



# City of Milwaukie Water SDC

**RS 8. A. 4/2/24  
Presentation**



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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.

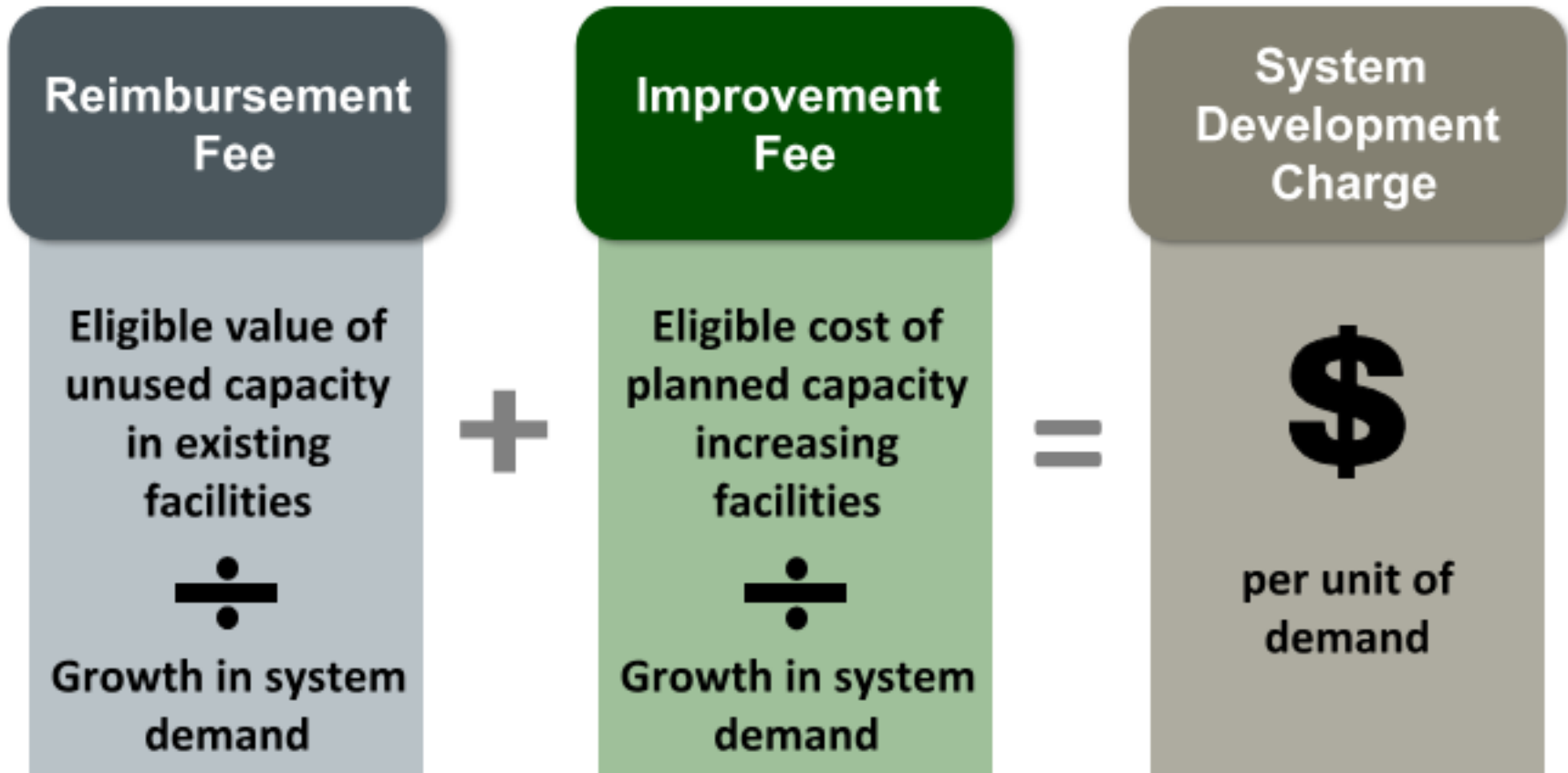
SDCs are for capital only, in both their calculation and in their use.

SDCs include both existing and future (planned) infrastructure cost components.

SDCs are for “system” facilities, not “local” facilities.



