Annual Debt Service	Net User Charge Reqmts.
1992	$575,000	$111,504	($463,496)	($463,496)	$111,504	$463,496	$0	$464,368	$1,039,368	$46,393	$46,393
1993	107,000	111,504	4,504	4,504	107,000	0	4,504	0	107,000	46,393	41,889
1994	77,000	111,504	34,504	39,008	77,000	0	39,008	0	77,000	46,393	11,889
1995	575,800	111,504	(464,296)	(425,288)	150,512	425,288	0	426,088	1,001,888	88,962	127,970
1996	0	111,504	111,504	111,504	0	0	111,504	0	0	88,962	(22,542)
1997	0	111,504	111,504	223,008	0	0	223,008	0	0	88,962	(22,542)
1998	0	111,504	111,504	334,512	0	0	334,512	0	0	88,962	(22,542)
1999	85,000	111,504	26,504	361,016	85,000	0	361,016	0	85,000	88,962	62,458
2000	0	111,504	111,504	472,520	0	0	472,520	0	0	88,962	(22,542)
2001	0	111,504	111,504	584,024	0	0	584,024	0	0	88,962	(22,542)
2002	0	111,504	111,504	695,529	0	0	695,529	0	0	88,962	(22,542)
2003	0	111,504	111,504	807,033	0	0	807,033	0	0	88,962	(22,542)
2004	0	111,504	111,504	918,537	0	0	918,537	0	0	88,962	(22,542)
2005	700,000	111,504	(588,496)	330,041	700,000	0	330,041	0	700,000	88,962	677,458
2006	0	111,504	111,504	441,545	0	0	441,545	0	0	88,962	(22,542)
2007	0	111,504	111,504	553,049	0	0	553,049	0	0	88,962	(22,542)
2008	0	111,504	111,504	664,553	0	0	664,553	0	0	88,962	(22,542)
2009	0	111,504	111,504	776,057	0	0	776,057	0	0	88,962	(22,542)
2010	225,000	111,504	(113,496)	662,561	225,000	0	662,561	0	225,000	88,962	202,458
2011	0	111,504	111,504	774,065	0	0	774,065	0	0	88,962	(22,542)
2012	0	111,504	111,504	885,569	0	0	885,569	0	0	42,569	(68,935)
2013	0	111,504	111,504	997,073	0	0	997,073	0	0	42,569	(68,935)
2014	0	111,504	111,504	1,108,578	0	0	1,108,578	0	0	42,569	(68,935)
2015	0	111,504	111,504	1,220,082	0	0	1,220,082	0	0	0	(111,504)
2016	0	111,504	111,504	1,331,586	0	0	1,331,586	0	0	0	(111,504)
2017	0	111,504	111,504	1,443,090	0	0	1,443,090	0	0	0	(111,504)
2018	0	111,504	111,504	1,554,594	0	0	1,554,594	0	0	0	(111,504)
2019	0	111,504	111,504	1,666,098	0	0	1,666,098	0	0	0	(111,504)
2020	0	111,504	111,504	1,777,602	0	0	1,777,602	0	0	0	(111,504)
Totals	$2,344,800	$3,233,618			$1,456,016	$888,784		$890,456	$3,235,256	$1,779,240	$1,638

Future Capacity Costs	$2,344,800	Connections Per Year	196
Projected Financing Costs	$890,456	Initial SDC per ERU	$568
TOTAL COSTS	$3,235,256		
Projected Hydraulic Equivalencies	5,693		
Required SDC With Financing Costs	$568		

CITY OF TROUTDALE

SYSTEM DEVELOPMENT CHARGE ANALYSIS–EXCLUDING ESTIMATED FINANCING COSTS

WATER FUND IMPROVEMENTS FOR IMPROVEMENT FEE COST BASIS

Year	Annual CIP Outlays	Projected SDC Revenues	Annual Surplus/(Deficit)	Interim Balance	Cash Funding	Borrowing	Balance	Financing Cost	Total Cost	Annual Debt Service	Net User Charge Reqmts.
1992	$575,000	$80,880	($494,120)	($494,120)	$575,000	$0	($494,120)	$0	$575,000	$0	$494,120
1993	107,000	80,880	(26,120)	(520,241)	107,000	0	(520,241)	0	107,000	0	26,120
1994	77,000	80,880	3,880	(516,361)	77,000	0	(516,361)	0	77,000	0	(3,880)
1995	575,800	80,880	(494,920)	(1,011,281)	575,800	0	(1,011,281)	0	575,800	0	494,920
1996	0	80,880	80,880	(930,401)	0	0	(930,401)	0	0	0	(80,880)
1997	0	80,880	80,880	(849,522)	0	0	(849,522)	0	0	0	(80,880)
1998	0	80,880	80,880	(768,642)	0	0	(768,642)	0	0	0	(80,880)
1999	85,000	80,880	(4,120)	(772,762)	85,000	0	(772,762)	0	85,000	0	4,120
2000	0	80,880	80,880	(691,883)	0	0	(691,883)	0	0	0	(80,880)
2001	0	80,880	80,880	(611,003)	0	0	(611,003)	0	0	0	(80,880)
2002	0	80,880	80,880	(530,123)	0	0	(530,123)	0	0	0	(80,880)
2003	0	80,880	80,880	(449,243)	0	0	(449,243)	0	0	0	(80,880)
2004	0	80,880	80,880	(368,364)	0	0	(368,364)	0	0	0	(80,880)
2005	700,000	80,880	(619,120)	(987,484)	700,000	0	(987,484)	0	700,000	0	619,120
2006	0	80,880	80,880	(906,604)	0	0	(906,604)	0	0	0	(80,880)
2007	0	80,880	80,880	(825,724)	0	0	(825,724)	0	0	0	(80,880)
2008	0	80,880	80,880	(744,845)	0	0	(744,845)	0	0	0	(80,880)
2009	0	80,880	80,880	(663,965)	0	0	(663,965)	0	0	0	(80,880)
2010	225,000	80,880	(144,120)	(808,085)	225,000	0	(808,085)	0	225,000	0	144,120
2011	0	80,880	80,880	(727,206)	0	0	(727,206)	0	0	0	(80,880)
2012	0	80,880	80,880	(646,326)	0	0	(646,326)	0	0	0	(80,880)
2013	0	80,880	80,880	(565,446)	0	0	(565,446)	0	0	0	(80,880)
2014	0	80,880	80,880	(484,566)	0	0	(484,566)	0	0	0	(80,880)
2015	0	80,880	80,880	(403,687)	0	0	(403,687)	0	0	0	(80,880)
2016	0	80,880	80,880	(322,807)	0	0	(322,807)	0	0	0	(80,880)
2017	0	80,880	80,880	(241,927)	0	0	(241,927)	0	0	0	(80,880)
2018	0	80,880	80,880	(161,048)	0	0	(161,048)	0	0	0	(80,880)
2019	0	80,880	80,880	(80,168)	0	0	(80,168)	0	0	0	(80,880)
2020	0	80,880	80,880	712	0	0	712	0	0	0	(80,880)
Totals	$2,344,800	$2,345,512			$2,344,800	$0		$0	$2,344,800	$0	($712)

Future Capacity Costs	$2,344,800	Connections Per Year	196
Projected Financing Costs	$0	Initial SDC per ERU	$412
TOTAL COSTS	$2,344,800		
Projected Hydraulic Equivalencies	5,693		
Required SDC Without Financing Costs	$412		