

Resolution No. 15-24

A RESOLUTION AMENDING THE CITY OF SCAPPOOSE'S SYSTEM DEVELOPMENT CHARGES FOR WASTEWATER COLLECTION AND TREATMENT SERVICES

WHEREAS, the City of Scappoose System Development Charge (SDC) Code (Scappoose Municipal Code (SMC) Chapter 13.24), provides for the establishing of SDCs upon completion of an analysis of capital improvements already constructed and projected capital improvements to be constructed and adoption of a methodology explaining how the SDCs are calculated; and,

WHEREAS, the SMC Chapter 13.24.030 (B) specifies that such charges shall be set by separate Resolution of the Scappoose City Council following a public hearing; and,

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

WHEREAS, the Scappoose City Council has adopted a wastewater capital improvement plan update (Project Delivery Group, July, 2015) which includes a list of completed and proposed capital improvements which affect SDCs; and,

WHEREAS, the City's current schedule of wastewater SDCs only consists of an improvement fee; and,

WHEREAS, the City concludes it is appropriate to charge a wastewater reimbursement fee in addition to the improvement fee; and,

WHEREAS, the City has prepared the enclosed methodology and schedule of SDCs by meter size (Wastewater System Development Charge Update, July, 2015, Donovan Enterprises, Inc.); and,

WHEREAS, Pursuant to ORS 223.304 (6) & (7), public notice was given of the City of Scappoose's intent to change the methodology for calculating System Development Charges (SDCs) for wastewater collection and treatment services on August 7, 2015, including by publication in the *South County Spotlight* newspaper. The City gave written notice to interested persons on August 5, 2015. The methodology was available on the City's website on September 11, 2015; and

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

NOW, THEREFORE BE IT RESOLVED,

Section 1: Amendment and updating of wastewater SDCs. In accordance with SMC Chapter 13.24, this Resolution establishes the methodology and provides the basis for a wastewater SDC that consists of a reimbursement and improvement fee.

Section 2: Scope of amendment and update of wastewater SDCs. The SDCs established by this Resolution are separate from, and in addition to, any other applicable taxes, fees, assessments, or charges, including but not limited to SDCs, which are required by the City of Scappoose or represent a condition of a land use or development approval.

Section 3: Methodology. The methodology for the wastewater SDCs is described in the attached Exhibit "A" and, by this reference, hereby made a part of this Resolution.

Section 4: Fees and charges. The City amends and updates its wastewater SDCs as follows:

City of Scappoose Schedule of Proposed Residential Wastewater System Development Charges Wastewater SDC Update - 2015						
Meter Size	AWWA Rated Flow (GPM)*	Flow Factor Equivalence	Proposed Schedule of Wastewater SDCs			
			Reimbursement	Improvement	Administration	Total
0.75 inch	30	1.00	801	3,255	203	4,259
1.00 inch	50	1.67	1,335	5,425	338	7,098
1.50 inch	100	3.33	2,670	10,849	676	14,195
2.00 inch	160	5.33	4,272	17,359	1,082	22,712
3.00 inch	320	10.67	8,544	34,718	2,163	45,424
4.00 inch	500	16.67	13,349	54,246	3,380	70,975
6.00 inch	1000	33.33	26,699	108,492	6,760	141,951
8.00 inch	1600	53.33	42,718	173,588	10,815	227,121

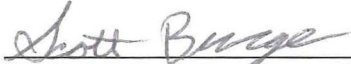
* Recommended maximum rate for continuous operations; per American Water Works Association standards effective January 1, 2003 for cold water meters- displacement type, bronze main case. ANSI approval October 11, 2002. American Water Works Association ANSI/AWWA C700-02 (Revision of ANSI/AWWA C700-95).

Section 5: Effective Date. This Resolution shall become effective upon its adoption by the Scappoose City Council.

Section 6: Review. This Resolution may be reviewed at the pleasure of the City Council, and the rates may be amended as appropriate.

PASSED AND ADOPTED by the City Council this 16th day of November, 2015 and signed by the Mayor and City Recorder in authentication of its passage.

CITY OF SCAPPOOSE, OREGON


 Scott Burge, Mayor

Attest: 
 Susan M Reeves, MMC, City Recorder

EXHIBIT “A”

Wastewater System Development Charge Update Final Report

July, 2015

Donovan Enterprises, Inc.

Presented by:



July

2015

Wastewater System
Development
Charge Update

Final
Report

Prepared for:



SCAPPOOSE
Oregon

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City of Scappoose
2015 Wastewater SDC Methodology Update
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Introduction

The City of Scappoose conducts periodic updates to its Comprehensive Plan and its various Public Facility Plans to provide orderly and sustainable growth of local roads, water, sewer, stormwater, and parks. A key component to funding these public facilities is the system development charge (SDC) program. SDCs are one-time charges for new development—designed to recover the costs of infrastructure capacity needed to serve new development. This section describes the policy context and project scope upon which the body of this report is based. It concludes with a non-numeric overview of the calculations presented in subsequent sections of this report.

