

## RESOLUTION NO. 1154

### A RESOLUTION ADOPTING THE 2011 WASTEWATER SYSTEM DEVELOPMENT CHARGE METHODOLOGY REPORT AND DECREASING WASTEWATER SYSTEM DEVELOPMENT CHARGES

WHEREAS, the City of Prineville has passed resolutions implementing system development charges in the City of Prineville; and

WHEREAS, the City of Prineville has previously amended the amounts of system development charges; and

WHEREAS, the City Manager is charged with reviewing system development charges to reflect adequate funding to construct facility needs and recommending system development charge rates to adequately provide resources to construct the City's facility needs in an efficient and cost effective manner; and

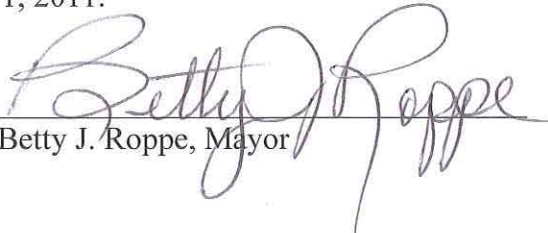
WHEREAS, the City has passed Ordinance No. 1177 adopting the 2010 updated City of Prineville Wastewater Facility Plan, which plan modifies previous Wastewater Facility Plans and uses a natural wetland system to dispose of effluent. Use of the natural wetland system will greatly decrease the amount of funds needed to treat wastewater; and

WHEREAS, the 2011 Wastewater System Development Charge Methodology report attached hereto as Exhibit A and by this reference made a part hereof, documents the amount of funds related to wastewater treatment using the natural wetland system as the method for disposing of effluent; and

WHEREAS, the City of Prineville desires to adopt the 2011 Wastewater System Development Charge Methodology report and reduce the amount of wastewater system development charges;

NOW, THEREFORE, the City of Prineville resolves as follows:

1. The 2011 Wastewater System Development Charge Methodology report is hereby adopted.
2. The wastewater system development charges as set out in Resolution No. 1136 are hereby amended to those amounts shown on Exhibit B attached hereto and by this reference made a part hereof. All other fees set out in Resolution No. 1136 shall remain in full force and effect.
3. There shall be no refunds of any prior wastewater system development charges paid prior the effective date of this Resolution.
4. This Resolution is effective January 11, 2011.

  
Betty J. Roppe, Mayor

ATTEST:

  
Lisa Morgan, City Recorder



**OREGON**



**City of Prineville, Oregon  
2011 Wastewater System Development Charge Methodology Report  
January 11, 2011**

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### Section 1: Introduction

As new homes and commercial facilities are constructed within the City of Prineville (City) and its Urban Growth Boundary (UGB), additional demands are placed upon the existing infrastructure. These increased demands require the construction of additional municipal facilities. In the community, citizens have contributed money through taxes, donations, debt and user fees to construct the infrastructure system elements that make urban living within the City possible. These improvements include streets; water treatment, storage and distribution systems; wastewater collection and treatment systems; stormwater drainage facilities; and parks. The City is the municipal entity that has the responsibility for the construction and operation of these infrastructure systems with the exception of parks. Parks improvements and facilities within the City are the responsibility of the Crook County Parks and Recreation District.

The City utilizes a variety of revenue sources to provide for the construction and operation of its systems infrastructure. These revenue sources include, but are not limited to, state gas taxes, Crook County contributions, franchise fees, developer contributions, property owner contributions, grants from federal and state sources, short- and long-term borrowing, user fees and system development charges (SDCs). This report addresses the maximum amount of SDC that may be charged to support the construction of wastewater facilities that serve residents and others using the City's wastewater system. SDCs are one-time fees charged to new development to pay for a portion of the costs associated with building capital facilities to meet increased demands associated with the new development.

### **SDCs within the City of Prineville**

The City initially adopted SDCs in the year 2000 for the following capital improvements:

- Transportation
- Water supply, treatment and distribution
- Wastewater collection, transmission, treatment and disposal
- Parks and recreation

These SDCs are updated annually using an inflation index to account for changes in construction costs. In 2007, the City's wastewater SDC methodology was updated to reflect adequate funding to construct facility needs identified in the Updated Wastewater Master Plan, dated November 2005.

