

RESOLUTION NO. 1250

A RESOLUTION ADJUSTING THE RATE AND CAPITAL IMPROVEMENT PLAN FOR WATER SYSTEM DEVELOPMENT CHARGES AND RESCINDING RESOLUTIONS NO. 940 AND 1160.

WHEREAS, Section 12.02.020 of the Troutdale Municipal Code establishes system development charges to impose an equitable share of the public costs of capital improvements upon those developments that create the need for, or increase the demands on, capital improvements; and

WHEREAS, Resolution No. 940 established the methodology for the water system development charge, which is incorporated in this updated Resolution; and

WHEREAS, Resolution No. 1160 established the water system development charge rate currently in effect; and

WHEREAS, Section 12.02.030 of the Troutdale Municipal Code requires staff to annually review the rate based on changes in construction costs and bring such changes to the Council for consideration; and

WHEREAS, staff has updated the Capital Improvement Plan for the water system and adjusted the cost estimates based upon the Construction Cost Index as published in the January 15, 1996 edition of Engineering News Record.

NOW THEREFORE BE IT RESOLVED BY THE COUNCIL OF THE CITY OF TROUTDALE

Section 1. Purpose.

The purpose of the water system development charge is to require developments that create the need for water facilities or increase the demand on existing water facilities to pay an equitable share of the cost of those improvements. System development charges for water shall be improvement fees rather than reimbursement fees.

Section 2. Definitions.

Unless the context suggests otherwise, for this Resolution these terms and phrases mean as follows:

Capital Improvement. The construction of, or an addition to, facilities or assets used for the production, distribution, or treatment of water.

Development. Any man-made change to improved or unimproved real property, including but not limited to construction, installation, or alteration of a building or other structure; condominium conversion; land division; establishment or termination of a right of access; storage on real property; tree cutting; drilling and site alteration such as that due to land surface mining, dredging, grading, paving, excavating, or clearing.

Director. The Public Works Director of the City of Troutdale or his/her designee.

Improvement Fee. A fee for costs associated with capital improvements constructed after the date the system development charge was initially adopted.

Section 3. Methodology.

- A. The methodology used to establish the improvement fee is based on the estimated cost of projected capital improvements needed to increase the capacity of the water system, including costs of financing, over a designated period, as reflected in the Capital Improvement Plan provided as Attachment A, and the impact the development has on the water system as measured in hydraulic equivalents, as reflected in the estimate provided as Attachment B. This allows determination of a unit cost of system capacity.
- B. Hydraulic equivalents are utilized as a measure of capacity because they represent the potential demand a customer may place on the system. In the "City of Troutdale Water System SDC Study" prepared in February, 1992, by Public Financial Management, Inc., hydraulic equivalents are applied to water meter size as follows:

<u>Water Meter Size</u>	<u>Hydraulic Equivalents</u>
3/4"	1.0
1"	1.7
1 1/2"	3.3
2"	5.3
3"	10.0
4"	16.7
6"	33.3
8"	53.3

- C. The maximum allowable cost per hydraulic equivalent shall be computed by dividing the total cost of capacity increasing capital improvements (including financing costs) needed over a designated period by the estimated number of hydraulic equivalents to be added to the system over that same period. The Council may choose to impose a cost per hydraulic equivalent less than the maximum allowable cost.
- D. No water system development charge will be assessed for a water meter used solely for fire standby purposes, including the larger meter in a fire service meter assembly, provided that the appropriate monthly fire standby fee is paid.

Section 4. Cost.

Based upon an estimated cost of capacity-increasing capital improvements (including financing) of \$3,516,748, less a projected ending balance on June 30, 1996 of \$350,000, and an estimated increase of 4,376 hydraulic equivalents, the maximum allowable cost is \$724 per hydraulic equivalent. The Council establishes the rate to be charged as \$724 per hydraulic equivalent, which is reflected in the following costs per meter size:

<u>Water Meter Size</u>	<u>Hydraulic Equivalents</u>	<u>SDC Cost</u>
3/4"	1.0	\$ 724
1"	1.7	1,231
1 1/2"	3.3	2,389
2"	5.3	3,837
3"	10.0	7,240
4"	16.7	12,091
6"	33.3	24,109
8"	53.3	38,589

Section 5. Effective Date.

The effective date of this resolution is July 1, 1996.

Section 6. Distribution of Funds.

The system development funds collected under authority of this Resolution shall be deposited in the Water Improvement Fund. These funds may only be expended for accomplishing the capacity-enhancing water projects as set forth in the Capital Improvement Plan in Attachment A, which may be amended from time to time by resolution of the Council.

Section 7. Applicability of Troutdale Municipal Code.

The provisions of Chapter 12.02 of the Troutdale Municipal Code govern exemptions, credits, collection, appeals, and other matters pertaining to the charge established in this Resolution.

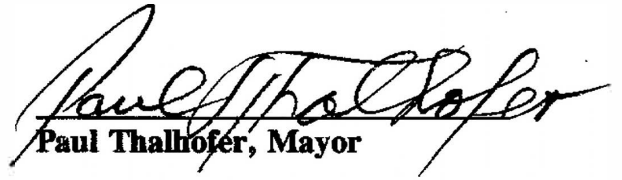
Section 8. Administration.

The Director shall be responsible for the administration of this Resolution.


Section 9. Previous Resolutions Rescinded.

Resolutions No. 940 and 1160 are rescinded effective July 1, 1996.