The city's current schedule of SDCs for wastewater were last reviewed in October of 2006. In May, of 2015, the City undertook the task of updating the capital improvement plan (CIP) for the wastewater system. With the preparation/adoption of the new wastewater CIP, the City commissioned this update of its wastewater SDCs to get the methodology and rates current. With this review and update, the City has stated a number of objectives:

- Review the basis for wastewater charges to ensure a consistent methodology;
- Address specific policy, administrative, and technical issues which had arisen from application of the existing wastewater SDCs;
- Determine the most appropriate and defensible fees, ensuring that development is paying its way;
- Consider possible revisions to the structure or basis of the charges which might improve equity or proportionality to demand;
- Provide clear, orderly documentation of the assumptions, methodology, and results, so that City staff could, by reference, respond to questions or concerns from the public.

This report provides the documentation of that effort, and was done in close coordination with City staff and available facilities planning documents. The wastewater SDC update complies with City municipal code section 13.24.

Table 1 gives a component breakdown for the current and proposed residential equivalent SDCs for wastewater. Appendix A to this report shows the detailed calculations that were used to arrive at the proposed SDCs for wastewater collection and treatment services.

Table 1 - Component Breakdown of the Proposed Residential Equivalent Wastewater SDC

City of Scappoose Comparison of Current and Proposed Wastewater SDCs by Fee Type For a Standard Residential 3/4" Meter Wastewater SDC Update - 2015			
Line Item Description	Proposed	Current	Difference
Reimbursement Element	\$ 801	\$ -	\$ 801
Improvement Element	3,255	2,367	888
Administration @ 5%	203	118	84
Total Wastewater SDC	\$ 4,259	\$ 2,486	\$ 1,773

The framework for SDC calculation is established by Oregon Revised Statute (ORS) 223.297-314 which is the basis for this review. Under ORS 223.299, SDC's are defined as one-time fees imposed on new development and have two components: reimbursement and improvement.

The reimbursement fee considers the cost of existing facilities, prior contributions by existing users of those facilities, the value of the unused/available capacity, and generally accepted ratemaking principles. The objective is future system users contribute no more than an equitable share to the cost of existing facilities. The reimbursement fee can be spent on capital costs or debt service related to the systems for which the SDC is applied.

The improvement fee portion of the SDC is based on the cost of planned future facilities that expand the system's capacity to accommodate growth or increase its level of performance. In developing an analysis of the improvement portion of the fee for wastewater, each project in the respective service's capital improvement plan is evaluated to exclude costs related to correcting existing system deficiencies or upgrading for historical lack of capacity. An example is a facility which improves system capacity to better serve current customers. The costs for this type of project must be eliminated from the improvement fee calculation. Only capacity increasing/level of performance costs provide the basis for the SDC calculation. The improvement SDC is calculated as a function of the estimated number of additional equivalent residential units to be served by the City's facilities over the planning period. Such a fee represents the greatest potential for future SDC changes.

As shown in Table 1, The City's current wastewater SDC methodology only includes an improvement fee component, meaning that SDC revenue collection can only be used to fund capacity-increasing projects – no revenue will be available to fund replacement projects. An update to the methodology to include a reimbursement component could alleviate the need for some future rate increases. We recommend the City revise its current wastewater SDC methodology to include a reimbursement fee component.

SDC Legal Authorization

SDCs are authorized by Oregon Revised Statute (ORS) 223.297-314. The statute is specific in its definition of system development charges, their application, and their accounting. In general, an SDC is a one-time fee imposed on new development or expansion of existing development, and assessed at the time of development approval or increased usage of the system. Overall, the statute is intended to promote equity between new and existing customers by recovering a proportionate share of the cost of existing

and planned/future capital facilities that serve the developing property. Statute further provides the framework for the development and imposition of SDCs and establishes that SDC receipts may only be used for capital improvements and/or related debt service.

The methodology used to determine the improvement fee portion of the SDC must consider the cost of projected capital improvements needed to increase system capacity or level of performance. In other words, the cost of planned projects that correct existing deficiencies or do not otherwise increase capacity would not be SDC eligible. The improvement fee must also provide a credit for construction of a qualified public improvement.

Finally, two cost basis adjustments are potentially applicable to both reimbursement and improvement fees: fund balance and compliance costs.

Fund Balance - To the extent that SDC revenue is currently available in fund balance, that revenue should be deducted from its corresponding cost basis. For example, if the city has wastewater improvement fees that it has collected but not spent, then those unspent improvement fees should be deducted from the wastewater system's improvement fee cost basis to prevent charging twice for the same capacity.

Compliance Costs - ORS 223.307(5) authorizes the expenditure of SDCs on "the costs of complying with the provisions of ORS 223.297 to 223.314, including the costs of developing system development charge methodologies and providing an annual accounting of system development charge expenditures." To avoid spending monies for compliance that might otherwise have been spent on growth-related projects, this report includes an estimate of compliance costs in its SDCs. All estimates of compliance costs in this report are based on historical transfers from the appropriate SDC fund to the General Fund.

