

# RESOLUTION NO. 2001

## A RESOLUTION ADJUSTING THE CAPITAL IMPROVEMENT PLAN PROJECT LISTING AND RATE FOR WATER SYSTEM DEVELOPMENT CHARGES AND RESCINDING RESOLUTION NO. 1937.

### THE TROUTDALE CITY COUNCIL FINDS AS FOLLOWS:

1. 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.
2. Resolution No. 1937, which is currently in effect, established the current capital improvement plan project listing and rate for the water system development charge.
3. 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.
4. Staff has updated the Capital Improvement Plan Project Listing for the water system, adjusted the cost estimates, and proposed a change to 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 addition to, facilities or assets used for the production, storage, 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.

Hydraulic Equivalent. A measure of hydraulic capacity using equivalencies established by the American Water Works Association.

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, until projected buildout, as reflected in the Capital Improvement Plan Project Listing provided as Attachment 1, and the impact the development has on the water system as measured in hydraulic equivalents, as reflected in the estimate provided as Attachment 2. 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 needed capacity-increasing capital improvements (less cash on hand and anticipated interest income) 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 \$2,176,000, less cash on hand on June 30, 2008 of \$465,889, less projected interest earnings of \$112,316 and an estimated increase of 1,202 hydraulic equivalents, the maximum allowable cost is \$1,345 per hydraulic equivalent. The Council establishes the rate to be charged as \$1,345 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	\$1,345
1"	1.7	2,287
1 1/2"	3.3	4,439
2"	5.3	7,129
3"	10.0	13,450
4"	16.7	22,462
6"	33.3	44,789
8"	53.3	71,689

**Section 5. Effective Date.**

The effective date of this resolution is July 1, 2009.

**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 Project Listing in Attachment 1, 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.

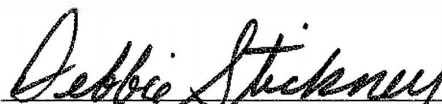
**Section 9. Previous Resolution Rescinded.**

Resolution No. 1937 is rescinded effective July 1, 2009.

**YEAS: 6  
NAYS: 0  
ABSTAINED: 0**

  
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**Jim Kight, Mayor**

Date June 19, 2009

  
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**Debbie Stickney, City Recorder**

**Adopted: June 9, 2009**

**WATER SYSTEM DEVELOPMENT CHARGE  
CAPITAL IMPROVEMENT PLAN PROJECT LISTING  
PREPARED ON FEBRUARY 10, 2009**

PROJECT DESCRIPTION	ESTIMATED COST	PERCENT ELIGIBLE FOR SDCS	ESTIMATED SDC FUNDING	FUNDING YEAR
CONSTRUCT INITIAL PART OF WELL #5	700,000	50%	350,000	2008-09
CONSTRUCT REMAINING PART OF WELL #5	250,000	50%	125,000	2009-10
UPDATE THE WATER MASTER PLAN	92,000	100%	46,000	2009-10
WATER SYSTEM IMPROVEMENTS IN NORTH INDUSTRIAL AREA	100,000	100%	100,000	2010-11
LOOP WATER LINE: SW 21ST STREET TO SUNRISE PARK	69,000	100%	69,000	2011-12
EXTEND WATER LINE FROM SPECTRO TO RMAC	61,000	100%	61,000	2011-12
CONSTRUCT A 1.0 MG STANDPIPE	1,425,000	100%	1,425,000	2015-16
<b>GRAND TOTAL</b>	<b>1,997,000</b>		<b>2,176,000</b>	
<b>NOTES</b>				
1. COSTS NOT COVERED BY SDC FUNDING WILL BE FUNDED FROM THE WATER FUND.				
2. ALTHOUGH ELIGIBLE FOR 100% SDC FUNDING, THE MASTER PLAN UPDATE WILL BE PARTIALLY FUNDED BY THE WATER FUND DUE TO LACK OF SUFFICIENT SDC REVENUE.				

**WATER SYSTEM DEVELOPMENT CHARGE  
ESTIMATE OF HYDRAULIC EQUIVALENTS (HE)  
PREPARED ON FEBRUARY 10, 2009**

FISCAL YEAR	SINGLE OR DUPLEX UNITS	TRIPLEX OR LARGER UNITS	SINGLE OR DUPLEX HE	TRIPLEX OR LARGER HE	COMMERCIAL HE	INDUSTRIAL HE	TOTAL HE
2008-09	13	0	13	0	0	13	26
2009-10	14	0	14	0	0	3	17
2010-11	58	97	58	19	25	91	193
2011-12	58	97	58	19	25	91	193
2012-13	58	97	58	19	25	91	193
2013-14	58	97	58	19	25	91	193
2014-15	58	97	58	19	25	91	193
2015-16	59	97	59	19	25	91	194
<b>TOTAL</b>	<b>376</b>	<b>582</b>	<b>376</b>	<b>114</b>	<b>150</b>	<b>562</b>	<b>1,202</b>

**NOTES**

1. "SINGLE OR DUPLEX UNITS" AND "TRIPLEX OR LARGER UNITS" BASED ON COMMUNITY DEVELOPMENT DEPARTMENT MEMORANDUM "FY 07-08 RESIDENTIAL BUILDABLE LANDS INVENTORY" DATED SEPTEMBER 9, 2008 , REDUCED BY 20% FOR UNDERBUILD. DEVELOPMENT IS PROJECTED ABOUT EQUALLY FOR EACH YEAR AFTER FY 2009-10.
2. "SINGLE OR DUPLEX HE" IS BASED ON 1 HYDRAULIC EQUIVALENT PER UNIT.
3. "TRIPLEX OR LARGER HE" IS BASED ON 0.2 HYDRAULIC EQUIVALENTS PER UNIT.
4. "COMMERCIAL HE " ASSUMES EXISTING RATIO OF 1.8 HYDRAULIC EQUIVALENTS PER ACRE FOR THE 83.48 UNBUILT COMMERCIAL ACRES PROJECTED ABOUT EQUALLY FOR EACH YEAR AFTER FY 2009-10 UNTIL BUILDOUT BASED ON SPREADSHEET ENTITLED "SDCs & ACREAGE FOR COMMERCIAL/INDUSTRIAL DEVELOPMENT 1996-PRESENT" DATED 6/30/08.
5. "INDUSTRIAL HE" ASSUMES EXISTING RATIO OF 1.0 HYDRAULIC EQUIVALENTS PER ACRE FOR 561.94 UNBUILT INDUSTRIAL ACRES PROJECTED ABOUT EQUALLY FOR EACH YEAR AFTER FY 2009-10 UNTIL BUILDOUT BASED ON SPREADSHEET ENTITLED "SDCs & ACREAGE FOR COMMERCIAL/INDUSTRIAL DEVELOPMENT 1996-PRESENT" DATED 6/30/08.
6. ACREAGE OF UNBUILT COMMERCIAL AND INDUSTRIAL LAND PROVIDED BY COMMUNITY DEVELOPMENT DEPARTMENT MEMORANDUM "FY 07-08 LAND USE BUILDABLE COMMERCIAL AND INDUSTRIAL" DATED NOVEMBER 12, 2008.