

RESOLUTION NO. 2406

A RESOLUTION ADJUSTING THE SYSTEM DEVELOPMENT CHARGES FOR WATER AND RESCINDING RESOLUTION NO. 2001.

THE TROUTDALE CITY COUNCIL FINDS AS FOLLOWS:

1. Section 12.02.020 of the Troutdale Municipal Code establishes system development charges to impose an equitable share of the public costs of capital improvements upon those developments that create the need for, or increase the demands on, capital improvements.
2. Resolution No. 2001, which is currently in effect, established the current capital improvement plan project listing and rate for the water system development charge.
3. Section 12.02.030 of the Troutdale Municipal Code requires staff to annually review the rate and bring proposed changes to the Council for consideration.
4. Members of the construction industry have requested a phase-in of any cost increase so as to not disadvantage currently planned projects.
5. Council previously approved the Capital Improvement Plan Project Listing for the water system, March 22, 2016.

NOW THEREFORE BE IT RESOLVED BY THE COUNCIL OF THE CITY OF TROUTDALE

Section 1. Purpose.

The purpose of the water system development charge is to require developments that create the need for water facilities or increase the demand on existing water facilities to pay an equitable share of the cost of those improvements.

Section 2. Definitions.

Unless the context suggests otherwise, for this Resolution these terms and phrases mean as follows:

Capital Improvement. The construction of, or addition to, facilities or assets used for the production, storage, distribution, or treatment of water.

Development. Any man-made change to improved or unimproved real property, including but not limited to construction, installation, or alteration of a building or other structure; condominium conversion; land division; establishment or termination of a right of access;

storage on real property; tree cutting; drilling; and site alteration such as that due to land surface mining, dredging, grading, paving, excavating, or clearing.

Hydraulic Equivalent. A measure of hydraulic capacity using equivalencies established by the American Water Works Association.

Director. The Public Works Director of the City of Troutdale or his/her designee.

Improvement Fee. A fee for costs associated with eligible costs of planned capacity increasing facilities.

Reimbursement Fee. A fee for costs associated with eligible value of the unused capacity of existing facilities.

Section 3. Methodology.

- A. A detailed methodology was completed by FCS Group dated June 2017 and is the basis for the system development charges in this resolution, provided herewith as Attachment 1.
- B. The methodology used to establish the improvement fee is based on the estimated cost of projected capital improvements needed to increase the capacity of the sanitary sewer system, including costs of financing, divided by the projected growth in system capacity as measured in Hydraulic Equivalent (HE). This allows determination of a unit cost of system capacity.
- C. The methodology used to establish the reimbursement fee is based on the estimated value of existing unused capacity divided by the projected growth in system capacity as measured in Hydraulic Equivalent (HE). This allows determination of a unit cost of system capacity reimbursement.
- D. Hydraulic equivalents are utilized as a measure of capacity because they represent the potential demand a customer may place on the system. In the "City of Troutdale Water hydraulic equivalents are applied to water meter size as follows:

<u>Water Meter Size</u>	<u>Hydraulic Equivalents</u>
3/4"	1.0
1"	1.7
1 1/2"	3.3
2"	5.3
3"	10.0
4"	16.7
6"	33.3
8"	53.3

- E. No water system development charge will be assessed for a water meter used solely for fire standby purposes, including the larger meter in a fire service meter assembly, provided that the appropriate monthly fire standby fee is paid.

Section 4. Cost.

The costs as determined by the methodology study completed by FCS Group are as follows per HE:

<u>Water Meter Size</u>	<u>Hydraulic Equivalents</u>	<u>SDC Cost</u>
3/4"	1.0	\$7,256
1"	1.7	12,338
1 1/2"	3.3	23,947
2"	5.3	38,459
3"	10.0	72,560
4"	16.7	121,178
6"	33.3	241,627
8"	53.3	386,747

Section 5. Phase-in of Cost Increase.

Resolution No. 2001, rescinded below, set the rate for water system development charges as \$1,345 per HE. The new rate, as established by Section 4 above, is an increase of \$5,911 per HE. The rate per HE will remain at \$1,345 on the effective date of this Resolution; however, the increase will be phased in as follows:

<u>Meter Size</u>	<u>3/4"</u>	<u>1"</u>	<u>1 1/2"</u>	<u>2"</u>	<u>3"</u>	<u>4"</u>	<u>6"</u>	<u>8"</u>
<u>Current Rate</u>	\$1,345	\$2,287	\$4,439	\$7,129	\$13,450	\$22,462	\$44,789	\$71,689
<u>July 1, 2018</u>	\$3,315	\$5,637	\$10,942	\$17,572	\$33,153	\$55,367	\$110,402	\$176,708
<u>Jan 1, 2019</u>	\$5,285	\$8,987	\$17,445	\$28,015	\$52,856	\$88,272	\$176,015	\$281,727
<u>Jul 1, 2019</u>	\$7,256	\$12,338	\$23,947	\$38,459	\$72,560	\$121,178	\$241,627	\$386,747

Section 6. Effective Date.

This Resolution is effective upon adoption.

Section 7. Automatic Annual Adjustment of System Development Charge.

The system development charge hereby imposed shall be adjusted automatically on January 1 of each year beginning in 2020 for inflationary cost impacts. Inflationary cost impacts shall be measured and calculated annually based upon the Construction Cost Index for Seattle, WA, published by Engineering News Record for the preceding calendar year or any successor index to this measurement.

Increases shall first apply to improvement fees, and after the full increase in improvement fees has been satisfied, all increases shall apply to reimbursement fees.

Section 8. Distribution of Funds.

Improvement Fees. Improvement fees shall be spent only on capacity increasing extra-capacity facilities including expenditures relating to repayment of debt for the improvements, and on the administration and enforcement of this Chapter. An increase in system capacity occurs if a capital project increases the level of performance or service provided by existing facilities or provides new facilities. The portions of the capital projects funded by improvement fees must be related to demands created by development.

Reimbursement Fees. Reimbursement fees shall be applied only to capital improvements associated with the systems for which the fees are assessed, including expenditures relating to repayment of indebtedness.

SDC Improvement Fees and SDC Reimbursement Fees shall each be segregated by accounting practices from other City revenues, and by facility improvement type.

All reimbursement fees shall be collected by the City and shall be used to refund the appropriate source that financed that share of the previously constructed improvement.

Section 9. Applicability of Troutdale Municipal Code.

The provisions of Chapter 12.02 of the Troutdale Municipal Code govern exemptions, credits, collection, appeals, and other matters pertaining to the charge established in this Resolution.

Section 10. Administration.

The Director shall be responsible for the administration of this Resolution.

Section 11. Previous Resolution Rescinded.

Resolution No. 2001 is rescinded on the effective date of this Resolution.


YEAS: 4

NAYS: 3 Councilor White, Councilor Allen, Councilor Hudson

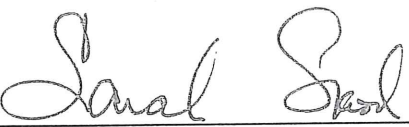
ABSTAINED: 0



Casey Ryan, Mayor



Date



Sarah Skroch, City Recorder
Adopted: January 23, 2018