

RESOLUTION NO. 1279

A RESOLUTION ESTABLISHING AND IMPOSING JUST AND EQUITABLE USER FEES, SYSTEMS DEVELOPMENT CHARGES AND CHARGES FOR CONNECTION TO THE SEWAGE DISPOSAL SYSTEM OF THE CITY OF WILSONVILLE, AND A DEPOSIT SYSTEM FOR SEWER SERVICE; PROVIDING FOR THE MANNER OF PAYMENT COLLECTION, ENFORCEMENT AND DISBURSEMENT OF SUCH FEES AND CHARGES; PROVIDING RULES AND REGULATIONS FOR CONTROL OF THE SEWER SYSTEM; AND REPEALING RESOLUTIONS 1155 AND 1178.

WHEREAS, Oregon Revised Statutes 223.297, Policy, states:

"The purpose of ORS 223.297 to 223.314 is to provide a uniform framework for the imposition of system development charges by governmental units for specified purposes and to establish that the charges may be used only for capital improvements."; and

WHEREAS, Oregon Revised Statutes 223.299 states:

"As used in ORS 223.297 to 223.314:

(2) "Improvement fee" means a fee for costs associated with capital improvements already constructed or under construction.

(3) "Reimbursement fee" means a fee for costs associated with capital improvements already constructed or under construction.

(4)(a) "System development charge" means a reimbursement fee, an improvement fee or a combination thereof assessed or collected at the time of increased usage of a capital improvement or issuance of a development permit, building permit or connection to the capital improvement. System development charge includes that portion of a sewer or water system connection charge that is greater than the amount necessary to reimburse the governmental unit for its average cost of inspecting and installing connections with water and sewer facilities."; and

WHEREAS, the City of Wilsonville pursuant to authority set for in ORS 223.297 et. seq. has enacted Ordinance No. 386, as modified by Ordinances No. 430 and 432, which provides the overall city implementing policy and procedures for system development charges (SDCs); and

WHEREAS, it is the purpose of this Resolution to provide a uniform and equitable methodology for imposition of systems development charges for specific sewer system capital improvements upon those developments that create the need for or increase the demands for further capital improvements; and

WHEREAS, the March 1994, City of Wilsonville Waste Water Collection System Master Plan, and the April 1995, City of Wilsonville Waste Water Facility Plan, provides a list of capital improvements needed to support continued growth in the City of Wilsonville; and

WHEREAS, CH2M Hill, is an expert consultant in this field, was hired by the City of Wilsonville, and prepared the sewer rate and systems development charge report, dated March 1996, which provides a listing of reimbursable costs and a methodology for determining the systems development reimbursement charge for sewer system capital improvements and which provides the cost of, and schedule for, the sewer system capital improvements and the methodology for determining the cost of the system development improvements charges on new development, which supports continued customer growth in the City of Wilsonville; and

WHEREAS, the City has established a citizen Water and Sewer Rate and Systems Development Charge Task Force to review and make recommendations with regards to water and sewer rates together with water and sewer system development charges as prepared by CH2M Hill and the Task Force has presented its recommended actions including that the report of CH2M Hill be adopted and implemented as soon as possible; and

WHEREAS, the City Council duly noticed and scheduled a separate public hearing for May 6, 1996 to consider the sewer rates and system development charges, heard testimony and received exhibits thereat; and

WHEREAS, the size of the sewer bill is based on the volume of water used; and

WHEREAS, water leaks may go by undetected for up to sixty (60) days because water meters are only read on a bimonthly basis and such undetected leaks can affect sewer fees; and

WHEREAS, the sewer usage fee due to water leakage may create a hardship for users who also have to pay to have the leak repaired; and

WHEREAS, it is also in the community's interest to conserve water by encouraging the prompt repair of water leaks; and

WHEREAS, the City of Wilsonville sewer fund is presently charged a 4% franchise fee by the City; and

WHEREAS, the City needs to adjust sewer rates to reflect the current cost of service.

WHEREAS, the treatment of sewage at the City's sewer treatment plan is impacted by volume and strength. At the time of adoption of Resolution No. 1155, there was insufficient data collected by the City to determine a reasonable classification system to impose a high strength user fee for various categories of commercial and industrial users; and

WHEREAS, the wastewater treatment plant records available when Resolution No. 1155 was adopted indicated large unexplainable increases in flows and strengths beginning in early 1994; and

WHEREAS, comparison of plant influent and effluent meter records clearly indicate that the increased flows are a result of meter discrepancies; and

WHEREAS, this increase in flows impacts the systems development charges for the various customer classes; and

WHEREAS, it has been determined that a corresponding methodology for systems development charges based on various categories of commercial and industrial users and their impacts would provide a better way to impose improvement and reimbursement charges for the sewer disposal system; and

WHEREAS, staff has reviewed data and classification systems from Los Angeles County Sanitation District No. 4; Redding, California; Redwood City, California; Santa Rosa, California; Eugene, Oregon; and Portland, Oregon, for which higher rates are imposed for commercial and industrial users which have greater strength impacts, such as eating places or mixed use developments which include eating facilities or a high strength impactor as part of the mix of users; and

WHEREAS, a review of the City of Wilsonville uses by commercial and industrial user categories also indicates that in addition to the variance by number of equivalent fixture units volume also varies by customer class; and

WHEREAS, the city needs to adjust sewer rates to reflect the current costs of service; and

WHEREAS, the city needs to adjust sewer SDCs to more accurately reflect the cost of providing sewer capacity for new customers.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY OF WILSONVILLE AS FOLLOWS:

- PART I DETERMINATIONS & FINDINGS
- PART II ESTABLISHES USER FEES FOR SEWER SERVICE
- ARTICLE I DEFINITIONS
- ARTICLE II PERMIT AND PERMIT FEES
- ARTICLE III INDUSTRIAL PRETREATMENT WASTEWATER DISCHARGE PERMIT APPLICATION AND PERMIT TO DISCHARGE

- ARTICLE IV USER FEES FOR SEWER SERVICE
- ARTICLE V SEWER SDCs METHODOLOGY
- ARTICLE VI SYSTEM DEVELOPMENT CHARGES
- ARTICLE VII APPEALS, PAYMENT, COLLECTION, ENFORCEMENT AND DISBURSEMENT VALIDITY

Part I: DETERMINATIONS AND FINDINGS

A. The City Council adopts above recitals as findings and incorporates them by reference in support of this resolution.

B. The City has reviewed the sewer rate and systems development charge report by CH2M Hill and adopts the report and makes findings and conclusions therein a part of the record. More particularly, the City Council hereby finds that average flow, average biochemical oxygen demand (BOD) and average total suspended solids (TSS) are rational bases for allocating use of the City of Wilsonville sewer system, and provide valid proportional bases for allocating the reimbursable and improvements costs for needed sewer wastewater treatment plant and collection system capital improvements.

C. The City Council hereby finds that with regard to the improvement component of the sewer SDC:

	Collection Systems	Treatment Plant			Total Components
		Flow	BOD	TSS	
The value of the Capital Improvements Program allocated to new users is:	\$1,142,000	\$4,083,790	\$2,965,410	\$11,300	\$8,202,500
The new user capacity in gallons per day for the collection system and flows and in pounds per day for BOD and TSS	1,100,000	1,600,000	2,826	2,863	

The unit cost of new capacity in gallons per day or pounds per day is determined by dividing the CIP value allocated to new users by the unit cost of the new capacity in million gallons per day	\$1.04	\$2.55	\$1,049	\$4	
The average day sewer demand, including inflow and infiltration in gallons per day or pounds per day, per equivalent dwelling unit is equal to:	221	221	0.43	0.40	
The improvement SDC per equivalent dwelling unit is determined by multiplying the unit cost of new capacity by the average day sewer demand and is:	\$230	\$564	\$451	\$2	\$1,247
The debt service credit per equivalent dwelling unit is:	\$80	\$197	\$158	\$1	\$436
The net improvement Systems Development Charge per equivalent dwelling unit is:	\$150	\$367	\$293	\$1	\$811

D. The City Council hereby determines that the net improvement systems development charge per equivalent dwelling unit is equal to \$811.

E. The City Council hereby finds that with regards to the reimbursable component of the sewer SDC:

	Collection System	Treatment Plant			Total Component
		Flow	BOD	TSS	
The net depreciated system investment for the city sewer system is	\$2,137,715	\$906,727	\$2,357,489	\$362,691	\$5,764,622
The existing user capacity in million gallons per day for flows and collection system and pounds per day for BOD and TSS is:	4,700,000	2,250,000	5,500	5,000	
The net investment per gallon/day and pound/day is determined by dividing the net system investment by the existing user capacity and is:	\$.4548	\$.4030	\$429	\$73	

The average day sewer demand, including inflow and infiltration per equivalent dwelling unit in gallons per day or pounds per day is:	221	221	0.43	0.40	
The Reimbursement SDC per equivalent dwelling unit is determined by multiplying the net system investment in gallons per day or pounds per day by the average day sewer demand per equivalent dwelling unit and is:	\$101	\$89	\$184	\$29	\$403

F. The City Council hereby determines that the reimbursement SDC per equivalent dwelling unit is \$403.

G. The City Council hereby finds that the fees and charges herein are not taxes subject to the property tax limitations of Article XI, Section 11(b) of the Oregon Constitution.

Part II. ESTABLISHES USER FEES FOR SEWER SERVICE; DEFINITIONS, PERMITS AND PERMIT FEES, USER FEES, METHODOLOGY FOR SEWER SYSTEMS DEVELOPMENT CHARGES, SEWER SYSTEMS DEVELOPMENT CHARGES, APPEALS, PAYMENT, COLLECTION, ENFORCEMENT, DISBURSEMENT, STATEMENT OF VALIDITY, AND REPEAL OF EXISTING RESOLUTIONS.

ARTICLE I
DEFINITIONS

Section 1. Unless otherwise defined herein, applicable definitions are set forth in Wilsonville Code, Chapter 3, Section 3.112 and Chapter 8, Section 8.104.

Section 2. "Amusement and Recreational Facilities" shall include establishments engaged in producing amusement or any entertainment services except for motion picture theaters, museums, art galleries, arboreta and botanical and zoological gardens. Specific amusement and entertainment services would include dance studios, theaters for productions, bands, orchestras and other entertainments, bowling centers, professional sports clubs, racing, physical fitness facilities, golf courses, amusement parks and membership sports and recreation clubs. This group is included in The Standard Industrial Classification Manual, 1987, from the Executive Office of The President, Office of Management and Budget, and in particular includes Standard Industrial Classification (SIC), Major Group 79.

Section 3. "Apparel and other Finished Products Made from Fabrics and Similar Materials" shall mean those facilities known as the cutting-up and needle trades,

including establishments producing clothing and fabricated products by cutting and sewing purchased woven or knit textiles, fabric and related materials such as leather, rubberized fabrics, plastics and furs. A more complete description with examples is include in SIC, Major Group 23.

Section 4. "Banks" shall mean those institutions that are engaged in deposit banking or closely related functions including fiduciary activities. A more complete description and examples are included in SIC, Major Group 60 - Depository Institutions.

Section 5. "Bimonthly shall mean occurring every two months.

Section 6. "Business Services" shall mean those establishments primarily engaged in rendering services, not elsewhere classified, to business establishments on a contract or fee basis, such as advertising, credit reporting, collection of claims, mailing, reproduction, stenographic, news syndicates, computer programming, photocopying, duplicating, data processing, services to buildings, and help supply services. A more complete description with specific examples of firms engaged in business services is included in SIC, Major Group 73.

Section 7. "Car Wash" shall include establishments primarily engaged in washing, waxing and polishing motor vehicles or in furnishing facilities for the self-service washing of motor vehicles, whereby the wash water is recycled. A more complete description is included in SIC, Industry No. 7542 Descriptions.

