

RESOLUTION NO. 1502

A RESOLUTION ADOPTING A REVISED WATER CAPITAL IMPROVEMENTS PLAN AND ESTABLISHING AND IMPOSING JUST AND EQUITABLE USER FEES, SYSTEMS DEVELOPMENT CHARGES, METER INSTALLATION CHARGES, AND DEPOSITS FOR WATER SERVICE FOR THE WATER SYSTEM OF THE CITY OF WILSONVILLE; PROVIDING FOR THE MANNER OF PAYMENT, COLLECTION, ENFORCEMENT AND DISBURSEMENT OF SUCH FEES; PROVIDING RULES AND REGULATIONS FOR CONTROL OF CITY WATER SERVICE; AND REPEALING RESOLUTIONS 1154 AND 1480.

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 part of the purpose of this Resolution to provide a uniform and equitable methodology for imposition of systems development charges for specific water

system capital improvements upon those developments that create the need for or increase the demands for further capital improvements; and

WHEREAS, the 1986 Water System Plan, provides that the capacity of the City's water distribution system, storage facilities and supply source must be increased to satisfy future water demands, including Uniform Fire Code fire flow demands and to preserve compliance with Oregon State Health Division water quality standards; and

WHEREAS, CH2M Hill, an expert in the development of SDCs, was hired by the City of Wilsonville and prepared the water and sewer rate and systems development charge report, dated November, 1994. The report provides a listing of reimbursable costs and a methodology for determining the systems developed reimbursement charge for water system capital improvements and which provides the cost of the water 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 recommendations, including that the report of CH2M Hill be adopted and implemented as soon as possible; and

WHEREAS, the City has provided due notice of the proposed water system development charge methodology, has conducted a special public hearing for the development community to review the proposed methodology and charges on October 11, 1994, and has duly noticed the public hearing of November 1, 1994, and has heard testimony and received exhibits thereat, and has continued the public hearing to November 21, 1994, and again to December 5, 1994, and again to December 19, 1994, for any further comments regarding the contents of this Resolution; and

WHEREAS, the City Council duly noticed and scheduled a separate public hearing for November 7, 1994 to consider the rates and fees prepared for other than system development charges, heard testimony and received exhibits thereat and continued the hearing to November 21, 1994, and again to December 5, 1994 and December 19, 1994, for any further comment; and

WHEREAS, based on the November, 1994, report by CH2M Hill and comments received, Council adopted in December, 1994, by Resolution No. 1154, water systems development charges; and

WHEREAS, in Resolution No. 1154, Council also adopted a system to encourage prompt repair of water leaks and a 4% water franchise fee; and

WHEREAS, in June, 1998, after due consideration Council adopted a 32% increase in water rates; and

WHEREAS, the water systems development charges that were adopted by Resolution No. 1154 were based on continued use of wells from the basalt aquifer for production; and

WHEREAS, the City has exhausted the capacity of the basalt aquifer and by enacting Ordinance No. 493 on January 5, 1998, adopted a moratorium on approval of new developments because of a lack of water production capacity; and

WHEREAS, based on a new report from CH2M Hill concerning the Troutdale Aquifer and the costs for improvements, on June 29, 1998, Council adopted Resolution No. 1487 directing the City staff to expedite the planning and development of the Troutdale Aquifer as a future water supply source for the City of Wilsonville and directed staff to prepare a resolution for City Council approval increasing water SDC rates accordingly; and

WHEREAS, Resolution No. 1487 further directed that the water rate increases previously approved by the City Council in accordance with Resolution No. 1480 were not to go into effect as such time as the water SDC increases are in place; and

WHEREAS, staff has prepared a revised Capital Improvements Plan integrating prior projects from the 1986 Water System Plan, anticipated maintenance repair projects and the Troutdale Aquifer projects as recommended by CH2M Hill in the Troutdale Aquifer Study which is attached as Table 1; and

WHEREAS, the consulting firm of CH2M Hill has updated the 1994 Water Rate and SDC Study Model to the current timeframe; and

WHEREAS, the City needs to adjust water rates and water systems development charges to reflect the current cost of water service and provision of capital infrastructure improvements.

NOW, THEREFORE, THE CITY OF WILSONVILLE RESOLVES THAT:

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PART I: DETERMINATIONS & 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 proposed water and sewer rate and systems development charge methodology as described in subsequent sections of this resolution. More particularly, the City Council hereby finds that peak day use of the City of Wilsonville water system is a rational basis, which also provides a valid proportional basis, for allocating the reimbursable and improvements costs for the production, storage and distribution of needed water system capital improvements.

C. The City Council hereby finds that for the reimbursement component of the water SDC:

| | Water Supply | Reservoirs and Storage | Transmission, Distribution & Pump Station |
|---|--------------|------------------------|---|
| The net depreciated system investment for the city water system is: | \$2,456,794 | \$423,783 | \$2,846,215 |
| The existing user capacity in million gallons per day is: | 0 | 6.45 | 6.65 |
| The net investment per gallon per day is determined by dividing the net system investment by the existing user capacity and is: | \$0* | \$0.07 | \$0.43 |
| The maximum day water demand in gallons per day per equivalent dwelling unit is: | 891 | 891 | 891 |
| The reimbursement SDC per equivalent dwelling unit is equal to the net investment per gallon per day times the maximum day demand per equivalent dwelling unit in gallons per day; and is equal to: | \$0 | \$62 | \$383 |

*NOTE: This is an artificial figure used to indicate that there is no existing capacity available for new development.

D. The City Council hereby determines that the reimbursement SDC per equivalent dwelling unit is \$445.

E. The City Council hereby finds that for the improvement component of the water SDC:

| | Water Supply | Reservoirs and Storage | Transmission, Distribution & Pump Station |
|---|--------------|------------------------|---|
| The value of the Capital Improvements Program allocated to new users is: | \$5,722,734 | \$2,845,612 | \$3,215,868 |
| The new user capacity in million gallons per day is: | 4.00 | 3.50 | 4.00 |
| The unit cost of new capacity in gallons 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 divided by 1 million. | \$1.43 | 0.81 | \$0.80 |
| The maximum day water demand in gallons per day, per equivalent dwelling unit is equal to: | 891 | 891 | 891 |
| The improvement SDC per equivalent dwelling unit before debt service credit is determined by multiplying the unit cost of new capacity by the maximum day water demand and is as follows: | \$1,274 | \$722 | \$713 |
| Debt service credit/EDU | \$230 | \$114 | \$129 |
| Net improvement SDC/EDU | \$1,044 | \$608 | \$584 |

F. The City Council hereby determines that the net improvement systems development charge per equivalent dwelling unit is equal to \$2,236.

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. For services provided by the general fund, a franchise fee of 4% of the gross annual revenue from water user charges will be collected from water users and remitted quarterly to the general fund.

PART II: ESTABLISHES USER FEES FOR WATER SERVICE: BULK WATER RATES, WATER SYSTEMS DEVELOPMENT CHARGE, METHODOLOGY FOR WATER SYSTEMS DEVELOPMENT CHARGES, WATER SYSTEMS DEVELOPMENT CHARGES, DISCONNECTION PROCEDURE, DISPERSMENT OF FUNDS, WATER CONSERVATION PROGRAM, STATEMENT OF VALIDITY, AND REPEAL OF EXISTING RESOLUTIONS.

ARTICLE I
DEFINITIONS

Section 1. "Air Gap, Water Distribution" - An air gap, water distribution is the unobstructed vertical distance through the free atmosphere between the lowest opening from any pipe or faucet conveying potable water to the flood level rim of any tank, vat or fixture. Where potable water is discharged to the drainage system it shall be by means of an approved air gap of two (2) pipe diameters of the supply inlet, but in no case shall the gap be less than one (1) inch (25 mm), or as required by Section 1003 of the Plumbing Specialty Code, whichever is greater.

