

RESOLUTION NO. 15 -15

A RESOLUTION ESTABLISHING AN UPDATED SYSTEMS DEVELOPMENT CHARGE FOR WATER SUPPLY, TREATMENT, TRANSMISSION AND DISTRIBUTION.

WHEREAS, the City of Aumsville Systems Development Ordinance, Ordinance No. 387 provides for the setting of systems development charges upon completion of an analysis of projected capital improvements to be constructed and adoption of a methodology explaining how the systems development fees were calculated; and

WHEREAS, the City of Aumsville has enacted Ordinance 387, which specifies that such charges shall be set by a separate resolution of the City Council; and

WHEREAS, the Oregon Revised Statutes (ORS) provide the framework for establishing an SDC, and for notification and public hearing of the City of Aumsville's intent to impose SDCs; and

WHEREAS, the City Council held a public hearing on September 14, 2015 on the proposed Water SDC methodology and Water SDC charge; and

WHEREAS, the City Council has determined that the methodology and rates hereinafter specified and established are just, reasonable and necessary.

NOW, THEREFORE, THE CITY OF AUMSVILLE HEREBY RESOLVES AS FOLLOWS:

SECTION 1. IMPOSITION OF SYSTEMS DEVELOPMENT CHARGES

This resolution shall establish the most current methodology, and it replaces the methodology set forth in Resolution 23-07 and shall be the basis for imposing a systems development charge (SDC) on those activities that create the need for or increase the demand for necessary capital improvements to sustain an adequate water supply, storage, treatment, transmission and distribution system within the City of Aumsville, Oregon.

SECTION 2. SCOPE

The charge imposed by this resolution is separate from and in addition to any applicable taxes, fees, assessments, charges, including but not limited to other systems development charges, which may be required by the City of Aumsville or imposed as a condition of a land use or development approval.

SECTION 3. SDC FEES: IMPROVEMENT FEE and REIMBURSEMENT FEE

The SDC fee imposed by this resolution is a combination of an improvement fee and a reimbursement fee and is not a tax on the land.

SECTION 4. METHODOLOGY

The City Council of Aumsville hereby adopts the following methodology as the basis for setting the systems development fee imposed by this resolution as authorized by Ordinance 387.

A. The Aumsville Water Master Plan (Keller Associates, April 2015) and the Water SDC Update (David W. Kinney, Community Development Consultant, May 2015) shall be considered the primary source documents and provide the methodology upon which the charges imposed herein are promulgated and constitute the improvements plan described in the Systems Development Ordinance, No. 387.

B. The City of Aumsville currently operates and maintains a municipal water system. This water system has been operated by the City for many years. The water is derived from five active groundwater wells with a current production capacity of 800 gallons per minute. The system includes two storage reservoirs, with a combined capacity of 1,100,000 gallons; a booster pump at the largest reservoir, a water filtration facility and a transmission and distribution piping system.

C. The Aumsville Water Master Plan (WMP) was updated in April 2015. The WMP establishes standards and guidelines for the rehabilitation, expansion and improvement of the city's water system. The WMP recommends facility improvements to meet the demands of current users and developed areas of the City and recommends facility improvements that are required to serve the forecast growth in the City of Aumsville from 2015 to 2034 and serve an estimated population of 5,673 people in 2034. The capital improvement plan in Appendix E of the Aumsville WMP lists the recommended projects and allocates the percentage of each project that is eligible for the water systems improvement fee and water systems reimbursement fee.

D. Water Systems Improvements: Water system improvements are needed to correct existing system deficiencies, provide additional capacity and improve the water supply, water storage and distribution systems. In order to equitably share the cost of improvements between current users and future users, the City has evaluated each project component to determine the proportionate share of each project that will benefit current users and future users.

Table 1 is the Capital Improvements Plan taken from Appendix E of the WMP. Table 1 identifies the percent of each project that is SDC eligible. Keller Associates concludes \$2,608,000 of the estimated \$5,924,000 of recommended improvements will be needed to serve future development and are eligible to be paid for with a Water Improvement Fee. The City Council hereby adopts the Table 1 as the approved Water System capital improvements plan.

Table 1
City of Aumsville Water Master Plan
Appendix E – Capital Improvements Plan

