RESOLUTION NO. 624

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

WHEREAS, the City of Stayton Systems Development Charge Ordinance, Ordinance No. 691, provides for the setting of systems development charges upon completion of an analysis of projected capital improvements to be constructed and adoption of a methodology explaining how the systems development charges are calculated; and

WHEREAS, Stayton City Code Section 13.12.220, enacted by Ordinance No. 691, specifies that such charges shall be set by separate resolution of the Stayton City Council;

NOW, THEREFORE, THE STAYTON CITY COUNCIL HEREBY RESOLVES AS FOLLOWS:

SECTION 1: IMPOSITION OF SYSTEMS DEVELOPMENT CHARGES.

This resolution shall establish the methodology and be the basis for imposing a systems development charge (SDC) on those activities which increase usage of the City of Stayton's water supply, storage, treatment, transmission, and distribution system.

SECTION 2. SCOPE

The charge imposed by this resolution is separate from and in addition to any applicable taxes, fees, assessments, and/or charges which may be required by the City of Stayton or imposed as a condition of a land use or development approval.

SECTION 3: CHARGE

The system development charge imposed by this resolution is composed of an improvement fee and a reimbursement fee. This SDC does not include water service connection and meter charges.

SECTION 4: METHODOLOGY

The Stayton City Council hereby adopts the following methodologies for the Water System Systems Development Charge (SDC). This SDC will be composed of both a reimbursement fee and an improvement fee. These fees are authorized by Ordinance No. 691.

a. The adopted "Master Utilities Plan," (James M. Montgomery Consulting Engineers, December, 1980); the "Stayton/Sublimity Water Needs" (Boatwright Engineering, February, 1991); and the "Stayton Comprehensive Plan," (acknowledged April 25, 1991), shall be considered the primary source documents upon which the charges imposed under this resolution are promulgated and constitute the improvement plan described in Stayton City Code, Section 13.12.230 of the systems development ordinance.

b. Reimbursement fee The calculation of the reimbursement fee portion of the SDC is contained in Exhibit A, which is attached and hereby made a part of this resolution, and is based on the following facts:

(1) The City of Stayton water system has the following components:

Water Rights:	16.66 cfs = 7,463 gpm	10,746,720 gpd
Water Filtration Pond Design Capacity:	9,000 gpm	12,960,000 gpd
Water Plant Operating Capacity		8,000,000 gpd
Normal Daily Demand (Winter)		1,125,000 gpd
Normal Daily Demand (Summer)		4,500,000 gpd
Peak 1-Day Demand (Summer)		7,500,000 gpd
Storage:		6,900,000 gal

Emergency Source of Supply: Connection with City of Salem 36-inch transmission main at Schedule M station on Holly Street.

(2) The existing water system (water supply, storage, treatment, transmission, and distribution) has some excess capacity to provide for increased usage from future development, with two exceptions. First, the current water storage is deficient 400,000 to meet the 7.3 million gallons of storage recommended in the Master Utilities Plan. Subsequently, the value of existing storage facilities is excluded from the reimbursement fee, (and the total cost of a new storage reservoir in the improvement fee has been proportionately reduced so future development does not pay to remedy this storage deficiency). Second, some of the water distribution pipes are too small to provide adequate fire flows. These undersized pipes are in the older areas of the city. Again, the value of these pipe lines have been excluded from the reimbursement fee, (and the projects needed to replace these pipes have been excluded from the list of capital improvements for the improvement fee). The city does have excess capacity in the water supply and water treatment facility to meet the demands of new growth It also has excess capacity in its distribution system, but to be certain it does not charge future development to pay for existing deficiencies, the City has chosen to exclude the entire distribution system from the reimbursement fee. The current value of the excess capacity in the water source and treatment facilities is $3,129,798. See Exhibit A for details.

(3) The city estimates that future demands will be placed on the system by both residential and non-residential users. The Master Utilities Plan compared prior usage and determined that after cannery water usage was subtracted, water usage was divided 71 percent residential and 29 percent non-residential (commercial/industrial/public/semi-public, etc.). The city estimates residential use will generate 70 percent of the demand for future water services.

c. Improvement Fee The calculation of the improvement fee portion of the SDC is contained in Exhibit B, which is attached and hereby made a part of this resolution, and is based on the following facts:

(1) The Stayton Comprehensive Plan, Table PF-1, page 31, lists capital improvement from the "Master Utilities Plan" to solve system deficiencies and to meet the projected water usage for future development. Those projects that benefit only future development are contained in Exhibit B and amount to $4,205,100 in 1998 dollars.

(2) The Stayton Comprehensive Plan, Table LU-6, estimates that at buildout of the Stayton Urban Growth Boundary (UGB) the UGB will contain 4,600 dwelling units with an average density of 2.5 persons per dwelling unit, for a total population of 11,500. As of January 1997 there were 2,516 dwelling units within the UGB. Therefore, the City expects an additional 2,084 dwelling units to reach the projected planning population of 11,500 people.

SECTION 5. SYSTEM DEVELOPMENT CHARGE

Residential units will place 70 percent of the demand for expanded water supply, treatment, distribution, and storage facilities with a projected cost of $3,237,669 and $1,553.58 per dwelling unit (3/4" meter). The cost of gpd excess capacity is $0.35 per gallon and $730.10 per dwelling unit (3/4" meter). The maximum water systems development charge the City of Stayton may impose is $2,283.68 per dwelling unit (3/4" meter).

