

RESOLUTION NO. 06-3

A RESOLUTION PROVIDING FOR THE ESTABLISHMENT OF A
WASTEWATER SYSTEM DEVELOPMENT CHARGE;
AND REPEAL OF RESOLUTION NO. 03-7

WHEREAS, the La Pine Special Sewer District has recently completed Phase 1 of its expansion of the wastewater collection, treatment and effluent reuse system based on short term community growth needs;

WHEREAS, the District Board of Directors, therefore, directed staff and engineering consultants, HGE, Inc., Architects, Engineers and Surveyors and Planners, to develop and complete a Wastewater System Capital Facilities Plan (January 2006), a Wastewater System Methodology for both wastewater reimbursement and improvement fees, and an associated Wastewater System SDC combining these two fees, all attached as Exhibit 1 and incorporated herein by this reference, including any documents referenced in or relied upon by Exhibit 1; and

WHEREAS, additional expansion and an increase in the level of performance of the District's wastewater collection, treatment, bio-solids management and effluent reuse facilities is essential to accommodate new growth within the La Pine UUC, Wickiup Junction RSC, and the Newberry Neighborhood development; and

WHEREAS, District wishes to impose the cost of the wastewater system improvements required to serve new development on new growth through imposition of reimbursement and improvement fees; and

WHEREAS, the total remaining capital cost for the Phase 1 system treatment plant improvements construction attributable to new growth is \$1,023,788, expressed in year 2006 dollars; and

WHEREAS, system expansion to provide wastewater capacity for anticipated resident needs through the 20-year planning period to 2025 are estimated at \$8,294,152, expressed in 2006 dollars; and

WHEREAS, the engineering analysis estimates that 3,590 people, or a projected 1,632 additional Equivalent Dwelling Units (EDUs) will be served through the 20-year planning period to 2025; and

WHEREAS, the District desires that the SDC improvement fee be increased on an annual basis by the cost of inflation, based upon the Engineering News Record index (ENR); and

WHEREAS, the District has adopted Ordinance No. 01-4, an Ordinance Authorizing the Establishment of System Development Charges for Wastewater; and

WHEREAS, the wastewater system SDC methodology has been available for public review since April 7, 2006, in excess of the statutory 60-day minimum review period.

NOW, THEREFORE, BE IT RESOLVED by the District Board for the La Pine Special Sewer District, as follows:

Section 1. Methodology Adopted. The reimbursement and improvement fee methodologies set forth in Section 13 of the Wastewater System Capital Facilities Plan (Exhibit 1) are hereby adopted as the methodologies for the reimbursement and improvement wastewater system development charge fees established herein.

Section 2. Establishment of Wastewater System SDCs.

A. **Reimbursement Fee.** To compensate District for the costs of undertaking construction of the Phase 1 interim needs of the wastewater system, which were specifically constructed to accommodate growth, the following formula for a System Development Charge reimbursement fee per EDU, based upon 2025 projections, will be used:

The pricing of the remaining capacity in the La Pine Special Sewer District wastewater facilities is a function of the “book value” of the facilities, which retain capacity available for growth, divided by the projected growth in service demand as measured in EDUs (Book value cost basis ÷ benefited EDUs).

Calculation:

$$\begin{aligned} &= \$1,023,788 \div 1632 \\ &= \text{Cost Per Benefited EDU} = \$627.32 \\ &\text{Reimbursement fee} = \$672.32 \text{ per EDU} \end{aligned}$$

B. **Improvement Fee.** To compensate the District for system expansions and to increase the level of performance of collection, treatment, and reuse facilities, the following formula for a System Development Charge improvement fee per new development EDU will be used:

Total Cost of Planned Capacity Increasing & System Improvement Projects
÷ Estimated increase in EDUs to 2025
= \$8,294,152 ÷ 1632
= \$5,082.20 per EDU

C. SDC Fee Per EDU.

Reimbursement Fee + Improvement Fee + Service related costs
= Wastewater SDC
\$627.32 + \$5,082.20 = \$5,709.52

To assure equitable costs, the existing Sewer District SDC of \$5,700.00 is affirmed.

Section 3. Charge Increase. The Wastewater SDC improvement fee imposed herein shall increase annually by the cost of inflation on the 1st day of January, each year, based on the ENR, without the need for modification of this Resolution or the underlying methodology. An ENR value of 7630 was utilized for construction estimates in the Wastewater System Capital Facilities Plan.

Section 4. The Wastewater System SDC fee imposed herein is payable upon issuance of a building permit, a development permit for development not requiring the issuance of a building permit, a permit or approval to connect to the water system, at the time the usage of the Water System is increased, or as otherwise required by Ordinance No. 01-4.

Section 5.

A. Qualified Public Improvement Credit. Where a “qualified public improvement”, as defined in Ordinance No. 01-4, is constructed by a wastewater connection applicant (Applicant), 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. The credit shall be only for the improvement fee charged for the type of improvement that exceeds the District’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 Ordinance No. 01-4.

B. When the construction of a qualified public improvement gives rise to a credit amount greater than the wastewater SDC improvement fee that would otherwise be levied against the project receiving development approval, the excess credit may be applied against wastewater SDC 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 CIP, 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. All previously adopted resolutions establishing wastewater system development charges are hereby repealed.

DATED this ____ day of _____, 2006.

APPROVED BY:

President,
Board of Directors

ATTEST:

Secretary,
Board of Directors