Section 8. "Construction Special Trade Contractors" shall mean those contractors who undertake activities of a type that are specialized either to building construction, including work on mobile homes, or to both building and non-building projects. These activities include painting (including bridge painting and traffic lane painting), electrical work (including work on bridges, powerlines and power plants), carpenter work, plumbing, heating, air-conditioning, roofing and sheet metal work. A more complete description with a specific listing of industries is included in SIC, Major Group 17.

Section 9. "Convalescent or Nursing Facilities" shall mean the structures which are constructed for purposes of continuous care or convalescence of person(s) who may be ambulatory or handicapped but, in any event, are in need of continuous care. The structure must meet applicable codes as required by the State of Oregon, the City of Wilsonville and other appurtenant ordinances or resolutions; and as the structure is designed for the intended use thereof.

Section 10. "Daycare" shall mean establishments primarily engaged in care of infants or children or in providing pre-kindergarten education or medical care or

delinquency. Correction is not a major element. A more complete description is provided in SIC, Industry No. 8351.

Section 11. "Director" for the purposes of Article IV, shall be defined as Community Development Director.

Section 12. "Drinking Places" (Alcoholic Beverages) shall mean establishment primarily engaged in the retail sale of alcoholic drinks such as beer, ale, wine and liquor for consumption on the premises. The sale of food frequently accounts for a substantial portion of the sewage from these establishments.

Section 13. "Dwelling Unit" shall mean a building, mobile or manufactured home, designed for residential occupancy.

Section 14. "Eating Places" shall mean establishments primarily engaged in the retail sale of prepared food and drinks for on premise or immediate consumption. Caterers and industrial and institutional food service establishments are also included in this category. Restaurants, lunch counters and drinking places operated as a subordinate service facility by other establishments are not included in this definition unless they are served by a separate meter. A more complete description with a specific listing is included in SIC Industry Group 581.

Section 15. "Electric Gas and Sanitary Services" shall mean those establishments engaged in the generation, transmission, and/ or distribution of electricity or gas or steam. A more complete description with examples is included in SIC, Major Group 49.

Section 16. "Electronic and Other Electrical Equipment and Components, Except Computer Equipment" shall mean those establishments engaged in manufacturing machinery, apparatus, and supplies for the generation, storage, transmission, transformation, and utilization of electric energy. Included are the manufacturing of electric city distribution equipment, electrical industrial apparatus, household appliances, electrical lighting and wiring equipment, radio and television receiving equipment, communications equipment, electronic components and accessories and other electrical equipment and supplies. A more complete description with examples is include in SIC, Major Group 36.

Section 17. "Fabricated Metal Products, Except Machinery and Transportation Equipment" shall mean those establishments engaged in fabricating ferrous and nonferrous metal products, such as metal cans, tinware, handtools, cutlery, general hardware, nonelectric heating apparatus, fabricated structural metal products, metal forgings, metal stampings, ordnance (except vehicles and guided missiles) and a variety of metal and wire products not elsewhere classified. A more complete description with examples is include in SIC, Major Group 34.

Section 18. "Grocery Stores" shall mean stores commonly known as supermarkets, food stores and grocery stores primarily engaged in the retail sale of all sorts of canned foods and dry goods such as: tea, coffee, spices, sugar and flour, fresh fruits and vegetables, and fresh and prepared meat, fish and poultry. A specific list of types of food stores is included in SIC, Industry No. 5411.

Section 19. "Hotel and Motel" shall mean any building which is designed or used to offer lodging for rent or hire, with or without meals for four or more people or containing six or more guest rooms.

Section 20. "Individual Connections" shall mean a single building drain and building sewer from a structure which is connected to a service connection.

Section 21. "Indoor Theater" shall mean commercially operated theaters primarily engaged in the indoor exhibition of motion pictures. An example of types of motion picture theaters is included in SIC, Industry No. 7832.

Section 22. "Industrial and Commercial Machinery and Computer Equipment" shall mean those establishments engaged in manufacturing industrial and commercial machinery and equipment and computers. A more complete description with examples of specific industries is included in SIC, Major Group 35.

Section 23. "Manufactured Residential Unit" shall mean a structure which is intended for human occupancy by one or more persons, that has sleeping, eating, cooking and plumbing-sanitation facilities and which is constructed off-site in compliance with the Uniform Building Code (Oregon State Structural Specialty Code) and designed to be transported to a site for installation and/or assembly of modular components to form a permanent structure.

Section 24. "Meeting Halls" shall mean a structure which is constructed for the purpose of conducting meetings which may or may not be open for public use. The structure must meet applicable codes as required by the State of Oregon, the City of Wilsonville and other appurtenant ordinances or resolutions and as the structure is designed for the intended use.

Section 25. "Miscellaneous Manufacturing Industries" shall mean those establishments primarily engaged in manufacturing products not classified in any other manufacturing major group. Industries in this group fall into the following categories: jewelry, silverware and plated ware; musical instruments; dolls, toys, games, and sporting and athletic goods; pens, pencils and artists' materials; buttons, costume novelties, miscellaneous notions; brooms and brushes; caskets; and other miscellaneous manufacturing industries. A list of specific establishments is included in SIC, Major Group 39.

Section 26. "Mixed Use Commercial" shall mean a commercial facility whereby part of the use is for eating or drinking places and shall be broadly construed to include shopping centers, stores, hotels, motels, department stores, civic, social and fraternal associations, whereby eating and/or drinking places operate as subordinate service facilities without separate meters.

"Mixed Use Industrial" shall mean an industrial facility whereby part of the use is for eating or drinking places or other high strength impactors and shall be broadly construed to include all industrial facilities whereby eating and/or drinking places or other high strength impactors operate as subordinate facilities without separate meter.

Section 27. "Mobile Home Residential Unit" shall mean a structure which is intended for human occupancy by one or more persons, that has sleeping, eating, cooking and plumbing-sanitation facilities, and which is constructed off-site in compliance with the Oregon Department of Commerce standards for mobile homes, and designed to be transported to a site to be used as a permanent residence.

Section 28. "Multi-Family Residential Unit" shall mean a residential structure which is occupied by one or more persons of which there is more than one dwelling structure per lot, according to approved zoning requirements and which provides complete independent living facilities for each dwelling structure including, but not limited to, permanent provisions for living, sleeping, eating, cooking and sanitation.

Section 29. "NPDES" shall be defined as the National Pollution Discharge Elimination System.

Section 30. "Office Complexes" shall mean a structure in which more than one unit is constructed for commercial office use and is separate from each unit by intended use.

Section 31. "Offices" shall mean those buildings housing establishments primarily engaged in providing engineering, architectural and surveying services, accounting, auditing, bookkeeping services, research, development and testing services, and management and public relations services. A description of these establishments is included in SIC, Major Group 87.

Section 32. "Other Commercial" shall include other establishments used for retail operations which are not included in any of the above categories.

Section 33. "Other Industrial Facilities" shall include those industrial facilities which are not included in any of the listed industries or major groups.

Section 34. "Printing, Publishing and Allied Industries" shall mean those establishments engaged in printing one or more common processes such as letterpress, lithography (including off-set) gravure, or screen; and those establishments which perform

services for the printing trade such as bookbinding and platemaking. A more complete description with examples is included in SIC, Major Group 27.

Section 35. "Professional Building" shall mean those buildings used to house establishments primarily engaged in furnishing medical, surgical and other health services to persons. A more complete description with industry numbers is included in SIC, Major Group 80 - Health Services.

Section 36. "Residential Unit" - In cases where apartment complexes are involved, a residential unit is designated as one residential unit of a dwelling.

Section 37. "Restaurants" shall mean a structure which is constructed for the purpose of preparation and serving of food to one or more persons in return for payment by those persons. The structure must meet all applicable codes as required by the State of Oregon or the City of Wilsonville and other appurtenant ordinances or resolutions and as the structure is designed or occupied for the individual use thereof.

Section 38. "Rubber and Miscellaneous Plastics Products" shall mean those establishments manufacturing products not elsewhere classified, from plastics resins and from natural, synthetic, or reclaimed rubber, gutta percha, balata, or gutta siak. A more complete description with examples is included in SIC, Major Group 30.

Section 39. "Service Shops" shall mean those establishments primarily engaged in providing services generally to individuals, such as laundries, drycleaning plants, portrait photographic studios, and beauty and barber shops. A more complete description with specific industry numbers is included in SIC, Major Group 72, Personal Services.

Section 40. "Service Station" shall mean gasoline service stations primarily engaged in selling gasoline and lubricating oils. A more complete description with examples is included in SIC, Industry No. 5541.

Section 41. "Shopping Center" shall mean a major retail facility which shall include establishments engaged in at least two distinct retailing operations and could include establishments from SIC, Major Group 52, Building Materials, Hardware, Garden Supply, and Mobile Home Dealers; SIC, Major Group 53 - General Merchandise Stores; SIC, Major Group 54 - Food Stores; SIC, Major Group 55 - Automotive Dealers and Gasoline Service Stations; SIC, Major Group 56 - Apparel and Accessory Stores; SIC, Major Group 57, Home Furniture Furnishings and Equipment Stores; SIC, Major Group 58 - Eating and Drinking Places; and SIC, Major Group 59 - Miscellaneous Retail.

Section 42. "Single Family Dwelling Unit" shall mean a residential structure which is occupied by one or more persons of which there shall be only one dwelling structure per lot and which provides complete, independent living facilities for one or more

persons including, but not limited to, permanent provisions for living, sleeping, eating, cooking and sanitation.

Section 43. "Store" shall mean a retail establishment which only concludes one ongoing retail operation. This could include a store from Major Group 52 - Building Materials, Hardware, Garden Supply, and Mobile Home Dealers; and Major Group 53 - General Merchandise Stores.

Section 44. "Terminal and Joint Terminal Maintenance Facilities for Motor Freight Transportation" shall mean those establishments primarily engaged in the operation of terminal facilities used by highway-type property carrying vehicles. Also included are terminals which provide maintenance and service for motor vehicles. A more complete description is included in SIC, Industry No. 4231.

Section 45. "Transportation Services" shall mean those establishments furnishing services incidental to transportation, such as forwarding and packing services, and the arrangement of passenger and freight transportation. Specific examples are included in SIC, Major Group 47.

Section 46. "Warehouse" shall mean those establishments engaged in the storage of farm products, furniture and other household goods or commercial goods of any nature. Specific examples are included in Major Group 42 and would include firms engaged in SIC, Industry Group No. 422 - Public Warehousing and Storage.

Section 47. "Wholesale Trade - Durable Goods" shall mean those establishments primarily engaged in the wholesale distribution of durable goods. Specific examples are included in SIC, Major Group 50.

Section 48. "Upset" shall mean an exceptional incident in which there is unintentional and temporary noncompliance with permit effluent limitations because of factors beyond the reasonable control of the industrial user excluding such factors as operational error, improperly designed or inadequate treatment facilities or improper operation and maintenance or lack thereof.

In Article IV Section 7 paragraph C, the period in which the City Manager or designee may adjust to winter volumes for multi-family customers is changed to the period from January 1, 1995 to December 31, 1997.

ARTICLE II PERMIT AND PERMIT FEES

Section 1. SEWER PERMIT AND INDUSTRIAL PRETREATMENT WASTEWATER DISCHARGE PERMIT FEES

To provide for the cost of processing a building sewer service connection permit, and a wastewater discharge permit, the following fees will be charged. The permit fees below shall be reviewed annually by the City Council. The Council may, from time to

time, including, but not limited to, its annual review, increase fees giving due consideration to the increase in the consumers price index (CPI) for the Portland metropolitan tri-county area from the month of the last increase to the month preceding the date of the review. The Council may take action not to make such increase in permit fees any year it is deemed appropriate to do so.