### **2005 Wastewater Master Plan Update**

The November 2005 Updated Wastewater Master Plan made the assumption that the City would abandon the existing wastewater treatment lagoons and implement a mechanical treatment process. It also made the assumption that the City would stop releasing effluent into the Crooked River, which the City currently does under an approved Department of Environmental Quality (DEQ) permit. The master plan dictated that all effluent would be disposed of via irrigation, which would require the City to purchase significantly more pasturelands. This assumption of mechanical treatment and disposal

via irrigation required the City to collect approximately \$57.4 million related to treatment and disposal alone.

The City's wastewater SDC was updated in 2007 to correspond with the 2005 Master Plan Update and the associated upgrade of new customers to a mechanical treatment process. As a result, the SDC rate of \$8,867 (\$5,968 of which is related to treatment and disposal) was much higher than that of neighboring communities. In comparison, Redmond's wastewater SDC was \$3,366, Bend's SDC was \$2,840 and the SDC in Madras was \$5,793.

The City recognized that the high costs of the proposed wastewater treatment system expansion and the resulting high SDC was untenable for the business community and the residents of Prineville. In response, the City began researching an alternative treatment option that would be far less costly while providing equivalent wastewater treatment.

### **2010 Wastewater Facility Plan Update**

The 2010 Wastewater Facility Plan investigated the feasibility of several wastewater system improvement options and identified a preferred alternative after reviewing operational considerations, advantages and disadvantages and estimated costs. This preferred alternative analyzed the feasibility of using a natural wetland system to dispose of effluent. This wetland technology will allow for the continued utilization of the City's lagoon treatment systems. The City's existing irrigation parcel is sufficient in size, eliminating the need for additional land purchases. This will allow the City to decrease the amount of required funds related to wastewater treatment from \$57.4 million to \$12.4 million.

This report presents an updated SDC methodology, documents the calculation of wastewater SDC rates and identifies projects to be funded from SDC revenues for the City of Prineville.

## **Section 2: Authority and Background Information**

### **SDC Legislation in Oregon**

Oregon legislation establishes guidelines for the calculation of SDCs. Within these guidelines, local governments have some latitude in selecting technical approaches and establishing policies related to the development and administration of SDCs. A discussion of this legislation follows, along with the recommended methodology for calculating an updated wastewater SDC for the City of Prineville.

In the 1989 Oregon State Legislative session, a bill was passed that created a uniform framework for the imposition of SDCs statewide (Oregon Systems Development Act). This legislation (Oregon Revised Statute [ORS] 223.297-223.314), which became effective on July 1, 1991, (with subsequent amendments), authorizes local governments to assess SDCs for the following types of capital improvements:

- Drainage and flood control
- Water supply, treatment and distribution
- Wastewater collection, transmission, treatment and disposal
- Transportation
- Parks and recreation

The legislation provides guidelines on the calculation and modification of SDCs, accounting requirements to track SDC revenues and the adoption of administrative review procedures. The SDC Act requires local governments to:

- Enact SDCs by ordinance or resolution;
- Develop a methodology outlining how the SDCs were developed;
- Adopt a Capital Improvement Plan (CIP) to designate capital improvements that may be funded with “improvement fee” SDC revenues;
- Provide credit against the amount of the SDC for the construction of “qualified public improvements”;
- Separately account for and report receipt and expenditure of SDC revenues and develop procedures for challenging expenditures; and
- Use SDC revenues only for costs related to capital expenditures (operations and maintenance uses are prohibited).

### **SDC Structure**

SDCs can be developed around two concepts:

1. A reimbursement fee, and
2. An improvement fee, or
  - a. A combination of the two.

The **reimbursement fee** is based on the costs of capital improvements *already constructed or under construction*. The legislation requires the reimbursement fee to be established or modified by an ordinance or resolution setting forth the methodology used to calculate the charge. This methodology must consider the cost of existing facilities, prior contributions by existing users, gifts or grants from federal or state government or private persons, the value of unused capacity available for future system users, rate-making principles employed to finance the capital improvements and other relevant factors. The objective of the methodology must be that future system users contribute no more than an equitable share of the capital costs of *existing* facilities. This fee establishes the current value of unused capacity of existing capital improvements. The unused capacity can be assessed to future connections until the excess capacity is exhausted. This fee is levied to new development to repay existing water and sewer customers a proportionate share of the cost of constructing the existing facilities. Reimbursement fee revenues are restricted only to capital expenditures for the specific system which they are assessed, including debt service.

