

Milwaukie Sewer SDC Update

RS 7. B.
1/4/22
Presentation

Tuesday, January 4, 2022

Prepared by FCS GROUP



Agenda

- **Background**
- **SDC Calculations**
- **Comparison**



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Key Characteristics of SDCs

- SDCs are one-time charges, not ongoing rates. Paid at the time of development.
- SDCs are available for water, wastewater, stormwater, transportation, and parks.
- SDCs are for capital only, in both their calculation and in their use.
- SDCs include both existing and future (planned) infrastructure cost components.
- SDCs are for “system” facilities, not “local” facilities.



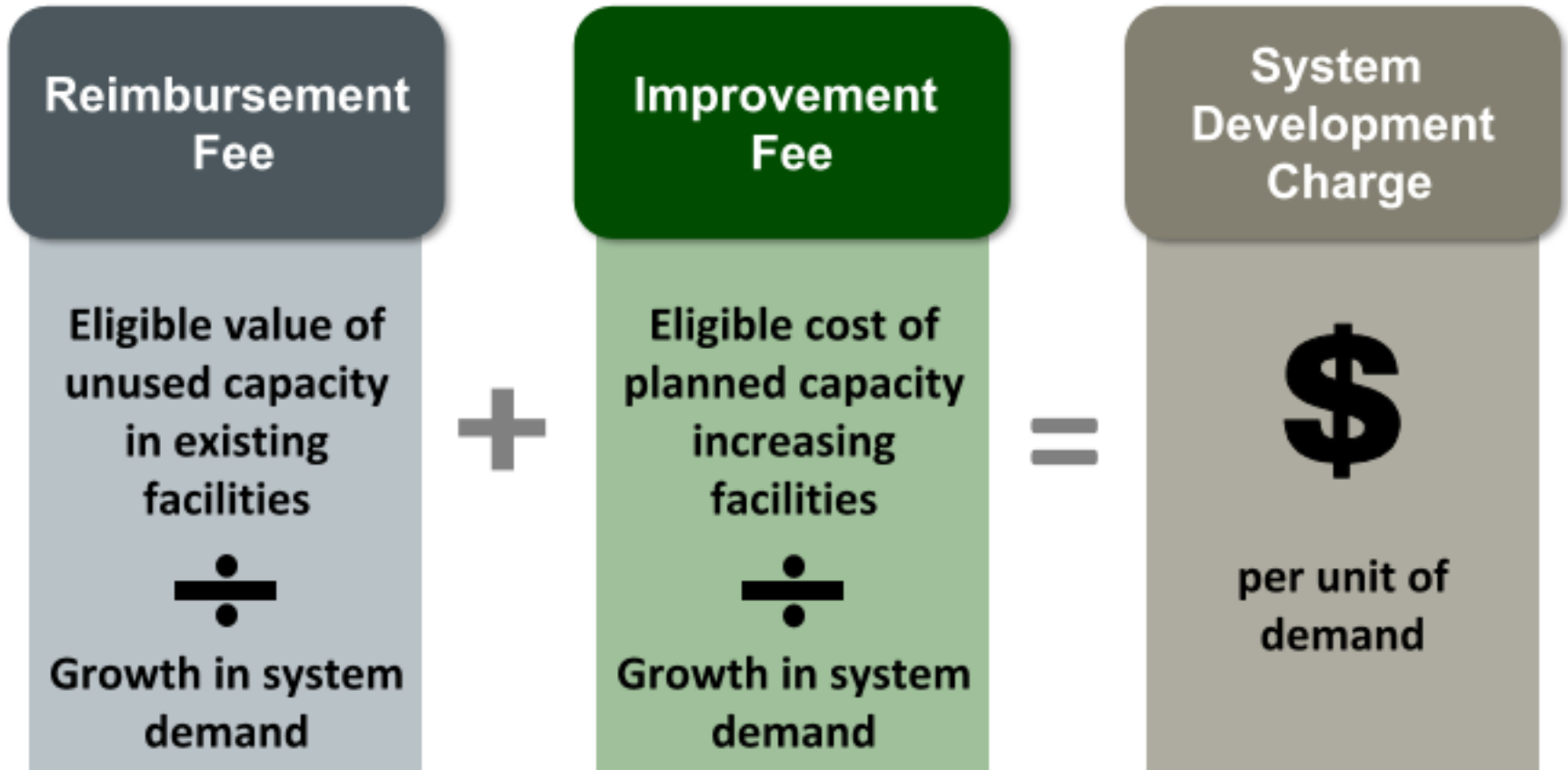
Legal Framework for SDCs

ORS 223.297 - 314, known as *the SDC Act*, provides “a uniform framework for the imposition of system development charges by governmental units” and establishes “that the charges may be used only for capital improvements.”