A. Building Sewer Service Connections

<u>SERVICE CLASS</u>	<u>FEE</u>
(1) Residential	
(a) Single Family	\$ 50
(b) Multi-Family	75
(2) Commercial	360
(3) Industrial	360

B. Industrial Pretreatment Wastewater Discharge Permit

(1) The initial pretreatment wastewater discharge permit fee shall be \$383.

(2) The annual inspection and report fees for significant industrial users shall be \$1,072.

(3) Annual administrative costs for operating the industrial waste pretreatment program will be included in sewer rates with indirect costs prorated to all customers and direct costs charged to commercial and industrial customers by meter size. Adjustments for rates because of industrial waste pretreatment are listed in Table 1. The methodology for determining these adjustments is attached as Table 9.

(4) Costs of testing and inspecting specific categorical or significant industrial user discharges will be directly billed to the user.

Section 2. OWNER(S) RESPONSIBILITY

A. The owner(s) of a property in which a building sewer is then connected to the public sewer shall be responsible for:

(1) Repair of all known sewer breaks, leaks, cracks, and similar problems in all pipes, manholes, clean-outs and appurtenances to the building sewer which would cause ground or surface water to infiltrate or to flow into the building sewer either directly or indirectly. All costs involved in making repairs shall be borne by the owner(s).

B. The City shall have the specific right to inspect and test all building sewers to determine compliance with City, State and Federal requirements and the owner shall cooperate and not hinder the City's right to inspect and test.

ARTICLE III
INDUSTRIAL PRETREATMENT WASTEWATER DISCHARGE PERMIT
APPLICATION AND PERMIT TO DISCHARGE

Section 1. GENERAL

Each nonresidential user discharging, proposing to discharge or having the potential to discharge contributions of wastewater into the city sewerage system which meet any of the following criteria shall secure an Industrial Pretreatment Wastewater Discharge Permit from the city:

- A. Is subject to national categorical pretreatment standards promulgated by EPA under Section 307(b) or (c) of the Clean Water Act (CWA);
- B. Has in its waste toxic pollutants as defined pursuant to Section 307 and Section 502 of the CWA;
- C. Has a non-domestic flow of 25,000 gallons or more per average work day;
- D. Contributes more than 5 per cent of the actual daily average dry weather hydraulic, organic or solids handling load to the city's wastewater treatment plant;
- E. Is determined by the state or city to have a significant impact or potential for significant impact to adversely affect the city sewerage system by either upset, inhibition, pass through of pollutants, sludge contamination or other means.

Section 2. APPLICATION

A. Existing nonresidential users shall apply for a Wastewater Discharge Permit within ninety (90) days after becoming subject to the requirements of Article III, Section 1. New nonresidential users subject to the requirements of Article III, Section 1 shall apply at least ninety (90) days prior to connecting to or discharging to the city sewerage system.

B. Wastewater discharge permits are governed by the provisions of the Wilsonville Code, Sections 8.100 et seq.

Section 3. SEVERABILITY

If any provision of this resolution or its application to any person or circumstances is held, in whole or in part, to be invalid, the remainder of this resolution or provision or its application to other persons or circumstances shall not be affected.

ARTICLE IV
USER FEES FOR SEWER SERVICE

Section 1. IMPLEMENTATION OF FEES

A sewer user fee is hereby imposed upon the user(s) of the City's wastewater collection, pumping, disposing and treating system. A high strength user fee is hereby imposed upon the commercial and industrial user(s) of the city's wastewater collection,

pumping, disposing, and treating system, that discharge wastes having an average strength in excess of 250 mg/l of BOD or TSS.

Section 2. PUMPING UNITS

Buildings that are served by pumping units shall be subject to the user fees provided by this resolution.

Section 3. INITIAL SERVICE

When sewer service is initially provided to any building(s), a sewer user fee shall be charged for each month a building sewer is connected to or discharged into the public sewer.

Section 4. CHARGE TO USERS

Sewer user fees are hereby charged to the user(s) of the property connected to the sanitary sewer. Users of the property shall include owners as well as occupants. Such charges are to begin at the time the connection has been accepted by the Community Development Department according to standards set forth in the Construction Standards for the City of Wilsonville.

Section 5. BILLING TO OCCUPANT

Sewer user fees shall be billed to an occupant unless otherwise notified in writing by owner of the serviced property. However, in the event of a delinquent account, the sewer service may be discontinued under the provisions of Article VII, Section 4, of this Resolution.

Section 6. ANNUAL REVIEW OF FEES

Sewer user fees shall be reviewed annually by the City Council. The City Council may, from time to time, including but not limited to its annual review, increase fees giving due consideration to the increase in the consumers price index (CPI) for the Portland metropolitan tri-county area from the month of the last increase to the month preceding the date of the review. The Council may take action not to increase fees in any year it is deemed appropriate to do so.

Section 7. USER FEES WITHIN CITY

A. The sewer user fee effective July 1, 1996, is listed in Tables 1.

Table 1
CITY OF WILSONVILLE
SEWAGE DISPOSAL USER FEE SCHEDULE
Effective July 1, 1996

Minimum Bills:

Customer Class	Bi-monthly Vol. Included in Min. Charge hcf	Minimum Charge	Increase in Minimum Bill for Pretreatment Program per Meter Size	Adjusted Min. Chg.
Single-Family Residential	5	\$14.36	\$0.00	\$14.36
Multi-Family Residential	5	14.36	0.00	14.36
All Public	5	14.36	0.00	14.36
Commercial & Industrial by Meter Size	—	—	—	—
5/8 X 3/4"	5	14.36	\$8.61	22.97
3/4"	5	14.36	12.92	27.28
1"	5	14.36	21.53	35.89
1-1/2"	5	14.36	43.07	57.43
2"	5	14.36	68.91	83.27
3"	5	14.36	129.20	143.56
4"	5	14.36	215.34	229.70
6"	5	14.36	430.68	445.04
8"	5	14.36	689.09	703.45
10"	5	14.36	1,238.64	1,253.00

Volume Charge:

Customer Class	Basic Volume Rate - \$/hcf	Strength Adjustment Factor	Adjusted Volume Charge - \$/hcf Before Pretreatment Adjustment
Single-Family Residential	\$2.46	1	\$2.46
Multi-family Residential	2.46	1	2.46
Public	2.46	1	2.46
Eating Places	2.46	1	2.46
Commercial	2.46	1	2.46
Industrial	2.46	1	2.46

High Strength Surcharge

BOD \$0.73/pound
TSS \$0.09/pound

B. Volumes that are used with Table 1 for single family residential units are the average water volumes for the preceding winter four months. This will include November through February for one billing cycle and December through March for the other billing cycle. For new, single-family residential customers, the City Manager or designee may use the average winter volume for the previous customer at the same residence, average winter

volumes for other customers from the same vicinity, or may multiply five hundred cubic feet per resident times the number of residents to determine the initial volumes to be used with Table 1. For customers whose winter water volume exceeds the yearly average volume, the City Manager or designee may adjust volumes based on a request from the customer and valid information showing that the winter volume does not accurately reflect impact on the sewer system.

C. For multi-family, commercial and industrial customers the sewer volume will be based on the water volume as metered bimonthly for all non-irrigation meters. Since Resolution No. 1155 included a substantial change in the method of billing for multi-family customers, the City Manager or designee may adjust to winter volumes for the period from January 1, 1995 through December 31, 1997 when requested by the customer and when information clearly reflects that bimonthly water readings do not reflect the impact on the sewer system.

D. For sewer customers that are not served by City water, the City Manager or designee will determine the sewer volumes that are to be billed in accordance with Table 1.

E. For commercial or industrial sewer users whose domestic water consumption (excluding metered irrigation) is a minimum of three times greater than the measured sanitary sewer discharge rate, the sewer volume charge shall be based on this flow measured from the discharge point of the building sewer into the public sanitary sewer and shall be based on the average hundred cubic feet discharged. The measurement period shall be one week or seven consecutive days. After three billing periods or six months, a new measurement shall be taken. Each measurement shall set the surcharge fee for the next six month period.

F. For any non-domestic pollutant discharger who is required to obtain a wastewater discharge permit and is required to measure discharge volumes, the sewer volume and BOD and TSS strengths shall be as established through the monitoring requirements as set forth within each individual discharge permit.

G. In addition to the volume charges, commercial or industrial sewer users who are required to obtain an industrial pretreatment wastewater permit and whose sewage exceeds either a BOD strength of 250 milligrams/liter (mg/l) or a TSS strength of 250 mg/l shall pay an additional fee for treatment of high strength sewer wastes. This fee is listed in Table 1. Calculation of the bimonthly, high-strength, sewage fees shall be as follows:

$$\text{BOD Fee} = Q \frac{(\text{BOD 5 monitored} - 250)}{1,000,000} \times 62.4 \text{ lbs/cf} \times 100 \times \text{BOD rate}$$

$$\text{TSS Fee} = Q \frac{(\text{TSS monitored} - 250)}{1,000,000} \times 62.4 \text{ lbs/cf} \times 100 \times \text{TSS rate}$$

where,

Q = Bimonthly volume in hundred cubic feet (hcf)

BOD 5 monitored = Average BOD 5 strength in milligrams per liter

TSS monitored = Average TSS strength in milligrams per liter

BOD rate = Rate for treatment of high strength BOD from Table 1 in dollars per pound

TSS rate = Rate for treatment of high strength TSS from Table 1 in dollars per pound.

For example: An industrial user that used 5,187 hcf of water per bimonthly period with a BOD 5 of 290 mg/l and a TSS of 500 mg/l would pay:

$$\text{For BOD} = 5,187 \frac{(290 - 250)}{1,000,000} \times 62.4 \times 100 \times 0.73 = \$945.11 \text{ bimonthly}$$

$$\text{For TSS} = 5,187 \frac{(500 - 250)}{1,000,000} \times 62.4 \times 100 \times 0.09 = \$728.25$$

$$= \$1,673.36 \text{ bimonthly}$$

H. Other sewer use charges may be established through the issuance of an industrial pretreatment discharge permit in order to recover potential or actual costs incurred by the City due to wastes that adversely affect the sewer system or the environment.

Section 8. USER FEES OUTSIDE CITY

All sewer users whose sewer connection is outside the City shall be billed two (2) times the rates mentioned in Tables 1 to recover costs that City users pay on general obligation bonds.

Section 9. FRANCHISE FEE

For the right to receive additional services from the general fund, a franchise fee is hereby imposed upon the sewer fund of the City in an amount equal to four percent (4%) of the gross annual revenue from sewer user charges. This fee shall be collected from the sewer users and remitted quarterly to the general fund.

Section 10. EXCEPTION FOR WATER LEAKS

A. Sewer users will not be required to pay that portion of their sewer bill attributable to water leakage provided that:

- (1) The leak is repaired at the water user's expense within 48 hours of notification by the City that a leak has occurred;
- (2) The City, upon rechecking the water meter, concurs that the leak has been fully repaired;

(3) Exceptions from the 48 hour repair requirement may be granted in writing by the City Manager or designee when extenuating circumstances are recognized.

B. The sewer user's bill during the period of time when undetected leakage occurred shall be based on the prior year's bill, adjusted for any approval of subsequent rate increases for the same period of time. When prior year billing information is not available, the City Manager or designee will determine the approximate billing based on bills for comparable properties.

C. This policy shall not apply to leaks that are reoccurring problems or those that are apparent as opposed to undetected leaks.

Section 11. APPLICATIONS AND DEPOSITS

Applications for City sanitary sewer services shall be by such forms and in such manner as provided by the Department of Finance. The applicant shall designate the property to be served and the user thereof. An owner of the premises who permits another to make applicant and/or use the city's sewer services shall also be deemed a user of city services. If a deposit is deemed prudent and cost effective by the Finance Director, a deposit shall be required in a sum which shall not be greater than an amount equal to an estimated 3 months' bill as determined by the Finance Department. However, any resident of Wilsonville (a person who has established credit with the City of Wilsonville by having water and/or sewer service in his/her own name) will be allowed to move from one location within the city limits without having to pay a deposit if that resident has lived in Wilsonville for at least three (3) years, has City of Wilsonville water and/or sewer service in his/her name and has not been delinquent in paying for water and/or sewer service within the past three years.