The methodology for establishing or modifying an **improvement fee** must be specified in an ordinance or resolution that demonstrates consideration of the *projected costs of capital improvements identified in an adopted plan or list*, that are needed to increase capacity in the system to meet the demands of new development. This fee establishes the cost of planned capital improvements to be constructed within the planning period. This cost is levied to new development to provide funding for capital improvement projects, to increase system capacity and to provide the needed service. Revenues generated through improvement fees are dedicated to capacity-increasing capital improvements or the repayment of debt on such improvements. An increase in capacity is established if an improvement increases the level of service provided by existing facilities (slip-lining) or provides new facilities.

In many systems, growth needs will be met through a combination of existing available capacity and future capacity-enhancing improvements. Therefore, the law provides for a **combined fee** (reimbursement plus improvement component).

### **Credits**

The legislation requires that a credit be provided against the improvement fee for the construction of “qualified public improvements.” Qualified public improvements are improvements that are required as a condition of development approval, identified in the system’s capital improvement program and either:

1. Not located on or contiguous to the property being developed, or
2. Located, in whole or in part, on or contiguous to property that is the subject of development approval and required to be built larger or with greater capacity than is necessary for the particular development project to which the improvement fee is related.

The credit for a qualified public improvement may only be applied against an SDC for the same type of improvement (e.g., a wastewater improvement can only be used for a credit for a wastewater SDC). Further, a credit may be granted only for the cost of that portion of an improvement which exceeds the minimum standard facility size or capacity needed to serve the particular project. For multi-phase projects, any excess credit may be applied against SDCs that accrue in subsequent phases of the original development project. In addition to these required credits, the City may set a policy to provide a greater credit, establish a system providing for the transferability of credits, provide a credit for a capital improvement not identified in the Capital Improvement Plan, or provide a share of the cost of an improvement by other means.

### **Exemptions**

The City may exempt certain types of development, such as “affordable housing” from the requirement to pay SDCs. Exemptions reduce SDC revenues and therefore, increase the amounts that must come from other sources, such as user fees and property taxes.

### **Discounts**

The City may discount the SDC rates by choosing not to charge a reimbursement fee for excess capacity, or by reducing the portion of growth-required improvements to be funded with SDCs. A discount in the SDC rate may also be applied on a pro-rata basis to any identified deficiencies, which must be funded from sources other than improvement fee SDCs. For example, the City may charge new development an SDC rate sufficient to recover only fifty percent of identified growth-required costs. The portion of growth-required costs to be funded with SDCs must be identified in the CIP. Because discounts reduce SDC revenues, they increase the amounts that must come from other sources, such as user fees or general fund contributions, in order to acquire the facilities identified in the Facility Plan.

### **Update and Review**

The methodology for establishing or modifying improvement of reimbursement fees shall be available for public inspection. The local government must maintain a list of persons who have made a written request for notification prior to the adoption or amendment of such fees. The legislation includes provisions regarding notification of hearings and filing for reviews. Recent amendments clarified that “periodic application of an adopted specific cost index or ... modification to any of the **factors related to rate** that are incorporated in the established methodology” are not considered “modifications” to the SDC. As such, the local government is not required to adhere to the notification provisions. As a result of 2003 amendments, the criteria for making adjustments to the SDC rate which do not constitute a change in methodology, have been further refined as follows:

- “Factors related to the rate” are limited to changes to costs in materials, labor, or real property as applied to projects in the required projects list.



- The cost index must consider average change in costs in materials, labor, or real property and must be an index published for purposes other than SDC rate setting.

The notification requirements for changes to the fees that do represent a modification to the methodology are 90-day written notice prior to the first public hearing, with the SDC methodology available for review 60 days prior to the public hearing.

### **Alternative Methodology Approaches**

There are three basic approaches used to develop improvement fee SDCs:

1. **Standards-Driven Approach:** The “standards-driven” approach is based on the application of Level of Service (LOS) standards for facilities such as treatment plant, collection lines, etc. Facility needs are determined by applying the LOS Standards to projected future demand, as applicable. SDC-eligible amounts are calculated based on the costs of facilities needed to serve growth. This approach works best where LOS standards have been adopted but no specific list of projects is available.
2. **Improvements-Driven Approach:** The “improvements-driven” approach is based on a specific list of planned capacity-increasing capital improvements. The portion of each project that is attributable to growth is determined and the SDC-eligible costs are calculated by dividing the total costs of growth-required projects by the projected increase in future demand, as applicable. This approach works best where a detailed master/facility plan or project list is available and the benefits of projects can be readily apportioned between growth and current users.
3. **Combination/Hybrid Approach:** The combination/hybrid-approach includes elements of both the “improvements-driven” and “standards-driven” approaches. LOS standards may be used to create a list of planned capacity-increasing projects and the growth requirement portions of projects are then used as the basis for determining SDC eligible costs. This approach works best where LOS has been identified and the benefits of individual projects are not easily apportioned between growth and current users.

