

## **RESOLUTION NO. 1373**

### **A RESOLUTION ADJUSTING THE RATE AND CAPITAL IMPROVEMENT PLAN FOR WATER SYSTEM DEVELOPMENT CHARGES AND RESCINDING RESOLUTION NO. 1298.**

**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. 1298, which is currently in effect, adjusted the capital improvement plan and rate for the water system development charge; and

**WHEREAS**, Section 12.02.030 of the Troutdale Municipal Code requires staff to annually review the rate and bring proposed changes to the Council for consideration; and

**WHEREAS**, staff has updated the Capital Improvement Plan for the water system, adjusted the cost estimates, and proposed a revision of the rate.

### **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, including finance charges, of capacity-increasing capital improvements (less cash on hand) needed by the estimated number of hydraulic equivalents to be added to the system. 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 \$3,179,000, less cash on hand on June 30, 1997 of \$560,910, less projected interest earnings of \$150,000, and an estimated increase of 3,027 hydraulic equivalents, the maximum allowable cost is \$815 per hydraulic equivalent. The Council establishes the rate to be charged as \$815 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	\$ 815
1"	1.7	1,386
1 1/2"	3.3	2,690
2"	5.3	4,320
3"	10.0	8,150
4"	16.7	13,611
6"	33.3	27,140
8"	53.3	43,440

**Section 5. Effective Date.**

The effective date of this resolution is July 1, 1998.

**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 Resolution Rescinded.**

Resolution No. 1298 is rescinded effective July 1, 1998.

YEAS: 7  
 NAYS: 0  
 ABSTAINED: 0

  
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 Debbie Stickney, Deputy City Recorder  
 Adopted: 5/26/98

  
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 Paul Thalhofer, Mayor  
 Dated: 5-28-98

C:RESOL98

**WATER SYSTEM DEVELOPMENT CHARGE  
CAPITAL IMPROVEMENT PLAN  
PREPARED ON APRIL 1, 1998**

PROJECT DESCRIPTION	ESTIMATED COST	FUNDING YEAR
UPSIZE SANDY AVENUE WATER LINE	17,500	1997-98
CONSTRUCT 1.0 MG STANDPIPE AND RELATED FACILITIES	726,600	2000-01
CONSTRUCT INTERTIE WITH FAIRVIEW ON MARINE DRIVE	10,000	2001-02
EXTEND WATER LINE ON SW KENDALL AVENUE	10,000	2001-02
UPSIZE 244TH AVENUE WATER LINE	42,700	2002-03
CONSTRUCT WATER LINE ON SW HENSLEY ROAD (21ST STREET)	78,600	2004-05
EXTEND WATER LINE ACROSS RAILROAD BETWEEN SPECTRO AND RMAC	25,000	2005-06
CONSTRUCT ZONE II INTERCONNECT TO JACKSON PARK ROAD	37,400	2005-06
UPSIZE WATER LINE ON COLUMBIA RIVER HIGHWAY FROM KIBLING TO PARK	80,000	2007-08
CONSTRUCT A 2.5 MG RESERVOIR IN ZONE II	774,700	2010-11
CONSTRUCT A NEW WELL TO SERVE ZONES I, II, AND III	419,000	2010-11
SUBTOTAL, CAPITAL IMPROVEMENT PROJECTS	2,221,500	
EXISTING DEBT PRINCIPAL	957,500	THRU 2007-08
GRAND TOTAL	3,179,000	

**WATER SYSTEM DEVELOPMENT CHARGE  
ESTIMATE OF HYDRAULIC EQUIVALENTS  
PREPARED ON APRIL 1, 1998**

FISCAL YEAR	BEGINNING POPULATION	ENDING POPULATION	INCREASE IN POPULATION	INCREASE IN DWELLINGS		HYDRAULIC EQUIVALENTS			
				SINGLE FAMILY	MULTI-FAMILY	SINGLE FAMILY	MULTI-FAMILY	OTHER	TOTAL
1997-98	13,880	14,300	420	99	47	99	14	34	147
1998-99	14,300	14,875	575	135	64	135	19	46	201
1999-00	14,875	15,500	625	147	69	147	21	50	218
2000-01	15,500	15,908	408	96	45	96	14	33	142
2001-02	15,908	16,274	366	86	41	86	12	29	128
2002-03	16,274	16,648	374	88	42	88	12	30	131
2003-04	16,648	17,030	382	90	42	90	13	31	133
2004-05	17,030	17,422	392	92	44	92	13	32	137
2005-06	17,422	17,753	331	78	37	78	11	27	116
2006-07	17,753	18,161	408	96	45	96	14	33	142
2007-08	18,161	18,506	345	81	38	81	12	28	120
2008-09	18,506	18,858	352	83	39	83	12	28	123
2009-10	18,858	19,216	358	84	40	84	12	29	125
2010-11	19,216	19,774	558	131	62	131	19	45	195
2011-12	19,774	20,347	573	135	64	135	19	46	200
2012-13	20,347	20,937	590	139	66	139	20	48	206
2013-14	20,937	21,544	607	143	67	143	20	49	212
2014-15	21,544	22,168	624	147	69	147	21	50	218
2015-16	22,168	22,548	380	89	42	89	13	31	133
2016-17	22,548								
TOTAL			8,668	2,040	963	2,040	289	699	3,027

**NOTES**

1. 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.
2. ASSUME ONE HYDRAULIC EQUIVALENT PER SINGLE FAMILY UNIT AND 0.3 HYDRAULIC EQUIVALENTS PER MULTI-FAMILY UNIT.
3. ASSUME COMMERCIAL AND INDUSTRIAL DEMAND EQUALS 30% OF THE RESIDENTIAL DEMAND.