Section 12. REFUND OF DEPOSITS

A. A refund of the user sewer service deposit will occur when a customer shows a satisfactory credit performance for three years. If it becomes necessary to make one or more visits to enforce collection and/or shut-off for non-payment during the three year period, the City shall retain the deposit. The deposit will be held for an additional three years from the date of the last visit to the customer's premise for collection for non-payment of a bill. (Definition of visit - hand delivery of shut-off notice to the customer's premise. Definition of satisfactory credit - no water shut-off notices hand delivered and/or temporary shut-off of service for non-payment during a three year period.)

B. A refund of the deposit will occur upon the applicant's requesting discontinuance of service provided that all outstanding bills are paid in full. The deposit may be applied to the final bill.

C. If an account is shut-off for non-payment, the deposit shall be held as security until the outstanding balance is paid. The deposit will only be applied to the outstanding balance when the account is closed and no further sewer service is required by the customer. The remaining balance of the deposit not used to pay the outstanding bill will be refunded to the customer.

D. Upon refund of the cash deposit to the applicant for satisfactory credit performance or upon termination of service, the deposit shall be refunded together with interest thereon at the rate of one-half percent (1/2%) below the average annual interest rate received by the City. However, no interest shall be allowed or paid by the City of Wilsonville on deposits which have been deposited with the City for less than 30 days. All cash deposits so paid to the City of Wilsonville by sewer users shall be credited by the Finance Department into a special account to be known as "Sewer Deposit Trust Account".

Section 13. LIABILITY FOR CHARGES AND SERVICE DISCONNECTION

All charges for sanitary sewer service furnished or rendered by the City of Wilsonville shall be chargeable to the current user of the property where sanitary sewer service is supplied and, in addition, all persons signing an application for the use of sanitary sewer service shall be personally liable for all charges accrued against the property designated within the application. The City reserves the right to cut off and disconnect sanitary sewer service to the premises without further notice when charges for sanitary sewer service have not been paid within 30 days after the due date, and the expense thereof shall be borne by the user to which such service has been supplied. The City shall provide a minimum of 3 days notice by a door hanger or by mail prior to sewer service disconnection to the user and mail notice to the owner.

ARTICLE V
SEWER SYSTEMS DEVELOPMENT CHARGES
METHODOLOGY

Section 1. PURPOSE

The purpose of this Article is to impose the capital cost of sewage treatment facility improvements upon those developments that create the need for or increase the demands for such capital improvements and to prescribe the methodology for calculating the SDC.

The SDC imposed by this Article is separate from and in addition to any applicable taxes, assessments, charges, or fees otherwise provided by or imposed as a condition of development.

The total fees required for connection to the sanitary sewer shall be a revenue source to the City and shall entitle the owner(s) of the structure or property or persons paying the fee to a service connection to the sanitary sewer system.

Section 2. DEDICATED FUNDS

The City shall maintain a dedicated fund entitled "Sewer Expansion and Capital Improvement Fund", herein "fund". All moneys derived from the Improvement portion of Sewer SDC shall be placed in the fund. The Improvement portion of Sewer SDC revenue, including interest earned on balances in the fund, shall be used for no purpose other than those activities described as, or for the benefit of, extra capacity facilities as designated in Table 1.

The City shall also maintain a dedicated fund entitled Sewer Reimbursement Systems Development Charge Fund. All moneys derived from the Reimbursement portion of the Sewer SDC shall be placed in the fund. Funds from this fund shall be spent on capital improvements of the sewer system including expenditure related to repayment of indebtedness.

In addition, the reasonable and customary costs of administering this fee and projects funded hereunder, including repayment of debt, may be paid from SDC revenues.

Section 3. DEFINITIONS

Oregon Revised Statutes (ORS 223.297 through 223.314) allow improvement fees and reimbursement fees to be included in Systems Development Charges. "Improvement fee" means a fee for cost associated with capital improvements to be constructed. "Reimbursement fee" means a fee for cost associated with capital improvements already constructed or under construction.

Section 4. IMPROVEMENT FEES

A. The staff updated and Council approved the Waste Water Collection System Master Plan dated March 1994.

B. The consulting firm of CH2M Hill prepared a Facilities Report for expansion of the Waste Water Treatment Plant.

C. Staff reviewed the Waste Water Collection System Master Plan and the Facilities Report for the Waste Water Treatment Plant and determined a schedule of capital improvements that are to be constructed over the five-year period beginning with Fiscal Year 1994/95. Staff also determined which part of the Capital Improvements Plan is eligible for Systems Development Charges and which should be paid by existing customers. Based on these determinations, CH2M Hill developed an adjusted five-year CIP in which the costs are inflated in accordance with anticipated changes in construction costs. A tabulation of the projects inflated costs and the percentage of costs allocated to new users is attached as Table 2 and is incorporated by reference as if fully set forth herein.

D. CH2M Hill further categorized the costs that were allocated to new users into collection system costs and the flow, bio-chemical oxygen demand, (BOD), and total

suspended solids (TSS) components for the treatment plant. Staff determined the overall additional Systems Design Capacity in average daily flow, including inflow and infiltration (I&I) for each of the components parts of the collection and treatment system. The user capacity was divided into the CIP value allocated to new users to determine the unit cost of new capacity in million gallons per day or gallons per day. The average day sewer demand for each of the component parts was determined differently. For the Collection System and the Treatment Plant flows, the winter water use for residential customers was analyzed. The average day sewer demand for an equivalent dwelling unit is the winter water demand when customers are not watering landscaping and is 185 gallons per day without inflow and infiltration (I & I) and 221 gallons per day with I & I. CH2M Hill determined the BOD and total suspended solids by an analysis of plant records and other historical data in the Facilities Report; the BOD and TSS are respectively 0.37 and 0.38 pounds per equivalent dwelling unit without I & I, and 0.43 and 0.40 pounds per equivalent dwelling unit with I & I. The improvement Systems Development Charge per equivalent dwelling unit is then determined by multiplying the average day sewer demand, including I & I, by the unit cost of new capacity to determine the Improvement Systems Development Charge per equivalent dwelling unit.

E. Since a major part of the construction of the Collection System and Treatment Plant improvements will be financed and the new customers that pay the Systems Development Charge will also be required to pay debt service on the improvements, the debt service costs have to be credited against the improvement SDC to obtain the net improvement SDC per equivalent dwelling unit. The calculation of the debt-service credits is attached at Table 3 and after prorating the credits against the components of Collection System and Treatment Plant improvements, the total recommended debt-service credit per equivalent dwelling unit is \$436. This is subtracted from the improvement SDC per equivalent dwelling unit to give a net improvement SDC per equivalent dwelling of \$811. The overall summary of the calculation of the net improvement SDC per equivalent dwelling unit is attached at Table 4 and is incorporated by reference as if fully set forth herein.

Section 5. REIMBURSEMENT FEES

A. The Finance Department prepared a list of fixed assets with the date purchased and the original cost. This list did not include grants or contributions which are not included in the reimbursement fee component of Systems Development Charges. CH2M Hill applied appropriate depreciation figures and determined the net book value of the Waste Water System. The fixed assets list and net book value is attached as Table 5 and is fully incorporated by reference as if fully set forth therein.

B. CH2M Hill prorated the fixed asset values against the collection system and against flow, bio-chemical oxygen demand and total suspended solids components of the treatment plant. The current outstanding debt principle was subtracted from the allocated costs using the same proportions of current fixed assets to determine the net system investment.

C. Staff used the Facilities Report prepared by CH2M Hill and the March 1994 Waste Water Collection System Master Plan to determine the current system design capacity in average daily flow, including I & I, of million gallon per day or pounds per day. This existing user capacity was divided into the net system investment to determine the net investment per MGD or pounds per day and also the net investment per gallons per day. The average day sewer demand that had been previously calculated for the improvement fee was also used for the reimbursement fee. The reimbursement SDC per equivalent dwelling unit was obtained by multiplying the net investment per gallon per day or pounds per day by the average day sewer demand, including I & I, to give the reimbursement SDC per equivalent dwelling unit. A summary of the calculation of the reimbursement fee is attached at Table 6 and is incorporated by reference as if fully set forth herein.

ARTICLE VI
SYSTEMS DEVELOPMENT CHARGES

Section 1. EQUIVALENT FIXTURE UNITS

An equivalent dwelling unit (EDU) is defined as a residential dwelling and is equivalent to a minimum of sixteen (16) fixture units.

For the purpose of determining equivalent fixture units, the following will be used:

<u>FIXTURE</u>	<u>EQUIVALENT FIXTURE UNIT</u>
1 toilet	6
1 urinal	5
1 lavatory, sink or laundry tray	2
1 floor drain 2" max outlet	4
3" max outlet	6
4" max outlet	8
1 dishwasher 2" max outlet	3
3" max outlet	9
4" max outlet	12
1 bathtub or shower	2
1 drinking fountain	1
1 garbage grinder	4

1 commercial washer

0 to 5 pound capacity	2
over 5 to 10 pound capacity	4
over 10 to 15 pound capacity	6
over 10 to 15 pound capacity	6
over 15 to 20 pound capacity	7
over 20 to 25 pound capacity	8
over 25 to 35 pound capacity	9
over 35 pound capacity	1-1/2 EFU per 5 pounds capacity

All those equivalent fixture units not shown herein shall be as specified in the most recent issue of the Uniform Plumbing Code.

Section 2. EFFECTIVE DATE AND SDC SCHEDULE

A: The Sewer SDCs effective July 1, 1996 are set forth below:

SEWER SDC SCHEDULE

<u>CLASS OF SERVICE</u>	<u>SDC</u>
<u>Residential</u>	
1. Single-family dwelling unit	\$1,214
2. Multi-family residential unit	922
3. Mobile Home residential unit	922
4. Manufactured residential unit	1,214

Hotels and motels \$1,214 per 25 fixture units

Commercial

The basis for commercial systems development charge shall be based on 16 fixture units per dwelling unit multiplied by a volume factor and a strength factor to account for differences in sewage flow and strength from various customer classes. SDCs are as follows:

Land Use	Volume Factor	Strength Factor	SDC
Banks	1.1	1.0	1.1 X SF residential SDC
Amusement & Rec Fac	1.0	1.	1.0
Car wash/recycle	2.3	1.0	2.3
Day Care	1.1	1.0	1.1
Eating Places	2.7	1.0	2.7
Grocery Stores	4.7	1.0	4.7
Indoor Theater	1.0	1.0	1.0
Office	0.7	1.0	0.7
Professional Bldg	1.2	1.0	1.2
Service Shop	1.0	1.0	1.0
Service Station	1.5	1.0	1.5
Shopping Center	2.9	1.0	2.9

Store	2.9	1.0	2.9
Warehouse	2.6	1.0	2.6
Other Commercial	1.0	1.0	1.0

Industrial

The Director shall make the determination as to the industrial status of a sanitary sewer user and the method of calculation which most accurately reflects the impact of the user on the sewer system based on use of the following formulas to determine equivalent dwelling units for high strength sewage:

Basic Formula $EDU=A(FL/185gpd)+B(BOD/.372lbs/day)+C(TSS/.376lbs/day)$

A equals proportion of capital cost attributed to flow

B equals proportion of capital cost attributed to BOD

C equals proportion of capital cost attributed to TSS

In FY 96/97 costs A = 58.24%; B = 39.29 %; and C = 2.47%

Calculation of SDC for industrial users shall be determined by the Director based on the following:

a. Customers requiring an industrial discharge pretreatment permit.

