City of Union

Agenda

Council Work Session Meeting
Monday, February 10, 2025 @ 6:00 PM
Leonard Almquist Council Chambers, 342 S. Main St, Union, OR 97883

Water Sewer Rate Increases Overview

	Rate Last Yr.	Increase	Current Rate	1% Increase New Rate	1% Increase Per Month	1% Increase Per Year	2% Increase New Rate	2% Increase Per Month	2% Increase Per Year	3% Increase New Rate	3% Increase Per Month	3% Increase Per Year
Water Rate	$34.33	1%	$34.68	$35.03	$0.35	**$4.16**	$35.37	$0.69	**$8.32**	$35.72	$1.04	**$12.48**
Sewer Rate	$52.53	3%	$54.11	$54.65	$0.54	**$6.49**	$55.19	$1.08	**$12.99**	$55.73	$1.62	**$19.48**
Total					**$0.89**	**$10.65**		**$1.78**	**$21.31**		**$2.66**	**$31.96**

Sewer Fund Revenue and Expenditures

	2025-2026	2024-2025	2024-2025	2023-2024	2022-2023	2021-2022	2020-2021	2019-2020	
	Projection	Projection	July-Dec Current	Actual	Actual	Actual	Actual	Actual	
Taxes Estimated to Receive	$ 757,022.80	$ 677,649.26	$ 332,263.38	$ 598,275.71	$ 592,111.46	$ 602,542.00	$ 656,657.00	$ 634,554.40	
Interest	$ 10,810.34	$ 10,810.34	$ 4,567.83	$ 3,196.24	$ 2,295.18	$ 1,406.00	$ 1,260.00	$ 2,316.80	
Billed Labs	$ 760.00	$ 760.00	$ 380.00	$ 865.00	$ 2,365.00	$ 3,620.00	$ 2,630.00	$ 4,250.00	
Septic Fees	$ 50.00	$ 50.00	$ 25.00	$ 100.00	$ 165.00	$ -	$ -	$ 2,210.00	
Set-up Fees	$ 1,110.04	$ 1,110.04	$ 525.00	$ 1,150.00	$ 1,175.00	$ 1,275.00	$ 1,368.00	$ 1,825.00	
Installation Fees	$ 4,198.82	$ 4,198.82	$ 1,900.00	$ 11,150.00	$ 1,800.50	$ 13,336.00	$ 5,042.00	$ 12,968.04	
Misc Revenue	$ 3,477.77	$ 3,477.77	$ 1,149.14	$ 1,281.19	$ 17,236.50	$ 1,203.00	$ 7,205.00	$ 8,572.61	
Operating Revenue	$ 777,429.78	$ 698,056.24	$ 340,810.35	$ 616,018.14	$ 617,148.64	$ 623,382.00	$ 674,162.00	$ 666,696.85	
Rate increase	3%	3.00%	3.00%	2.00%	3.00%	Re-Work	0.00%		
Increase in Sewer Fees	$ 79,373.55	$ 79,373.55		$ 6,164.25	$ (10,430.54)	$ (54,115.00)	$ 22,102.60		
Operating Expenses	$ 459,390.94	$ 441,722.06	$ 220,861.03	$ 331,778.76	$ 340,908.60	$ 316,810.00	$ 327,613.00	$ 328,564.95	
Sewer Debt Fund	$ 177,000.00	$ 177,000.00	$ 88,500.00	$ 177,000.00	$ 177,000.00	$ 183,732.00	$ 185,107.00	$ 187,585.00	
Transfer To	$ 107,000.00	$ 107,000.00	$ 53,500.00	$ 103,500.00	$ 144,762.43	$ 147,000.00	$ 197,000.00	$ 197,000.00	
Total Expenditures	$ 743,390.94	$ 725,722.06	$ 362,861.03	$ 612,278.76	$ 662,671.03	$ 647,542.00	$ 709,720.00	$ 713,149.95	
Revenues less Exp	$ 34,038.84	$ (27,665.82)		$ 3,739.38	$ (45,522.39)	$ (24,160.00)	$ (35,558.00)	$ (46,453.10)	
Beginning Balance	$ 207,133.86	$ 209,799.68	$ 184,799.68	$ 181,060.30	$ 226,582.69	$ 250,743.00	$ 286,301.00	$ 332,754.10	
Ending balance	$ 241,172.70	$ 207,133.86		$ 184,799.68	$ 181,060.30	$ 226,583.00	$ 250,743.00	$ 286,301.00	
								$ -	
Drop in Fund Balance	$ 34,038.84	$ (2,665.82)		$ 3,739.38	$ (45,522.39)	$ (24,160.00)	$ (35,558.00)	$ (46,453.10)	$ (125,620.24)

