City of Sherwood Oregon

Resolution 2006-007

A RESOLUTION UPDATING THE CITY OF SHERWOOD WATER SYSTEM DEVELOPMENT CHARGES METHODOLOGY AND RATES

WHEREAS, City of Sherwood Ordinance 1991-927 and Resolution 91-498 provides that the City may from time to time amend or adopt a new Water System Development Charges (SDC) Methodology Report by resolution; and

WHEREAS, the last Water System Development Charges and Methodology update was completed in 1995; and

WHEREAS, in October 2005, the City of Sherwood adopted an updated Water System Master Plan (Resolution 2005-057); and

WHEREAS, the City of Sherwood has prepared an updated Parks Water System Development Charges Methodology Report (Methodology) and Rate Study, dated December 6, 2005; and

WHEREAS, the Methodology Report includes updated SDC rates which reflect currently identified needs;

NOW, THEREFORE, THE CITY RESOLVES AS FOLLOWS:

Section 1. The City of Sherwood City Council hereby adopts the Water System Development Charges Methodology Report and SDC rates for the Willamette River Option included within the report.

Section 2. The adopted SDC rates shall be effective March 1, 2006.

Duly passed by the City Council this 7thth day of February 2006.

Keith S. Mays, Mayor

ATTEST:

Donna M. Martin, Interim City Recorder

City of
Sherwood
Oregon

WATER SYSTEM DEVELOPMENT CHARGES

METHODOLOGY REPORT AND RATE STUDY

revised as of December 6, 2005

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Don
Ganer &
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CITY OF SHERWOOD

Water System Development Charges
Methodology Report and Rate Study

1.0 INTRODUCTION

System Development Charges (SDCs) are one-time fees charged to new development to help pay a portion of the costs associated with building capital facilities to meet needs created by growth. SDCs are authorized for five types of capital facilities including transportation, water, sewer, stormwater, and parks and recreation.

The City of Sherwood last updated the City's water system SDCs in 1995. In July 2005, the City engaged Don Ganer & Associates, Inc. to update the water system SDCs methodology and rates to reflect current costs and statutory requirements. The SDC methodology and rates presented in this report are based on the assumptions, projects and costs included in the City's 2005 Water System Master Plan and draft Technical Data Resource Manual (August 2005).

The remainder of the introduction to this report presents authority and background information including (1) legislative authority for SDCs; (2) an explanation of "improvement fee" and "reimbursement fee" SDCs; and (3) requirements and options for credits, exemptions and discounts. Section 2.0 presents the water system SDC methodology and rates.

A. Legislative Authority

The source of authority for the adoption of SDCs is found both in state statute and in the City's own plenary authority to adopt this type of fee. While SDCs have been in use in Oregon since the mid-1970's, State legislation regarding SDCs was not adopted until 1989, when the Oregon Systems Development Act (ORS 223.297 - 223.314) was passed. The purpose of this Act was to "..provide a uniform framework for the imposition of system development charges..". Legislative additions and modifications to the Act were made in 1993, 1999, 2001, and 2003. The Oregon SDC Act requires local governments that enact SDCs to:

- adopt SDCs by ordinance or resolution;
- develop a methodology outlining how the SDCs were developed;
- adopt a plan and project list to designate capital improvements that can be funded with "improvement fee" SDC revenues;

- provide credit against the amount of the SDC for the construction of certain "qualified public improvements";
- separately account for and report receipt and expenditure of SDC revenues, and develop procedures for challenging expenditures; and
- use SDC revenues for capital improvements and compliance costs only - operations and maintenance uses are prohibited.

B. "Improvement fee" and "Reimbursement fee" SDCs

The Oregon Systems Development Act provides for the imposition of two types of SDCs: (1) "improvement fee" SDCs, and (2) "reimbursement fee" SDCs. "Improvement fee" SDCs may be charged for new capital improvements that will increase capacity. Revenues from "improvement fee" SDCs may be used for capacity-increasing capital improvements included in a required plan and list of projects that identifies the expected timing, cost, and growth-required percentage for each project. "Reimbursement fee" SDCs may be charged for the costs of existing capital facilities if "excess capacity" is available to accommodate growth. Revenues from "reimbursement fees" may be used for *any* capital improvement project, including major repairs, upgrades, or renovations. Capital improvements to be funded with "reimbursement fee" SDCs do not need to increase capacity, but they must be included in the list of projects to be funded with SDC revenues.