# The SDC Calculation





## Current SDCs – FY 2024

Meter Size	MCE Ratio	Current SDC
3/4"	1.00	\$ 2,297
1"	1.67	3,836
1.5"	3.33	7,666
2"	5.33	12,268
3"	10.67	24,528
4"	16.67	38,326
6"	33.33	76,658
8"	53.33	122,654
10"	76.67	176,313
12"	168.75	344,964

## System Development Charge

- The maximum allowable SDC per Meter Customer Equivalent (MCE) is \$5,603

Calculated SDC	
Improvement Fee Cost Basis	\$ 11,555,291
Reimbursement Fee Cost Basis	1,303,760
Compliance Costs	985,098
<b>Total:</b>	<b>\$ 13,844,149</b>
Growth in MCEs	2,485
Improvement Fee per MCE	\$ 4,682
Reimbursement Fee per MCE	525
Compliance Fee per MCE	396
<b>Total SDC per MCE:</b>	<b>\$ 5,603</b>



- **Expected growth of 2,485 MCEs**

	2019	2023	2040 (2023-2040)	Growth	Growth Share
Peak Season Maximum Day Demand (MGD)	4.13	4.38	5.64	1.26	22.29%
Total MCEs		8,664	11,149	2,485	22.29%

**Source:** 2021 Water System Master Plan, Table 3-7 (maximum day demand projections); previous tables (total MCEs)

# Project List (abbreviated)

- **\$11.6M SDC-eligible project costs**
- **Large projects include:**
  - » **\$22.7M** – *Sum of the costs from the installation and replacement of various pipeline projects*
  - » **\$7.0M** – *Additional 3 MG storage reservoir to address storage deficiency in Zone 2*
  - » **\$2.9M** – *3 MG tank recoating and modernization of mixing system in Stanley Reservoir*
  - » **\$1.6M** – *Replacement of 147 DC with two 3,000 gpm pumps*

#	Description	Timeline	2023 Project Cost	SDC Eligibility	Outside Funding	SDC-Eligible Cost
1	Unspecified miscellaneous equipment replacement and upgrades as needed.	2023-2032	\$ 325,368	0.00%	\$ -	\$ -
2	Intertie Development	2025-2032	325,368	22.29%	-	72,522
3	Re-establish the production of Well 8 to maximize supply	2024	271,140	22.29%	-	60,435
...	...	...	...	...	...	...
93	Perform system wide seismic evaluation.	2029	325,368	22.29%	-	72,522
94	Planning and securing of additional water rights	2025-2028	108,456	22.29%	-	24,174
95	Revised Lead and Copper Rule Compliance Study	2023	135,570	0.00%	-	-
<b>Total:</b>			<b>\$49,962,874</b>		<b>\$ 2,895,774</b>	<b>\$11,635,069</b>

Source: 2021 Water System Master Plan, City staff



## Reimbursement Fee Summary

	Estimated Capacity for Growth	Original Cost	Reimbursable Cost
Supply	18.29%	\$ 4,307,901	\$ 788,052
Storage	35.51%	1,447,865	514,174
Pumping	0.22%	687,747	1,534
Transmission & Distribution	0.00%	15,009,614	-
<b>Total:</b>		<b>\$ 21,453,127</b>	<b>\$ 1,303,760</b>





## Calculated SDCs

Meter Size	MCE Ratio	Improvement Fee	Reimbursement Fee	Compliance Fee	Calculated Full SDC
3/4"	1.00	\$ 4,682	\$ 525	\$ 396	<b>\$ 5,603</b>
1"	1.67	7,804	874	661	<b>9,339</b>
1.5"	3.33	15,608	1,749	1,321	<b>18,678</b>
2"	5.33	24,972	2,798	2,114	<b>29,885</b>
3"	10.67	49,944	5,596	4,229	<b>59,769</b>
4"	16.67	78,038	8,744	6,607	<b>93,389</b>
6"	33.33	156,075	17,489	13,214	<b>186,779</b>
8"	53.33	249,721	27,982	21,143	<b>298,846</b>
10"	76.67	358,973	40,225	30,393	<b>429,591</b>
12"	168.75	790,132	88,538	66,898	<b>945,567</b>
















## Scalable SDCs by House Size

	EDUs	Max. Water SDC
<b>Single-Family Residential</b>		
< 500 sqft (use ADU rate)	0.60	\$ 3,362
500-800 sqft	0.70	3,922
800-1,799 sqft	0.90	5,043
1,800-2,999 sqft	1.00	5,603
3,000-3,799 sqft	1.10	6,164
≥ 3,800 sqft	1.20	6,724
Accessory dwelling unit (ADU)	0.60	3,362

**Source:** 2021 Water Environment Services Rules and Regulations



# SDC Comparison

	Water SDC per 5/8" meter	
West Linn	\$ 15,385	
Oregon City	13,967	
Wilsonville	12,089	
Tigard	10,853	
Beaverton	10,329	
Gladstone	9,986	
Lake Oswego	9,571	
Sherwood	9,544	
Tualatin	8,290	
<b>Milwaukie (proposed)</b>	<b>5,603</b>	
Gresham	5,603	
Portland	4,563	
<b>Milwaukie (current)</b>	<b>2,197</b>	