### **Overview of Methodology**

The general methodology used to calculate a SDC is discussed below. It begins with an analysis of system planning and design criteria to determine growth’s capacity needs and how they will be met through existing system available capacity and capacity expansion. The capacity to serve growth is then valued to determine the “cost basis” for the SDCs. This cost is then spread over the total growth capacity units to determine the system wide unit costs of capacity. The cost basis is divided by the total growth units to be served by both available and new capacity, in order to establish a weighted average cost of capacity.

### **Section 3: Wastewater SDC Methodology**

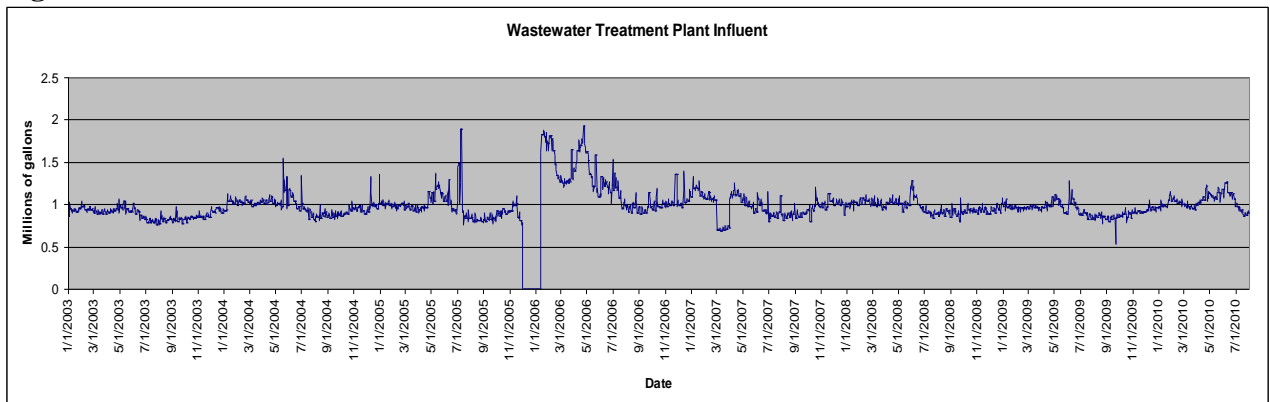
This section of the SDC methodology report presents the assumptions and analysis process utilized to establish the basis to calculate the SDC fees to be considered. The combination/hybrid approach has been used to develop the updated wastewater SDC methodology. This analysis includes the following items:

- Identify existing and future demands on the wastewater facilities.
- Establish the remaining capacity of the City’s existing wastewater system infrastructure to serve future users.
- Establish a Capital Improvement Plan (CIP) to document planned wastewater system improvement projects to serve future growth.

The 2010 Updated Wastewater Facilities Plan (Plan) includes a detailed inventory of existing City facilities in Chapter 3. Chapter 3 also provides an analysis of wastewater treatment alternatives and recommends and identifies specific additions to collection infrastructure and treatment facilities needed to meet City needs through the year 2030 and beyond. This plan, as well as the 2005 Wastewater Master Plan Update, indicate that the need for additional treatment facilities may be reduced if “flow” to the treatment plant is reduced by rehabilitating leaking collection lines and manholes. By “slip-lining” and rehabilitating existing infrastructure, the amount of water entering the existing system through infiltration and inflow (I&I) will be reduced and existing capacity may be used to serve future growth.

The last update to the wastewater SDC, completed on June 30, 2007, analyzed the potential benefits of I&I reduction related to meeting future demands. At the time that document was complete; the Wastewater Treatment Plant was experiencing influent flows at a rate of 315 gallons per day (gpd) per Equivalent Dwelling Unit (EDU). It was determined that that rate could be lowered to 260 gpd/EDU by reducing I&I through slip-lining projects and manhole rehabilitation. A slip-lining and manhole rehabilitation effort was undertaken in the spring of 2006. Figure 1 shows that these efforts have been successful:

**Figure 1:**



Recent calculations show that the influent inflow rate has been reduced to 260 gpd per EDU. Ongoing and future I&I efforts are discussed later in this document.