C. Requirements and Options for Credits, Exemptions, and Discounts

(1) Credits

A credit is a reduction in the amount of the SDC for a specific development. The Oregon SDC Act requires that credit be allowed for the construction of any "qualified public improvement" that (1) is required as a condition of development approval, (2) is identified in the plan and list of projects on which improvement fee SDC revenues may be used, and (3) either is not located on or contiguous to property that is the subject of development approval, or is located on or contiguous to such property and is required to be built larger or with greater capacity than is necessary to meet the needs of the particular development project.

The credit for a qualified public improvement may only be applied against an SDC for the same type of improvement (e.g., a transportation improvement can only be used for a credit for a transportation SDC), and may be granted only for the cost of that portion of an improvement which exceeds the minimum standard facility size or capacity needed to serve the particular project. For multi-phase projects, any excess credit may be applied against SDCs that accrue in subsequent phases of the original development project.

In addition to these required credits, the City may, if it so chooses, provide a greater credit, establish a system providing for the transferability of credits, provide a credit for a capital improvement not identified in the City's plan and list of projects, or provide a share of the cost of an improvement by other means (i.e., partnerships, other City revenues, etc.).

(2) Exemptions

The City may "exempt" certain types of development, such as "affordable housing" from the requirement to pay SDCs. Exemptions reduce SDC revenues and, therefore, increase the amounts that must come from other sources, such as user fees, bonds, and property taxes.

(3) Discounts

The City may "discount" the amount of the SDC by reducing the portion of growth-required improvements to be funded with SDCs. A discount in the SDC may also be applied on a pro-rata basis to any identified deficiencies to be funded from non-SDC sources. For example, the City may decide to charge new development an SDC rate sufficient to pay for some types of facilities but not for others (i.e., water distribution, but not water storage, etc.), or to pay only a percentage (i.e., 80%, 50%, etc.) of identified growth-required costs. The portion of growth-required costs to be funded with SDCs must be identified in the City's plan and list of projects. Because discounts reduce SDC revenues, they increase the amounts that must come from other sources, such as water system user fees.

2.0 WATER SDC METHODOLOGY AND RATES

A. SDC Basis and Justification

The City's 2005 Water System Master Plan identifies capital improvements needed to serve the City's water needs through approximately 2040 (saturation development). In addition, the draft Technical Data Resource Manual (August 2005) also includes capacity projects that are designed for needs beyond the City's service area. The growth-required percentages of projects from the plan and resource manual that are designed to serve Sherwood through 2040 are identified in the Sherwood Water System Facilities SDC Capacity Improvement Projects list (SDC-CIP), which is attached as an appendix to this report. The SDC-CIP also shows the estimated cost and timing of each project.

The 2005 Water System Master Plan does not identify any "excess capacity" in the existing water system; therefore, the methodology used for the Water SDC is for an "improvement fee" SDC only and does not include a "reimbursement fee" component. The Water SDC establishes the required "reasonable relationship" between a development project's impacts and the SDC based on the specific demand each development is expected to place on the water system. The SDC is based on the impacts of new equivalent dwelling units (EDUs), and the SDC rates are calculated based on the specific impact (e.g. EDUs) a development is expected to have on the City's water system.

Table 2.1, below, shows the expected increase in water system capacity needed to serve new development through the year 2040.

TABLE 2.1

WATER SYSTEM CAPACITY
INCREASE NEEDED FOR GROWTH (2005 – 2040)

Year	Population	Average Gallons Per Capita Per Day (GPCD)	Total Average Daily Need
2040	37,940	120	4,552,800
2005	15,800	120	1,896,000
Increase	22,140		2,656,800

B. Water System Facility Costs

The City's 2005 Water System Master Plan and draft Technical Data Resource Manual include projects needed to provide additional capacity to serve growth. and these projects are included in the SDC-CIP. The Master Plan and resource manual also identify projects for non-growth needs, but these projects that are not eligible for funding from SDCs and are not included in the SDC-CIP.