*Source: FCS GROUP Survey (7/12/23)*

*Assumes 5/8" meter*



# Project Examples

	Example 1	Example 2	Example 3
Existing Number of Meters	1	0	3
Existing Meter Size	3/4"	0	1.5"
Existing MCEs	1.00	0.00	10.00
Proposed Number of Meters	1	2	3
Proposed Meter Size	1.5"	3"	3"
Proposed MCEs	3.33	21.33	32.00
Differential MCEs	2.33	21.33	22.00
SDC at Current Rate	\$5,359.67	\$49,002.67	\$50,534.00
<b>SDC at Maximum Rate</b>	<b>\$13,074.51</b>	<b>\$119,538.34</b>	<b>\$123,273.92</b>
Number of Dwelling Units	13	32	275
<b>SDC per Dwelling Unit (Maximum Rate)</b>	<b>\$1,005.73</b>	<b>\$3,735.57</b>	<b>\$448.27</b>



# Project List

#	Description	Time line	2023 Project Cost	SDC Eligibility	Outside Funding	SDC-Eligible Cost
1	Unspecified miscellaneous equipment replacement and upgrades as needed.	2023-2032	\$ 325,368	0.00%	\$ -	\$ -
2	Intertie Development	2025-2032	325,368	22.29%	-	72,522
3	Re-establish the production of Well 8 to maximize supply	2024	271,140	22.29%	-	60,435
4	HVAC upgrades all wellhouses	2023-2027	325,368	0.00%	-	-
5	Well electrical upgrades	2024-2032	406,710	22.29%	-	90,652
6	Well #4 Reconditioning	2023	65,074	0.00%	-	-
7	Well #7 Reconditioning	2023	65,074	0.00%	-	-
8	Well #3 Reconditioning	2024	65,074	0.00%	-	-
9	Well #5 Reconditioning	2026	65,074	0.00%	-	-
10	Well #6 Reconditioning	2028	65,074	0.00%	-	-
11	Well #2 Building improvements	2026	108,456	0.00%	-	-
12	CRW / Oak Lodge Intertie	2024	132,316	22.29%	-	29,492
13	WTP 235 generation replacement/ relocation and automatic transfer switch/ blow	2026	1,735,295	22.29%	-	386,782
14	WTP 47 generation replacement/ relocation and automatic transfer switch/ blow	2027	1,735,295	22.29%	-	386,782
15	Stanley Reservoir: 3.0 MG tank recoating. Modernize mixing system	2023-2024	2,895,774	22.29%	2,895,774	-
16	Construct additional 3M G storage reservoir to address storage deficiency in Zone	2029-2030	7,049,637	73.33%	-	5,169,734
17	Concrete Tank liner replacement (per Potable Divers Inc. Report July 2020) and ex	2023	650,736	0.00%	-	-
18	Address deferred maintenance	2023-2032	325,368	0.00%	-	-
19	Replace W2 PS with two 3,000 gpm pumps.	2025	1,626,839	0.00%	-	-
20	Replace the 3rd Zone PS with two 2,000 gpm pumps	2027	1,301,471	40.43%	-	526,120
21	Replace the W6 PS with two 2,000 gpm pumps.	2032	1,301,471	55.25%	-	719,063
22	Lava Pump Station backup generator	2025	105,202	22.29%	-	23,449
23	Replace 10-inch pipe with 650 feet of 12-inch pipe on Main St. Replace 6.10-inch p	2026	1,129,948	22.29%	-	251,856
24	Install 1470 feet of 12-inch pipe on Firwood St.	2027	554,264	22.29%	-	123,541
25	Install 800 feet of 12-inch pipe on Flavel Dr.	2027	303,677	22.29%	-	67,687
26	Replace 4-inch pipe with 500 feet of 8-inch pipe on Winworth Ct.	2028	136,112	0.00%	-	-
27	Install 750 feet of 12-inch pipe on 23rd Ave. Replace 6-inch pipe with 600 feet of 12	2027	759,354	22.29%	-	169,254
28	Replace 4-inch pipe with 240 feet of 8-inch pipe on Elk St. Install 380 feet of 8-inch	2025	273,309	0.00%	-	-
29	Replace 4-inch pipe with 260 feet of 8-inch pipe on 44th Ave. Replace 4-inch pipe	2027	260,077	0.00%	-	-
30	Replace 6-inch pipe with 360 feet of 8-inch pipe on Drake St. Replace 4, 6-inch pip	2031	310,943	0.00%	-	-
31	Replace 16-inch transmission main from the Concrete Reservoir to Zone 2 with 38	2028	1,937,023	22.29%	-	431,746
32	Replace 6-inch pipe with 1550 feet of 8-inch pipe on Adams St. Replace 6-inch pip	2028	1,077,239	0.00%	-	-
33	Replace 6-inch pipe with 800 feet of 16-inch pipe on Oak St. Replace 6-inch pipe w	2027	1,868,642	22.29%	-	416,504
34	Replace 10-inch pipe with 300 feet of 16-inch pipe on Sparrow St. Replace 10-inch	2029	1,263,674	22.29%	-	281,662



