

CITY OF MILWAUKIE

RESOLUTION NO. 22-1991

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MILWAUKIE, OREGON, SETTING THE AMOUNT AND STATING THE METHODOLOGY FOR SYSTEM DEVELOPMENT CHARGES FOR WASTE WATER AND WATER SERVICES.

WHEREAS, having authorized establishment of water and sewer system development charges for the city through Milwaukie City Code Sections _____ through _____, this resolution sets those charges and delineates the specific methodology for calculation of the charges. The methodology established for these calculations has been designed in accordance with ORS 223.297-.314 and generally accepted principles for establishment of reimbursement and improvement fees; and

WHEREAS, for the reimbursement element of the SDC, rate-making principles have been employed throughout this calculation with specific attention to the cost of existing facilities, prior contributions made by existing users, the value of unused capacity, and equity between existing and future users; and

WHEREAS, for the improvement element of the SDC specific consideration of the costs of projected capital improvements needed to increase the capacity of the systems to accommodate future development as documented in the "City of Milwaukie Public Facilities Plan, 1988-2008", and

WHEREAS, a range of potential system development charge methodologies were evaluated based on cost and value assumptions and variable allocation methods and that analysis determined that the inter-relationship of facilities meeting existing and future demand provides the most consistent and equitable basis for establishing SDC's.

THE CITY COUNCIL OF THE CITY OF MILWAUKIE RESOLVES:

Section 1. Charge Established. System development charges for waste water and water facilities are hereby established. Charges shall consist of two parts, a reimbursement fee and an improvement fee, which will be applied as follows:

- A. Waste Water Facilities. Base Unit Charge is \$843.00 and is composed of \$240.00 for the reimbursement fee and \$603.00 for the improvement fee.
- B. Water Facilities. Base Unit Charge is \$293.00 and is composed of \$225.00 for the reimbursement fee and \$68.00 for the improvement fee.
- C. The System Development Charge shall equal the total number of unit equivalents times the Base Unit Charge times the current Engineering News Record (ENR) Construction Cost Index (CCI) divided by 4773 (CCI at the time of Base Unit Charge).
- D. Number of units shall be determined by the following table:

	<u>TYPE OF USE</u>	<u>UNIT EQUIVALENT</u>	
1.	RESIDENTIAL		
	Single family residence	One single family residence	= 1 unit
	Multiple family dwelling	One dwelling unit	= .65 unit
2.	NONRESIDENTIAL		
a.	<u>Commercial Establishments</u> are those establishments of a commercial nature that do not fall under categories b. and c. below. Public structures and churches are also included in this category.		
	Commercial Establishments	16 fixture units	= 1 unit

b. Special Services

Schools (all grades)	16 fixture units	= 1 unit
Hospitals	16 fixture units	= 1 unit
Public Park Facilities	16 fixture units	= 1 unit
Laundries and Laundromats	16 fixture units	= 1 unit

(If a separate water meter for a laundry or laundromat is utilized, the service charge shall be as described in Section 2.c.)

Convalescent/Rest Homes

(1) w/o individual kitchen & with a central kitchen (Kitchens shall mean any combination of sink, refrigeration unit or cooking area, regardless of size or capacity, or intent.)	2 beds 16 fixture units (for kitchen, laundry, and other common areas).	= 1 unit = 1 unit
(2) w/individual kitchens regardless of having a central kitchen and common facilities	16 fixture units	= 1 unit

Sleeping Accommodations

(1) w/o kitchens	2 dwelling units plus 16 fixture units (for common facilities of laundry, dining area, restaurant, etc.)	= 1 unit = 1 unit
(2) w/kitchens	1 dwelling unit (includes central laundry facilities)	= 1 unit

All Restaurants or Main Dining Facilities (including kitchens)	16 fixture units	= 1 unit
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c. Industrial connections are for those structures used primarily for manufacturing or which discharge wastes other than sanitary or domestic. There are three industrial categories as follows:

(1) <u>Category I - Dry</u> User does not generate or discharge any industrial waste or wastewater.	16 fixture units	= 1 unit
(2) <u>Category II - Minor</u> Metered water use of industrial waste or	Wastewater. 240 gpd - if water discharge is not known, then the fixture unit rates will be used.	= 1 unit

wastewater discharge is less than 25,000 gpd. (Car washes are included in this category. If a separate water meter for a car wash is not utilized, the service charge shall be calculated by adding the total water consumption for the car wash portion of the structure to the fixture unit count for the non-car wash portion.)

Any adjustment in connection charge will be made after 6 months of operation.

Water. 240 gpd = 1 unit

(3) Category III - Major Metered water use of industrial waste or wastewater discharge is equal to or greater than 25,000 gpd or strength of waste discharged is more than 800 mg/l Chemical Oxygen Demand (COD) or 400 mg/l Suspended Solids (SS).

City staff shall select one or more of the following methods of determining the connection charge:

a) 240 gpd average value = 1 unit

b) 0.7 lbs. BOD per day average value = 1 unit

c) 1.4 lbs. COD per day average value = 1 unit

d) 0.7 lbs. SS per day average value = 1 unit

Such selection shall be made on the basis of the impact the particular user's discharge is anticipated to have on the particular sewerage system in question, and shall be aimed at ensuring that the user in question pay his/her fair share in light of the impact of its discharge as determined by the City.