1. Water Source Capacity Improvements

The draft Technical Data Resource Manual includes two options for water source capacity improvements:

a) Portland Bull Run Watershed/Columbia South Shore Wellfield (CSSWF), or
b) Willamette River.

The Portland Bull Run Watershed/CSSWF option would not offer the City ownership or direct long-term control of specific assets, so an SDC would not be feasible for water source facilities under this option. The Willamette River option would provide the City with an ownership interest in specific assets, so a water source facilities SDC would be appropriate for this option. SDC-eligible costs from the Water System SDC-CIP for each option are shown in Table 2.2, below.

TABLE 2.2

WATER SOURCE OPTION
CAPACITY IMPROVEMENT COSTS

Water Source Option	Estimated SDC-Eligible Project Costs
Portland Bull Run Watershed/CSSWF	$0*
Willamette River	$6,090,000

* Water source costs for this option would be paid through the water rate structure, rather than through SDCs.

2. Water Storage Capacity Improvements

SDC-eligible costs from the Water System SDC-CIP for water storage capacity improvements for each option are shown in Table 2.3, page 6.

TABLE 2.3

WATER STORAGE CAPACITY IMPROVEMENT COSTS

Water Source Option	Estimated SDC-Eligible Project Costs
Portland Bull Run Watershed/CSSWF	$9,773,400
Willamette River	$10,718,400

3. Water Distribution Capacity Improvements

SDC-eligible costs from the Water System SDC-CIP for water distribution capacity improvements for each option are shown in Table 2.4, below.

TABLE 2.4

WATER DISTRIBUTION CAPACITY IMPROVEMENT COSTS

Water Source Option	Estimated SDC-Eligible Project Costs
Portland Bull Run Watershed/CSSWF	$40,657,822
Willamette River	$26,928,214

C. Water SDC Rate Calculations

The City's Water SDC rates are calculated using a series of sequential formulas which, when completed, yield the total SDC for each new equivalent dwelling unit (EDU) in the City. The formulas identify:

- the water source capacity improvements cost per gallon (Formula 2-1, page 7),
- the water storage capacity improvements cost per gallon (Formula 2-2, page 7),
- the water distribution capacity improvements cost per gallon (Formula 2-3, page 8),
- the water system compliance cost per gallon (Formula 2-4, page 8)
- the water system SDC per gallon (Formula 2-5, page 9), and
- the water system SDC per equivalent dwelling unit (Formula 2-6, page 10).

1. Formula 2-1: Water Source Capacity Improvements Cost Per Gallon

The water source capacity improvements cost per gallon is calculated by dividing the estimated SDC-eligible project costs (identified in Table 2.2, page 5) by the planned increase in water system capacity (identified in Table 2.1, page 4).

	Water Source		Water System		Water Source Capacity
2-1.	Capacity SDC-	÷	Capacity	=	Improvements
	Eligible Project Costs		Increase		Cost Per Gallon

Table 2.5, below, presents the calculation of the water source capacity improvements cost per gallon for each water source option.

TABLE 2.5

WATER SOURCE CAPACITY IMPROVEMENTS COST PER GALLON

Water Source Option	Estimated SDC-Eligible Project Costs	Gallons Per Day Increase	Cost Per Gallon
Portland Bull Run Watershed/CSSWF	$0	2,656,800	$0.00
Willamette River	$6,090,000	2,656,800	$2.29

2. Formula 2-2: Water Storage Capacity Improvements Cost Per Gallon

The water storage capacity improvements cost per gallon is calculated by dividing the estimated SDC-eligible project costs (identified in Table 2.3, page 6) by the planned increase in water system capacity (identified in Table 2.1, page 4).

	Water Storage		Water System		Water Storage Capacity
2-2.	Capacity SDC-	÷	Capacity	=	Improvements
	Eligible Project Costs		Increase		Cost Per Gallon

Table 2.6, page 8, presents the calculation of the water storage capacity improvements cost per gallon for each water source option.