Section 2. "Appeals Board" shall be the City Council.

Section 3. "Auxiliary Water Supply" shall mean any water supply on or available to the premises other than the City's approved public potable-domestic water supply. These auxiliary waters may include water from another purveyor's potable water supply or any natural source(s) such as a well, spring, river, stream, harbor, etc., or "used waters" or "industrial fluids." These waters may be polluted, contaminated or objectionable for other valid reasons, and constitute an unacceptable water source over which the water purveyor does not have sanitary control.

Section 4. "Backflow" shall mean the flow of water or other liquids, mixtures or substances under pressure into the distributing pipes of a public potable-domestic water supply system from any source or sources other than the public potable-domestic water supply source of the City.

Section 5. "Backflow Preventor" shall be a device or other means designed to prevent backflow or back-siphonage.

Section 6. "Back-Siphonage" shall mean the flow of water or other liquids, mixtures or substances into the distributing pipes of a public potable-domestic water supply system from any source other than the public potable-domestic water source of the City, caused by the sudden reduction of pressure in the public potable water supply system.

Section 7. "Bimonthly" shall mean occurring every two months.

Section 8. "Building Water Service" shall mean the piping conveying potable water from the city-owned water meter or other approved water source to the building or other point of use or distribution on the lot.

Section 9. "City Manager" shall be as defined in Section 2.105 of the Wilsonville Code.

Section 10. "City Council" shall mean the elected Council by charter of the City of Wilsonville.

Section 11. "City Rules and Regulations" shall mean duly promulgated rules and regulations of the City and its duly constructed departments, agents, agencies and employees.

Section 12. "Commercial" shall mean all buildings or structures which are not classified residential or industrial in keeping with the city's zoning and building code provisions.

Section 13. "Contamination" shall mean an impairment of the quality of the potable water which creates an actual hazard to the public health through poisoning or through the spread of disease by sewage, industrial fluids or waste.

Section 14. "Cross-Connection" shall mean any physical connection or arrangement of piping or fixtures between two other separate piping systems, one of which contains public potable water and the other, non-potable water or industrial fluids of questionable safety, through which, or because of which, backflow or back-siphonage may occur in the potable water system. A water service connection between a public potable water distribution system and a customer's water distribution system, which is cross-connected to a contaminated fixture, industrial fluid system or a potentially contaminated supply or auxiliary water system, constitutes one type of cross-connection. Other types of cross-connections may include, but are not limited to, connectors such as swing connections, removable sections, four-way plug valves, spools, dummy sections of pipe, swivel or change-over devices, sliding multi-part tubes or solid connections.

Section 15. "Customer" shall mean any individual, firm, company, corporation, association, society, group or owner who receives water service from the City.

Section 16. "Director" shall mean the Community Development Director for the City of Wilsonville. (Amended Ordinance No. 312, June 3, 1987).

Section 17. "Double Check Valve Assembly" shall mean an assembly of two independently operating approved check valves with tightly closing shut-off valves on each side of the check valves, plus properly located test cocks for the testing of each check valve. The entire assembly shall meet the design and performance specification and approval of a recognized City approved testing agency for backflow prevention

devices. To be approved, these devices must be readily accessible for in-line maintenance and testing in a watertight vault for reduction of possible contamination.

Section 18. "Hazard, Degree of" shall mean an evaluation of the potential risk to public health and the adverse effect of the hazard upon the potable water system.

Section 19. "Hazard - Health" shall mean any condition, device or practice in the public water system and its operation which could create or, in the judgment of the superintendent, may create a danger to the health and well-being of the water customer. An example of a health hazard is a structural defect, including cross-connections, in a water supply system.

Section 20. "Hazard - Plumbing" shall mean a plumbing type cross-connection in a consumer's potable water system that has not been properly protected by a vacuum breaker, air gap separation or backflow prevention device. Unprotected plumbing type cross-connections are considered to be a health hazard.

Section 21. "Hazard - Pollution" shall mean an actual or potential threat to the physical properties of the water system or to the potability of the public or the consumer's potable water system, which would constitute a nuisance or would be aesthetically objectionable or could cause damage to the system or its appurtenances, but which would not be dangerous to health.

Section 22. "Hazard - System" shall mean an actual or potential threat of severe damage to the physical properties of the public potable water system or the consumer's potable water system, or of a pollution or contamination which would have a protracted effect on the quality of the potable water in the system.

Section 23. "Industrial" shall mean all buildings or structures in which a product is manufactured, stored or distributed, or any combination of the above in keeping with the city's zoning and building code provisions.

Section 24. "Irrigation Water" shall mean the water utilized exclusively for irrigation purposes.

Section 25. "Official" shall mean the Building Official or Plumbing Official for the City of Wilsonville. (Amended Ordinance No. 312, June 3, 1987).

Section 26. "Owner" shall mean the person(s) who may hold title to or lease the property for which water service has or will be provided.

Section 27. "Potable Water" - Water which is satisfactory for drinking, culinary, and domestic purposes and meets the requirements of the health authority having jurisdiction.

Section 28. "Residential" shall mean buildings or structures which are built to be occupied for living purposes.

Section 29. "Service Connection" shall mean the installation which connects the water service line with the building water service, which includes, but shall not be limited to the following: meter, meter box, meter vault, check valves, fittings, seals or other materials to make such connection as deemed necessary by the Superintendent.

Section 30. "Shall" is mandatory.

Section 31. "Superintendent" shall mean the City Engineer for the City of Wilsonville. (Amended Ordinance No. 312, June 3, 1987).

Section 32. "Water Department" shall mean the Facility Operations Division of the Public Works Department. (Amended Ordinance No. 312, June 3, 1987).

Section 33. "Water Main Line" shall mean water main lines which are six inches (6") or larger, constructed within a City right-of-way or dedicated easement.

Section 34. "Water - Non-Potable" shall mean water which is not safe for human consumption.

Section 35. "Water Service Line" shall mean the water supply system from the water main line to the property line.

ARTICLE II
USER FEES FOR WATER SERVICE

Section 1. USER FEES WITHIN CITY

Effective October 1, 1998, all domestic water consumption whether it be for residential, commercial or industrial, shall be charged at the rate as indicated in Table II, as follows:

**TABLE II
CITY OF WILSONVILLE
DOMESTIC WATER USER FEES
MINIMUM CHARGES FOR ALL CUSTOMERS**

| Meter Size | Bimonthly Volumes Included in Minimum Charge (HCF) | Proposed Bimonthly Total Minimum Charge |
|-------------|--|---|
| 5/8" X 3/4" | 8 | 15.60 |
| 3/4" | 8 | 15.60 |
| 1" | 9 | 17.20 |
| 1 1/2" | 10 | 18.85 |
| 2" | 12 | 22.10 |
| 3" | 14 | 25.35 |
| 4" | 16 | 28.60 |
| 6" | 20 | 35.15 |
| 8" | 25 | 43.65 |
| 10" | 35 | 59.55 |
| Bulk Water | 12 | 22.10 |

VOLUME CHARGES

| CUSTOMER CLASS | PROPOSED VOLUME RATE Above Volume Included in Minimum Charge (HCF) |
|---|--|
| Single Family Residential 17 hcf & under | 1.45 |
| Single Family Residential over 17 to 21 hcf | 1.64 |
| Single Family Residential over 21 hcf | 2.32 |
| Multi-Family Residential | 1.49 |
| Commercial | 1.43 |
| Industrial | 1.54 |
| Commercial/Industrial/Multi-Family | 2.32 |
| Irrigation | |
| Bulk Water | 1.66 |

FIRE SERVICE CHARGES

| CUSTOMER CLASS | PROPOSED RATE |
|----------------|----------------------------------|
| All Customers | \$5.80 per inch diameter of pipe |
| | |

Section 2. USER FEES OUTSIDE CITY

Monthly services outside the City limits shall be billed at double the normal rate indicated in Table I. This is to off-set reduction for debt service financing otherwise paid by property within the city.

