

**OREGON WATER WONDERLAND UNIT II SANITARY DISTRICT**

**RESOLUTION NO. 10-07**

**A RESOLUTION PROVIDING FOR THE ESTABLISHMENT OF A WASTEWATER SYSTEM DEVELOPMENT CHARGE; AND REPEALING **RESOLUTION NO. 10-04**.**

WHEREAS, Oregon Water Wonderland Unit II Sanitary District (District) has completed system and treatment expansion of its wastewater collection and treatment system, as outlined in its Wastewater Facilities Plan of May 2001 and August 2002 amendment; and

WHEREAS, the District Board of Directors, therefore, directed staff and engineering consultants, HGE, Inc., Architects, Engineers, Surveyors and Planners (HGE) to develop and complete a Wastewater System Master Plan and associated Capital Improvement Plan (CIP), which was adopted by Board **Resolution No. 10-06** on **December 14<sup>th</sup>, 2010**; and

WHEREAS, HGE was also directed to prepare an October 2010 SDC for Wastewater System, Methodology Summary, attached as Exhibit A and incorporated herein by this reference, including any documents referenced and/or relied upon by Exhibit A; and

WHEREAS, the District wishes to impose the cost of wastewater improvements required to serve new development on those developers; and

WHEREAS, the District must adopt a methodology in order to impose SDC reimbursement and improvement fees, pursuant to the District's SDC **Ordinance No. 10-02**, Section 5, and ORS 223.304; and

WHEREAS, District intends to fund a total of **\$393,000** in improvement costs associated with new growth with SDC improvement fees, as identified in the CIP; and

WHEREAS, District intends to collect a total of **\$4,900,600** in reimbursement fees for capacity available to growth within the existing wastewater treatment plant and system (\$6,080,676.20, as indexed for 2010 dollars); and

WHEREAS, the Wastewater System Facilities Plan forecasts that all **225** undeveloped lots will connect to the District system by 2030, resulting in a total of 987 connected costs; and

WHEREAS, District desires that the wastewater SDC fee be increased on a periodic basis by the cost of inflation, based upon the Engineering News Record-Construction Cost Index (ENR CCI).

**NOW, THEREFORE, THE OREGON WATER WONDERLAND UNIT II SANITARY DISTRICT RESOLVES AS FOLLOWS:**

Section 1. Methodology. The District hereby adopts the October 2010 methodology, entitled “Methodology Summary”, attached hereto and incorporated herein as Exhibit A (hereinafter referred to “Methodology”), as a basis for the District’s desired Wastewater SDC fee, per ORS 223.304.

Section 2. Establishment of Wastewater Facility SDCs.

A. Reimbursement Fees. To compensate District for the cost of undertaking construction of District wastewater facilities, which were specifically constructed to accommodate growth, the following formula for a system development charge reimbursement fee per lot will be used:

The price of the remaining capacity in existing wastewater facilities is a function of their total cost, expressed in 2010 dollars, divided by the total number of residential lots within the service area.

$$\begin{aligned} & \text{Total cost} \div \text{Total number of residential lots within service area} \\ & \quad \$6,080,676.20 \div 987 \text{ lots} \\ & = \$6,160.77 \text{ per residential lot connection} \end{aligned}$$

B. Improvement Fee. To compensate District for wastewater facility expansion and improvements, the following formula for a System Development Charge improvement fee per residential lot will be used:

$$\begin{aligned} & \text{Total Cost of Capacity Increasing and System Improvement Projects} \\ & \quad \div \text{Remaining Lots to be Served} \\ & \quad = \$393,000 \div 225 \\ & \quad = \$1,746.70 \end{aligned}$$

C. SDC Fee Per Residential Lot.

$$\begin{aligned} & \text{Reimbursement Fee} + \text{Improvement Fee} \\ & = \text{Wastewater Facility SDC} \\ & \quad \$6,150.77 + \$1,746.70 \\ & = \$7,907.47 \text{ per Lot} \end{aligned}$$

The adjusted Wastewater SDC per Residential Lot = \$7,907.00

Section 3. Charge Increase. The SDC fee imposed herein shall increase at the beginning of each calendar year by the cost of inflation, as based on the Seattle National Average Construction Cost Index (CCI), as published by the Engineering News Record (ENR). The ENR for October, 2010 was 8836. Annual increases will be based on the ENR CCI without the need for modification of this Resolution

Section 4. Collection of Charge. The Wastewater SDC fee is payable upon issuance of a building permit, a development permit, a development permit for development not requiring the issuance of the building permit, or as otherwise required by District SDC Ordinance No. 10-02.

Section 5.

A. Qualified Public Improvement Credit. Where a “qualified public improvement”, as defined in District SDC Ordinance No. 10-02, is constructed by an applicant (Applicant) and credit is properly applied for, the District shall grant a credit against any and all applicable improvement charges which would otherwise be owed by the Applicant. The amount of the credit shall be determined by the District Engineer or District Manager. The credit shall be only for the improvement fee charged for the type of improvement being constructed, and may be granted only for the cost of that portion of such improvement that exceeds the City’s minimum standard facility size or capacity needed to serve the particular development project or property. The Applicant shall have the burden of demonstrating that a particular improvement qualifies for credit under this section of this Resolution, pursuant to ORS 223.304 and District SDC Ordinance No. 10-02.

B. When the construction of a qualified public improvement gives rise to a credit amount greater than the improvement fee that would otherwise be levied against the project receiving development approval, the excess credit may be applied against improvement fees that accrue in subsequent phases of the original development project. This subsection shall not prohibit the District from providing a greater credit, or from establishing a system providing for the transferability of credit, or from providing a credit for a capital improvement not identified in the Wastewater Capital Improvement Plan, adopted pursuant to District SDC Ordinance No. 10-02, or from providing a share of the costs of such improvement by other means, if the District so designates by resolution.

C. Any credit granted under this Section shall be used within ten (10) years from the date the credit is granted.

Section 6. Effective Date. This Resolution shall take full force and effect upon adoption and signature by the Board President.

Section 7. Repeal. Resolution No. 10-04 is hereby repealed.

DATED this 14<sup>th</sup> day of December, 2010.

APPROVED BY:

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Robert Chase, President

ATTEST:

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Ken Ray, Secretary