The SDC initially charged shall be calculated based on the volumes and strengths indicated on the application for the industrial discharge permit. Upon receipt of the industrial discharge compliance report the SDC will be adjusted based on volumes and strengths listed in the compliance report whenever the compliance report varies by over ten percent or more from the application. For example a new user with average daily readings of 30,000 gallons per day, 500 pounds of BOD per day and 550 pounds of TSS per day would have its SDC calculated as follows:

$$EDUs = .5824 \times \frac{(30,000)}{185} + .3929 \frac{(500)}{.372} + .0247 \frac{(550)}{.376} = 94.4 + 528.1 + 36.1 = 659 \text{ EDU}$$

$$659 \times \$1214/EDU = \$800,026$$

b. Industrial users that are not required to submit for an industrial waste discharge permit.

The SDC shall be charged based on 16 fixture units/dwelling unit multiplied by a volume factor and a strength factor to account for differences in sewage flows for the various customer classes. SDCs are as follows:

Land Use	Volume Factor	Strength Factor	SDC X Single-family Residential SDC
Construction - Special Trade Contractors - Standard Industrial	0.6	1.0	0.6 X

Classification (SIC), Major Group 17			
<u>Apparel & Other Finished Products Made from Fabrics & Similar Materials</u> SIC, Major Group 23	0.6	1.0	0.6 X
<u>Printing, Publishing & Allied Industries</u> SIC, Major Group 27	2.0	1.0	2.0 X
<u>Rubber and Miscellaneous Plastics Products</u> SIC, Major Group 30	1.4	1.0	1.4 X
<u>Fabricated Metal Products Except Machinery & Transportation Equipment</u> SIC, Major Group 34	2.7	1.0	2.7 X
<u>Industrial & Commercial Machinery & Computer Equipment</u> SIC, Major Grp 35	5.8	1.0	5.8 X
<u>Electric & Other Electrical Equipment & Components Except Computer Equipment</u> SIC, Major Group 36	3.6	1.0	3.6 X
<u>Miscellaneous Manufacturing Industries</u> SIC, Major Group 39	4.3	1.0	4.3 X
<u>Terminal Maintenance Facilities for Motor Freight Transportation</u> SIC, Major Group 42	1.8	1.0	1.8 X
<u>Transportation Services</u> SIC, Major Group 47	0.7	1.0	0.7 X
<u>Electric, Gas & Sanitary Services</u> SIC Major Group 49	3.2	1.0	3.2 X
<u>Wholesale Trade - Durable Goods</u> SIC, Major Group 50	4.4	1.0	4.4 X
<u>Business Services</u> SIC, Major Group 73	1.5	1.0	1.5 X
<u>Other Industrial Facilities</u>	1.0	1.0	1.0 X

c. For industrial facilities that do not require an industrial waste permit and when the classifications reflected in subparagraph b. above do not reflect the impact of the facility on the sewer system. SDC charges shall be based on water meter sizes as listed in Table 8, attached hereto and incorporated by reference as if fully set forth herein or by analysis of sewage flows and strength data as presented by the applicant. In those cases

where applicant data is used, the sewage use will be reviewed and recalculated in accordance with Article VI, Section 6.

Section 3. ANNUAL REVIEW

As set forth in Ordinance No. 386, Article IV, the City shall annually review the sewer SDC to determine whether additional fee revenues should be generated to provide extra-capacity improvements needed to address new development or to ensure that revenues do not exceed identified demands. In so doing, the City shall consider:

- (1) Construction of facilities by federal, state or other revenue sources;
- (2) Receipt of unanticipated funds from other sources for construction of facilities;
- (3) Additional needed sewer system improvements to meet mandates or requirements of other authorized governmental authorities;
- (4) Other changes or conditions as may be deemed necessary or prudent.

Upon completion of this review the City shall consider such amendments, including adjustment to the fee imposed herein, as are necessary to address changing conditions.

Notwithstanding any other provision, the dollar amounts set forth in Section 4 of this Article shall on March 1st of each year be computed to increase automatically by the Engineering News Record Northwest (Seattle, WA.) construction cost index. Notwithstanding the foregoing, all calculations shall be carried out to the hundredths place. A final product ending in \$.49 or less shall be rounded down to the nearest dollar, \$.50 or more up to the next dollar.

Section 4. DATE OF PAYMENT

Sewer SDC required by this resolution shall either be due and payable with the building permit fee and before connection to the public sewer, or the applicant may submit a bond or other acceptable financial reservation due and payable at the time of building occupancy.

Section 5. PREPAYMENT

To better allow industry to plan future expansions and better allow the City to plan for wastewater treatment plant capacity requirements, the City may enter into development agreements which provide defined capacity in the future at specific time intervals. Any deferral of payment for future capacity will be subject to a bond or other guarantee of future payments.

Section 6. CHANGED USE OF PROPERTY

The sewer SDC is charged based upon existing or intended use of the property and its impact on the sewer system at the time of application for connection. If the property is improved, expanded, subdivided or otherwise modified or used and the impact on the sewer system is increased by more than 10% , then that will cause a further sewer SDC to be charged for the increase. The further sewer SDC shall be charged for the modified portion of the property or structure based on the sewer SDC schedule in effect at the time of re-application. For prior sewer customers this increased sewer SDC shall be based on an increase above usage in calendar year 1994. The sewer SDC paid for a specific sewer service for a residential, commercial or industrial unit shall be valid for a one (1) year period from the date of issuance of the sewer connection permit. After the one (1) year period, the sewer connection permit will have expired if there has been no connection. The Director will then, in writing, notify the permittee that the permit has expired. The written notification of sewer connection permit expiration shall state the permittee has ten (10) days from the receipt of the expiration notice to request an extension time of the sewer connection permit. If there has been no response within ten (10) days, the SDC shall be considered forfeited. The permittee shall then be required to re-apply for a sewer connection permit and pay the sewer SDC in effect at the time of re-application.

Due to the unique circumstances of prior agreements with Coca-Cola Bottling Company of Oregon concerning its installation of upstream controls, the associated costs to Coca-Cola and mitigating benefits to the City's sewer system, the Director is authorized to establish Coca-Cola's use in calendar year 1994 based on those factors.

Section 7. PUMPING UNITS

Buildings that are serviced by pumping units shall be subject to the sewer SDC provided by this resolution.

Section 8. SEWERS OUTSIDE OF CITY

Sewer connections outside the city limits shall be charged at two (2) times the SDC provided herein.

Section 9. CHALLENGE OF EXPENDITURES

Any citizen or other interested person may challenge an expenditure of SDC revenues as being in violation of this resolution provided a written petition for review is filed with the Wilsonville City Council within two years of the expenditure as provided by Ordinance No. 386, Article X.

ARTICLE VII
APPEALS, PAYMENT, COLLECTION, ENFORCEMENT
AND DISBURSEMENT VALIDITY

Section 1. APPEALS PROCEDURE

A. Any person aggrieved by a ruling under, or interpretation of the provisions of this resolution, may, within 30 days of the date of occurrence, submit a written appeal to the City Council of Wilsonville. The appeal shall set forth the events and circumstances leading to the appeal, the nature of the ruling or interpretation from which relief is sought, and the nature of the impact of the ruling on appellant's property or business together with any other reasons for the appeal.

B. The City Council will set a date at the next regularly scheduled Council meeting to hear the appeal within thirty (30) days thereafter at a regularly scheduled council meeting and hear testimony, if deemed necessary. The decision of the Council will be final.

Section 2. PAYMENT

Every person subject to a charge hereunder shall pay the same, when due, to the Finance Director of the City of Wilsonville.

Section 3. COLLECTION

A. The Finance Director of the City is hereby directed to collect the sewer user fees and Systems Development Charge fees as provided for herein.

B. Sewer user fees and SDC, when collected, shall be paid into a fund designated as the "Sewer Fund".

C. Sewer system improvement SDC shall be deposited in, or credited to, the sewer systems development charges improvement account. Use of these funds shall only be for capacity increasing capital improvements including repayment of indebtedness as authorized by ORS 223.307.

D. Sewer reimbursement SDC funds shall be deposited to the sewer systems development charge reimbursement account. Funds from this account shall only be spent on capital improvements associated with the water system including expenditures related to repayment of indebtedness as authorized by ORS 223.307.

E. Sewer user fees, as herein before provided, shall be collected bimonthly and if not paid within the (10) days from billing date, said charges shall then be deemed delinquent.

F. Delinquent sewer service and service connection accounts shall bear interest from the day of delinquency at a rate of fifteen per cent (15%) per annum.

Section 4. ENFORCEMENT

A. The Finance Director of the City may use such means of collection as may be provided by the laws of the state of Oregon or permitted by the Charter and Ordinances of the City of Wilsonville.

B. If a court suit or action is instituted to enjoin any unauthorized connection to or use of the sewage system, or for the collection of accounts, the City shall be entitled to collect, in addition to costs and disbursements provided by statute, such sum as any court, including any appellate court; may adjudge reasonable as attorney's fees in such suit or action.

C. The City may, without notice to the user and property owner, discontinue sewer service and disconnect buildings from the City's sewerage system if sewer service charges and/or sewer impact fees, or other fees under this resolution, become delinquent; or if the safety, health or welfare of the citizens of Wilsonville may be jeopardized; or, without notice in the case of emergency affecting safety, health or welfare of its citizens; and the City may continue thereafter to refuse sewer service and sewer connections to such delinquent sewer user until all such delinquencies and interest are fully paid or until such safety, health or welfare problem is abated or cured.

Section 5. DISBURSEMENT

A. The City Council, by resolution or motion duly adopted, shall from time to time and not less than once each fiscal year, direct the transfer of funds from the Sewer Fund to all or any of the following:

(1) The "Sewer Expansion and Capital Improvement Fund" from which funds have been collected in the form of sewer SDC.

(2) The account or accounts for the payment of principal and interest on maturing sewer bonds, from which funds have been collected in the form of sewer impact fees.

(3) The account or accounts established for the operation and maintenance of the sewerage system, which funds have been collected in the form of sewer user fees.

Section 6. STATEMENT OF VALIDITY

The invalidity of any section, clause, sentence or provision of this resolution shall not affect the validity of any part of this resolution which can be given effect without such invalid part or parts.

Section 7. REPEALING OF EXISTING RESOLUTIONS

By the adoption of this Resolution, Resolution Nos. 1155, and 1178 are hereby repealed.

ADOPTED by the City Council of the City of Wilsonville at a regular meeting thereof this 3rd day of June, 1996, and filed with the Wilsonville City Recorder this date.