Section 3. FRANCHISE FEE

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

Section 4. EXCEPTION FOR WATER LEAKS

A. Water users will not be required to pay that portion of their water 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 water 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 5. BILLING

Billing shall be every two (2) months and shall be due ten (10) days after billing is sent, and shall be considered past due after the tenth (10th) day. User fees shall be billed and due as payable to the water service user.

Section 6. WATER SERVICES AGREEMENT

In accordance with water meter purchasing procedures, all services two (2) inches and larger shall be covered by specific written agreement with the City, but in no case shall the rate and charges be less than those set forth in this Article.

Section 7. FIRE PROTECTION SERVICE CHARGES

Standpipe services for fire protection shall be charged monthly at the rate as indicated in Table II.

Section 8. ANNUAL REVENUE

Water 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 9. APPLICATION FOR WATER SERVICES AND REPORTS

Application for City water service, other than connection and meter installation service, shall be by written application on forms provided at the Finance Director's office. Each application will designate the property to be served and the user thereof. If a deposit is deemed necessary and cost effective by the Finance Director, the application must be accompanied by a deposit in the sum of not less than \$40.00 or an amount equal to an estimated 3 months bill as determined by the City. 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 had 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 10. REFUND OF DEPOSITS

A. A refund of the water 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 water service is required by the customer. The remaining balance of the deposit not used to pay outstanding bills 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 water users shall be credited by the Finance Department into a special account to be known as "Water Deposit Trust Account".

Section 11. CHARGES MADE TO CURRENT USERS AND APPLICANTS

All charges for water service furnished or rendered by the City of Wilsonville shall be chargeable to the current user of the property where water service is supplied and, in addition, all persons signing an application for the use of water 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 water service to the premises without further notice when charges for water 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 water service disconnection. Water service disconnection procedures are specified in Article VI of this resolution.

ARTICLE III
BULK WATER RATE

Section 1. RATES

All bulk water sold after the effective date of this resolution shall be at the rate indicated in Table II, and full payment for all water purchased shall be made on a monthly basis or until portable meter(s) are returned, and said payment will be due within seventy-two (72) hours of receipt of bill. Deposit checks will not be returned until final billing is paid.

Section 2. DEPOSITS

Table III set forth below identifies the deposits required for the use of portable water meter(s), fire hydrant wrenches and fire hydrant valves(s), by the applicant. The

only item which is mandatory for completion of the application is the portable water meter(s).

TABLE III

| | |
|----------------------------|--|
| Fire Hydrant Wrenches | \$ 20 |
| Fire Hydrant Valve(s) | 200 |
| Portable Water Meter(s) | 500 |
| Hose Adapter | 35 deposit |
| Temporary Meter Connection | Shall be dependent on the size of meter requested. |

Section 3. REFUND OF DEPOSITS

If the above items mentioned in Table III are returned in good condition, a portion or all of the deposit shall be returned to the applicant. The City Manager or designated staff shall inspect the item(s) at time of return. The City Manager or designated staff shall determine the condition of the equipment and shall make the determination as to the amount of the deposit to be returned based on the estimated cost of repairing or replacing the item(s). If the applicant wishes to renew the deposit for another ninety (90) day period, the applicant may do so by using a portion or all of the previous deposit as designated by the City Manager or designated staff person to be used as part of or all of the new deposit to be returned.

Section 4. PERMIT FEE

In addition to the bulk water rate and equipment deposit, a bulk water permit fee shall be paid. A copy of the permit shall be kept onsite. The permit may be renewed at the completion of the permit period, after the inspection of all portable meter(s), fire hydrant valve(s), and hydrant wrench. Permit fees are listed in Table IV below.

TABLE IV

| | |
|---------------------------|------|
| 90 Day Permit <u>Fees</u> | \$45 |
| 60 Day Permit <u>Fees</u> | 35 |
| 30 Day Permit <u>Fees</u> | 25 |

ARTICLE IV
WATER SYSTEM DEVELOPMENT CHARGES
METHODOLOGY

Section 1. **PURPOSE**

The purpose of this Article is to establish the methodology for capital cost of municipal water service improvements upon those developments that create the need for or increase the demands for such capital improvements.

The methodology for fees 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. It is not intended to establish a methodology for a tax under Article XI, Oregon Constitution. It is intended to establish the methodology for a rationally based regulatory charge.

Fees for connection to the water system shall be charged to the permit applicant or owner(s) of any building(s) in which a water connection is made. Said connection fees shall be a revenue source to the City and shall entitle the applicant or owner(s) to a service connection to the water system.

Section 2. **STATUTORY AUTHORITY**

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 3. **IMPROVEMENT FEES**

A. The Community Development Department reviewed past growth records and future projections and determined that growth is reasonably estimated to be at five percent (5%) per year for the next five years.

B. The Community Development Department reviewed the 1986 Water System Plan and the Troutdale Aquifer Study for CH2M Hill and determined the additional construction that would be required in the next five years to accommodate growth. CH₂M Hill took the project projections and built in an inflation factor for the capital improvements. The city staff reviewed the projects on the CIP list and determined the percent of the project that should be allocated to new users. The summary of the projects cost and the percent allocations is set forth in Table I attached hereto and by this reference fully incorporated herein.

C. Staff reviewed the increased capacities and determined that the increased wells would increase water production by 4.0 million gallons per day, added reservoirs

would increase storage by 3.5 million gallons per day and the increased transmission distribution and pumping stations would increase the capacity by 4.0 mgd. Peak day demands were reviewed by staff and the peak day water demands for an equivalent meter were determined to be 891 gallons per day. The respective production, storage and transmission component of the Improvement SDC was determined by dividing cost by capacity to obtain unit cost per gallon. The unit cost was multiplied by 891 gallons a day to determine the component part of the Improvement SDC. It is contemplated that water system improvements will be financed by revenue bonds and that new customers will pay for part of the debt service charges through their utility bills. Improvement systems development charges have been reduced by projected debt service interest payments as indicated in Table V. The improvement fees were separately calculated for production, storage, and transmission and the calculations are in Table VI, attached hereto and by this reference fully incorporated herein. The equivalent meter ratios were used to determine the improvement portion of the Systems Development Charge for the water system. A summary of these calculations is in Table VII, attached hereto and by this reference fully incorporated herein.

Section 4. REIMBURSEMENT FEES

A. The Finance department reviewed the water systems capital improvements records and provided a copy of these records including the year of construction/acquisition and construction/acquisition cost to CH₂M Hill. CH₂M Hill determined a generally accepted depreciation factor, separated the listed improvements into production, storage and transmission facilities and calculated the depreciated cost of the existing improvements. The list of the improvements and net value is attached as Table VIII, attached hereto and by reference fully incorporated herein. The maximum day water demand of 891 gpd which was separately calculated for the improvement fee, was also used as the maximum day demand for the reimbursement fee.

B. Staff reviewed the existing 1986 Master Plan and system operational characteristics set forth therein and flow tests from the Tualatin Valley Fire and Rescue District, on file with the City of Wilsonville, Community Development Department, to determine production, storage and distribution system capacity.