Necessary facility improvements identified in the Plan will be included as projects in the City's Wastewater 5-year CIP. Projects will be added to the CIP as the expected need for them occurs based upon updated actual and projected development activity.

Additionally, slip-lining improvements and other significant repair and maintenance capital improvements that extend the useful life of the system will be included in the City's 5-year repair and maintenance CIP based upon available funding and capacity to complete projects. The 5-year CIP schedules will be reviewed and updated annually.

### **Essential Nexus**

Wastewater facilities benefit City residents, businesses, their employees and customers and visitors. The methodology used to update the City's wastewater SDC establishes the required "essential nexus" between a specific project's impacts and the SDC by identifying specific types of wastewater facilities and analyzing the proportionate need of each type of facility for use by each type of development. The SDCs to be paid by a development meet the "rough proportionality" requirement because they are based on the nature of the development and the extent of the impact of the development on the types of treatment and collection facilities for which they are charged. The evaluation best supports a wastewater SDC that is based on an Equivalent Dwelling Unit (EDU).

Wastewater SDCs may be charged to both residential and non-residential developments. Each residential unit represents a single EDU. Multi-family developments utilize a discounted EDU factor resulting from less water entering the wastewater system per living unit. Non-residential development requires an analysis of the water used and directed to the wastewater system and equates that use to that of an EDU.

**Section 4: System Development Charge Calculations**

**Existing and Future Connections to the Wastewater System**

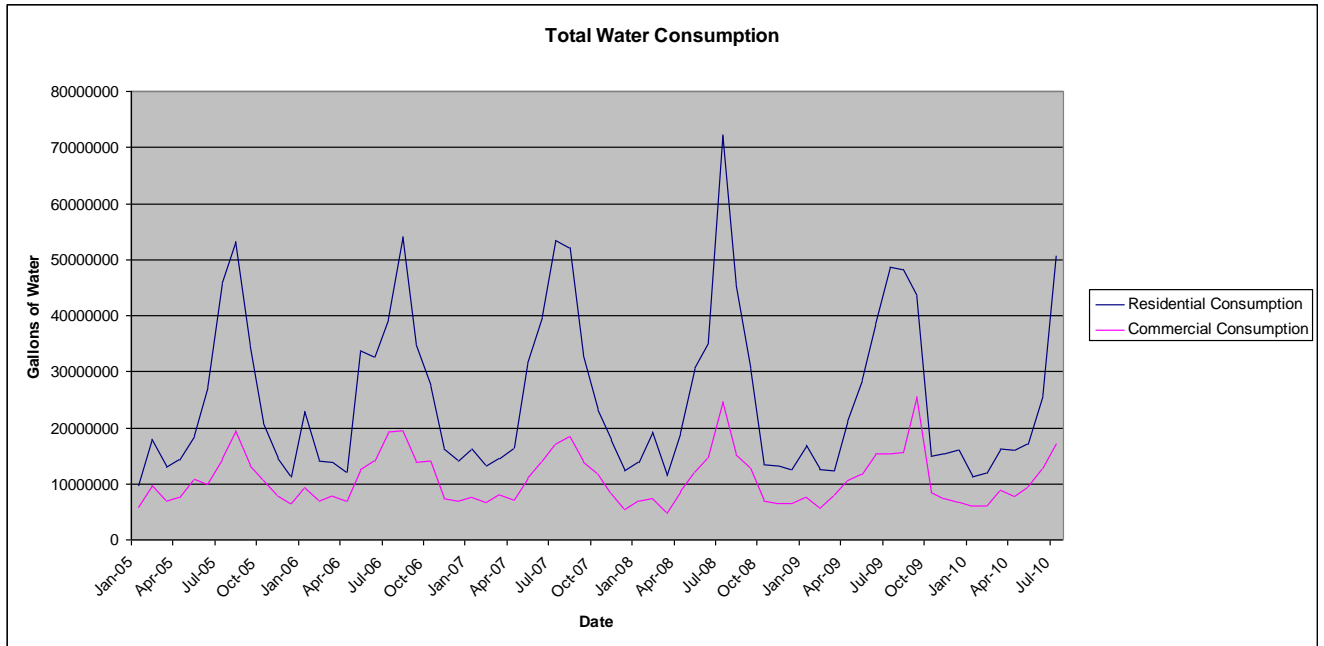
The “build-out” population of the City of Prineville Urban Growth Boundary (UGB) has been projected to reach 36,000 people (Plan, Chapter 2). As Table 1 shows, there are currently 3,652 connections to the City’s wastewater facilities. The number of connections is expected to increase to 13,484 connections as the City reaches the build-out population of the UGB.