ID#	Item Description	Opinion of Probable Cost*	Percent SDC Eligible	SDC Amount	City Amount
<i>Priority 1 Improvements (by 2020)</i>					
1A	10-inch loop along Aumsville Highway, 8-inch connection to Olney Street	\$255,000	50%	\$127,500	\$127,500
1B	8-inch Loop to School	\$104,000	0%	\$0	\$104,000
1C	Additional Fire Hydrants	\$50,000	14%	\$7,200	\$42,800
1D	Reservoir Improvements	\$476,000	0%	\$0	\$476,000
1E	Booster Station Improvements	\$263,000	0%	\$0	\$263,000
1F	Well Improvements	\$620,360	13%	\$81,600	\$538,760
1G	WMCP Update	\$4,800	50%	\$2,400	\$2,400
Total Priority 1 Improvements		\$1,773,000		\$218,700	\$1,554,460
<i>Priority 2 Improvements (by 2024)</i>					
2A	8-inch Main along Church Street	\$136,000	0%	\$0	\$136,000
2B	8-inch loop along Michael Way	\$77,000	0%	\$0	\$77,000
2C	8-inch main on Maple Court	\$86,000	0%	\$0	\$86,000
2D	8-inch main on Locust Court	\$89,000	0%	\$0	\$89,000
2E	Additional Fire Hydrants	\$36,000	20%	\$7,200	\$28,800
2F	500,000 Gallon Reservoir	\$1,123,000	100%	\$1,123,000	\$0
2G	300 gpm Well and Pipeline	\$703,000	100%	\$703,000	\$0
2H	Additional Booster Station	\$749,000	14%	\$101,900	\$647,100
2I	Well Improvements	\$256,000	0%	\$0	\$256,000
2J	WMCP Progress Report	\$6,300	50%	\$3,200	\$3,100
2K	10 Year WMP Update	\$80,000	100%	\$80,000	\$0
Total Priority 2 Improvements		\$3,341,000		\$2,018,300	\$1,323,000
<i>Priority 3 Improvements (by 2034)</i>					
3A	10-inch loop along Aumsville Highway	\$147,000	75%	\$110,300	\$36,700
3B	8-inch Loop between 12th Street and Cedar Lane	\$32,000	25%	\$8,000	\$24,000
3C	8-inch Loop along Cleveland Street	\$40,000	0%	\$0	\$40,000
3D	8-inch Loop between Del Mar Drive and 1st Street	\$216,000	75%	\$162,000	\$54,000
3E	Additional Fire Hydrants	\$57,000	13%	\$7,200	\$49,800
3F	Reservoir Improvements	\$172,000	0%	\$0	\$172,000
3G	Well Improvements	\$60,000	0%	\$0	\$60,000
3H	20 Year WMP	\$80,000	100%	\$80,000	\$0
3I	WMCP Update	\$6,300	50%	\$3,200	\$3,100
Total Priority 3 Improvements		\$810,000		\$370,700	\$439,600
TOTAL (rounded)		\$5,924,000		\$2,608,000	\$3,318,000
* All costs in 2014 Dollars. Costs include engineering and contingencies.					

E. Equivalent Dwelling Units. It is the City's intent to use an equivalent dwelling unit (EDU) as the method to allocate the proportionate cost of water system improvements to each user. In order to equitably charge for the impacts of non-residential development the water meter size can be utilized based on the standard residential water meter as the equivalent unit (EDU); and relative water meter capacity as the multiplier. Further, the typical single family residence is served by a 5/8" x 3/4" or a 3/4" meter. The 3/4" meter size of meter has a maximum delivery capacity of 1,337 gpd, and will be used as the minimum EDU standard.

F. Population Forecast and Equivalent Dwelling Unit Projections: Keller Associates estimates the City of Aumsville population will reach 5,673 persons by the year 2034. The population forecast is based on a 20-year extrapolation (2014 to 2034) of the Marion County's coordinated population forecast that was approved in 2009.

2010 U.S. Census data shows there were 1,285 households with an average household size of 3.03 persons per household. Residential users comprised 95% of the water system users and non-residential users were the remaining 5%.

The City anticipates the number of persons per household will remain the same in 2034 and the proportion of residential /non-residential users will remain the same during the 20-year planning period. Keller Associates estimates 618 additional EDU's will be added by 2034, as shown in Table 2.

Table 2
Population Forecast and
Equivalent Dwelling Unit Estimates for 2034

2014 Population	3,895
Persons per Household (PPH) – 2010 Census	3.03
# of Residential Households	1,285
Existing System EDU's	1,353
2034 Population Forecast	5,673
Population Increase 2014-2034	1,778
2034 Additional Residential EDU's @ 3.03 PPH (95%)	587
2034 Additional Non-Residential EDU's (5%)	31
EDU's to be added (2014 to 2034)	618
2034 Total EDUs	1,971

G. Maximum Water Improvement Fee:

Keller Associates estimates \$2,608,000 of the proposed water system improvements will benefit future users and may be financed with SDC charge and estimates 618 EDUs will be added by the year 2034. Dividing the SDC eligible share of the project costs needed to serve the forecast population in 2034 by the number of EDUs to be added by 2034 yields the maximum water improvement fee. The City concludes the maximum water improvement fee that may be charged is \$4,220 per EDU, as shown in Table 3.

Table 3
Maximum Water Improvement Fee per EDU

	Future Growth Share
Estimated Cost of Improvements to Serve Future Growth	\$ 2,608,000
Estimated # of EDUs to be added 2014 to 2034	618
Maximum Water Improvement Fee per EDU	\$ 4,220

H. Water System Reimbursement Fee:

The City may charge a reimbursement fee to future users to compensate the City for prior investments in the water system. The reimbursement fee may only be charged for those projects that have remaining capacity to serve future users. Keller Associates concludes the majority of the existing water system components are at or near capacity and are necessary to serve current users and do not have available capacity to serve future users.