C. The reimbursement fees were separately calculated for production, storage, and transmission. Calculation of the respective component production, storage and distribution cost was determined by dividing total cost by system capacity to get unit cost per gallon per day. This was multiplied by 891 gallons per day to determine the component part of the reimbursement fee. A summary of the calculations is in Table IX, attached hereto and by reference fully incorporated herein. The equivalent meter ratios

were used to determine the Reimbursement portion of the Systems Development Charge for the water System. A summary of the calculations is in Table X.

ARTICLE V
WATER SYSTEMS DEVELOPMENT CHARGES

Section 1. CHARGES INSIDE CITY

The Water Systems Development Charges are obtained by adding the improvement fee to the reimbursement fee. The Water Systems Development Charges based upon application of the foregoing methodologies are effective October 1, 1998, and are listed in Table XI, attached hereto and by reference fully incorporated herein. The combined water SDC based on meter size is listed in Table XII, attached hereto and by reference fully incorporated herein.

Section 2. ANNUAL REVIEW

As set forth in Ordinance No. 386 the City shall annually review the fee schedules presented in Table XII 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 water system improvements to meet mandates or requirements of other authorized governmental authorities.
4. Other charges of 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 Table XII 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 3. PAYMENT OF SDCs AND CONNECTION FEES

The SDC and connection fees required by this resolution to be paid as provided for in Table XII shall be paid in full to the City of Wilsonville Finance Director or designated staff person prior to the scheduling for installation of the service connection. Water SDC credit eligibility and application procedures are specified in Ordinance No. 386, Article IX.

Section 4. PREPAYMENT

To better allow industry to plan future expansions and better allow the City to plan for water system 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 5. INCREASED WATER USAGE CREATING FUTURE SDC

The water SDC fee is based upon existing or intended use of the property at the time of application for connection. If the property is improved, expanded, subdivided or otherwise modified so as to increase the water usage, a water SDC shall be charged for the modified portion of the property or structure based on the water SDC schedule in effect at the time of modification.

Section 6. SDC FOR WATER CONNECTION OUTSIDE CITY LIMITS

Water connections outside the City limits shall be charged at two (2) times the impact fees provided herein. This is to offset reduction for debt service financing otherwise paid for by development within the City.

Section 7. CHALLENGES TO SDC EXPENDITURE

As provided by Ordinance No. 386, Article X, 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.

ARTICLE VI
APPEALS, PAYMENT COLLECTION, ENFORCEMENT AND
DISCONNECTION PROCEDURE

Section 1. APPEALS PROCEDURE

A. Any person aggrieved by a ruling under, or interpretation of the provisions of this resolution, may submit within 30 days of the occurrence, a written appeal to the City Council of Wilsonville. The appeal shall set for 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 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 water user fees and systems development charge fees as provided for herein.

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

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

D. Checks returned by the bank for insufficient funds or closed accounts shall be subject to a \$20 handling fee.

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 or suit action is instituted to enjoin any unauthorized connection to or use of the water 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 of action.

C. The City may, upon notice to the user and property owner, discontinue water service and disconnect buildings from the City's water system if water service charges and/or water systems development charges, 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 water service and water connections to such delinquent water user until all such delinquencies and interest

are fully paid until a payment plan is established satisfactory to the Finance Director or until such safety, health or welfare problem is abated or cured.

Section 5. NON-PAYMENT TURN-ON CHARGES

After the City water services have been disconnected for non-payment, it shall not be restored unless the bill has been paid in full. The charges for turn-on for non-payment of water bill shall be \$27.50 during 8:00 am to 4:00 pm and \$44.00 during 4:00 pm and 8:00 am on a regular workday. On any holiday, Saturday, or Sunday, a similar charge of \$44.00 will be made for the turn-on service.

Service 6. OTHER TURN-ON/TURN-OFF CHARGES

The charges for turn-off and/or turn-on for reasons other than non-payment of water bill shall be \$27.50. No charge shall be made for water turn-on service for a new customer with a deposit or an established three year credit, and for the turn-on and/or turn-off services necessitated by an emergency such as waterline or equipment breakage.

Section 7. SATISFACTION OF CURRENT BILLINGS

A utility user shall not be allowed to have City utility services at a new location unless the current billings have been satisfied. The non-delinquent bills after deposit deduction remains the responsibility of the service user.

Section 8. DISCONNECT NOTICE

The disconnect notice shall be sent to the user as well as the property owner at the time of termination of service for non-payment of bill.

Section 9. NOTICE TO CITY FOR TURN OFF

Notice to the City of the desire of any person to have the water turned off or on at any premises shall be given to the Finance Director or designee at least 24 hours before the water is to be so turned on or off. In no event shall any person, other than the duly authorized employees of the City, turn on the supply of City water after the same has been shut off by the City due to discontinuance of service for any reason.

Section 10. PERMIT

No person supplied with water service shall be permitted to supply or furnish such services in any way to other persons or premises without a permit from the City Council.

Section 11. REPAIRS

The City reserves the right to shut off water from the mains, without notice, for repairs or other necessary purposes. For normal, routine repairs, the City shall take reasonable precaution to notify occupants of affected premises of the intention to shut off the water supply. In no event shall the City, its officers, employees or agents be responsible for any damages resulting from shutting off the City water supply. Water for steam boilers for power purposes shall not be furnished by direct pressure from the City

water main. Owners of steam boilers shall maintain tanks for holding an ample reserve of water.

Section 12. ALTERATIONS

No person, other than an employee or agent of the City, shall tap the City water mains, or make alterations to any conduit, pipe, or other fixture connected therewith, between the main and the property line.

Section 13. ACCESS

The City shall have free access to all parts of the building or premises which are served by City water service for the purpose of inspecting the pipes and fixtures.

ARTICLE VII
DISBURSEMENT OF FUNDS

Section 1. DISBURSEMENT TO FUNDS AND ACCOUNTS

All payments received by the City under the provisions of this resolution shall be deposited in, and or credited to, the Water Fund of the City of Wilsonville, as follows:

A. Water System Improvement SDC shall be deposited in, or credited to, the water 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.

B. Water reimbursement SDC funds shall be deposited to the water 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.

C. The account(s) for the payment of principal and interest on maturing bonds, from which funds have been collected in the form of Water Connection Fees, and as directed by the City council.

D. The account(s) established for the operation and maintenance of the Water System from which funds have been collected in the form of Water User Fees. Operations and maintenance costs may include system replacement and Capital Outlay. Capital Outlay includes those items which are not Capital Improvements to the water system.

E. The "Water Deposit Trust Account" established for maintaining a deposit fund to ensure payment for services.


ARTICLE VIII
STATEMENT OF VALIDITY

Section 1. The invalidity of any section clause, sentence or provision of this resolution shall not affect the validity of any other part or section of this resolution which can be given effect without such invalid part(s).

ARTICLE IX
REPEAL OF EXISTING RESOLUTION


Upon adoption of this resolution by the City Council, Resolutions No. 1154 and 1480 enacted by the City Council are hereby repealed.

ADOPTED by the Wilsonville City Council at a regular meeting thereof this 21st day of September, 1998, and filed with the Wilsonville City Recorder this same date.