TABLE 2.6

WATER STORAGE CAPACITY IMPROVEMENTS COST PER GALLON

Water Source Option	Estimated SDC-Eligible Project Costs	Gallons Per Day Increase	Cost Per Gallon
Portland Bull Run Watershed/CSSWF	$9,773,400	2,656,800	$3.68
Willamette River	$10,718,400	2,656,800	$4.03

3. Formula 2-3: Water Distribution Capacity Improvements Cost Per Gallon

The water distribution capacity improvements cost per gallon is calculated by dividing the estimated SDC-eligible project costs (identified in Table 2.4, page 6) by the planned increase in water system capacity (identified in Table 2.1, page 4).

2-3.	Water Distribution Capacity SDC-Eligible Project Costs	÷	Water System Capacity Increase	=	Water Distribution Capacity Improvements Cost Per Gallon

Table 2.7, below, presents the calculation of the water storage capacity improvements cost per gallon.

TABLE 2.7

WATER DISTRIBUTION CAPACITY IMPROVEMENTS COST PER GALLON

Water Source Option	Estimated SDC-Eligible Project Costs	Gallons Per Day Increase	Cost Per Gallon
Portland Bull Run Watershed/CSSWF	$40,657,822	2,656,800	$15.30
Willamette River	$26,928,214	2,656,800	$10.14

4. Formula 2-4: Water System Compliance Cost Per Gallon

The City incurs costs to comply with legal requirements for SDCs and may recoup a portion of those costs in accordance with ORS 223.307(5). Compliance costs during the 35-year collection period have been estimated as follows:

Water System Master Plan, CIP, and SDC Methodology Updates (8 X $200,000 for consulting and staff services)	$1,600,000
Annual SDC-CIP Management, Accounting and Reporting Costs (approximately $25,000 per year for consulting, legal, audit, financial reporting and staff services)	875,000
Total Estimated 35-year Compliance Costs	$2,475,000

To calculate the Compliance Cost Per Gallon, the estimated 35-year compliance costs are divided by the planned increase in water system capacity (identified in Table 2.1, page 4), as shown in the following formula:

	35-year		Water System		Water System
2-4.	Compliance	÷	Capacity	=	Compliance
	Costs		Increase		Cost Per Gallon

Calculation of the Compliance Cost Per Gallon is shown in Table 2.8, below.

TABLE 2.8

COMPLIANCE COST PER GALLON

35 -Year Compliance Costs		Gallons Per Day Increase		Compliance Cost Per Gallon
$2,475,000	÷	2,656,800	=	$0.93

5. Formula 2-5: Water System SDC Per Gallon

The water system SDC per gallon is calculated by adding the water source capacity improvements cost per gallon (from Table 2.5, page 7), the water storage capacity improvements cost per gallon (from Table 2.6, page 7), the water distribution capacity improvements cost per gallon (from Table 2.7, page 8), and the compliance cost per gallon (from Table 2.8, above).

	Water Source		Storage		Distribution		Compliance	Water System
2-5.	Cost	+	Cost	+	Cost	+	Cost	= SDC
	Per Gallon		Per Gallon		Per Gallon		Per Gallon	Per Gallon

Table 2.9, below, presents the calculation of the water system SDC per gallon for each water source option.

TABLE 2.9

WATER SYSTEM SDC PER GALLON

Water Source Option	Water Source Cost Per Gallon	Storage Cost Per Gallon	Distribution Cost Per Gallon	Compliance Cost Per Gallon	SDC Per Gallon
Portland Bull Run Watershed/CSSWF	$0.00	$3.68	$15.30	$0.93	$19.91
Willamette River	2.29	4.03	10.14	$0.93	17.39

6. Formula 2-6: Water System SDC Per Equivalent Dwelling Unit (EDU)

The water system SDC per EDU is calculated by multiplying the SDC per gallon (from Table 2.9, above), by the estimated average daily demand per EDU. The estimated average daily demand per EDU is 336 gallons (120 gallons per capita per day X 2.8 persons per dwelling unit).

	Average Daily Demand Per EDU		Water System SDC Per Gallon		Water System SDC Per EDU
2-6.		X		=	

Table 2.10, below, presents the calculation of the water system SDC per EDU for each water source option.