GERALD A. KRUMMEL, Mayor

ATTEST:


SANDRA C. KING, City Recorder

SUMMARY OF VOTES:

Mayor Krummel	Yes
Councilor Lehan	Yes
Councilor Hawkins	Yes
Councilor Leahy	Excused

Reso/OrdinanceFile\RevisedCB-R-831-94\5/2/96

TABLE 2

Table 3-2
CITY OF WILSONVILLE
WASTEWATER SYSTEM DEVELOPMENT CHARGE MODEL
CAPITAL IMPROVEMENT PLAN NET OF CONTRIBUTIONS - INFLATED

PROJECT	PROJECTED					TOTAL 95/96 - 99/00	PERCENT ALLOCATED TO NEW USERS	TOTAL CIP ALLOCATED TO NEW USERS
	1995/96	1996/97	1997/98	1998/99	1999/00			
Collection System:								
Reconstruct Charbonneau Lift Station (a)	\$0	\$0	\$0	\$0	\$0	\$0	0%	\$0
Upgrade Telemetry System	88,000	0	0	0	0	88,000	100%	88,000
Expand Memorial Park Lift Station (b)	19,000	0	0	0	0	19,000	100%	19,000
Update Collection System Mapping	21,500	0	0	0	0	21,500	100%	21,500
Construct 589' of 12" Sewer Along Parkway	0	0	87,325	0	0	87,330	100%	87,330
Sewer Line - WWTP to Parkway & Trask (b)	289,725	0	0	0	0	289,730	100%	289,730
Construct 2392' of 15" Sewer On TCLW & W'ville Road	0	244,170	0	0	0	244,170	100%	244,170
Construct 2299' of 12" Sewer On TCL & Parkway	0	18,390	176,940	0	0	195,330	100%	195,330
Construct 1960' of 10" Sewer On Canyon Creek	0	0	0	14,500	135,000	149,500	100%	149,500
LID No. 2 (c)	17,940	71,500	0	0	0	89,440	100%	89,440
Subtotal	\$414,185	\$334,000	\$244,285	\$14,500	\$135,000	\$1,142,000		\$1,142,000
Treatment System:								
Modify & Expand WWTP Capacity	1,578,487	4,824,818	3,414,539	0	0	\$9,917,820	71%	\$7,060,500
Unused	0	0	0	0	0	0	0%	0
Unused	0	0	0	0	0	0	0%	0
Unused	0	0	0	0	0	0	0%	0
Subtotal	\$1,578,487	\$4,824,818	\$3,414,539	\$0	\$0	\$9,917,820		\$7,060,500
TOTAL WASTEWATER CIP	\$1,992,632	\$5,258,876	\$3,658,804	\$14,500	\$135,000	\$11,059,820		\$8,202,500
Allocation to New Users	\$1,537,880	\$3,840,040	\$2,675,060	\$14,500	\$135,000	\$8,202,500		74%

Notes:

- (a) The Charbonneau Lift Station Improvement costs are not allocated to new users and are expensed in O&M costs.
- (b) Net project costs after deducting contributions of 61 percent of total project costs.
- (c) Net project costs after deducting contributions of 87 percent of total project costs.

TABLE 3

Table 11
CITY OF WILSONVILLE
WASTEWATER SYSTEM DEVELOPMENT CHARGE MODEL
CALCULATION OF SDC DEBT SERVICE CREDIT

ITEM	TOTAL	1995/96	1996/97	1997/98
			1	2
Debt Financed Costs (95/96 – 98/99)	\$8,670,000	\$0	\$0	\$0
Debt Financed Expansion Costs (95/96 – 98/99)	7,060,498	1,123,711	3,505,977	2,430,810
Expansion Costs as % of Total Debt Issue	81%			
Annual Debt Principal Costs	\$8,670,000	\$0	\$275,984	\$286,543
Expansion Debt Principal Costs	\$7,060,850	\$0	\$224,761	\$233,361
Estimated System Flows (gals)		473,344,045	498,256,755	519,610,715
Estimated System Flows (1,000 gals)		473,344	498,257	519,611
Expansion Debt Principal Costs per gal		\$0.000000	\$0.000451	\$0.000449
Expansion Debt Principal Costs per 1,000 gal		\$0.00	\$0.45	\$0.45
Average Daily Flow per EDU (gals/year) (a)	80,665			
Expansion Debt Principal Cost per EDU		\$0	\$36	\$36
Discount Rate	5.14%			
SDC Debt Service Credit: Net Present Value per EDU	\$436			

Notes:

(a) gals/year = 221 gpd X 365 days (I/I Distributed).

TABLE 3 (2nd page)

Table 11
 CITY OF WILSONVILLE
 WASTEWATER SYSTEM DEVELOPMENT CHARGE MODEL
 CALCULATION OF SDC DEBT SERVICE CREDIT

1998/99	1999/00	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07
3	4	5	6	7	8	9	10	11
\$0	\$0							
0	0							
\$297,163	\$307,849	\$323,599	\$339,400	\$350,254	\$366,165	\$382,139	\$403,179	\$419,291
\$242,010	\$250,712	\$263,539	\$276,407	\$285,247	\$298,205	\$311,214	\$328,349	\$341,471
544,523,425	565,877,385	592,103,798	618,330,212	644,556,625	670,783,039	697,009,452	723,235,866	749,462,279
544,523	565,877	592,104	618,330	644,557	670,783	697,009	723,236	749,462
\$0.000444	\$0.000443	\$0.000445	\$0.000447	\$0.000443	\$0.000445	\$0.000446	\$0.000454	\$0.000456
\$0.44	\$0.44	\$0.45	\$0.45	\$0.44	\$0.44	\$0.45	\$0.45	\$0.46
\$35	\$35	\$36	\$36	\$35	\$35	\$36	\$36	\$37

TABLE 3 (3rd page)

Table 11
 CITY OF WILSONVILLE
 WASTEWATER SYSTEM DEVELOPMENT CHARGE MODEL
 CALCULATION OF SDC DEBT SERVICE CREDIT

2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
12	13	14	15	16	17	18	19	20
\$440,481	\$466,755	\$488,119	\$514,581	\$541,149	\$567,815	\$599,586	\$631,471	\$668,477
\$358,728	\$380,125	\$397,524	\$419,075	\$440,712	\$462,429	\$488,303	\$514,270	\$544,408
775,688,693	801,915,106	828,141,519	854,367,933	880,594,346	906,820,760	933,047,173	959,273,587	985,500,000
775,689	801,915	828,142	854,368	880,594	906,821	933,047	959,274	985,500
\$0.000462	\$0.000474	\$0.000480	\$0.000491	\$0.000500	\$0.000510	\$0.000523	\$0.000536	\$0.000552
\$0.46	\$0.47	\$0.48	\$0.49	\$0.50	\$0.51	\$0.52	\$0.54	\$0.55
\$37	\$38	\$39	\$40	\$40	\$41	\$42	\$44	\$44

TABLE 4

Table 7-2
CITY OF WILSONVILLE
WASTEWATER SYSTEM DEVELOPMENT CHARGE MODEL
IMPROVEMENT FEE

ITEM	COLLECTION SYSTEM	TREATMENT PLANT			TOTAL COMPONENTS
		FLOW	BOD	TSS	
CIP Value Allocated to New Users	\$1,142,000	\$4,083,790	\$2,965,410	\$11,300	\$8,202,500
New System Total Design Capacity	5.80	3.85	8,326	7,863	
Current System Design Capacity (mgd or lb/day)	4.70	2.25	5,500	5,000	
	-----	-----	-----	-----	
Additional System Design Capacity (mgd or lb/day)	1.10	1.60	2,826	2,863	
Less: Infiltration/Inflow	N.A.	N.A.	N.A.	N.A.	
	-----	-----	-----	-----	
Projected New User Capacity (mgd or lb/day)	1.10	1.60	2,826	2,863	
Unit Cost of New Capacity per mgd or lb/day	\$1,038,182	\$2,552,369	\$1,049	\$4	
Unit Cost of New Capacity per gpd	\$1.04	\$2.55			
Average Day Sewer Demand (gpd or lb/day) (a)	221	221	0.43	0.40	
Improvement SDC per EDU	\$230	\$564	\$451	\$2	\$1,247
Debt Service Credit per EDU (b)	\$80	\$197	\$158	\$1	\$436
	-----	-----	-----	-----	-----
Net Improvement SDC per EDU	\$150	\$367	\$293	\$1	\$811
Flow Improvement SDC (\$/gal/day)	\$2.34				
BOD Improvement SDC (\$/lb/day)	\$681.40				
TSS Improvement SDC (\$/lb/day)	\$2.50				

Notes:

- (a) Estimated Single-Family Residential winter water use.
- (b) Total distributed to components using same proportions as the SDC.

TABLE 5

Table 3
CITY OF WILSONVILLE
WASTEWATER SYSTEM DEVELOPMENT CHARGE MODEL
FIXED ASSETS SCHEDULE (NET OF GRANTS & CONTRIBUTIONS)

DESCRIPTION	DATE	LIFE	ORIGINAL COST	ACCUMULATED DEPRECIATION (06/30/94)	NET BOOK VALUE	INFLATED ORIGINAL COST	INFLATED ACCUMULATED DEPRECIATION	CURRENT REPLACEMENT VALUE
LAND								
Land	1970	N.A.	\$16,577	\$0	\$16,577	\$67,911	\$0	\$67,911
Subtotal			\$16,577	\$0	\$16,577	\$67,911	\$0	\$67,911
BUILDINGS								
Maintenance Shop	1982	40	\$21,300	\$6,527	\$14,773	\$27,841	\$8,531	\$19,310
1993/94	1994	30	\$75,532	\$1,259	\$74,273	\$75,532	\$1,259	\$74,273
Subtotal			\$96,832	\$7,786	\$89,046	\$103,373	\$9,790	\$93,583
IMPROVEMENTS NON-BUILDINGS								
Mobile Home Site	1975	5	\$831	\$831	\$0	\$2,054	\$2,054	\$0
P.W. Trailer - Pumping	1983	10	948	948	0	1,181	1,181	0
1992/93	1993	5	13,293	3,987	9,306	13,824	4,146	9,678
1992/93	1993	5	23,257	6,978	16,279	24,186	7,257	16,929
1992/93	1994	20	22,252	556	21,696	22,252	556	21,696
Subtotal			\$60,581	\$13,300	\$47,281	\$63,497	\$15,194	\$48,303
SEWER SYSTEM								
1972/73	1973	40	292,450	160,848	131,602	920,472	506,261	414,211
1972/73	1973	40	711,822	391,502	320,320	2,240,424	1,232,233	1,006,191
1973/74	1974	40	12,450	6,448	6,002	36,308	18,804	17,504
1974/75	1975	40	5,829	2,798	3,031	14,409	6,916	7,492
1975/76	1976	40	38,079	18,342	19,737	84,756	40,826	43,930
1976/77	1977	40	2,245	1,075	1,170	4,817	2,211	2,406
1977/78	1978	40	25,968	11,143	14,825	48,248	20,704	27,545
1978/79	1979	40	485,402	194,161	291,241	814,895	325,878	488,817
1978/79 - Contributed Capital = \$4,991	1979	40	61,367	24,547	36,820	102,998	41,199	61,798
1979/80 - Contributed Capital = \$632,483	1980	40	0	0	0	0	0	0
1980/81	1981	40	0	0	0	0	0	0
1981/82 - Contributed Capital = \$578,685 + \$17,119	1982	40	2,499,053	812,192	1,686,861	3,266,488	1,061,608	2,204,880
1982/83	1983	40	25,089	7,208	17,881	31,261	8,981	22,280
1983/84 - Contributed Capital = \$14,525	1984	40	151,057	41,541	109,516	187,969	51,692	136,277
1984/85	1985	40	14,615	3,381	11,234	18,127	4,193	13,933
1985/86 - Contributed Capital = \$111,014	1986	40	291,816	65,659	226,157	361,539	81,347	280,192
1986/87	1987	40	172,328	34,464	137,864	210,154	42,029	168,125
1987/88	1988	40	228	42	186	273	50	223
1988/89	1989	40	0	0	0	0	0	0
1989/90	1990	40	9,491	1,185	8,306	10,916	1,363	9,553
1990/91	1991	40	74,400	6,510	67,890	83,835	7,336	76,499
1991/92	1992	40	344,410	25,031	318,579	374,341	28,076	346,266

TABLE 5 (2nd page)

Table 3
CITY OF WILSONVILLE
WASTEWATER SYSTEM DEVELOPMENT CHARGE MODEL
FIXED ASSETS SCHEDULE (NET OF GRANTS & CONTRIBUTIONS)