SDC Methodology

The essential ingredient in the development of an SDC methodology for wastewater services is valid sources of data. For this project, the consultant team has relied on a number of data sources. The primary sources have been the adopted wastewater system master plan and plan updates for these municipal facilities. We have supplemented these data sources with City utility billing records, certified census data, and other documents that we deemed helpful, accurate, and relevant to this study. Table 2 contains a bibliography of the key documents/sources that we relied upon to facilitate our analysis and hence the resulting SDCs.

Table 2 - Data Sources for the Calculation of Wastewater SDC

Service	Master Plan Document and/or Corroborating Source Documentation
Wastewater	<ul style="list-style-type: none"> • Wastewater Master Plan for the City of Scappoose; June, 1998; KCM, Inc. • 2015 Scappoose Wastewater Facilities Plan Amendment and Capital Improvement Plan Update; July, 2015; Project Delivery Group • Scappoose wastewater system fixed asset schedule; June 30, 2015; City records • City of Scappoose Utility Billing System – wastewater system active accounts and Equivalent Dwelling Units in service report; June 20, 2015 • Portland State University, College of Urban Affairs, Population Research Center; Certified census for Scappoose, Oregon; June, 2015

Reimbursement Fee Methodology

The reimbursement fee represents a buy-in to the cost, or value, of infrastructure capacity within the existing system. Generally, if a system were adequately sized for future growth, the reimbursement fee might be the only charge imposed, since the new customer would be buying existing capacity. However, staged system expansion is needed, and an improvement fee is imposed to allocate those growth related costs. Even in those cases, the new customer also relies on capacity within the existing system, and a reimbursement component is warranted.

In order to determine an equitable reimbursement fee to be used in conjunction with an improvement fee, two points should be highlighted. First, the cost of the system to the City’s customers may be far less than the total plant-in-service value. This is due to the fact that elements of the existing system may have been contributed, whether from developers, governmental grants, and other sources. Therefore, the net investment by the customer/owners is less. Second, the value of the existing system to a new customer is less than the value to an existing customer, since the new customer must also pay, through an improvement fee, for expansion of some portions of the system.

The method used for determining the reimbursement fee accounts for both of these points. First, the charge is based on the net investment in the system, rather than the gross cost. Therefore, donated facilities, typically including collection (wastewater) lines, local facilities, and grant-funded facilities, would be excluded from the cost basis. Also, the charge should be based on investments clearly made by the current users of the system, and not already supported by new customers. Tax supported activities fail this test since funding sources have historically been from general revenues, or from revenues which emanate, at least in part, from the properties now developing. Second, the cost basis is allocated between used and unused capacity, or, capacity available to serve growth. In the absence of a detailed asset by asset analysis, it is appropriate to allocate the cost of existing facilities between used and available capacity proportionally based on the forecasted population growth as converted to equivalent dwelling units over the planning period. This approach reflects the philosophy, consistent with the City’s Updated Master Plans, that facilities have been sized to meet the demands of the customer base within the established planning period.

Improvement Fee Methodology

There are three basic approaches used to develop improvement fee SDCs: “standards driven”, “improvements-driven”, and “combination/hybrid” approaches. The “standards-driven” approach is based on the application of Level of Service (LOS) standards for facilities. Facility needs are determined by applying the LOS standards to projected future demand, as applicable. SDC-eligible amounts are calculated based on the costs of facilities needed to serve growth. This approach works best where level of service standards have been adopted but no specific list of projects is available. The “improvements-driven” approach is based on a specific list of planned capacity increasing capital improvements. The portion of each project that is attributable to growth is determined, and the SDC-eligible costs are calculated by dividing the total costs of growth-required projects by the projected increase in projected future demand, as applicable. This approach works best where a detailed master plan or project list is available and the benefits of projects can be readily apportioned between growth and current users. Finally, the combination/hybrid-approach includes elements of both the “improvements driven” and “standards-driven” approaches. Level of Service standards may be used to create a list of planned capacity-increasing projects, and the growth required portions of projects are then used as the basis for determining SDC eligible costs. This approach works best where levels of service have been identified and the benefits of individual projects are not easily apportioned between growth and current users.

In the past, the City has utilized the “improvements-driven” approach for the calculation of wastewater SDCs. This study continues to use this method, and has relied on the capital improvement plans that are incorporated in the master plans, and plan updates for wastewater collection and treatment services.

For this SDC methodology update, the improvement fee represents a proportionate share of the cost to expand the systems to accommodate growth. This charge is based on the capital improvement plans established by the City in the master plans for wastewater services. The costs that can be applied to the improvement fees are those that can reasonably be allocable to growth. Statute requires that the capital improvements used as a basis for the charge be part of an adopted capital improvement schedule, whether as part of a system plan or independently developed, and that the improvements included for SDC eligibility be capacity or level of service expanding. The improvement fee is intended to protect existing customers from the cost burden and impact of expanding a system that is already adequate for their own needs in the absence of growth.