**Table 1:  
Connections to the Wastewater System as of 9/15/2010**

<u>Code</u>	<u>Description</u>	<u># of connections</u>
S01	Senior	190
S02	Crook County RV Park (81 spots)	1
S03	Commercial	407
S04	Commercial Usage Dependent	59
S06	Residential	2975
S07	2nd additional meter (volume included in S04)	11
S08	3rd additional meter (volume included in S04)	4
S09	Well meter for sewer charge	1
S10	No Charge	4
		<b>3652</b>
	Current population served by WWTP	9,750
	Current connections to system	3,652
	people per connection	2.67
	Build out population	36,000
	people per connection	2.67
	Total future connections	<b>13,484</b>

To determine how many EDUs are currently connected to the existing wastewater facilities and how many will be connected with the build-out of the UGB, residential water usage was compared to commercial and industrial water usage as shown Figure 2.

**Figure 2:**



To determine how many commercial and industrial EDUs are connected to the existing wastewater facilities, wintertime (November – February) residential water usage was compared to wintertime commercial and industrial water usage. Wintertime usages were compared as the majority of water used during this time period is for domestic usage, with very little irrigation usage. Residential wintertime usage was reviewed for the last 5 years and it was determined that the average residential EDU uses 5,081 gallons of water per month, as shown in Table 2.

**Table 2:**

**Nov-Feb Residential Water Usage**

Date	Average number of connections	Total consumption	Average monthly consumption per connection (gal)
2005/06	2,773	62,813,250	5,663
2006/07	2,887	59,655,000	5,166
2007/08	2,952	63,039,000	5,339
2008/09	2,965	55,070,250	4,644
2009/10	2,976	54,651,000	4,592
			<b>5,081</b>
			5 year average

To determine how many commercial and industrial EDUs are connected to the existing wastewater facilities, the residential average wintertime EDU usage factor of 5,081 gallons per month was compared against the commercial and industrial wintertime usage. It was determined that there are currently 1,385 commercial and industrial EDUs connected to the Wastewater facilities, as shown in Table 3:

**Table 3:****Nov-Feb Commercial Water Usage**

Date	Average number of connections	Total consumption	Average consumption per month	Equivalent EDUs at 5,018 gal per month
2005/06	461	30,444,750	7,611,188	1,517
2006/07	479	28,727,250	7,181,813	1,431
2007/08	483	27,796,500	6,949,125	1,385
2008/09	485	25,942,500	6,485,625	1,292
2009/10	485	26,135,250	6,533,813	1,302
			6,952,313	1,385

5 year average

Wintertime usage of the “No Charge” accounts was reviewed and compared against the average residential wintertime usage to determine that the “No Charge” accounts equate to 34 EDUs, as shown in Table 4.

**Table 4:****No Charge Accounts**

8	Meadow Lakes
15	Fairgrounds
5	Police Dept
2	City Hall
2	Railroad shop and office
2	Public Works
34	additional EDUs

The preceding information was used to determine that there are currently 4,636 EDUs connected to the existing wastewater facilities, as shown in Table 5.

**Table 5:****Current EDU Calculations**

<u>Code</u>	<u>Description</u>	<u># of connections</u>	<u>EDU's</u>
S01	Senior	190	190
S02	RV Park (81 spots)	1	50
S03	Commercial	407	1385
S04	Com-Dependant	59	
S06	Residential	2975	2975
S07	2nd additional meter (volume included in S04)	11	
S08	3rd additional meter (volume included in S04)	4	
S09	Well meter for sewer charge	1	2
S10	No Charge	4	34
		3652	4636

This information was then used to determine that 12,484 EDUs are expected to connect to the wastewater facilities with the build-out of the UGB, as shown in Table 6.

**Table 6:**

<b>Future EDU Estimations</b>	
9,750	Current population served by WWTP
<u>36,000</u>	Build out population
3.69	Population increase
4,636	Current EDU's on system
<u>3.69</u>	Population increase
17,118	EDU's on system at build out
4,636	Current EDU's on system
<u>12,482</u>	EDUs to come on line

**Reimbursement Fee Basis**

The reimbursement fee provides income from new users to help pay for unused capacity in the existing wastewater facilities.