DESCRIPTION	DATE	LIFE	ORIGINAL COST	ACCUMULATED DEPRECIATION (06/30/94)	NET BOOK VALUE	INFLATED ORIGINAL COST	INFLATED ACCUMULATED DEPRECIATION	CURRENT REPLACEMENT VALUE
1991/92	1992	40	90,282	6,770	83,492	98,108	7,358	90,748
1992/93	1993	40	56,820	2,124	54,498	58,881	2,209	56,672
1992/93 - Contributed Capital = \$556,839	1993	40	0	0	0	0	0	0
1993/94 - Contributed Capital = \$184,847	1994	40	12,873	322	12,551	12,873	322	12,551
1993/94 - Contributed Capital = \$288,240	1994	40	0	0	0	0	0	0
Subtotal			\$5,377,854	\$1,818,093	\$3,559,761	\$8,981,688	\$3,491,598	\$5,490,092
SEWER EQUIPMENT								
1977/78	1978	5	\$2,554	\$2,554	\$0	\$4,745	\$4,745	\$0
1978/79	1979	10	16,841	16,841	0	28,268	28,268	0
1979/80	1980	5	0	0	0	0	0	0
1980/81	1981	5	695	695	0	968	968	0
1980/81	1982	15	2,732	2,368	368	3,571	3,093	478
1981/82	1982	5	2,698	2,698	0	3,524	3,524	0
1981/82	1982	10	7,172	7,172	0	9,374	9,374	0
1982/83	1983	10	5,321	5,321	0	6,630	6,630	0
1983/84	1984	5	4,437	4,437	0	5,521	5,521	0
1984/85	1985	10	29,119	26,222	2,897	36,118	32,523	3,593
1985/86	1986	5	6,203	6,203	0	7,685	7,685	0
1985/86	1986	10	4,883	4,087	818	6,050	5,039	1,011
1986/87	1987	5	2,577	2,577	0	3,143	3,143	0
1987/88	1988	5	14,809	14,809	0	17,500	17,500	0
1988/89	1989	5	62,513	40,021	22,492	74,133	47,480	26,673
1989/90	1990	5	60,618	54,558	6,060	69,716	62,747	6,970
1990/91	1991	5	26,361	18,452	7,909	29,704	20,792	8,912
1991/92	1992	5	6,728	3,385	3,383	7,313	3,657	3,655
1992/93	1993	5	7,442	1,488	5,954	7,739	1,547	6,192
1993/94	1994	15	7,500	250	7,250	7,500	250	7,250
Subtotal			\$271,001	\$213,894	\$57,107	\$329,197	\$264,463	\$64,734
TOTAL SEWER SYSTEM FIXED ASSETS			\$5,822,845	\$2,053,073	\$3,769,772	\$9,545,886	\$3,781,044	\$5,764,822

TABLE 6

Table 7-1
 CITY OF WILSONVILLE
 WASTEWATER SYSTEM DEVELOPMENT CHARGE MODEL
 REIMBURSEMENT FEE

ITEM	COLLECTION SYSTEM	TREATMENT PLANT			TOTAL COMPONENTS
		FLOW	BOD	TSS	
Current Fixed Asset Value	\$2,137,715	\$906,727	\$2,357,489	\$362,691	5,764,622
Less: Current Outstanding Debt Principal (a)	0	0	0	0	0
Plus: Current Cash Reserves (a)	0	0	0	0	0
Net System Investment	\$2,137,715	\$906,727	\$2,357,489	\$362,691	\$5,764,622
Current System Design Capacity (mgd or lb/day)	4.70	2.25	5,500	5,000	
Less: Infiltration/Inflow	N.A.	N.A.	N.A.	N.A.	
Existing User Capacity (mgd or lb/day)	4.70	2.25	5,500	5,000	
Net Investment per mgd or lb/day	\$454,833	\$402,990	\$429	\$73	
Net Investment per gpd	\$0.4548	\$0.4030			
Average Day Sewer Demand (gpd or lb/day) (b)	221	221	0.43	0.40	
Reimbursement SDC per EDU	\$101	\$89	\$184	\$29	\$403
Flow Reimbursement SDC (\$/gal/day)	\$0.86				
BOD Reimbursement SDC (\$/lb/day)	\$427.91				
TSS Reimbursement SDC (\$/lb/day)	\$72.50				

Notes:

- (a) Total distributed to components using same proportions of current fixed assets.
- (b) Estimated Single-Family Residential winter water use.

NOT USED

TABLE 8

1996 SEWER SDCs

Table 10 = ES-4 and 7-4

Table 7-4

CITY OF WILSONVILLE
WASTEWATER SYSTEM DEVELOPMENT CHARGE MODEL
PROPOSED SYSTEM DEVELOPMENT CHARGES BY METER SIZE

METER SIZE	EQUIVALENT RATIOS	CAPACITY ALLOWANCE (gpd)	COMBINED SDCs
5/8" X 3/4"	1.0	221	\$1,214
3/4"	1.5	332	\$1,821
1"	2.5	553	\$3,035
1 1/2"	5.0	1,105	\$6,070
2"	8.0	1,768	\$9,712
3"	15.0	3,315	\$18,210
4"	25.0	5,525	\$30,350
6"	50.0	11,050	\$60,700
8"	80.0	17,680	\$97,120
10"	143.8	31,780	\$174,573

Table 9								
Pretreatment Program								
Pretreatment Adjustments to Minimum Bill								
Effective from July 1,1996 thru June 30,1997								
Customer Class	Min Bill with 5% Increase	Number of Commercial & Industrial Meters	Equity Ratios	Number of Commercial & Industrial Meters by DUE	Increase in Min Bill for Transfer of Direct Costs per DUE	Increase in Min Bill for Transfer of Direct Costs per Meter Size	New Adjusted Minimum Bill	Projected Income from Increase
All Single Family	14.36					\$0.00	14.36	
All Multifamily	14.36					\$0.00	14.36	
All Public	14.36					\$0.00	14.36	
Commercial & Industrial by Meter Size								
5/8x3/4 in	14.36	42	1	42	\$8.61	\$8.61	22.97	\$2,171
3/4 in	14.36	5	1.5	7.5	\$8.61	\$12.92	27.28	\$388
1 in	14.36	61	2.5	152.5	\$8.61	\$21.53	35.89	\$7,882
1.5 in	14.36	60	5	300	\$8.61	\$43.07	57.43	\$15,505
2 in	14.36	76	8	608	\$8.61	\$68.91	83.27	\$31,423
3 in	14.36	21	15	315	\$8.61	\$129.20	143.56	\$16,280
4 in	14.36	2	25	50	\$8.61	\$215.34	229.70	\$2,584
6 in	14.36	1	50	50	\$8.61	\$430.68	445.04	\$2,584
8 in	14.36	0	80	0	\$8.61	\$689.09	703.45	\$0
10 in	14.36	0	143.8	0	\$8.61	\$1,238.64	1,253.00	\$0
Total		268		1525				\$78,815

COMMUNITY DEVELOPMENT DEPARTMENT
STAFF REPORT AND RECOMMENDATION

DATE: APRIL 26, 1996
TO: HONORABLE MAYOR & CITY COUNCILORS
FROM: ELDON JOHANSEN
COMMUNITY DEVELOPMENT DIRECTOR
SUBJECT: SEWER RATES AND SYSTEMS DEVELOPMENT CHARGES

SUMMARY

The sewer rates and system development charges were last increased in January 1995. The Water and Sewer Rate and Systems Development Charge Task Group, the Budget Committee and subsequently the City Council agreed that the increase in rates would be a one-time increase, which would provide sufficient revenues for operation of the sewer utility and construction of needed capital improvements during the five-year period which began on July 1, 1994. Subsequent to the adoption of the increase of water and sewer rates and system development charges, there have been primarily three changes which will require an increase in sewer rates of five percent beginning July 1, 1996. First, the sewer rate increase did not become effective until later than anticipated, with a resultant lag in revenue. Second, the total operating expenses for the four-year remainder of the original five-year study are now projected to be higher than anticipated. Last, the cost of construction of the Wastewater Treatment Plant has increased from \$6.9 million to approximately \$9.4 million. Although interest rates are now lower than the original interest at the time of the original study, the net cost of capital and debt service is now expected to be higher for the last four years of the original study.

The Water and Sewer Rate and SDC Task Group has reconvened and reviewed the projected increases. The Task Group recommended a five-percent increase in sewer rates effective July 1, 1996. They also recommended that the sewer systems development charges be increased from \$1140 per equivalent dwelling unit to a maximum of \$1300 per equivalent dwelling unit. Subsequent calculations based on the lower interest rates has resulted in an adjustment in the recommended sewer systems development charge to \$1214 per equivalent dwelling unit.

RECOMMENDATION:

Staff respectfully recommends that the City Council approve the attached Resolution increasing the sewer utility rates by five percent, effective July 1, 1996, and increasing the sewer system development charges from \$1140 per equivalent dwelling unit to \$1214 per equivalent dwelling unit.

BACKGROUND

The previous sewer rate and systems development charge study was performed by Mr. Bob Tomlinson of CH2M Hill. He has also performed the current update of the Sewer Rate and SDC Study, dated April 1996. This study contains the overall methodology and systems to determine rates and systems development charges and will be distributed separately. The methodology this year is the same as last year and if further details are required they are included in the study.

Staff has performed a number of separate calculations in support of the update of the sewer rate and systems development charges. These separate calculations are primarily based on the Sewer Rate and SDC Study that was prepared by CH2M Hill, however, they add additional refinements to specific subject areas. A summary of the separate calculations is as follows:

Industrial Waste Pre-Treatment Program

There has been a mandated increase in the industrial waste pretreatment program by DEQ with the cost rising from \$47,900 to \$97,175. The method of funding the industrial waste pretreatment program as recommended by the Sewer Rate and SDC Task Group is as follows:

1. To commercial and industrial customers by meter equivalent.	\$78,815
2. To customers with discharge permits.	\$5,360
3. To all customers with cost prorated based on volume.	<u>\$13,000</u>
Total	\$97,175

Attached at Tab "A" is a spreadsheet on which the costs by meter size for the commercial and industrial customers is calculated.

Separate Sewer Utility Class for Eating Places

As part of the lawsuit which Coca Cola enterprises (CCE) filed against the City following adoption of Resolution No. 1155, was a claim that some customers with high strength sewage are currently not paying their fair share of utility operating costs. CCE subsequently provided data that indicates that Los Angeles County Sanitation District No. 4; Redding, California; Redwood City, California; Santa Rosa, California; Eugene, Oregon; and Portland, Oregon, have all established separate classifications for commercial/industrial users having greater strength impacts, such as eating places, or mixed use developments which included eating places, or a high strength impactor as part of the mix of users. The Sewer Rate and SDC Task Group recommended that the budget for FY-96/97 include funds to install separate meters at all eating places. They also recommended that we conduct strength monitoring of flows from eating places so that we can establish a separate, or maybe two separate classes of sewer utilities for eating places. The initial thoughts are that one classification would be for the eating places that do not have dishwashing machines, with another class for the eating places that do have dishwashing machines. The tentative basis for the difference is that the eating places with the dishwashing machines are expected to have higher sewage effluent strengths.

Commercial and Industrial Systems Development Charges

The calculations of the SDC for most commercial/industrial customers has been accomplished by counting the number of plumbing fixture units and then counting 16 equivalent fixture units as one equivalent dwelling unit. This was based on a study which was accomplished prior to adoption of Resolution No. 328 in June 1983, with a subsequent modification to 25 equivalent fixture units per equivalent volume unit for hotels and motels. One of the items which CCE was concerned about in filing their lawsuit was the possibility that we were undercharging SDCs for some commercial/industrial developments and that the Wastewater Treatment Plant capacity would be used up without collecting the appropriate SDCs. Staff has compared the number of equivalent dwelling units based on equivalent fixture units with the number of equivalent dwelling units based on recorded sewage flows for commercial and industrial customers. (See Tab "B-1" for commercial facility use and Tab "B-2" for industrial facilities). From this review of records, it is apparent that the number of equivalent fixture units per equivalent dwelling unit varies by the type of facility. For this reason the Sewer Rate and SDC Task Group recommends that our methodology for determination of equivalent dwelling units for commercial and industrial facilities be changed to reflect the type of facility by including a volume factor in the calculation.