The key step in determining the improvement fee is identifying capital improvement projects that expand the system and the share of those projects attributable to growth. Some projects may be entirely attributable to growth, such as a wastewater collection line that exclusively serves a newly developing area. Other projects, however, are of mixed purpose, in that they may expand capacity, but they also improve service or correct a deficiency for existing customers. An example might be a wastewater pump station that both expands wastewater collection system capacity and corrects a chronic capacity issue for existing users. In this case, a rational allocation basis must be defined.

The improvement portion of the SDC is based on the proportional approach toward capacity and cost allocation in that only those facilities (or portions of facilities) that either expand the wastewater system capacity to accommodate growth or increase its respective level of performance have been included in the cost basis of the fee. As part of this SDC update, City Staff and their engineering consultants were asked to review the planned capital improvement lists in order to assess SDC eligibility. The criteria in Figure 1 were developed to guide the City’s evaluation:

Figure 1 - SDC Eligibility Criteria

<p style="text-align: center;">City of Scappoose Steps Toward Evaluating <u>Capital Improvement Lists for SDC Eligibility</u></p> <p><u>ORS 223</u></p> <ol style="list-style-type: none">1. Capital improvements mean the facilities or assets used for :<ol style="list-style-type: none">a. Wastewater collection, transmission, treatment, and disposal<p>This definition DOES NOT ALLOW costs for operation or routine maintenance of the improvements;</p>2. The SDC improvement base shall consider the cost of projected capital improvements needed to increase the capacity of the systems to which the fee is related;3. An increase in system capacity is established if a capital improvement increases the “level of performance or service” provided by existing facilities or provides new facilities. <p><u>Under the City’ approach, the following rules will be followed</u></p> <ol style="list-style-type: none">1. Repair costs are not to be included;2. Replacement costs will not be included unless the replacement includes an upsizing of system capacity and/or the level of performance of the facility is increased;3. New regulatory compliance facility requirements fall under the level of performance definition and should be proportionately included;4. Costs will not be included which bring deficient systems up to established design levels.
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In developing the improvement fee, the project team in consultation with City staff evaluated each of its CIP projects to exclude costs related to correcting existing system deficiencies or upgrading for historical lack of capacity. Only capacity increasing/level of performance costs were used as the basis for the SDC calculation, as reflected in the capital improvement schedules developed by the City. The improvement fee is calculated as a function of the estimated number of projected additional Equivalent Residential Units for wastewater to be served by the City’s facilities over the planning horizon.

Once the future costs to serve growth have been segregated (i.e., the numerator), they can be divided into the total number of new EDUs that will use the capacity derived from those investments (i.e., the denominator).

Methodology for the Granting of Credits, Exemptions, and Discounts

SDC Credits Policy

ORS 223.304 requires that credit be allowed for the construction of a "qualified public improvement" which is required as a condition of development approval, is identified in the Capital Improvement Plan, and either is not located on or contiguous to property that is the subject of development approval, or is located on or contiguous to such property and is required to be built larger or with greater capacity than is necessary for the particular development project. The credit for a qualified public improvement may only be applied against an SDC for the same type of improvement, and may be granted only for the cost of that portion of an improvement which exceeds the minimum standard facility size or capacity needed to serve the particular project. For multi-phase projects, any excess credit may be applied against SDCs that accrue in subsequent phases of the original development project. In addition to these required credits, the City may, if it so chooses, provide a greater credit, establish a system providing for the transferability of credits, provide a credit for a capital improvement not identified in the Capital Improvement Plan, or provide a share of the cost of an improvement by other means.

The City has adopted a policy for granting SDC credits, and has codified this policy in the Scappoose Municipal Code (SMC) §13.24.110. The adopted SDC credit policy consists of four (4) items as follows:

- A. The city may grant a credit against the SDC, which is otherwise assessed for a new development, for any qualified public improvements(s) constructed or dedicated as part of that new development. The applicant bears the burden of evidence and persuasion in establishing entitlement to an SDC credit and to a particular value of SDC credit. The credit provided shall be only for the improvement fee charged for the type of improvement being constructed and shall not exceed the improvement fee even if the cost of the capital improvement exceeds the applicable improvement fee.
- B. A change in use results whenever a building permit is issued to expand an existing structure or construct a new structure on a parcel of land which had an established use of all facilities upon the effective date of the ordinance codified in this chapter. When such a change of use occurs, a system development charge is imposed, but credit shall be given for all systems charge portions of the computed system development charge in an amount equal to what would otherwise be the charge for the existing structure and use. The credit so computed shall not exceed the calculated systems development charge. No refund shall be made on account of such credit.
- C. Credit shall not be transferable from one development to another, but may be transferred from one phase of a development to another phase of the same development. Credits shall be used within a period of ten years from the date the credit is given.
- D. Credit shall not be transferable from one type of capital improvement to another.