Minor and major industrial systems development charges cover only the industrial waste/wastewater portion of the industrial user's discharge. The minor and major industrial user must also pay systems development charges, based upon fixture units, for its water and domestic waste discharge (See Section 2.a. "Commercial" above.)

Section 2. Permits Affected. System development charges established by section 1 of this resolution shall be collected at the time of issuance of a permit to connect to the water or waste water system.

Section 3. Methodology. The systems development charge imposed by Ordinance No. _____ was calculated as follows:

WATER

A.	Utility Plant-In-Service (6/30/90) for reimbursement	Replacement Cost*	Original Cost
	Property, Plant, & Equipment	\$15,053,850	\$7,175,258
	less: Accumulated Depreciation	<u>6,069,643</u>	<u>2,893,031</u>
	Net Plant in Service	\$ 8,984,207	\$4,282,227
	less: Utility Debt Outstanding	\$ 300,000	\$ 300,000
	less: Contributed Capital net SDC Pmts.	\$ 3,577,581	\$1,705,216
	plus: Accum. Depreciation on Contribu- ted Capital	<u>\$ 1,442,464</u>	<u>\$ 687,535</u>
	Net Utility Cost or Value **		
	Definition	Replacement Cost	
		- Contributed Capital	
		- Debt Outstanding	
		- Depreciation	
	Cost or Value	\$6,549,090	

* Assumes Average Asset Age of 15.6 years.

** Replacement Cost bases are an approximation of value.

B.	Future Capital Needs for Improvements	
	Improvements to Plant	<u>\$ 1,976,919</u>
	Total	\$ 1,976,919
	less: Available Capital Funds	<u>\$ 0</u>
	Net Future Facilities Cost	\$ 1,976,919
	Capacity Expansion in mgd	2.33 mgd

C. Capacity Analysis

Existing Service Level	4.656 mgd
Additional Capacity Available w/improvements	<u>2.328</u> mgd
Total Available Capacity	6.984 mgd

D. Allocation Basis

1 Unit = 16 Fixture Units = 240 gallons per day.

E. Calculation of System Development Charges

Total Capacity in mgd	6.984
Total Capacity in units	29,100
1. Reimbursement Fee	
Total Capacity Investment	\$6,549,090
Reimbursement Fee per Unit	\$ 225
2. Improvement Fee	
Future Facility Costs	\$1,976,919
Improvement Fee per Unit	\$ 68
3. Integrated System Development Charge	
Reimbursement Fee	\$ 225
Improvement Fee	<u>\$ 68</u>
Total System Development Charge	\$ 293

SEWER

A. Utility Plant-In-Service (6/30/90) for reimbursement	Replacement Cost*	Original Cost
Property, Plan, & Equipment	\$13,141,910	\$6,263,953
less: Accumulated Depreciation	<u>\$ 4,759,360</u>	<u>\$2,268,499</u>
Net Plant in Service	\$ 8,382,550	\$3,995,454
plus: Sewer Plant Rights	\$ 1,306,451	\$ 622,706
less: Contract Payable (Clackamas County)	215,413	\$ 215,413
plus: Assessments Receivable	\$ 152,771	\$ 152,771
less: Contributed Capital net SDC Pmts.	\$ 8,827,243	\$4,207,412
plus: Accum. Depreciation on Contr. Cap.	<u>\$ 3,196,798</u>	<u>\$1,523,720</u>

Net Utility Cost or Value **

Definition	Replacement Cost - Contributed Capital - Debt Outstanding - Depreciation
Cost or Value	\$3,995,914

- * Assumes Average Asset Age of 15.6 years.
 ** Replacement Cost bases are an approximation of value.

B. Future Capital Needs for Improvements

Improvements to Plant	\$10,052,307
Total	\$10,052,307
less: Available Capital Funds	\$ 0
Net Future Facilities Cost	\$10,052,307
Capacity Expansion in mgd	1.00 mgd

C. Capacity Analysis

Existing Service Level	3.00 mgd
Additional Capacity Available w/improvements	1.00 mgd
Total Available Capacity	4.00 mgd

D. Allocation Basis

1 Unit = 16 Fixture Units = 240 gallons per day.

E. Calculation of System Development Charges

Total Capacity in mgd	4.00
Total Capacity in units	16,667
1. Reimbursement Fee	
Total Capacity Investment	\$ 3,995,914
Reimbursement Fee per Unit	\$ 240
2. Improvement Fee	
Future Facility Costs	\$10,052,307
Improvement Fee per Unit	\$ 603

3. Integrated System Development Charge

Reimbursement Fee	\$	240
Improvement Fee	\$	603
Total System Development Charge	\$	843

Section 4. Definitions.

A. Fixture unit means fixture unit load values for sewage drain piping and shall be specified in the Oregon State Plumbing Code and Administrative Rules.

B. Dwelling unit. A separate living unit including those in multiple dwellings, apartments, motels, hotels, mobile homes or trailers.

C. Unit equivalent means a nonresident unit which is deemed equivalent to a dwelling unit as provided herein or as used in the State Plumbing Code.

D. Commercial Establishment means any structure used other than as a dwelling unit or for manufacturing.

Introduced and adopted by the City Council on June 18, 1991.

Craig J. Tommich
Mayor

ATTEST:

Pat DeWal
City Recorder

APPROVED AS TO FORM:

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