

**ARCH CAPE WATER DISTRICT
SYSTEM DEVELOPMENT CHARGE UPDATE**

May 2011

INTRODUCTION:

The Arch Cape Water District last updated the text of the Water System Development Charges (SDC) in 2004 including adoption of an updated Capital Improvement Plan and administrative provisions to assure compliance with state statutes. Subsequently, adjustments have been made to the fees in accordance with escalation of the Engineering News Record (ENR) Construction Cost Index (CCI) to account for increased cost of construction and the value of existing improvements.

This current update is intended to supplement the information in the adopted SDC to account for construction of the recently completed Water Treatment Plant and distribution system improvements, and to adjust the cost of current construction estimates and connection charges. The Engineering News Record (ENR) Construction Cost Index (CCI) used in this update is 9,027 for April, 2011, which is a 26.7% increase over the July 2004 index of 7,126.

CAPITAL IMPROVEMENT PLAN:

The following table summarizes the remaining capital improvements required to support build-out of the community. Based on limitations by Clatsop County, build-out of the distribution system is defined as a total of 480 single family residential units, or Equivalent Dwelling Units (EDU).

2011 WATER SYSTEM CAPITAL IMPROVEMENT PLAN			
No.	Project	2011 Estimated Cost	Schedule
1.	Water Source Acquisition Assessment	\$19,000	11-20 Yrs.
2.	Water Source: Well / Land Acquisition / Pipeline Easements	\$500,000	11-20 Yrs.
3.	Replacement Reservoir	\$250,000	11-20 Yrs.
4.	Distribution System Upsizing	\$25,000	1-20 Yrs
	TOTAL IMPROVEMENTS	\$794,000	---

IMPROVEMENT FEE CALCULATION

To assure equity, the improvement fee is divided by the total build-out EDU of 480. When combined with a reimbursement fee based on the value of all existing improvements, this assures the costs allocated to future users is comparable the financial responsibilities placed on existing users. The Improvement Fee is calculated by dividing the total Capital Improvement Plan costs by the build-out capacity of the District to determine the cost per EDU:

$$\begin{aligned}
 \text{IMPROVEMENT FEE} &= \text{TOTAL CIP COST / EDU CAPACITY} \\
 \text{IMPROVEMENT FEE} &= \$794,000 / 480 \text{ EDU} \\
 \text{IMPROVEMENT FEE} &= \$1,650 \text{ Per EDU}
 \end{aligned}$$

REIMBURSEMENT FEE CALCULATION

The District has invested in a substantial number of infrastructure projects, with portions paid by government grants and debt service to various funding agencies. The following table inventories all capital improvements completed by the District to support the reimbursement fee, and allocates the cost to the total build-out population of 480 EDUs:

2011 WATER SYSTEM REIMBURSEMENT FEE SCHEDULE				
Utility Element	Current Value	Less Grant Funding	Net Value Remaining	Capacity EDUs
Dichter Creek Water Right Source	\$25,300	\$0	\$25,300	480
Asbury Creek Intake	\$285,000	\$0	\$285,000	480
Shark Creek Intake & Supply Line	\$305,000	\$0	\$305,000	480
Original Water Treatment Plant Facility	NA	\$0	\$200,000	480
2010 WTP & Distribution System Improvements	\$1,477,768	\$900,000	\$577,768	480
Reservoir Number 2	\$443,000	\$0	\$443,000	480
TOTALS	\$2,536,068	\$900,000	\$1,836,068	---

Reimbursement fees are calculated using the total value of the existing facility divided by the build-out capacity of 480 EDU:

$$\begin{aligned}
 \text{REIMBURSEMENT FEE} &= \text{NET VALUE / EDU CAPACITY} \\
 \text{REIMBURSEMENT FEE} &= \$1,836,068 / 480 \text{ EDU} \\
 \text{REIMBURSEMENT FEE} &= \$3,825 \text{ Per EDU}
 \end{aligned}$$

SDC FEE SUMMARY:

Total SDC charges for a single family residential EDU include the Improvement Fee and Reimbursement Fee:

$$\begin{aligned}
 \text{TOTAL 2011 SDC FEE} &= \text{Improvement} + \text{Reimbursement Fees} \\
 \text{TOTAL 2011 SDC FEE} &= \$1,650 + \$3,825 \\
 \text{TOTAL 2011 SDC FEE} &= \underline{\underline{\$5,475 \text{ Per EDU}}}
 \end{aligned}$$

CONNECTION CHARGE UPDATE:

The connection charge fees were inventoried in the 2004 SDC Update document and have remained unchanged since 2004. The following is an inventory of updated costs associated with installation of a 5/8" x 3/4" meter and new service connections, to be applied to all new services upon adoption of this SDC Update document:

ACWD 2011 CONNECTION CHARGE		
	CONNECTION ITEM	2011 Cost
1.	Meter Box	\$45.00
2.	Street Lid	40.00
3.	5/8" x 3/4" Meter	150.00
4.	Insert Stiffeners	6.00
5.	18 Ga Copper Wire	15.00
6.	Meter Setter	45.00
7.	3/4" Saddle	50.00
8.	Corporation Stop	18.00
9.	Poly Service Pipe	30.00
10.	Installation Labor & Equipment	225.00
	TOTAL	\$624.00