Collection System:

As discussed in the Plan (Chapter 3), there are numerous bottlenecks in the existing collection system and pipes in extensive portions of the system that are flowing near full. There is little or no reserve capacity available to support additional wastewater flows. In an effort to prevent future sanitary overflow discharges related to surcharged sewer lines, the collection system will be assumed to be fully allocated and there will be no reimbursement SDC associated with the existing wastewater collection system.

Existing Wastewater Treatment Plant (WWTP):

Table 7 provides the calculation methodology to determine the reimbursement for existing treatment facilities given current conditions (260 gpd/EDU). Review of inflow to the WWTP resulted in the determination that the average influent rate at the WWTP is 1,200,000 gallons per day. This calculation shows that there is a remaining treatment capacity at the WWTP of 470,000 gallons per day. This equates to 1,808 additional EDUs that can be served by the existing WWTP.

**Table 7:**

<b>Reimbursement Fee Basis</b>	
1,200,000	Current inflow to plant
<u>4,636</u>	Current EDU's on system
259	gallons per EDU
1,670,000	Current treatment capacity
<u>1,200,000</u>	Current inflow to system
470,000	Available capacity at 260 gal per edu
1,808	edu's can be served by existing system at 260 gal per day

Due to the reduced utilization of existing treatment capacity as a result of I&I work and the associated reduced gpd/EDU, a greater amount of the existing facilities costs are recovered through reimbursement, totaling \$1,074/EDU as shown in Table 8.

**Table 8:**

<b>Wastewater Treatment - Reimbursement</b>	
\$14,000,000	2006 treatment plant expansion (570,000 gal day)
\$2,659,984	Debt service paid thru 9/1/2010
<u>(\$401,000)</u>	Debt service reserve
\$16,258,984	Net treatment plant cost
82%	Percentage remaining capacity at 260 gal per edu
\$13,406,531	Dollar allocation - remaining capacity
12,482	Future EDUs
<b>\$1,074</b>	<b>Reimbursement - Existing Treatment</b>

### **Capital Improvement Fee Basis**

The capital improvement fee provides income from new users to assist the City in funding projects required to meet the needs of a growing community due to additional development.

#### **Slip-lining:**

As discussed previously, the City of Prineville included funds in the last wastewater SDC methodology report to combat I&I issues. Since that time, a proactive collection system maintenance and rehabilitation program has been initiated with 2,100 feet of the worst leaking collection lines being slip-lined and 25 manholes rehabilitated. This has led to a reduction in flows from 315 gpd/EDU to 260 gpd/EDU. The reduction of I&I has resulted in a significant reduction in the daily flow to the WWTP, thereby significantly increasing the number of EDUs that may be served with the existing infrastructure. With the inherently high water table within the Ochoco Valley and an aging collection system, it is important to continue efforts related to I&I reduction. Continuation of the proactive collection system maintenance and rehabilitation program is recommended in order to maintain the City's investment in the collection system and delay the need for wastewater plant expansions.

In 2006, the City conducted an inventory of existing wastewater collection pipe suitable for slip lining and developed a list of manholes that would benefit from rehabilitation. Subsequently, an independent cost estimate was secured. The results of the inventory and updated cost estimate are provided in Table 9, resulting in a reimbursement of \$232/EDU.



**Table 9:**

**Slip Lining Cost Schedule**

Inventory of AC/Concrete pipe 10/23/2006

<u>Description</u>	<u>Lineal Feet</u>	
8-inch AC	42,186	
10-inch AC	4,911	
12-inch AC	2,373	
15-inch AC	707	
8-inch concrete	26,665	
10-inch concrete	3,035	
15-inch concrete	2,350	
18-inch concrete	2,490	
	<u>84,717</u>	
Lineal feet slip lined 2007	<u>(2,100)</u>	
	82,617	
Cost per lineal foot	<u>\$45.00</u>	
	\$3,717,765	
Manholes-AC	167	
Manholes-concrete	115	
	<u>282</u>	
Manholes rehabilitated 2006	<u>(25)</u>	
Manholes requiring rehabilitation	257	
Cost per manhole	<u>\$1,000</u>	
	\$257,000	
Total Cost	\$3,974,765	
	<u>Allocation of Slip Lining Cost</u>	
	<u>EDUs</u>	<u>Percent</u>
Current users	4,636	27%
New users	12,482	73%
	<u>17,118</u>	<u>100%</u>
New user allocation	\$2,898,295	
New users	12,482	
	\$232	Improvement - Slip Lining

**Treatment:**

A treatment CIP was developed as part of the Plan and may be found in Table E-2 of the Plan. As shown in Table 10, the SDC improvement fee associated with expansions to the WWTP is \$989/EDU.