CHARLOTTE LEHAN, Mayor

ATTEST:



SANDRA C. KING, CMC City Recorder

| | |
|------------------|-----|
| Mayor Lehan | Yes |
| Councilor Helser | Yes |
| Councilor Kirk | Yes |
| Councilor Luper | Yes |
| Councilor Barton | Yes |

Table CAP-2
 City of Wilsonville
 Water Rate and SDC Model
 Capital Improvement Plan - Adjusted for Inflation

Table I

| PROJECT | 1997/98 | PROJECTED | | | | | 5-YEAR TOTAL | Percent Allocated to New Users | Total CIP Allocated to New Users | Annual Escalation Rate |
|--|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|---------------------|--------------------------------------|--|------------------------------|
| | | 1998/99 | 1999/00 | 2000/01 | 2001/02 | 2002/03 | | | | |
| Water Supply | | | | | | | | | | |
| 1 Acquire Land, Drill & Equip New Well | \$418,900 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | 0% | \$0 | 6.00% |
| 2 Acquire Land, Drill & Equip Additional Troutdale wells | 0 | 255,000 | 992,160 | 765,172 | 202,473 | 573,165 | 2,787,969 | 80% | 2,230,375 | 6.00% |
| 3 Reinforce Electric Panels at 5 Well Sites (\$2,500 each) | 0 | 0 | 13,250 | 0 | 0 | 0 | 13,250 | 0% | 0 | 6.00% |
| 4 Improve Water Quality | 47,300 | 47,300 | 0 | 0 | 0 | 0 | 47,300 | 0% | 0 | 6.00% |
| 5 10 mgd Water Treatment Facility Land Acq, Design & Const | 423,500 | 2,570,000 | 0 | 0 | 0 | 0 | 2,570,000 | 91% | 2,338,700 | 6.00% |
| 6 Well Site Chlorine Rooms | 0 | 0 | 21,200 | 22,472 | 23,820 | 0 | 67,492 | 0% | 0 | 6.00% |
| 7 Secondary Power Supply for All Wells | 63,000 | 0 | 74,624 | 79,101 | 83,848 | 88,878 | 326,451 | 0% | 0 | 6.00% |
| 8 Well Renovations | 83,200 | 52,500 | 42,400 | 44,944 | 59,551 | 63,124 | 262,519 | 0% | 0 | 6.00% |
| 9 Water System Master Plan Update | 7,800 | 21,000 | 42,400 | 44,944 | 0 | 0 | 108,344 | 50% | 54,172 | 6.00% |
| 10 Telemetry Phase 2 | 94,600 | 47,300 | 159,000 | 168,540 | 59,551 | 63,124 | 497,515 | 95% | 472,639 | 6.00% |
| 11 Troutdale Acquirer Treatment Plant | 0 | 120,000 | 663,560 | 0 | 0 | 0 | 783,560 | 80% | 626,848 | 6.00% |
| Unused | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0% | 0 | 6.00% |
| Subtotal | \$1,138,300 | \$3,113,100 | \$2,008,594 | \$1,125,173 | \$429,242 | \$788,291 | \$7,464,400 | | \$5,722,734 | |
| Reservoirs & Storage: | | | | | | | | | | |
| 1 Elligsen Reservoir Earthquake & Cathodic Protection | \$0 | \$241,500 | \$0 | \$0 | \$0 | \$0 | \$241,500 | 0% | \$0 | 6.00% |
| 2 Elligsen Reservoir Interior Repainting | 0 | 157,500 | 0 | 0 | 0 | 0 | 157,500 | 0% | 0 | 6.00% |
| 3 Reservoir B | 136,500 | 2,077,500 | 0 | 0 | 0 | 0 | 2,077,500 | 100% | 2,077,500 | 6.00% |
| 4 Troutdale Acquirer Reservoir | 0 | 145,000 | 815,140 | 0 | 0 | 0 | 960,140 | 80% | 768,112 | 6.00% |
| Unused | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0% | 0 | 6.00% |
| Subtotal | \$136,500 | \$2,621,500 | \$815,140 | \$0 | \$0 | \$0 | \$3,436,640 | | \$2,845,612 | |
| Transmission, Distribution, & Pump Stations: | | | | | | | | | | |
| 1 Controls for Charbonneau Reservoir & Pump Station | \$5,000 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | 40% | \$0 | 6.00% |
| 2 Construct Booster Pump Sta For Area North of Elligsen Rd | 0 | 210,000 | 0 | 0 | 0 | 0 | 210,000 | 40% | 84,000 | 6.00% |
| 3 Construct 4500' of 12" Pipe For North of Elligsen Rd | 0 | 337,500 | 0 | 0 | 0 | 0 | 337,500 | 40% | 135,000 | 6.00% |
| 4 Willamette River Bridge Waterline Inspection | 0 | 42,000 | 0 | 0 | 0 | 0 | 42,000 | 0% | 0 | 6.00% |
| 5 Isolation Valves at Willamette River Bridge Waterline | 5,300 | 63,000 | 0 | 0 | 0 | 0 | 63,000 | 0% | 0 | 6.00% |
| 6 Evergreen Drive Waterline | 1,800 | 0 | 0 | 0 | 0 | 0 | 0 | 80% | 0 | 6.00% |
| 7 Troutdale acquirer waterlines | 0 | 151,000 | 1,817,370 | 0 | 0 | 0 | 1,968,370 | 80% | 1,574,696 | 6.00% |
| 8 Wilsonville Road Waterline | 157,500 | 94,500 | 0 | 0 | 0 | 0 | 94,500 | 80% | 75,600 | 6.00% |
| 9 Kinsman Alignment Waterline (Boeckman Rd - Barner St) | 0 | 0 | 28,726 | 292,024 | 0 | 0 | 320,750 | 80% | 256,600 | 6.00% |
| 10 Boeckman Rd Waterline (Kinsman Alignment - 95th Ave) | 0 | 0 | 5,740 | 42,584 | 0 | 0 | 48,324 | 100% | 48,324 | 6.00% |
| 11 Canyon Creek Road South Waterline | 0 | 0 | 0 | 133,821 | 715,920 | 0 | 849,740 | 70% | 594,818 | 6.00% |
| 12 Wilsonville Road North to Dammasch Waterline Extension | 0 | 0 | 0 | 0 | 38,708 | 396,544 | 435,252 | 70% | 304,676 | 6.00% |
| 13 Willamette River Waterline Crossing | 0 | 0 | 0 | 0 | 122,556 | 1,298,963 | 1,421,518 | 10% | 142,152 | 6.00% |
| 14 Town Center Park-OATC Waterline Extension | 0 | 57,800 | 0 | 0 | 0 | 0 | 57,800 | 0% | 0 | 6.00% |
| 15 Prison Waterline | 0 | 1,300,000 | 0 | 0 | 0 | 0 | 1,300,000 | 0% | 0 | 6.00% |
| Subtotal | \$169,600 | \$2,255,800 | \$1,851,836 | \$468,429 | \$877,183 | \$1,695,507 | \$7,148,755 | | \$3,215,867 | |
| TOTAL WATER CIP Allocation to New Users | \$1,444,400 | \$7,990,400 | \$4,675,570 | \$1,593,602 | \$1,306,425 | \$2,483,797 | \$18,049,794 | | \$11,784,213 65.3% | |

Table V

Table DEBT-3
 City of Wilsonville
 Water Rate and SDC Model
 Calculation of Debt Service Credit

| | |
|---------------------------------|-------|
| Annual Population Growth Rate = | 5.00% |
|---------------------------------|-------|

1998/99 + 1999/00

| Item | TOTAL | 1997/98 | 1998/99 | 1999/00 | 2000/01 |
|--|-------------|---------|-----------|-----------|-----------|
| Annual Debt Principal Costs | \$8,637,195 | \$0 | \$257,801 | \$270,977 | \$284,907 |
| Expansion Debt Principal Costs | \$6,092,677 | \$0 | \$181,853 | \$191,147 | \$200,973 |
| Check | 70.5% | | | | |
| Estimated Residential Users (EDUs) | | 6,446 | 6,768 | 7,106 | 7,461 |
| Annual New EDUs | | N.A. | 322 | 338 | 355 |
| Expansion Debt Principal Cost per EDU | | 0.0 | 26.9 | 26.9 | 26.9 |
| Discount Rate | 6.0% | | | | |
| Impact Fee Debt Service Credit: Net Present Value per EDU | \$311 | | | | |