Partial and Full SDC Exemptions Policy

The City may exempt certain types of development, from the requirement to pay SDCs. Exemptions reduce SDC revenues and, therefore, increase the amounts that must come from other sources, such as user fees and property taxes. As in the case of SDC credits, the City has articulated a policy relative to partial and full SDC exemption. This SDC exemption policy is codified in SMC §13.24.100, and is as follows:

- A. Additions to single-family dwellings that do not constitute the addition of a dwelling unit, as defined by the State Uniform Building Code, are exempt from all portions of the system development charge.
- B. An alteration, addition, replacement or change in use that does not increase the parcel's or structure's use of the public improvement facility are exempt from all portions of the system development charge.
- C. A project financed by city revenues is exempt from all portions of the system development charge.

SDC Discount Policy

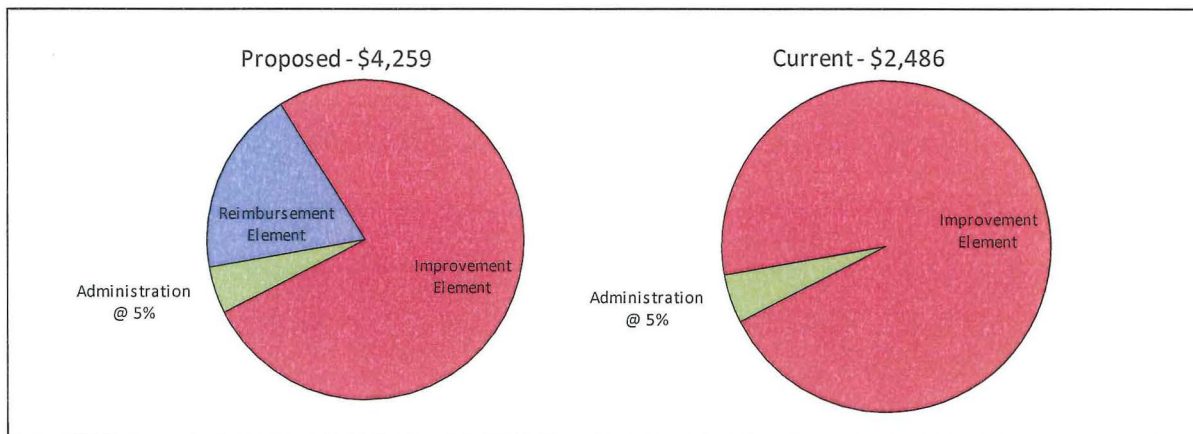
The City, at its sole discretion may discount the SDC rates by choosing not to charge a reimbursement fee for excess capacity, or by reducing the portion of growth-required improvements to be funded with SDCs. A discount in the SDC rates may also be applied on a pro-rata basis to any identified deficiencies, which must to be funded from sources other than improvement fee SDCs. The portion of growth-required costs to be funded with SDCs must be identified in the CIP. Because discounts reduce SDC revenues, they increase the amounts that must come from other sources, such as user fees or general fund contributions, in order to acquire the facilities identified in the Updated Master Plan

Conclusions and Recommendations

The 2015 wastewater SDC methodology update was done in accordance with SMC Chapter 13.24, and with the benefit of adopted master plans and plan updates for wastewater services. We recommend the City update the SDC charge and methodology to reflect the current capital improvement program and to incorporate a reimbursement fee component. This will provide additional revenues to help fund the utility's future capital needs.

Our analysis indicates the City can charge a maximum of \$4,259 for wastewater. This figure is on a per EDU basis. A comparison of the proposed and current wastewater SDCs for the average single family residential customer is shown below in Figure 2.

Figure 2 - Proposed and Current Wastewater SDCs for an Average Single Family Residential Customer