Keller Associates identified three recently constructed water system improvements that have available capacity to serve future users and are eligible for a water reimbursement fee:

1. Filter Project Constructed in 2015
2. Chlorination Project Constructed in 2007
3. SCADA Project Constructed in 2014

Keller determined the present value of each project, the remaining capacity of each project that is available to serve new growth, the number of EDUs that may be served by the available capacity and calculated the maximum reimbursement fee per EDU. The maximum water reimbursement fee for these projects is \$266 per EDU.

Table 4
Water Reimbursement Fee per EDU

Project Description	Present Value (a)	Capacity (EDU) (b)	Future Users (EDU) (c)	Reimbursement Fee per EDU (a) + (b)
Filter Project	\$ 275,100	2429	1,076	\$ 113
Chlorination Project	318,041	2429	1,076	131
SCADA Project	43,697	1971	618	22
Maximum Water Reimbursement Fee				\$ 266

SECTION 5. FEE

A. Water SDC Fee per EDU: Based on the methodology set forth herein, the City hereby establishes a water systems development charge of \$4,486 per equivalent dwelling unit (EDU) to be collected in accordance with Section 4 of Ordinance 387.

Table 5
Water Systems Development Charge per EDU

	SDC Charge per EDU
Water Improvement Fee	\$ 4,220
Water Reimbursement Fee	266
WaterSDC per EDU	
	\$ 4,486

B. Residential Users. All residential development shall be charged a per dwelling unit SDC charge, even if a multi-family dwelling or complex is served by a master water meter.

Table 6
Residential SDC Charges

	# of Units	SDC Charge
SFR or MH	1	\$ 4,486
Duplex	2	8,972
Tri-plex	3	13,458
SDC per EDU for multi-family housing	#	# units x \$4,486

- C. *Non-Residential Users*: All non-residential development shall be charged based on the meter size set forth in Table 7. The 3/4-inch water meter equivalencies are derived from standards set for water meters by the American Water Works Association, the industry organization that establishes quality and performance standards for the manufacture of domestic water meters.¹

Table 7
**Water SDC Fee Schedule
 for Non-Residential Uses by Meter Size**

Meter Size	Meter Equivalency	Water SDC Charge
¾"	1.00	\$ 4,486
1"	1.67	7,492
1 ½"	3.33	14,939
2"	5.33	23,911
3"	10.67	47,866
4"	16.67	74,783
6"	33.33	149,521
8"	53.33	239,152
10"	76.67	343,941

- D. *Non-Residential Development Not Connected to the City Water System*. The City may impose an SDC fee for non-residential users which are not connected to the city water system, but are provided fire protection service from the city water system. The SDC charge shall be determined by the City Administrator based on the demand placed on the water system. In setting the water SDC, the city administrator may consult with the Public Works Director and City Engineer and will consider any relevant information provided by the applicant.

SECTION 6. REVENUE AND EXPENDITURES

- A. All funds derived from these charges shall be segregated according to standard municipal accounting practices and credited to a water systems development charge fund.
- B. All expenditures from this fund will be in accordance with Ordinance No. 387, and will be expended only for water system capital improvements to meet the demands for new and future growth of the City of Aumsville, for the costs of developing the water SDC methodologies and for the costs of providing an annual accounting of system development charge expenditures.

¹ American Water Works Association (AWWA) Standard for Cold-Water Meters Displacement Type, Bronze Main Case for meters up to 1-inch, and Turbine Type Class I vertical-Shaft and Low-Velocity Horizontal Type meters for meters 2-inches and larger, publications C700-90 and C710-96, 1991 and 1996.

SECTION 7. ANNUAL INDEXED ADJUSTMENT OF WATER SDC

On January 1st of each year, the Water SDC Charge listed in Section 5 of this resolution shall be increased or decreased based on the actual change in the Engineering News and Record index of construction costs for the prior 12-month period.

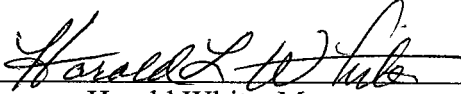
SECTION 8. PERIODIC REVIEW

This resolution, its methodology and conclusions as to the SDC shall be reviewed periodically by the City Council of the City of Aumsville and shall be updated as needed, based on new improvement requirements and estimated costs thereof, etc.

SECTION 9. EFFECTIVE DATE

This resolution shall be in full force and effect from and after passage by the Aumsville City Council.

CONSIDERED AND PASSED BY THE COMMON COUNCIL OF THE CITY OF AUMSVILLE this 14th day of September, 2015.


Harold White, Mayor

ATTEST: 
Maryann N. Hills, City Administrator