The SDC Calculation





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Growth

	2020	2040	Growth	Growth Share
Dry-weather flow, gallons per day	1,621,328	2,006,855	385,527	19.21%
Flow per EDU, gallons per day	115	115		
Implied EDUs	14,099	17,451	3,352	19.21%

Source: 2019 Wastewater System Master Plan, Table 5-6 (2020 flow); Table 5-12 (2040 flow); Table 5-13 (flow per EDU)



Improvement Fee Cost Basis

Project ID	Project Name	Timing	Cost	SDC Eligibility	SDC-Eligible Costs
CAP-1	Manhole Surveying	2023-2041	\$ 475,000	0.00%	\$ -
CAP-2	Pipe Upgrades	2029	819,000	20.01%	163,899
CAP-3	Flow Monitoring	2026-2041	124,000	19.21%	23,821
CAP-4	Harvey Street Improvements	2022	5,000	0.00%	-
C-1	Pipeline Rehabilitation and Replacement	2023-2041	7,239,000	0.00%	-
C-2	Pump Station Condition Assessments	2023	30,000	0.00%	-
C-3 thru 7	Pump Station Improvements	2026-2041	4,250,000	19.21%	816,447
C-8	Johnson Creek Siphon Inspection	2026	100,000	0.00%	-
C-9	Waverly South	2023	91,000	0.00%	-
C-10	Waverly Heights Sewer System Reconfiguration	2023-2025	3,404,000	0.00%	-
C-11	SCADA Design & Construction	2022	105,000	0.00%	-
C-12	Ardenwald North Improvements	2022	476,000	0.00%	-
C-13	Milwaukie/El Puente SRTS Improvements	2022-2023	522,000	0.00%	-
C-14	Logus Road & 40th Ave Improvements	2022-2023	149,000	0.00%	-
C-15	Wastewater System Improvements FY2023	2023	491,000	0.00%	-
C-16	International Way Improvements	2024	144,000	0.00%	-
C-17	North Milwaukie Improvements	2025	465,000	0.00%	-
C-18	SAFE & SSMP FY 2025 Improvements - Park/Lloyd/Stanley	2025	139,000	0.00%	-
C-19	Vehicle Purchases	2022-2024	752,000	0.00%	-
C-20	Lift Station Pump & SCADA Controls Replacement	2022-2025	200,000	0.00%	-
C-21	Wastewater Capital Maintenance Program	2022-2041	1,000,000	0.00%	-
R-1	S1 Island Pump Station Rebuild	2026-2041	-	0.00%	-
R-2	S3 Home & Monroe Pump Station Retrofit	2026-2041	-	0.00%	-
R-3	S5 Brookside Pump Station Retrofit and Pump Upgrade	2026-2041	-	0.00%	-
R-4	Bolted Manholes	2027	13,000	0.00%	-
P-1	Wastewater System Master Plan Update	2026-2041	800,000	19.21%	153,684
Total			\$ 21,793,000		\$ 1,157,851

Source: 2019 Wastewater System Master Plan, Table 10-1 (project list, timing, and cost); Water Systems Consulting (SDC eligibility)



Reimbursement Fee Cost Basis

Original Cost of Sewer Pipes	\$ 16,930,032
Outstanding Principal	964,578
Capacity Available through 2040	19.21%
Reimbursable Cost	\$ 3,067,044

Source: City staff (original cost of pipes, outstanding principal); Water Systems Consulting (available capacity)



Adjustments

Unadjusted Improvement Fee Cost Basis	\$ 1,157,851
Improvement Fee Fund Balance	(708,495)
Improvement Fee Cost Basis	<u>\$ 449,356</u>
Unadjusted Reimbursement Fee Cost Basis	\$ 3,067,044
Reimbursement Fee Fund Balance	(20,061)
Reimbursement Fee Cost Basis	<u>\$ 3,046,983</u>