Appendix A

SDC Calculations

Wastewater SDC Calculations

Existing and Future Wastewater Demands

City of Scappoose System Development Charge Study - 2015 Update Forecast of Future Equivalent Dwelling Units (EDUs)					
Class and Customer Description	Code	June 30, 2015		June 30, 2035	
		Accounts	EDUs	Accounts	EDUs
Single family residential					
Inside city single family and Multifamily	10	2,179	2,698	3,301	4,087
No water/sewer only	19	<u>13</u>	<u>13</u>	<u>20</u>	<u>20</u>
Subtotal residential		2,192	2,711	3,321	4,107
Commercial					
Restaurants					
Open less than 24 hours	40	7	15	11	23
Open 24 hours	41	2	2	3	3
Located along freeway	42	2	2	3	3
Fast food	43	8	8	12	12
Vending	44				
Beer parlors	45				
Institutions					
Care centers	50	6	6	9	9
Churches	51	4	4	6	6
Elementary school w/o showers or cafeteria	52	-	-	-	-
Elementary school with cafeteria	53	2	3	3	5
Elementary school with cafeteria & showers	54	1	1	2	2
High school w/o showers or cafeteria	55	3	3	5	5
High school with cafeteria	56	-	-	-	-
High school with cafeteria & showers	57	1	2	2	3
Markets					
Grocery only	60			-	-
Grocery with meat or fish butcher	61	2	2	3	3
Grocery with deli	62	1	1	2	2
Services					
Barber & beauty shops	70	7	11	11	17
Medical & dental offices	71	6	6	9	9
Professional offices	72	22	25	33	38
Car Wash	73	2	2	3	3
Dry cleaners	74	1	1	2	2
Self service laundry	75	1	1	2	2
Engravers	76	1	1	2	2
Body & paint shops	77	2	2	3	3
Auto repairs	78	3	4	5	6
Service station	79	4	4	6	6
Manufacturers					
Factories with showers (w/o industrial waste)	80	1	1	2	2
Factories w/o showers (w/o industrial waste)	81	4	4	6	6
Warehouse (w/o industrial waste)	82	4	4	6	6
Retail shops					
Retailers	90	<u>11</u>	<u>11</u>	<u>17</u>	<u>17</u>
Subtotal Commercial		108	126	168	195
System Total		<u>2,300</u>	<u>2,837</u>	<u>3,489</u>	<u>4,302</u>

Compound annualized population growth rate 2.098%
 Planning horizon in years 20

Wastewater Reimbursement Fee Calculations

City of Scappoose System Development Charge Study - 2015 Update Wastewater Reimbursement Charge Calculations Data as of Fiscal Year Ended June 30, 2015			
	Original Cost ¹	Accumulated Depreciation ¹	Book Value
Book value of water utility plant-in-service:			
Land, Dedications, and Easements	\$ 102,570	\$ -	\$ 102,570
Buildings and Improvements	3,418,960	1,809,223	1,609,737
Equipment	821,776	762,190	59,586
Vehicles	85,842	83,860	eliminated
Collection System	4,640,451	2,093,135	2,547,316
Total book value of wastewater utility plant-in-service	\$ 9,069,600	\$ 4,748,409	\$ 4,319,209
Eliminating entries:			
Principal outstanding on long term debt and contracts payable			
US Bank JP West Road sewer line relocation - December 5, 2013 ²			600,000
DEQ CWSRF No. R06809 - September 14, 2009 ²			273,441
Developer contributions and grants (net of amortization)			-
Total eliminating entries			873,441
Net basis in utility plant-in-service available to serve future customers			\$ 3,445,768
Estimated existing and future Equivalent Dwelling Units (EDUs)			4,302
Calculated Reimbursement Fee - \$/EDU			<u>\$ 801</u>

¹ Source: City of Scappoose Records

² Source: City of Scappoose Comprehensive Annual Financial Report (CAFR)

Allocation of Wastewater Reuse Project Costs to Funding Sources

City of Scappoose, Oregon System Development Charge Study - 2015 Allocation of Recommended Wastewater Collection, Pumping, and Treatment Plant Projects to Projected Funding Sources ¹														
Cost in FY 2015	Construction Fiscal Year	Project	Future Cost ²	Funding Source - %					Funding Source - \$					
				Existing Customers	Future Customers	Benefited Properties	Contributed Capital	Total	Existing Customers	Future Customers	Benefited Properties	Contributed Capital	Total	
		<i>Collection System Piping Upgrades</i>												
1,347,023	2020	1 North Interceptor	1,561,569	32.00%	68.00%	0.00%	0.00%	100.00%	499,702	1,061,867	-	-	-	1,561,569
336,756	2026	2 West Interceptor	466,149	50.00%	50.00%	0.00%	0.00%	100.00%	233,074	233,074	-	-	-	466,149
76,535	2029	3 Main H	115,767	65.00%	35.00%	0.00%	0.00%	100.00%	75,248	40,518	-	-	-	115,767
122,457	2028	4 Main B	179,832	61.00%	39.00%	0.00%	0.00%	100.00%	109,697	70,134	-	-	-	179,832
443,905	2027	5 West Interceptor	632,903	55.00%	45.00%	0.00%	0.00%	100.00%	348,097	284,806	-	-	-	632,903
321,449	2025	6 North Interceptor	432,000	47.00%	53.00%	0.00%	0.00%	100.00%	203,040	228,960	-	-	-	432,000
505,134	2031	7 West Interceptor	810,591	73.00%	27.00%	0.00%	0.00%	100.00%	591,732	218,860	-	-	-	810,591
183,685	2032	8 West Interceptor	303,603	85.00%	15.00%	0.00%	0.00%	100.00%	258,063	45,540	-	-	-	303,603
		9	-						-	-	-	-	-	-
		10	-						-	-	-	-	-	-
3,336,943		Subtotal	4,502,413	51.50%	48.50%	0.00%	0.00%	100.00%	2,318,653	2,183,760	-	-	-	4,502,413
		<i>Wastewater Pump Station Improvements</i>												
		1	-						-	-	-	-	-	-
		2	-						-	-	-	-	-	-
		3	-						-	-	-	-	-	-
		4	-						-	-	-	-	-	-
		5	-						-	-	-	-	-	-
		6	-						-	-	-	-	-	-
		7	-						-	-	-	-	-	-
		8	-						-	-	-	-	-	-
		9	-						-	-	-	-	-	-
		10	-						-	-	-	-	-	-
-		Subtotal	-						-	-	-	-	-	-