# Project List (continued)

#	Description	Timeline	2023 Project Cost	SDC Eligibility	Outside Funding	SDC-Eligible Cost
35	Install 450 feet of 8-inch pipe between Roswell St and Boyd St.	2024	123,369	0.00%	-	-
36	Replace 4-inch pipe with 220 feet of 12-inch pipe on 34th Ave. Install 340 feet of 12-inch pipe on 34th Ave.	2039-2042	640,432	22.29%	-	142,747
37	Replace 4-inch pipe with 180 feet of 8-inch pipe on 30th Ave.	2032	47,612	0.00%	-	-
38	Replace 4-inch pipe with 180 feet of 8-inch pipe on 31st Ave.	2032	47,612	0.00%	-	-
39	Replace 4-inch pipe with 300 feet of 8-inch pipe on 33rd Ave.	2032	82,969	0.00%	-	-
40	Replace 6-inch pipe with 470 feet of 8-inch pipe on 41st Ct.	2032	128,900	0.00%	-	-
41	Install 380 feet of 16-inch pipe on Minthorn Springs. Replace 10, 12-inch pipe with 2028	2028	2,366,780	22.29%	-	527,535
42	Replace 6-inch pipe with 250 feet of 8-inch pipe on 47th Ave. Replace 4, 6-inch pipe	2029	848,776	0.00%	-	-
43	Install 440 feet of 8-inch pipe on Llewellyn St.	2033-2038	118,434	0.00%	-	-
44	Replace 6, 8-inch pipe with 1660 feet of 12-inch pipe on King Rd. Replace 8-inch pipe	2031	1,473,374	22.29%	-	328,402
45	Replace 6-inch pipe with 710 feet of 8-inch pipe on 30th Ave. Replace 6-inch pipe	2031	554,427	0.00%	-	-
46	Reconnect King Rd Hydrants to 10-inch line.	2031	21,040	0.00%	-	-
47	Replace 8-inch pipe with 420 feet of 12-inch pipe on Grogran St. Replace 4, 6-inch pipe	2039-2042	640,432	22.29%	-	142,747
48	Replace 4-inch pipe with 330 feet of 8-inch pipe on 36th Ave.	2033-2038	90,181	0.00%	-	-
49	Replace 4-inch pipe with 700 feet of 8-inch pipe on Balfour St.	2033-2038	190,340	0.00%	-	-
50	Install 240 feet of 8-inch pipe between 63rd and 64th Ave.	2033-2038	65,290	0.00%	-	-
51	Replace 6-inch pipe with 430 feet of 8-inch pipe on Northridge Dr. Replace 6-inch pipe	2039-2042	287,734	0.00%	-	-
52	Replace 6-inch pipe with 340 feet of 8-inch pipe on Hunter St.	2033-2038	91,862	0.00%	-	-
53	Install 380 feet of 8-inch pipe between 41st Ave and 42nd Ave at Meadowcrest Ct	2033-2038	104,009	0.00%	-	-
54	Replace 6-inch pipe with 360 feet of 12-inch pipe on 32nd Ave.	2033-2038	136,004	22.29%	-	30,314
55	Install 410 feet of 12-inch pipe between Wichita Ct and Woodhaven St.	2033-2038	155,255	22.29%	-	34,605
56	Replace 10-inch pipe with 600 feet of 12-inch pipe on 26th Ave.	2039-2042	226,673	22.29%	-	50,523
57	Install 390 feet of 12-inch pipe from the industrial area to Railroad Ave.	2033-2038	148,422	22.29%	-	33,082
58	Replace 6-inch pipe with 630 feet of 8-inch pipe on 30th Ave. Replace 6-inch pipe	2039-2042	363,490	0.00%	-	-
59	Replace 6-inch pipe with 550 feet of 8-inch pipe on 29th Ave. Replace 6-inch pipe	2039-2042	240,284	0.00%	-	-
60	Install 352 feet of 8-inch pipe at Quail Ridge Apartments.	2033-2038	96,049	0.00%	-	-
61	Replace 12-inch pipe with 1280 feet of 12-inch pipe on Hanna Harvester Dr.	2039-2042	482,846	22.29%	-	107,622
62	Replace 4-inch pipe with 240 feet of 8-inch pipe on Waymire St.	2039-2042	65,290	0.00%	-	-
63	Replace 6-inch pipe with 350 feet of 8-inch pipe on Oxford Ln.	2039-2042	95,712	0.00%	-	-
64	Install 310 feet of 8-inch pipe between Brookside Apartments and Brookside Dr.	2039-2042	84,650	0.00%	-	-
65	Install 300 feet of 8-inch pipe on Se Furnberg St.	2039-2042	136,112	0.00%	-	-
66	Replace 8-inch pipe with 90 feet of 12-inch pipe on McLoughlin Blvd. Replace 8-inch pipe	2039-2042	48,751	22.29%	-	10,866
67	Replace 6-inch pipe with 410 feet of 8-inch pipe on 41st Ave.	2039-2042	111,222	0.00%	-	-
68	Replace 6-inch pipe with 350 feet of 8-inch pipe on 29th Ave.	2033-2038	95,712	0.00%	-	-