**Table 10:**

**Wastewater Treatment - Improvement**

\$12,350,000 wetland cost

12,482 future EDUs

**\$989 Improvement - Treatment**

Collection:

A collection CIP was developed as part of the Plan and may be found in Chapter 3. Table 11 provides a schedule of collection system improvements and associated cost adjusted for inflation. As shown below, the SDC improvement fee associated with expansion of the wastewater collection system is \$1,394/EDU.

**Table 11:**

**Collection System - Improvement**

\$606,667 Railroad Sewer

\$2,073,051 North Interceptor Sewer

\$178,892 Pinkard Lane Sewer

\$3,930,120 Swamp Sewer

\$902,794 Colson & Colson Sewer

\$3,239,025 Melrose - Bailey Sewer

\$5,938,790 Rimrock Park Sewer

\$16,869,339 Interceptor Sewer Costs

8,431.30 Nov 2005 CCI (Wastewater Master Plan Date)

8,697.82 Sept 2010 CCI

3.16% Percentage increase in Seattle CCI

\$17,402,592 Updated Interceptor costs

12,482 future EDUs

**\$1,394 Improvement - Collection System**

**Section 5: Summary:**

The City of Prineville’s growth will require a combination of techniques, including system development charges and other funding mechanisms, to pay for the capital facilities required to serve the wastewater needs of current and future residents. The City’s wastewater facility needs and the CIP should be reviewed and updated at least once every two years. A cost adjustment index should continue to be used to adjust the system development charges annually to reflect changes in costs for land and construction. The SDC methodology should also be updated when significant changes are made to the facility plan or CIP.

The maximum wastewater SDC for current conditions is calculated to be \$3,874.54, as shown in Table 12.

**Table 12:**  
**Wastewater System Development Charge**

Total cost of projects to be funded with SDCs	\$46,057,418
New users	<u>12,482</u>
	\$3,690
Administration (5%)	<u>\$184</u>
	\$3,874
	Cost per
	<u>EDU</u>
Reimbursement Fee	
Treatment	<u>\$1,074.11</u>
Reimbursement Total	\$1,306.31
Improvement Fee	
Slip Lining	\$232.20
Treatment expansions	\$989.46
Collection improvements	<u>\$1,394.27</u>
Improvement Total	\$2,383.73
Administration (5%)	\$184.50
Total	<u>\$3,874.54</u>

<b>Exhibit B</b>						
<b>Rate Schedule 10-11</b>						
<b>Changes to SDC Charges</b>						
			<b>Base 10-11</b>			
			<b>Charge</b>	<b>Additional Charges / Comments</b>		
<b>2.18.3</b>	Wastewater SDC Fees					
2.18.3.1	3/4" meter (1 EDU) - max. 260 gpd		<b>3,874.54</b>			
	Improvement Fee					
2.18.3.1.1	Treatment expansion		<b>989.46</b>	<b>25.54%</b>		
2.18.3.1.2	Collection improvements		<b>1,394.27</b>	<b>35.99%</b>		
2.18.3.1.3	I & I reduction improvements		<b>232.20</b>	<b>5.99%</b>		
	Reimbursement fee					
2.18.3.1.4	Treatment		<b>1,074.11</b>	<b>27.72%</b>		
2.18.3.1.5	Administration Fee		<b>184.50</b>	<b>4.76%</b>		
	<b>Total Wastewater SDC</b>		<b>3,874.54</b>			
2.18.3.2	1.5" meter (5 EDU) - max. 1,300 gpd		<b>19,372.70</b>		Percentage breakdown above applies to all meter sizes	
2.18.3.3	2" meter (8 EDU) - max. 2,080 gpd		<b>30,996.32</b>		Percentage breakdown above applies to all meter sizes	
2.18.3.4	3" meter (16 EDU) - max. 4,160 gpd		<b>61,992.64</b>		Percentage breakdown above applies to all meter sizes	
2.18.3.5	4" meter (25 EDU) - max 6,500 gpd		<b>96,863.50</b>		Percentage breakdown above applies to all meter sizes	
2.18.3.6	6" meter (50 EDU) - max. 13,000 gpd		<b>193,727.00</b>		Percentage breakdown above applies to all meter sizes	
2.18.3.7	Per Additional 260 gallons per day (gpd) over maximum		<b>3,874.54</b>		Percentage breakdown above applies to all meter sizes	