City of Scappoose, Oregon
System Development Charge Study - 2015
Allocation of Recommended Wastewater Collection, Pumping, and Treatment Plant Projects to Projected Funding Sources¹

Cost In FY	Construction Fiscal Year	Project	Future Cost ²	Funding Source - %					Funding Source - \$				
				Existing Customers	Future Customers	Benefited Properties	Contributed Capital	Total	Existing Customers	Future Customers	Benefited Properties	Contributed Capital	Total
489,827	2021	1 Influent Pump Station	584,879	48.00%	52.00%	0.00%	0.00%	100.00%	280,742	304,137	-	-	584,879
1,515,401	2021	2 Effluent Pump Station	1,809,468	79.00%	21.00%	0.00%	0.00%	100.00%	1,429,480	379,988	-	-	1,809,468
30,614	2021	3 Sludge Disposal (Yearly)	36,555	100.00%	0.00%	0.00%	0.00%	100.00%	36,555	-	-	-	36,555
1,500,094	2027	4 Clarifiers	2,138,775	0.00%	100.00%	0.00%	0.00%	100.00%	-	2,138,775	-	-	2,138,775
137,764	2031	5 Effluent Pump Station	221,071	50.00%	50.00%	0.00%	0.00%	100.00%	110,535	110,535	-	-	221,071
30,614	2033	6 Influent Flow Meter	52,118	51.00%	49.00%	0.00%	0.00%	100.00%	26,580	25,538	-	-	52,118
61,228	2035	7 UV Disinfection	110,585	67.00%	33.00%	0.00%	0.00%	100.00%	74,092	36,493	-	-	110,585
		8	-	-	-	-	-	-	-	-	-	-	-
		9	-	-	-	-	-	-	-	-	-	-	-
		10	-	-	-	-	-	-	-	-	-	-	-
3,765,542		Subtotal	4,953,451	39.53%	60.47%	0.00%	0.00%	100.00%	1,957,984	2,995,467	-	-	4,953,451
<i>Operation, Maintenance, and Replacement Projects</i>													
150,000	2016	1 Dredge Biosolid Lagoon (East)	154,500	100.00%	0.00%	0.00%	0.00%	100.00%	154,500	-	-	-	154,500
10,000	2016	2 Vector Truck Maintenance (Ann.)	10,300	100.00%	0.00%	0.00%	0.00%	100.00%	10,300	-	-	-	10,300
60,000	2016	3 UV Controls Upgrade	61,800	100.00%	0.00%	0.00%	0.00%	100.00%	61,800	-	-	-	61,800
200,000	2016	4 WWTP Facility Master Plan	206,000	0.00%	100.00%	0.00%	0.00%	100.00%	-	206,000	-	-	206,000
300,000	2017	5 Dredge Biosolid Lagoon (West)	318,270	100.00%	0.00%	0.00%	0.00%	100.00%	318,270	-	-	-	318,270
250,000	2017	6 Springlake Park Lift Station Upgrade	265,225	100.00%	0.00%	0.00%	0.00%	100.00%	265,225	-	-	-	265,225
25,000	2017	7 Smith Road Flow Meter	26,523	100.00%	0.00%	0.00%	0.00%	100.00%	26,523	-	-	-	26,523
30,000	2017	8 Vector Truck Dump Station	31,827	100.00%	0.00%	0.00%	0.00%	100.00%	31,827	-	-	-	31,827
20,000	2018	9 PLC/SCADA Upgrade	21,855	100.00%	0.00%	0.00%	0.00%	100.00%	21,855	-	-	-	21,855
1,000,094	2018	10 Sludge Dewatering	1,092,727	100.00%	0.00%	0.00%	0.00%	100.00%	1,092,727	-	-	-	1,092,727
20,000	2018	11 Mower Replacement	21,855	100.00%	0.00%	0.00%	0.00%	100.00%	21,855	-	-	-	21,855
25,000	2019	12 Vehicle Purchase	28,138	100.00%	0.00%	0.00%	0.00%	100.00%	28,138	-	-	-	28,138
25,000	2019	13 Clarifier Weir Replacement	28,138	100.00%	0.00%	0.00%	0.00%	100.00%	28,138	-	-	-	28,138
60,000	2021	14 Waste Pump Upgrade	71,643	100.00%	0.00%	0.00%	0.00%	100.00%	71,643	-	-	-	71,643
20,000	2021	15 Filter Pump Replacement	23,881	100.00%	0.00%	0.00%	0.00%	100.00%	23,881	-	-	-	23,881
30,000	2021	16 Aerator Replacement	35,822	100.00%	0.00%	0.00%	0.00%	100.00%	35,822	-	-	-	35,822
10,000	2021	17 Filter Cloth Replacement	11,941	100.00%	0.00%	0.00%	0.00%	100.00%	11,941	-	-	-	11,941
250,000	2020	18 Effluent Generator	289,819	100.00%	0.00%	0.00%	0.00%	100.00%	289,819	-	-	-	289,819
50,000	2021	19 Effluent By-Pass	59,703	100.00%	0.00%	0.00%	0.00%	100.00%	59,703	-	-	-	59,703
60,000	2026	20 Filter Cloth Expansion	83,054	100.00%	0.00%	0.00%	0.00%	100.00%	83,054	-	-	-	83,054
250,000	2026	21 Smith Road Force Main	346,058	100.00%	0.00%	0.00%	0.00%	100.00%	346,058	-	-	-	346,058
90,000	2026	22 Springlake Force Main	124,581	100.00%	0.00%	0.00%	0.00%	100.00%	124,581	-	-	-	124,581
30,000	2026	23 Filter Pump Expansion	41,527	100.00%	0.00%	0.00%	0.00%	100.00%	41,527	-	-	-	41,527
		24	-	-	-	-	-	-	-	-	-	-	-
		25	-	-	-	-	-	-	-	-	-	-	-
2,965,000		Subtotal	3,355,184	93.86%	6.14%	0.00%	0.00%	100.00%	3,149,184	206,000	-	-	3,355,184
\$10,067,485		Wastewater System Facility Plan Total	\$12,811,048	57.96%	42.04%	0.00%	0.00%	100.00%	\$7,425,821	\$5,385,227	\$-	\$-	\$12,811,048