SDC Calculation

Cost Basis:	
Improvement Fee	\$ 449,356
Reimbursement Fee	3,046,983
Compliance Costs	73,800
Total Cost Basis	\$ 3,570,139
Growth in EDUs	3,352
Improvement Fee per EDU	\$ 134
Reimbursement Fee per EDU	909
Compliance Fee per EDU	22
Total SDC per EDU	\$ 1,065



SDC Schedule

	EDUs	Calculated SDC
Single-Family Dwelling Unit	1.00 \$	1,065
Duplex, ADU (per dwelling Unit)	0.65 \$	692
Other* (per EDU)	1.00 \$	1,065



SDC Schedule (based on house size)

	EDUs	Calculated SDC
< 500 sqft (use ADU rate)	0.60	\$ 639
500-800 sqft	0.70	\$ 745
800-1,799 sqft	0.90	\$ 958
1,800-2,999 sqft	1.00	\$ 1,065
3,000-3,799 sqft	1.10	\$ 1,171
≥ 3,800 sqft	1.20	\$ 1,278
Multi-family	0.80	\$ 852
Accessory dwelling unit (ADU)	0.60	\$ 639

- Thresholds are based on WES's expected schedule
 - » *Water Environment Services Rules and Regulations, March 2021 (Public Review Draft)*
 - » <https://www.clackamas.us/wes/sanitary-and-stormwater-rules-and-standards-update>

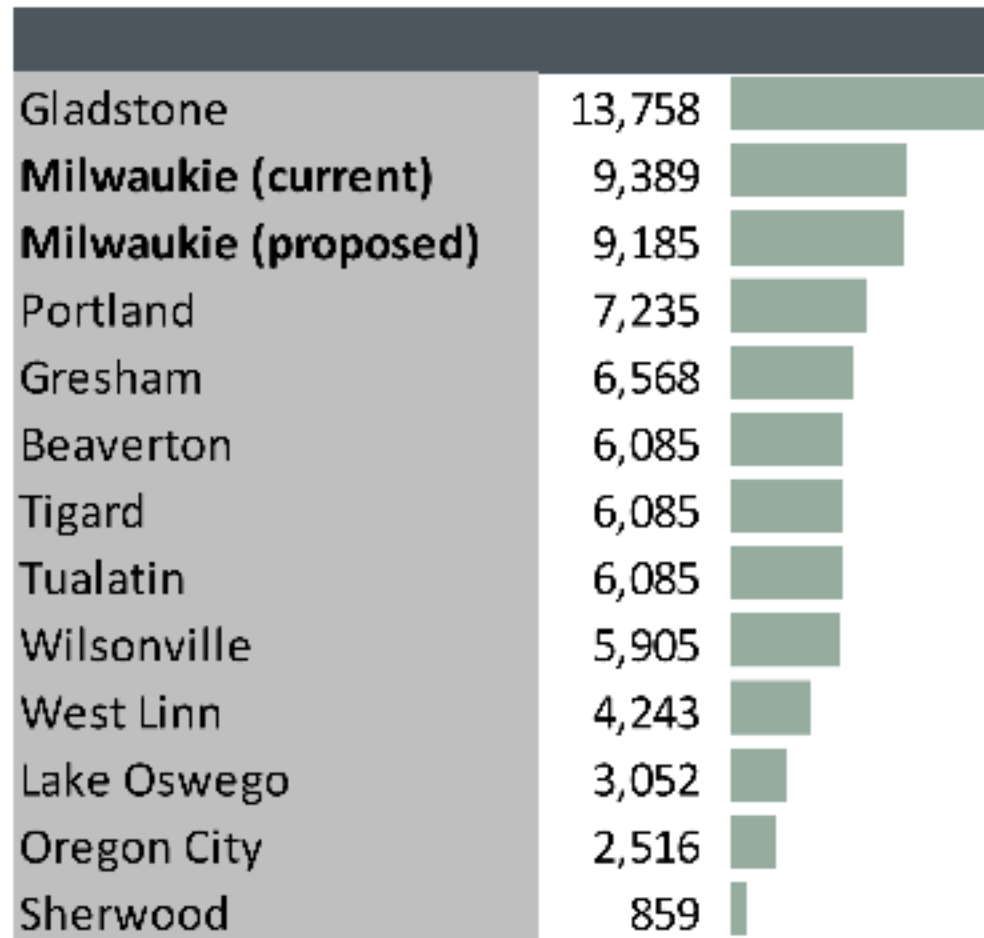


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- Note that this includes WES's wastewater treatment SDC: \$8,120 per EDU

Thank you! Questions?

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