YEAS: 7
NAYS: 0
ABSTAINED: 0


Paul Thalhofer, Mayor

Dated: 5/30/96


George Martinez, City Recorder
Adopted: 5-28-96

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ATTACHMENT A

WATER SYSTEM DEVELOPMENT CHARGE		
CAPITAL IMPROVEMENT PLAN		
PREPARED ON APRIL 22, 1996		
PROJECT DESCRIPTION	ESTIMATED COST	FUNDING YEAR
LOOP STARK STREET RESERVOIR WATER LINE	40,000	1996-97
UPSIZE SANDY AVENUE WATER LINE	7,500	1996-97
CONSTRUCT WATER LINE ON SW HENSLEY ROAD (21ST STREET)	75,000	1996-97
CONSTRUCT WATER LINE BETWEEN WOODALE AND CHERRY PARK ROAD	20,000	1996-97
UPSIZE PRESSURE REDUCING VAULT AT 257TH AND COLUMBIA	25,000	1996-97
CONSTRUCT 1.0 MG STANDPIPE AND RELATED FACILITIES	693,600	2000-01
UPSIZE 244TH AVENUE WATER LINE	40,800	2002-03
CONSTRUCT ZONE II INTERCONNECT TO JACKSON PARK ROAD	35,700	2005-06
CONSTRUCT A 2.5 MG RESERVOIR IN ZONE II	739,500	2010-11
CONSTRUCT A NEW WELL TO SERVE ZONES I, II, AND III	400,000	2010-11
SUBTOTAL, CAPITAL IMPROVEMENT PROJECTS	2,077,100	
EXISTING DEBT PRINCIPAL	1,017,084	THRU 2007-08
NEW FINANCING CHARGES	422,564	THRU 2019-20
GRAND TOTAL	3,516,748	
<p>NOTE: THIS PLAN ASSUMES THAT WE WILL INCUR DEBT OF \$1,000,000 IN FY 2000-01, TO BE REPAID AT 6.5% INTEREST IN TWENTY YEARS. THE FINANCING CHARGES INCLUDE \$30,000 FOR BOND CLOSING COSTS AND \$815,128 IN INTEREST. HALF OF THESE FINANCING COSTS WILL BE PAID BY THIS WATER IMPROVEMENT FUND; THE REMAINING FINANCE COSTS FOR THIS DEBT, AND ALL FINANCE COSTS FOR FUTURE DEBT, WILL BE PAID BY THE WATER FUND.</p>		

ATTACHMENT B

WATER SYSTEM DEVELOPMENT CHARGE									
ESTIMATE OF HYDRAULIC EQUIVALENTS									
PREPARED ON APRIL 22, 1996									
DATE:	BEGINNING	ENDING	INCREASE IN	INCREASE IN DWELLINGS		HYDRAULIC EQUIVALENTS			
JUNE 30,	POPULATION	POPULATION	POPULATION	SINGLE FAMILY	MULTI-FAMILY	SINGLE FAMILY	MULTI-FAMILY	OTHER	TOTAL
1996	11,780	12,160	380	89	42	89	13	33	135
1997	12,160	12,540	380	89	42	89	13	33	135
1998	12,540	12,920	380	89	42	89	13	33	135
1999	12,920	13,300	380	89	42	89	13	33	135
2000	13,300	13,800	500	118	56	118	17	33	167
2001	13,800	14,300	500	118	56	118	17	33	167
2002	14,300	14,800	500	118	56	118	17	33	167
2003	14,800	15,300	500	118	56	118	17	33	167
2004	15,300	15,800	500	118	56	118	17	33	167
2005	15,800	16,320	520	122	58	122	17	33	173
2006	16,320	16,840	520	122	58	122	17	33	173
2007	16,840	17,360	520	122	58	122	17	33	173
2008	17,360	17,880	520	122	58	122	17	33	173
2009	17,880	18,400	520	122	58	122	17	33	173
2010	18,400	19,000	600	141	67	141	20	33	194
2011	19,000	19,600	600	141	67	141	20	33	194
2012	19,600	20,200	600	141	67	141	20	33	194
2013	20,200	20,800	600	141	67	141	20	33	194
2014	20,800	21,400	600	141	67	141	20	33	194
2015	21,400	22,000	600	141	67	141	20	33	194
2016	22,000	22,600	600	141	67	141	20	33	194
2017	22,600	23,200	600	141	67	141	20	33	194
2018	23,200	23,800	600	141	67	141	20	33	194
2019	23,800	24,400	600	141	67	141	20	33	194
2020	24,400	25,000	600	141	67	141	20	33	194
2021	25,000								
TOTAL			13,220	3,111	1,469	3,111	441	825	4,376

NOTES

1. POPULATION ESTIMATES HAVE BEEN INTERPOLATED BASED ON FORECAST VALUES FOR 1995, 2000, 2005, AND 2010 AS SHOWN IN "WATER MASTER PLAN FOR TROUTDALE", FEBRUARY 1993, PREPARED BY ECONOMIC AND ENGINEERING SERVICES.
2. ASSUME 80% OF THE POPULATION INCREASE WILL LIVE IN SINGLE FAMILY HOMES WITH 3.4 OCCUPANTS PER HOME AND 20% OF THE POPULATION INCREASE WILL LIVE IN MULTI-FAMILY HOMES WITH 1.8 OCCUPANTS PER HOME.
3. ASSUME ONE HYDRAULIC EQUIVALENT PER SINGLE FAMILY UNIT AND 0.3 HYDRAULIC EQUIVALENTS PER MULTI-FAMILY UNIT.
4. ASSUME 3.3 HYDRAULIC EQUIVALENTS (1 1/2 INCH METER) FOR EACH OF TEN NEW COMMERCIAL/INDUSTRIAL DEVELOPMENTS ANNUALLY.