¹ Source: City of Scappoose, Wastewater Capital Improvement Plan Update 2015

² Inflation Rate 3.00%

Wastewater Improvement Fee Calculations

City of Scappoose, Oregon System Development Study - 2015 Wastewater Improvement Fee Calculations					
	Existing Customers	Future Customers	Benefited Properties	Contributed Capital	Total
Future Projects Cost Category:					
Collection System Piping Upgrades	2,318,653	2,183,760	-	-	4,502,413
Wastewater Pump Station Improvements	-	-	-	-	-
Treatment System Capacity Upgrades	1,957,984	2,995,467	-	-	4,953,451
Operation, Maintenance, and Replacement Projects	<u>3,149,184</u>	<u>206,000</u>	-	-	<u>3,355,184</u>
Total - \$	\$ 7,425,821	\$ 5,385,227	\$ -	\$ -	\$ 12,811,048
Total - %	57.96%	42.04%	0.00%	0.00%	100.00%
Future project costs planned to serve growth		\$ 5,385,227			
less: Wastewater SDC fund balance @ June 30, 2015		<u>616,990</u>			
Adjusted future project costs planned to serve growth		\$ 4,768,237			
Estimated EDU additions		1,465			
Calculated improvement fee - \$/Equivalent Dwelling Unit (EDU)		<u>\$ 3,255</u>			

Proposed Schedule of Wastewater SDCs

City of Scappoose Comparison of Current and Proposed Wastewater SDCs by Fee Type For a Standard Residential 3/4" Meter Wastewater SDC Update - 2015			
Line Item Description	Proposed	Current	Difference
Reimbursement Element	\$ 801	\$ -	\$ 801
Improvement Element	3,255	2,367	888
Administration @ 5%	203	118	84
Total Wastewater SDC	\$ 4,259	\$ 2,486	\$ 1,773

City of Scappoose Schedule of Proposed Residential Wastewater System Development Charges Wastewater SDC Update - 2015						
Meter Size	AWWA Rated Flow (GPM)*	Flow Factor Equivalence	Proposed Schedule of Wastewater SDCs			
			Reimbursement	Improvement	Administration	Total
0.75 inch	30	1.00	801	3,255	203	4,259
1.00 inch	50	1.67	1,335	5,425	338	7,098
1.50 inch	100	3.33	2,670	10,849	676	14,195
2.00 inch	160	5.33	4,272	17,359	1,082	22,712
3.00 inch	320	10.67	8,544	34,718	2,163	45,424
4.00 inch	500	16.67	13,349	54,246	3,380	70,975
6.00 inch	1000	33.33	26,699	108,492	6,760	141,951
8.00 inch	1600	53.33	42,718	173,588	10,815	227,121

* Recommended maximum rate for continuous operations; per American Water Works Association standards effective January 1, 2003 for cold water meters- displacement type, bronze main case. ANSI approval October 11, 2002. American Water Works Association ANSI/AWWA C700-02 (Revision of ANSI/AWWA C700-95).