This has been included in the Sewer Rate and SDC Resolution. Also, as mentioned in Item #2 above, the eating places will have additional sewage strengths. In the future we will recommend that the calculation of the SDC include a strength factor if the strength factor is above normal for that facility. Resolution No. 1155 does include separate procedures for calculating the SDCs for developments that will require a sewer discharge permit. These changes will not impact on a determination of SDCs for the developments with the discharge permit.

With the recognition that the number of equivalent dwelling units varies by the type of facility, in addition to the variance by meter size, we needed a method of projecting future income from SDCs for the commercial and industrial developments. The actual type of facility that will be used in the commercial and industrial areas is typically not known until a Stage II application is received. With shell buildings, we additionally do not know what the use will be until such time as the interior layout is approved. For this reason we need to vary the method of projecting the income for the commercial/industrial areas. Attached at Tab "B-3" is the calculation that is used to determine the equivalent dwelling unit per equivalent meter size for the commercial and industrial facilities. This provides a multiplier which has been incorporated into the CH2M Hill study to project SDC revenue.

Proposed Wastewater Rates

At the Sewer Rate and SDC Task Group meetings, Staff recommended, and the Task Group further recommended to Council, that rate increases of five percent per year be effective July 1, 1996; July 1, 1997; and July 1, 1998. It was further recommended that the sewer resolution include the first rate increase. The projection of the debt service cost for a bond that was sold to pay for expansion of the Wastewater Treatment Plant had been based on an interest rate of 5.5% in the draft Sewer Rate and SDC Study that was reviewed by the Sewer Rate and SDC Task Group. Subsequently, the bonds were sold at 5.141%. The lower interest rate reflects very favorably on projected rate increases beyond the increase on July 1, 1996. For that reason, the resolution has been written with just the first increase and it is recommended that the study be updated in the spring of 1997 to determine if the additional increases are required.

Respectfully Submitted,

Eldon R. Johansen
Community Development Director

ERJ/dr

Enclosures: Tabs "A", "B-1", "B-2" & "B-3"

Pretreatment Program

Pretreatment Adjustments to Minimum Bill

Effective from July 1, 1996 thru June 30, 1997

Customer Class	Min Bill with 5% Increase	Number of Commercial & Industrial Meters	Equity Ratios	Number of Commercial & Industrial Meters by Equivalent Meters	Increase in Min Bill for Transfer of Direct Costs per Equivalent Meter	Increase in Min Bill for Transfer of Direct Costs per Meter Size	New Adjusted Minimum Bill	Projected Income from Increase
All Single Family	14.36					\$0.00	14.36	
All Multifamily	14.36					\$0.00	14.36	
All Public	14.36					\$0.00	14.36	
Commercial & Industrial by Meter Size								
5/8x3/4 In	14.36	42	1	42	\$8.61	\$8.61	22.97	\$2,171
3/4 In	14.36	5	1.5	7.5	\$8.61	\$12.92	27.28	\$388
1 In	14.36	61	2.5	152.5	\$8.61	\$21.53	35.89	\$7,882
1.5 In	14.36	60	5	300	\$8.61	\$43.07	57.43	\$15,505
2 In	14.36	76	8	608	\$8.61	\$68.91	83.27	\$31,423
3 In	14.36	21	15	315	\$8.61	\$129.20	143.56	\$16,280
4 In	14.36	2	25	50	\$8.61	\$215.34	229.70	\$2,584
6 In	14.36	1	50	50	\$8.61	\$430.68	445.04	\$2,584
8 In	14.36	0	80	0	\$8.61	\$689.09	703.45	\$0
10 In	14.36	0	143.8	0	\$8.61	\$1,238.64	1,253.00	\$0
Total		268		1525				\$78,815

Commercial Volume Factors by Type of Facility			
Land use	EDU on a flow basis	EDU charged at bldg permit based on EFU	Calculated Volume Factor with 16 FU/EDU (25-motels)
Bank	2.51	2.00	
Bank	5.76	2.00	
Bank	1.26	3.00	
Bank	0.46	2.00	
	9.99	9.00	1.11
Bowling	5.98	7.00	
	5.98	7.00	0.85
Car Wash/Recycle	4.65	2.00	
	4.65	2.00	2.33
Club	0.99	5.00	
Club	1.28	1.00	
Club	1.90	1.00	
Club	1.87	7.00	
Club	0.39	1.00	
Club	0.48	2.00	
Club	0.59	2.00	
	7.49	19.00	0.39
Day Care	2.03	3.00	
Daycare	6.85	5.00	
	8.89	8.00	1.11
Fast Food	23.28	4.00	
Fast Food	11.94	5.00	
Fast Food	7.66	7.00	
	42.87	16.00	2.68
Grocery	97.97	21.00	
	97.97	21.00	4.67
Indoor Theater	6.90	8.00	
	6.90	8.00	0.86
Manufacturing	3.74	6.00	
Manufacturing	1.36	3.00	
Manufacturing	1.82	8.00	
Manufacturing	0.40	3.00	
Manufacturing	4.08	3.00	
Manufacturing	2.44	2.00	
Manufacturing	0.98	3.00	
Manufacturing	0.95	3.00	
	15.77	31.00	0.51
Motel	30.69	31.00	
Motel	26.89	53.00	

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Commercial Volume Factors by Type of Facility			
Land use	EDU on a flow basis	EDU charged at bldg permit based on EFU	Calculated Volume Factor with 16 FU/EDU (25-motels)
Motel	29.58	25.00	
	87.16	109.00	0.80
Office	12.32	11.00	
Office	9.68	80.00	
Office	3.09	3.00	
Office	43.96	6.00	
Office	0.74	2.00	
Office	0.76	3.00	
Office	2.31	7.00	
Office	2.24	3.00	
Office	0.94	1.00	
Office	16.10	4.00	
Office	1.26	6.00	
Office	0.97	3.00	
Office	1.83	2.00	
Office	4.43	3.00	
Office	2.00	2.00	
Office	0.61	2.00	
Office	9.75	15.00	
Office	0.29	3.00	
Office	4.88	3.00	
Office	0.62	2.00	
Office	1.60	2.00	
Office	1.51	7.00	
Office	1.88	4.00	
Office	11.36	5.00	
Office	0.35	2.00	
Office	1.95	2.00	
Office	0.84	3.00	
Office	0.08	1.00	
Office	1.11	3.00	
	139.49	190.00	0.73
Professional Bldg	0.98	4.00	
Professional Bldg	13.87	6.00	
Professional Office	0.87	3.00	
	15.73	13.00	1.21
Restaurant	5.16	2.00	
Restaurant	33.96	3.00	
Restaurant	11.31	6.00	

Commercial Volume Factors by Type of Facility			
Land use	EDU on a flow basis	EDU charged at bldg permit based on EFU	Calculated Volume Factor with 16 FU/EDU (25-motels)
	50.43	11.00	4.58
Retail	4.98	13.00	
	4.98	13.00	0.38
Service Shop	7.01	3.00	
Service Shop	7.71	4.00	
Service Shop	2.41	3.00	
Service Shop	3.28	9.00	
	20.41	19.00	1.07
Service Station	2.79	1.00	
Service Station	4.81	4.00	
	7.59	5.00	1.52
Shopping	11.59	4.00	
Shopping	2.20	4.00	
Shopping	37.28	8.00	
Shopping	3.37	3.00	
Shopping Center	14.84	8.00	
Shopping Center	16.68	3.00	
Shopping Ctr	11.54	8.00	
Shopping Ctr	14.03	3.00	
Shopping Ctr	44.76	13.00	
	156.29	54.00	2.89
Store	6.23	4.00	
Store	2.74	4.00	
Store	92.65	26.00	
Store	0.43	1.00	
	102.05	35.00	2.92
Warehouse	19.73	7.00	
Warehouse	6.48	3.00	
	26.20	10.00	2.62
	810.84	580.00	

Industrial Volume Factors by type of facility				
SC	Land Use	EDU charged at building permit based on EFU	EDU based on avg sewer use per year	Calculated Volume Factor
173	Electric work	9	2	0.21
177	Concrete work	0	1	
238	Misc apparel & accessories	36	14	0.38
275	Commercial printing	15	30	2.02
300	Rubber & plastic products	4	6	1.38
331	Stainless steel products	2	2	1.15
340	Fabricated metal products	1	4	3.57
353	Construction & related machinery	2	1	0.57
356	General Ind machinery			
356	General Ind machinery			
356	General Ind machinery			
356	General Ind machinery			
356	General Ind machinery	32	303	9.47
357	Computer & office equip	0	2	
357	Computer & office equip	16	103	
360	Electronic & electric equip	58 partial-before SDC's		
360	Electronic & electric equip	58 partial before SDC's		
360	Electronic & electric equip	58 partial before SDC's		
360	Electronic & electric equip	58 partial before SDC's		

Industrial Volume Factors by type of facility				
SC	Land Use	EDU charged at building permit based on EFU	EDU based on avg sewer use per year	Calculated Volume Factor
360	Electronic & electric equip	58 partial before SDC's		
360	Electronic & electric equip	58	209	
371	Motor vehicles & equip	0	1	
390	Misc Manufacturing indus	0		
390	Misc Manufacturing indus			
390	Misc Manufacturing indus	6	13	2.23
390	Misc Manufacturing indus	4	35	8.64
390	Misc Manufacturing indus			
423	Trucking terminal facilities	6	11	
473	Freight transportation	4	3	0.65
491		4	13	3.23
503	construction materials			
503	construction materials			
503	construction materials			
503	construction materials			
503	construction materials	5	8	1.56

Industrial Volume Factors by type of facility				
SC	Land Use	EDU charged at building permit based on EFU	EDU based on avg sewer use per year	Calculated Volume Factor
509	Misc durable goods			
509	Misc durable goods			
509	Misc durable goods	3	11	3.50
514	Groceries & related products	25	81	3.25
514	Groceries & related products	3	4	1.20
737	software & data processing	3	1	
737	Computer software & data	13	22	
737	software & data processing	4	18	
737	software & data processing	12	13	
737	software & data processing	12	8	
1284	manufacturing ind			
1284	manufacturing ind			
1284	Misc manufacturing	11	29	2.62

Comparison of Utility Meter Records with WWTP Flows

Flows

Step 1-Calculate metered customer water flows per customer class & then obtain I&I flow by subtracting metered customer flows from plant flows

Note: This run is based on use of meter equivalents per customer class and not number of customers. The metered flow has been adjusted to match the Avg daily flow from customer records by class.

Metered customer flows includes all non-irrigation water use from multifamily, commercial & industrial customers & winter average water use for residential customers.

Water use for customers with metered sewage effluent has been reduced to only show the metered sewage effluent plus non-process & non-irrigation water use.

Step 2-Distribute I&I for avg daily flow uniformly based on metered flow to all classes. Then distribute I&I plus peaking uniformly based on metered flow to all customer classes.

	Customers/ Meter Equivalents	Metered flow In GPD	Avg daily flow In GPD	Calculated Ratio of Plant ADF to metered flow with I&I distributed	Adjusted ADF per customer with I&I distributed In GPD	Peak month ADF In GPD	Calculated Ratio of Peak Month Plant ADF to metered flow with I&I & peaking distributed	Adjusted peak month ADF per customer with I&I & peaking distributed	Ratio of Meter Equip to EDU
Plant Records, ADF, Mar 94 thru Feb 95			1,470,000			1,914,000			
Single Family	2452	185	453,620	1.1871	220	453,620	1.5456	286	100%
Multifamily	1700	126	214,291	1.1871	150	214,291	1.5456	195	68%
Commercial	1127	237	267,367	1.1871	282	267,367	1.5456	367	128%
Industrial	436	585	255,102	1.1871	695	255,102	1.5456	904	316%
Public	194	247	47,949	1.1871	293	47,949	1.5456	382	134%
I&I & peaking			231,671	0.00		675,671	0.00		
			1,238,329			1,238,329			