Table V Cont.

| 2001/02 | 2002/03 | 2002/03 | 2003/04 | 2004/05 | 2005/06 | 2006/07 | 2007/08 | 2008/09 |
|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 |
| \$299,510 | \$314,867 | \$330,980 | \$347,931 | \$365,722 | \$384,520 | \$404,242 | \$424,886 | \$446,621 |
| \$211,274 | \$222,107 | \$233,473 | \$245,431 | \$257,980 | \$271,240 | \$285,152 | \$299,715 | \$315,046 |
| 7,834 | 8,226 | 8,637 | 9,069 | 9,522 | 9,998 | 10,498 | 11,023 | 11,574 |
| 373 | 392 | 411 | 432 | 453 | 476 | 500 | 525 | 551 |
| 27.0 | 27.0 | 27.0 | 27.1 | 27.1 | 27.1 | 27.2 | 27.2 | 27.2 |

Table V Cont.

| 2009/10 | 2010/11 | 2011/12 | 2012/13 | 2013/14 | 2014/15 | 2015/16 | 2016/17 |
|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| 13 | 14 | 15 | 16 | 17 | 18 | 19 | 20 |
| \$469,531 | \$493,616 | \$518,876 | \$545,479 | \$573,508 | \$602,964 | \$633,847 | \$666,410 |
| \$331,207 | \$348,197 | \$366,015 | \$384,781 | \$404,553 | \$425,331 | \$447,116 | \$470,086 |
| 12,153 | 12,761 | 13,399 | 14,069 | 14,772 | 15,511 | 16,287 | 17,101 |
| 579 | 608 | 638 | 670 | 703 | 739 | 776 | 814 |
| 27.3 | 27.3 | 27.3 | 27.4 | 27.4 | 27.4 | 27.5 | 27.5 |

Table DEBT-4
 City of Wilsonville
 Water Rate and SDC Model
 Calculation of Debt Service Principal Payments

2000/01 + 20001/02 + 2002/03

| Year | Sample Outstanding Principal | Sample Outstanding Total Debt | Sample Percent Principal | New Debt Service | Estimated New Principal Payments |
|-------|------------------------------|-------------------------------|--------------------------|------------------|----------------------------------|
| 1 | \$5,160 | \$16,503 | 31.27% | \$521,400 | 161,048 |
| 2 | \$5,418 | \$16,497 | 32.84% | \$521,400 | 169,234 |
| 3 | \$5,689 | \$16,490 | 34.50% | \$521,400 | 177,889 |
| 4 | \$5,973 | \$16,482 | 36.24% | \$521,400 | 186,961 |
| 5 | \$6,272 | \$16,476 | 38.07% | \$521,400 | 196,503 |
| 6 | \$6,585 | \$16,467 | 39.99% | \$521,400 | 206,514 |
| 7 | \$6,915 | \$16,459 | 42.01% | \$521,400 | 217,046 |
| 8 | \$7,260 | \$16,451 | 44.13% | \$521,400 | 228,100 |
| 9 | \$7,623 | \$16,441 | 46.37% | \$521,400 | 239,779 |
| 10 | \$8,005 | \$16,432 | 48.72% | \$521,400 | 252,032 |
| 11 | \$8,405 | \$16,422 | 51.18% | \$521,400 | 264,858 |
| 12 | \$8,825 | \$16,411 | 53.77% | \$521,400 | 278,363 |
| 13 | \$9,267 | \$16,401 | 56.50% | \$521,400 | 292,597 |
| 14 | \$9,730 | \$16,389 | 59.37% | \$521,400 | 307,561 |
| 15 | \$10,216 | \$16,377 | 62.38% | \$521,400 | 323,255 |
| 16 | \$10,727 | \$16,364 | 65.55% | \$521,400 | 339,784 |
| 17 | \$11,263 | \$16,350 | 68.89% | \$521,400 | 357,198 |
| 18 | \$11,827 | \$16,336 | 72.40% | \$521,400 | 375,500 |
| 19 | \$12,418 | \$16,322 | 76.08% | \$521,400 | 394,687 |
| 20 | \$13,039 | \$16,306 | 79.96% | \$521,400 | 414,916 |
| Total | \$170,617 | \$328,376 | | \$10,428,000 | \$5,383,825 |

Table DEBT-5
 City of Wilsonville
 Water Rate and SDC Model
 Calculation of Debt Service Credit

Annual Population Growth Rate = 5.00%

2000/01 + 20001/02 + 2002/03

| Item | TOTAL | 1997/98 | 1998/99 | 1999/00 | 2000/01 |
|--|-------------|---------|---------|---------|-----------|
| Annual Debt Principal Costs | \$5,383,825 | \$0 | \$0 | \$0 | \$161,048 |
| Expansion Debt Principal Costs | \$3,934,497 | \$0 | \$0 | \$0 | \$117,694 |
| Check | 73.1% | | | | |
| Estimated Residential Users (EDUs) | | 6,446 | 6,768 | 7,106 | 7,461 |
| Annual New EDUs | | N.A. | 322 | 338 | 355 |
| Expansion Debt Principal Cost per EDU | | 0.0 | 0.0 | 0.0 | 15.8 |
| Discount Rate | 6.0% | | | | |
| Impact Fee Debt Service Credit: Net Present Value per EDU | \$162 | | | | |

Table V Cont.

| 2001/02 | 2002/03 | 2002/03 | 2003/04 | 2004/05 | 2005/06 | 2006/07 | 2007/08 | 2008/09 | 2009/10 |
|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 |
| \$169,234 | \$177,889 | \$186,961 | \$196,503 | \$206,514 | \$217,046 | \$228,100 | \$239,779 | \$252,032 | \$264,858 |
| \$123,676 | \$130,001 | \$136,631 | \$143,604 | \$150,920 | \$158,617 | \$166,695 | \$175,230 | \$184,185 | \$193,558 |
| 7,834 | 8,226 | 8,637 | 9,069 | 9,522 | 9,998 | 10,498 | 11,023 | 11,574 | 12,153 |
| 373 | 392 | 411 | 432 | 453 | 476 | 500 | 525 | 551 | 579 |
| 15.8 | 15.8 | 15.8 | 15.8 | 15.9 | 15.9 | 15.9 | 15.9 | 15.9 | 15.9 |

Table V Cont.

| 2010/11 | 2011/12 | 2012/13 | 2013/14 | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 2018/19 |
|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| 12 | 13 | 14 | 15 | 16 | 17 | 18 | 19 | 20 |
| \$278,363 | \$292,597 | \$307,561 | \$323,255 | \$339,784 | \$357,198 | \$375,500 | \$394,687 | \$414,916 |
| \$203,428 | \$213,830 | \$224,766 | \$236,235 | \$248,314 | \$261,040 | \$274,415 | \$288,437 | \$303,221 |
| 12,761 | 13,399 | 14,069 | 14,772 | 15,511 | 16,287 | 17,101 | 17,956 | 18,854 |
| 608 | 638 | 670 | 703 | 739 | 776 | 814 | 855 | 898 |
| 15.9 | 16.0 | 16.0 | 16.0 | 16.0 | 16.0 | 16.1 | 16.1 | 16.1 |

Table SDC-3
 City of Wilsonville
 Water Rate and SDC Model
 Improvement Fee Calculation

| Item | Water Supply | Reservoirs & Storage | Transmission, Dist., & Pump | Total |
|---|--------------|----------------------|-----------------------------|--------------|
| CIP Value Allocated to New Users | \$5,722,734 | \$2,845,612 | \$3,215,868 | \$11,784,214 |
| Percent | 48.6% | 24.2% | 27.3% | 100.0% |
| Additional Water System Design Capacity (mgd) | 4.00 | 3.50 | 4.00 | |
| Unit Cost of New Capacity per mgd | \$1,430,684 | \$813,032 | \$803,967 | |
| Unit Cost of New Capacity per gpd | \$1.43 | \$0.81 | \$0.80 | |
| Maximum Day Water Demand (gpd) (a) | 891 | 891 | 891 | |
| Improvement SDC per EDU | \$1,274 | \$722 | \$713 | \$2,709 |
| Debt Service Credit per EDU (b) | \$230 | \$114 | \$129 | \$473 |
| Net Improvement SDC per EDU | \$1,044 | \$608 | \$584 | \$2,236 |

Notes:

- (a) Estimated system total maximum day demand divided by total equivalent meters.
 (b) Total distributed to components using same proportions as the Improvement SDC per EDU.