TABLE 2.10

WATER SYSTEM SDC PER EQUIVALENT DWELLING UNIT

Water Source Option	Average Daily Demand Per EDU	Water System SDC Per Gallon	Water System SDC Per EDU
Portland Bull Run Watershed/CSSWF	336	$19.91	$6,690
Willamette River	336	17.39	5,843

Water SDCs are charged by meter size, based on the meter's estimated number of EDUs. Table 2.11, below, displays the SDC rate for various sizes of meters for each water source option.

TABLE 2.11

WATER SDC RATES FOR WATER SOURCE OPTIONS BASED ON METER SIZE

Meter Size (inches)	EDU's	Portland Bull Run/CSSWF Option	Willamette River Option
5/8"	1.0	$6,690	$5,843
1.0"	2.5	$16,725	$14,608
1.5"	5.0	$33,450	$29,215
2.0"	8.0	$53,520	$46,744
3.0"	17.5	$117,075	$102,253
4.0"	30.0	$200,700	$175,290
6.0"	62.5	$418,125	$365,188
8.0"	90.0	$602,100	$525,870

SHERWOOD WATER SYSTEM FACILITIES page 1
SDC CAPACITY IMPROVEMENT PROJECTS (SDC-CIP)
Willamette River Option

A. WATER SOURCE CAPACITY IMPROVEMENTS Estimated Project Timing	Facility	Estimated Project Cost ($)	Growth-Required Portion (%)	SDC-Eligible Growth Share ($)	Non-SDC Required Funding ($)
2006 - 2011	**Willamette River Water Treatment** Purchase 5 MGD of Water Treatment Plant Capacity Estimated Project Cost	$6,700,000	20.0%	$1,340,000	$5,360,000
2011	**Willamette River Water Treatment** Acquire Additional 5 MGD of Water Treatment Plant Capacity Estimated Project Cost	$4,750,000	100.0%	$4,750,000	$0
2025+	**Willamette River Water Treatment** Purchase Additional 5 MGD of Water Treatment Plant Capacity Estimated Project Cost	$4,750,000	0.0%	$0	$4,750,000
SUBTOTAL	**Water Production/Treatment Facilities**	**$16,200,000**	37.6%	**$6,090,000**	**$10,110,000**

B. WATER STORAGE CAPACITY IMPROVEMENTS Estimated Project Timing	Project Description	Estimated Project Cost ($)	Growth-Required Portion (%)	SDC-Eligible Growth Share ($)	Non-SDC Required Funding ($)
2005-2007	**SW Tooze Road Reservoir** Acquire land for and construct a 2.0 to 3.0 million gallon reservoir on SW Tooze Road Estimated Project Cost	$3,750,000	25.2%	$945,000	$2,805,000
2005 - 2008	**535-Foot Pressure Zone Reservoir** Acquire land for and construct a new 1.5 million gallon reservoir to serve the 535-foot pressure zone. Estimated Project Cost	$2,580,000	73.0%	$1,883,400	$696,600
2012 - 2014	**380-Foot Pressure Zone Reservoir** Construct the first of two new 4.0 million gallon reservoir to serve the 380-foot pressure zone. Estimated Project Cost	$4,700,000	70.0%	$3,290,000	$1,410,000
2025 +	**380-Foot Pressure Zone Reservoir** Construct the second of two new 4.0 million gallon reservoir to serve the 380-foot pressure zone. Estimated Project Cost	$4,600,000	100.0%	$4,600,000	$0
SUBTOTAL	**Water Storage Capacity Improvements**	**$15,630,000**	68.6%	**$10,718,400**	**$4,911,600**

SHERWOOD WATER SYSTEM FACILITIES page 2
SDC CAPACITY IMPROVEMENT PROJECTS (SDC-CIP)
Willamette River Option