The water SDC collected in accordance with Section 13.12.240 of the Stayton City Code shall be:

SYSTEMS DEVELOPMENT CHARGES FOR WATER BY METER SIZE AND BY NUMBER OF HOUSING UNITS:

Meter Size (inches)	Equivalent Number 3/4" meters	Reimbursement Fee	Improvement Fee	Total SDC
3/4"	1.00	$730	$1,553	$2,283
1"	1.67	1,219	2,594	3,813
1 ½"	3.33	2,431	5,171	7,602
2"	5.33	3,891	8,277	12,168
3"	10.67	7,789	16,571	24,360
4"	16.67	12,169	25,889	38,058
6"	33.33	24,331	51,761	76,092
8"	53.33	38,931	82,821	121,752
Multi-Family Housing Unit		$584	$1,243	$1,827

Source of Equivalencies: American Water Works Association (AWWA) numbers AWWA C702-86 for meters under 3-inches in diameter and AWWA C702-86 for Turbine meters 3-inches and larger in diameter (compound-type meters). These publications set the American National Standard for cold-water meter safe maximum operating capacities.

SECTION 6. REVENUE AND EXPENDITURES

a. All funds derived from these charges shall be credited to the water systems development fees account of the Systems Development Fund.

b. All expenditures from this fund will be in accordance with the system development charge ordinance and will be expended for water system capital improvements.

SECTION 7. This resolution supersedes Resolution Nos. 512, 488, 467, and 536 which are hereby repealed.

SECTION 8. EFFECTIVE DATE

This resolution shall be in full force and effect on July 1, 1998.

SECTION 9. REVIEW

This resolution shall be reviewed on or before June 1, 1999.

BE IT FURTHER RESOLVED that effective on December 31, 1998 and on every January 1 of every succeeding year starting with the year 2000, these Water Systems Development Charges will be increased by the rate of inflation for Construction as reported in the *Engineering News Record*, published by the McGraw-Hill Companies, as the Construction Cost Index (1967=1) for the period November of the preceding year to October of the current year.

PASSED BY THE STAYTON CITY COUNCIL this 16th day of June, 1998.

Date: 6-19-98

By: Daphne E Girod
DAPHNE E. GIROD, Mayor

ATTEST

Date: 6-19-98

By:
THOMAS L. BARTHEL, City Administrator

EXHIBIT A

CITY OF STAYTON
WATER SYSTEMS DEVELOPMENT CHARGE
REIMBURSEMENT FEE

PROJECTED COMPREHENSIVE PLAN POPULATIONS:

City of Stayton	11,500
Current Housing Density (1990 Census)	2.70 per dwelling
Projected Housing Density (Stayton Comp Plan)	2.50 per dwelling

PROJECTED NUMBER OF DWELLING UNITS:

Total number of Dwelling Units w/in UGB (1997 Census)	2,516
Projected # of Needed Dwelling Units (11,500/2.50)	4,600
Less Current # of Dwelling Units in UGB	(2,516)
Projected # of Needed Dwelling Units to meet UGB Demands	2,084

REIMBURSEMENT CHARGE

	Total Capacity	% Excess Capacity (@7,500,000 gpd)	gpd excess	Value of Capacity[a]	$/gpd/excess capacity
Water Rights (source)	10,746,720	30.00%	3,246,720	$521,633	$0.05
Filtration Ponds	12,960,000	42.00%	5,460,000	$521,633	$0.04
Treatment Plant	8,000,000	6.00%	500,000	$2,086,532	$0.26
Total	--	--	--	$3,129,798	$0.35

[a] The Value of Capacity equals the total of Fixed Capital Assets less Contributed Capital as of 6/30/97. Item amounts based on percent of Fixed Capital Assets each category represents.

Each residential unit requires 2,086 gallons per day on a peak day (i.e., 7,500,000 x 70% residential divided by 2,516 present residences).

REIMBURSEMENT FEE $0.35 x 2,086 gpd/residence (3/4" meter) = $730.10

EXHIBIT B

CITY OF STAYTON
WATER SYSTEMS DEVELOPMENT CHARGE
IMPROVEMENT FEE

PROJECTED COMPREHENSIVE PLAN POPULATIONS:

City of Stayton	11,500
Current Housing Density (1990 Census)	2.70 per dwelling
Projected Housing Density (Stayton Comp Plan)	2.50 per dwelling

PROJECTED NUMBER OF DWELLING UNITS:

Total number of Dwelling Units w/in UGB (1997 Census)	2,516
Projected # of Needed Dwelling Units (11,500/2.50)	4,600
Less Current # of Dwelling Units in UGB	-2,516
Projected # of Needed Dwelling Units to meet UGB Demands	2,084

NEEDED WATER SYSTEM CAPITAL IMPROVEMENTS

A. Transmission and Distribution Improvements

1.	24" Transmission (Fern Ridge to Wilco Rd.)	17,000 lf	$1,188,810
2.	8"+ Grid network (north of Shaff Rd.)	40,000 lf	932,400
3.	12" Hi-Level Transmission	3,000 lf	777,000
4.	12" Shaff Rd. to High School	240 lf	82,584
5.	12"+ Golf Club Rd. (Shaff--Golf Course)	8,000 lf	319,680
6.	12" Shaff Rd.		41,292
7.	12" First Ave. to north city limits	5,000 lf	191,475

B. Water Supply and Treatment

1.	25 cfs Water Rights (May - Sept)	150,000
2.	Future Plant Expansion (Land Acquisition)	70,000

C. Water Storage

2.	2.0 MG Ground Level Storage Reservoir (80%)	872,000

TOTAL ESTIMATED COST OF IMPROVEMENTS $4,625,241

ESTIMATED RESIDENTIAL SHARE OF IMPROVEMENT COSTS

Residential Share (total cost x 70%)	$3,237,669
IMPROVEMENT FEE (Residential Dwelling Unit on a 3/4" meter, $3,237,669 ÷ 2,084 projected dwelling units)	$1,553.58