Table SDC-4
 City of Wilsonville
 Water Rate and SDC Model
 Improvement Fee by Meter Size

| Meter Size | Equivalent Meter Ratios | Capacity Allowance (gpd) | Improvement SDCs |
|-------------|----------------------------|--------------------------------|---------------------|
| 5/8" x 3/4" | 1.0 | 891 | \$2,236 |
| 3/4" | 1.5 | 1,337 | \$3,354 |
| 1" | 2.5 | 2,228 | \$5,590 |
| 1 1/2" | 3.6 | 3,208 | \$8,050 |
| 2" | 8.0 | 7,128 | \$17,888 |
| 3" | 15.0 | 13,365 | \$33,540 |
| 4" | 25.0 | 22,275 | \$55,900 |
| 6" | 50.0 | 44,550 | \$111,800 |
| 8" | 80.0 | 71,280 | \$178,880 |
| 10" | 143.8 | 128,126 | \$321,537 |

Table VIII

Table CAP-5
City of Wilsonville
Water Rate and SDC Model
Fixed Assets Schedule

| Description | Date | Life | Original Cost | Accumulated Depreciation (6/30/97) | Net Book Value |
|---|------|------|---------------|------------------------------------|----------------|
| LAND | | | | | |
| | 1970 | N.A. | \$18,594 | \$0 | \$18,594 |
| | 1991 | N.A. | 27,500 | 0 | 27,500 |
| Subtotal | | | \$46,094 | \$0 | \$46,094 |
| BUILDINGS | | | | | |
| Public Works Storage Bldg | 1983 | 30 | \$18,662 | \$8,398 | \$10,264 |
| Storage Bldg Addition | 1986 | 30 | \$1,100 | \$422 | \$678 |
| Subtotal | | | \$19,762 | \$8,820 | \$10,942 |
| LAND IMPROVEMENT | | | | | |
| Chain Link Fence | 1978 | 25 | \$5,765 | \$4,497 | \$1,268 |
| Fence Enclosure | 1983 | 25 | 1,910 | 1,108 | 802 |
| Yard Improvements | 1986 | 25 | 17,649 | 8,119 | 9,530 |
| Yard Improvements | 1985 | 25 | 4,580 | 2,290 | 2,290 |
| Yard Improvements | 1989 | 25 | 1,690 | 575 | 1,115 |
| Nike Well | 1995 | 15 | 5,769 | 962 | 4,808 |
| Improve Water - Nike Well | 1995 | 15 | 2,175 | 363 | 1,813 |
| Improve Quality - Nike Well | 1996 | 15 | 11,533 | 1,153 | 10,379 |
| Subtotal | | | \$51,071 | \$19,065 | \$32,006 |
| WATER SYSTEM | | | | | |
| Total Water System | | | \$7,635,117 | \$1,759,541 | \$5,875,576 |
| Subtotal | | | \$7,635,117 | \$1,759,541 | \$5,875,576 |
| MACHINERY & EQUIPMENT | | | | | |
| Total Machinery & Equipment | | | \$340,259 | \$121,311 | \$218,948 |
| Subtotal | | | \$340,259 | \$121,311 | \$218,948 |
| TOTAL WATER SYSTEM FIXED ASSETS | | | \$8,092,303 | \$1,908,737 | \$6,183,566 |
| DEVELOPER CONTRIBUTIONS | | | | | |
| 1993/94 | | 50 | \$206,303 | \$12,378 | \$193,925 |
| 1994/95 | | 50 | \$396,080 | \$15,843 | \$380,237 |
| 1995/96 | | 50 | \$319,438 | \$6,389 | \$313,049 |
| 1996/97 | | 50 | \$717,954 | \$0 | \$717,954 |
| Subtotal | | | \$1,639,776 | \$34,610 | \$1,605,166 |
| Total Fixed Assets Net of Contributions | | | | | \$4,578,400 |

Table SDC-1
 City of Wilsonville
 Water Rate and SDC Model
 Reimbursement Fee Calculation

| Item | Water Supply | Reservoirs & Storage | Transmission, Dist., & Pump | Total |
|--|--------------|----------------------|-----------------------------|-------------|
| Current Fixed Asset Value | \$1,964,134 | \$338,802 | \$2,275,465 | \$4,578,401 |
| Percent | 42.9% | 7.4% | 49.7% | 100.0% |
| Less: Current Outstanding Debt Principal (a) | 671,385 | 115,810 | 777,805 | \$1,565,000 |
| Plus: Current Cash Reserves (a) | 1,164,045 | 200,791 | 1,348,555 | \$2,713,391 |
| Net System Investment | \$2,456,794 | \$423,783 | \$2,846,215 | \$5,726,792 |
| Current Water System Design Capacity (mgd) (b) | 0.0 | 6.45 | 6.65 | |
| Net Investment per mgd | \$0 | \$65,703 | \$428,002 | |
| Net Investment per gpd | \$0 | \$0.07 | \$0.43 | |
| Maximum Day Water Demand (gpd) (c) | 891 | 891 | 891 | |
| Reimbursement SDC per EDU | \$0 | \$62 | \$383 | \$445 |

Notes:

- (a) Total distributed to components using same proportions of current fixed assets.
 (b) Current well production capacity, if taken separately, is not sufficient to meet current maximum day demands.
 (c) Estimated system total maximum day demand divided by total equivalent meters.

Table SDC-2
 City of Wilsonville
 Water Rate and SDC Model
 Reimbursement Fee by Meter Size

| Meter Size | Equivalent Meter Ratios | Capacity Allowance (gpd) | Reimbursement SDCs |
|-------------|----------------------------|--------------------------------|-----------------------|
| 5/8" x 3/4" | 1.0 | 891 | \$445 |
| 3/4" | 1.5 | 1,337 | \$668 |
| 1" | 2.5 | 2,228 | \$1,113 |
| 1 1/2" | 3.6 | 3,208 | \$1,602 |
| 2" | 8.0 | 7,128 | \$3,560 |
| 3" | 15.0 | 13,365 | \$6,675 |
| 4" | 25.0 | 22,275 | \$11,125 |
| 6" | 50.0 | 44,550 | \$22,250 |
| 8" | 80.0 | 71,280 | \$35,600 |
| 10" | 143.8 | 128,126 | \$63,991 |

Table SDC-5
City of Wilsonville
Water Rate and SDC Model
Combined Fee Calculation

| | |
|---------------------------|----------------|
| Reimbursement SDC per EDU | \$445 |
| Improvement SDC per EDU | <u>\$2,236</u> |
| Combined SDC per EDU | \$2,681 |
| Current SDC per EDU | \$1,500 |