C. WATER DISTRIBUTION CAPACITY IMPROVEMENTS		Estimated	Growth-	SDC-Eligible	Non-SDC
Estimated Project Timing	Project Description	Project Cost ($)	Required Portion (%)	Growth Share ($)	Required Funding ($)
	Finished Water Transmission				
2005-2007	Purchase Existing SW Kinsman Road Transmission Main				
	Estimated Project Cost	$700,000	25.2%	$176,400	$523,600
	Finished Water Transmission				
2005-2007	Extend SW Kinsman Road Transmission Main				
	Estimated Project Cost	$676,000	25.2%	$170,352	$505,648
	Finished Water Transmission				
2005-2007	Construct SW Boeckman and SW Tooze Road Transmission Main				
	Estimated Project Cost	$1,780,000	25.2%	$448,560	$1,331,440
	Finished Water Transmission				
2005-2007	Extend SW Tooze Road Transmission Main				
	Estimated Project Cost	$1,240,000	25.2%	$312,480	$927,520
	Finished Water Transmission				
2005-2007	Construct 10 MGD Booster Pump Station				
	Estimated Project Cost	$900,000	60.0%	$540,000	$360,000
	Finished Water Transmission				
2005-2007	Construct SW Baker Road Transmission Main				
	Estimated Project Cost	$6,300,000	25.2%	$1,587,600	$4,712,400
	Finished Water Transmission				
2025+	Expand Booster Pump Station Capacity by 10 MGD				
	Estimated Project Cost	$150,000	0.0%	$0	$150,000
	M-33 (380-Foot Pressure Zone)				
2006 - 2007	Construct diistribution improvements on Adams Street Extension South				
	Estimated Project Cost	$562,716	100.0%	$562,716	$0

SHERWOOD WATER SYSTEM FACILITIES page 3
SDC CAPACITY IMPROVEMENT PROJECTS (SDC-CIP)
Willamette River Option

Estimated Project Timing	C. WATER DISTRIBUTION CAPACITY IMPROVEMENTS Project Description	Estimated Project Cost ($)	Growth-Required Portion (%)	SDC-Eligible Growth Share ($)	Non-SDC Required Funding ($)
2006 - 2007	**M-18 (380-Foot Pressure Zone)** Construct distribution improvements on Wapato Street Loop Estimated Project Cost	$106,624	100.0%	$106,624	$0
2006 - 2007	**M-7 (380-Foot Pressure Zone)** Construct distribution improvements on SW Galbreath Drive Extension Estimated Project Cost	$292,500	100.0%	$292,500	$0
2007 - 2008	**M-32 (380-Foot Pressure Zone)** Construct distribution improvements on Adams Street Extension North Estimated Project Cost	$522,000	100.0%	$522,000	$0
2007 - 2009	**B-8 (535-Foot Pressure Zone)** Construct 535-Foot Reservoir Transmission Line Estimated Project Cost	$3,306,000	73.0%	$2,413,380	$892,620
2010 - 2011	**M-34 (380-Foot Pressure Zone)** Construct distribution improvements for NW UGB Expansion Area Estimated Project Cost	$487,722	100.0%	$487,722	$0
2015-2016	**B-1 (535-Foot Pressure Zone)** Construct distribution improvements on Pine Street Estimated Project Cost	$166,010	100.0%	$166,010	$0
2023 - 2024	**M-35 (380-Foot Pressure Zone)** Construct distribution improvements on Oregon Street (Adams Street to Old Town) Estimated Project Cost	$2,175,000	100.0%	$2,175,000	$0
2025 +	**B-2 (535-Foot Pressure Zone)** Construct distribution improvements on SW Sunset Blvd. Estimated Project Cost	$158,470	100.0%	$158,470	$0
SUBTOTAL	**Water Distribution Capacity Improvements**	**$19,523,042**	51.8%	**$10,119,814**	**$9,403,228**
TOTAL	**WATER SYSTEM CAPACITY IMPROVEMENTS**	**$51,353,042**	52.4%	**$26,928,214**	**$24,424,828**

SHERWOOD WATER SYSTEM FACILITIES page 3

SDC CAPACITY IMPROVEMENT PROJECTS (SDC-CIP)