# Project List (continued)

#	Description	Timeline	2023 Project Cost	SDC Eligibility	Outside Funding	SDC-Eligible Cost
69	Install 800 feet of 12-inch pipe on Stanley Place.	2033-2038	303,677	22.29%	-	67,687
70	Install 850 feet of 12-inch pipe between Riverway Ln and 17th Ave.	2039-2042	320,758	22.29%	-	71,494
71	Install 960 feet of 12-inch pipe on Monroe St.	2039-2042	363,761	22.29%	-	81,079
72	Replace 6-inch pipe with 460 feet of 8-inch pipe on White Lake Rd.	2039-2042	125,050	0.00%	-	-
73	Install 370 feet of 12-inch pipe on Clackamas Hwy.	2039-2042	215,339	22.29%	-	47,997
74	Replace 8-inch pipe with 350 feet of 12-inch pipe on Frontage Ave. Replace 8-inch	2039-2042	286,758	22.29%	-	63,916
75	Replace 8-inch pipe with 255 feet of 12-inch pipe on 23rd Ave. Replace 6-inch pipe	2039-2042	293,834	22.29%	-	65,493
76	Install 380 feet of 8-inch pipe on 21st Ave to Main St.	2039-2042	104,009	0.00%	-	-
77	Install 340 feet of 8-inch pipe on 36th Ave to Beckman Ave.	2039-2042	91,862	0.00%	-	-
78	Install 330 feet of 12-inch pipe on Deering Ct to Linwood Ave.	2039-2042	124,670	22.29%	-	27,788
79	Install 450 feet of 12-inch pipe on 60th Ave to Linwood Ave.	2039-2042	170,005	22.29%	-	37,893
80	Logus Road & 40th improvements	2023	284,155	0.00%	-	-
81	Milwaukie/El Puente SRTS improvements	2023	314,522	0.00%	-	-
82	Ardenwald South improvements	2024	902,353	0.00%	-	-
83	Waverley South improvements	2023	124,724	0.00%	-	-
84	International Way improvements	2024	300,423	0.00%	-	-
85	Monroe Street extension	2024	348,144	0.00%	-	-
86	Stanley Street extension	2024	95,441	0.00%	-	-
87	SAFE & SSMP FY 2025 improvements	2025	1,223,383	0.00%	-	-
88	Oatfield Rd & Shell Lane improvements	2026	108,456	0.00%	-	-
89	SCADA Implementation and Support	2024-2042	488,052	22.29%	-	108,783
90	Ongoing automation and control upgrades	2023-2042	1,084,559	22.29%	-	241,739
91	Update existing Water System Plan.	2029	271,140	22.29%	-	60,435
92	Long-term Climate Change Vulnerabilities and Alternatives Study. Develop compr	2026	216,912	22.29%	-	48,348
93	Perform system wide seismic evaluation.	2029	325,368	22.29%	-	72,522
94	Planning and securing of additional water rights	2025-2028	108,456	22.29%	-	24,174
95	Revised Lead and Copper Rule Compliance Study	2023	135,570	0.00%	-	-
<b>Total</b>			<b>\$ 49,962,874</b>		<b>\$ 2,895,774</b>	<b>\$ 11,635,069</b>

Source: 2021 Water System Master Plan, City staff