Table SDC-6
 City of Wilsonville
 Water Rate and SDC Model
 Combined Fee by Meter Size

| Meter Size | Equivalent Meter Ratios | Capacity Allowance (gpd) | Combined SDCs |
|-------------|----------------------------|--------------------------------|------------------|
| 5/8" x 3/4" | 1.0 | 891 | \$2,681 |
| 3/4" | 1.5 | 1,337 | \$4,022 |
| 1" | 2.5 | 2,228 | \$6,703 |
| 1 1/2" | 3.6 | 3,208 | \$9,652 |
| 2" | 8.0 | 7,128 | \$21,448 |
| 3" | 15.0 | 13,365 | \$40,215 |
| 4" | 25.0 | 22,275 | \$67,025 |
| 6" | 50.0 | 44,550 | \$134,050 |
| 8" | 80.0 | 71,280 | \$214,480 |
| 10" | 143.8 | 128,126 | \$385,528 |

**COMMUNITY DEVELOPMENT DEPARTMENT
STAFF REPORT**

DATE: AUGUST 19, 1998

TO: HONORABLE MAYOR AND COUNCILORS

FROM: ELDON R. JOHANSEN, COMMUNITY DEVELOPMENT DIRECTOR

SUBJECT: RESOLUTION NUMBER 1502 – A RESOLUTION ADOPTING A REVISED WATER CAPITAL IMPROVEMENTS PLAN AND ESTABLISHING AND IMPOSING JUST AND EQUITABLE USER FEES, SYSTEMS DEVELOPMENT CHARGES, METER INSTALLATION CHARGES, AND DEPOSITS FOR WATER SERVICE FOR THE WATER SYSTEM OF THE CITY OF WILSONVILLE; PROVIDING FOR THE MANNER OF PAYMENT, COLLECTION, ENFORCEMENT AND DISBURSEMENT OF SUCH FEES; PROVIDING RULES AND REGULATIONS FOR CONTROL OF CITY WATER SERVICE; AND REPEALING RESOLUTIONS 1154 AND 1480.

The last time the water systems development charges were reviewed and modified in any substantial detail was in 1994. Following this review, Council adopted Resolution Number 1154 on December 19, 1994 increasing the water systems development charges. Since that time there have been annual increases based on changes in the construction cost index. The methodology used in 1994 was based on continued water production increases from the Troutdale Basalt Aquifer underlying the City. We have exhausted the basalt aquifer and can obtain no additional water from this source. On June 29, 1998, Council adopted a resolution directing that we analyze production of water from the Troutdale Aquifer as a main additional water source. The attached resolution increases the water systems development charges based on use of the Troutdale Aquifer for production effective October 1, 1998.

To encourage water conservation and to ensure that funds would be available to defray part of the cost for development of a new water source, Council adopted Resolution Number 1480 in June, 1998, increasing water rates by 32%. The date for the implementation of this increase was delayed so that the increase could be timed to coincide with the increase in water systems development charges. The attached resolution also increases the water rates by 32%.

Recommendation

That Council adopt the attached resolution increasing the water systems development charges and the water rates.

Background

CH2M Hill completed a water rate and systems development charge study in 1994. Based on this report, Council adopted Resolution Number 1154 on December 19, 1994. This resolution implemented ORS 223.297 to 223.314 concerning the methodology for implementing systems development charges. The combined systems development charges established by Resolution Number

August 19, 1998

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1154 was \$1,295 per equivalent dwelling unit. The water rates were established to provide revenue for five years without a rate increase. They were also established to allow for increases based in changes in the cost of living to minimize substantial increases at the end of the five year period. Water rates were increased by 5% effective June, 1997. In June, 1998, Council adopted an overall 32% increase in water rates and established an inverted block volume billing system for single family residential customers to encourage water conservation. The effective date for implementation of the water rate increase was delayed until an accompanying water systems development charge increase could be implemented and the attached resolution establishes an implementation date for the water rate increase of October 1, 1998.

The methodology for establishing the water systems development charges includes a reimbursement component to purchase capacity in the existing water systems and an improvement component to pay for additional construction which is necessary to serve new customers. The recommended reimbursement fee for a single family dwelling unit is \$445 per equivalent dwelling unit. The improvement fee is \$2,236 per equivalent dwelling unit. The combined water systems development charge is \$2,681 per equivalent dwelling unit. The overall methodology which was used to determine the systems development charge is included in the resolution.

In addition to the calculations in the resolution, there are many spreadsheets which are used to serve as a basis for the reimbursement fee and the improvement fee calculations. A set of these spreadsheets is available in the Community Development Department for review and will be entered into the record at the Council meeting on September 21, 1998. Anyone that is interested in reviewing these detailed spreadsheets should contact either Eldon R. Johansen, Community Development director or Bobbie Somerville, Community Development Department secretary at 682-4960.

The attached resolution establishes an implementation date for the increase in water utility rates with an effective date of October 1, 1998, however, it does not change the rates as approved by the Council when they adopted Resolution Number 1480. Resolution Number 1480 increased the overall water utility rates by 32% and established an inverted block rate structure for single family residence to encourage water conservation. With an inverted block rate structure, the rate per 100 cubic foot with the charges being \$1.45 per 100 cubic foot per uses of 1,700 cubic foot per my monthly period or lower, \$1.64 for 100 cubic foot with uses over 1,700 cubic foot to 2,100 cubic foot and \$2.32 for 100 cubic foot per uses over 2,100 cubic feet per bi-monthly period. Attached at Enclosure 1 is a table summarizing water systems development charges for Wilsonville and neighboring communities. Attached at Enclosure 2 is a table summarizing the water rates for Wilsonville and adjacent communities.

Eldon R. Johansen
Community Development Director

ERJ:bgs

Enclosures (2)

somerville staff reports
081998staffsdcincrease

COMPARISON OF RESIDENTIAL WATER RATES

(costs expressed in **monthly** equivalents)

| Water Provider | Base Rate | 100 cubic feet | Total cost for 800 cubic feet (i.e., typical usage) | Total cost 1700 cubic feet (i.e., typical summer usage) |
|--|------------------|-----------------------|--|--|
| City of Wilsonville (existing with franchise fee) | \$6.24 * | \$1.31 | \$11.48 | \$23.27 |
| City of Wilsonville (with 32% increase & franchise fee) | \$8.11 * | \$1.51 *** | \$14.15 | \$34.44 |
| City of Tigard | \$3.56 | \$1.32 | \$14.12 | |
| City of Newberg | \$2.48 | \$1.49 | \$14.40 | |
| Tualatin Valley Water District | \$5.13 | \$1.25 | \$15.13 | |
| City of Tualatin | \$6.90 | \$1.15 | \$16.10 | |
| City of Sherwood | \$4.35 ** | \$1.67 | \$17.49 | |
| City of Canby | \$10.30 | \$0.97 | \$18.06 | |
| <p>* Wilsonville's base rate includes the first 400 cubic feet of water with 4% franchise fee</p> <p>**Sherwood's base rate includes the first 100 gallons of water</p> <p>*** Above 1700 cubic feet to 2100 cubic feet the volume rate per two month period the Wilsonville volume rate increases to 1.71/hcf and above 2100 cubic feet per two month period the Wilsonville volume rate increases to \$2.41 per hundred cubic feet</p> | | | | |

September 1998
 Comparison of Water SDCs for a Single Family Home

| City of | Water |
|-------------------------|----------|
| Wilsonville existing | \$ 1,500 |
| Wilsonville proposed | \$ 2,681 |
| Tigard | \$ 1,311 |
| Tigard Bull Run Area | \$ 1,832 |
| Sherwood | \$ 3,040 |
| Canby | \$ 1,800 |
| Oregon City | \$ 2,535 |
| Beaverton | \$ 2,400 |
| West Linn (not annexed) | \$ 2,641 |
| West Linn (annexed) | \$ 1,528 |
| Milwaukie | \$ 1,095 |
| Tualatin | \$ 1,040 |
| Gresham | \$ 2,200 |