Portland Bull Run Watershed/CSSWF Option

A. WATER SOURCE CAPACITY IMPROVEMENTS Estimated Project Timing	Facility	Estimated Project Cost ($)	Growth-Required Portion (%)	SDC-Eligible Growth Share ($)	Non-SDC Required Funding ($)
SUBTOTAL	**Water Production/Treatment Facilities***	**$0**	0.0%	**$0**	**$0**
	* City ownership of production/treatment facilities is not available for this option				
B. WATER STORAGE CAPACITY IMPROVEMENTS Estimated Project Timing	Project Description	Estimated Project Cost ($)	Growth-Required Portion (%)	SDC-Eligible Growth Share ($)	Non-SDC Required Funding ($)
2005 - 2008	**535-Foot Pressure Zone Reservoir** Acquire land for and construct a new 1.5 million gallon reservoir to serve the 535-foot pressure zone. Estimated Project Cost	$2,580,000	73.0%	$1,883,400	$696,600
2012 - 2014	**380-Foot Pressure Zone Reservoir** Construct the first of two new 4.0 million gallon reservoir to serve the 380-foot pressure zone. Estimated Project Cost	$4,700,000	70.0%	$3,290,000	$1,410,000
2025 +	**380-Foot Pressure Zone Reservoir** Construct the second of two new 4.0 million gallon reservoir to serve the 380-foot pressure zone. Estimated Project Cost	$4,600,000	100.0%	$4,600,000	$0
SUBTOTAL	**Water Storage Capacity Improvements**	**$11,880,000**	82.3%	**$9,773,400**	**$2,106,600**
C. WATER DISTRIBUTION CAPACITY IMPROVEMENTS Estimated Project Timing	Project Description	Estimated Project Cost ($)	Growth-Required Portion (%)	SDC-Eligible Growth Share ($)	Non-SDC Required Funding ($)
2006 - 2011	**Finished Water Transmission** Construct Water Transmission Line to City Distribution System Estimated Project Cost	$30,000,000	80.0%	$24,000,000	$6,000,000
2006 - 2007	**M-33 (380-Foot Pressure Zone)** Construct diistribution improvements on Adams Street Extension South Estimated Project Cost	$562,716	100.0%	$562,716	$0
2006 - 2007	**M-18 (380-Foot Pressure Zone)** Construct diistribution improvements on Wapato Street Loop Estimated Project Cost	$106,624	100.0%	$106,624	$0
2006 - 2007	**M-7 (380-Foot Pressure Zone)** Construct diistribution improvements on SW Galbreath Drive Extension Estimated Project Cost	$292,500	100.0%	$292,500	$0

SHERWOOD WATER SYSTEM FACILITIES page 4

SDC CAPACITY IMPROVEMENT PROJECTS (SDC-CIP)

Portland Bull Run Watershed/CSSWF Option

C. WATER DISTRIBUTION CAPACITY IMPROVEMENTS

Estimated Project Timing	Project Description	Estimated Project Cost ($)	Growth-Required Portion (%)	SDC-Eligible Growth Share ($)	Non-SDC Required Funding ($)
2007 - 2008	**M-32 (380-Foot Pressure Zone)** Construct diistribution improvements on Adams Street Extension North				
	Estimated Project Cost	$522,000	100.0%	$522,000	$0
2007 - 2009	**B-8 (535-Foot Pressure Zone)** Construct 535-Foot Reservoir Transmission Line				
	Estimated Project Cost	$3,306,000	73.0%	$2,413,380	$892,620
2010 - 2011	**M-34 (380-Foot Pressure Zone)** Construct diistribution improvements for NW UGB Expansion Area				
	Estimated Project Cost	$487,722	100.0%	$487,722	$0
2015-2016	**B-1 (535-Foot Pressure Zone)** Construct distribution improvements on Pine Street				
	Estimated Project Cost	$166,010	100.0%	$166,010	$0
2023 - 2024	**M-35 (380-Foot Pressure Zone)** Construct diistribution improvements on Oregon Street (Adams Street to Old Town)				
	Estimated Project Cost	$2,175,000	100.0%	$2,175,000	$0
2025 +	**B-2 (535-Foot Pressure Zone)** Construct distribution improvements on SW Sunsett Blvd.				
	Estimated Project Cost	$158,470	100.0%	$158,470	$0
SUBTOTAL	**Water Distribution Capacity Improvements**	**$37,777,042**	81.8%	**$30,884,422**	**$6,892,620**
TOTAL	**WATER SYSTEM CAPACITY IMPROVEMENTS**	**$49,657,042**	81.9%	**$40,657,822**	**$8,999,220**