	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34
Wastewater Department Budget Projections										
1 Projected Department Revenue	650,000	689,000	730,000	773,000	819,000	868,000	920,000	975,000	1,033,000	1,094,000
2 Annual Operating costs	603,000	628,000	654,000	681,000	709,000	738,000	768,000	637,714	654,768	688,768
3 Prior Year Carryover	395,000	224,500	184,500	85,500	47,500	13,500	49,500	94,500	349,786	592,018
4 Amount Available for Project Funding	442,000	285,500	260,500	177,500	157,500	143,500	201,500	431,786	728,018	997,250
Project Funding Allocations						Year				
Collection System	1	2	3	4	5	6	7	8	9	10
1 Main Line Collection Piping Inspections		10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
2 Main Line Collection Piping Repari/Replacement	52,000	26,000	75,000	53,000		84,000	97,000		111,000	
3 Oregon Street Lift Station Standby Power					70,000					
Treatment Plant										
1 Clarifier Maintenance and Repair (Repaint)	65,500									
2 SBC/RBC Cleaning	20,000									
3 Chlorine Contact Chamber Slide Gate and Concrete Repair				37,000						
4 Blower System - Upgrade to Increase Efficiency					64,000			72,000		
5 Impure Water System - Replace Pumps		15,000								
6 SCADA Telemetry Upgrades (Work in Progress)	80,000	50,000	90,000						15,000	
7 Aerobic Digesters - Add Level Sensor and Pump Controls				30,000						
Golf Course Effluent and Irrigation System										
1 Golf Course Pump and Irrigation System Contingency										71,000
Sludge Disposal										
1 Sludge Truck - Replace Truck										
Total Yearly Improvements Cost	217,500	101,000	175,000	130,000	144,000	94,000	107,000	82,000	136,000	81,000
Year-End Carryover	224,500	184,500	85,500	47,500	13,500	49,500	94,500	349,786	592,018	916,250

6% rate increase annually
4% increase in costs annually
Debt Payment Corrected

	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34
Wastewater Department Budget Projections										
1 Projected Department Revenue	650,000	669,500	689,585	710,273	731,581	753,528	776,134	799,418	823,401	848,103
2 Annual Operating costs	603,000	628,000	654,000	681,000	709,000	738,000	768,000	637,714	654,768	688,768
3 Prior Year Carryover	395,000	224,500	165,000	25,585	-75,142	-196,562	-275,034	-373,900	-294,196	-261,563
4 Amount Available for Project Funding	442,000	266,000	200,585	54,858	-52,562	-181,034	-266,900	-212,196	-125,563	-102,228
Project Funding Allocations						Year				
Collection System	1	2	3	4	5	6	7	8	9	10
1 Main Line Collection Piping Inspections		10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
2 Main Line Collection Piping Repari/Replacement	52,000	26,000	75,000	53,000		84,000	97,000		111,000	
3 Oregon Street Lift Station Standby Power					70,000					
Treatment Plant										
1 Clarifier Maintenance and Repair (Repaint)	65,500									
2 SBC/RBC Cleaning	20,000									
3 Chlorine Contact Chamber Slide Gate and Concrete Repair				37,000						
4 Blower System - Upgrade to Increase Efficiency					64,000			72,000		
5 Impure Water System - Replace Pumps		15,000								
6 SCADA Telemetry Upgrades (Work in Progress)	80,000	50,000	90,000						15,000	
7 Aerobic Digesters - Add Level Sensor and Pump Controls				30,000						
Golf Course Effluent and Irrigation System										
1 Golf Course Pump and Irrigation System Contingency										71,000
Sludge Disposal										
1 Sludge Truck - Replace Truck										
Total Yearly Improvements Cost	217,500	101,000	175,000	130,000	144,000	94,000	107,000	82,000	136,000	81,000
Year-End Carryover	224,500	165,000	25,585	-75,142	-196,562	-275,034	-373,900	-294,196	-261,563	-183,228

3% rate increase annually

4% increase in costs annually

Water Fund Revenues and Expenditures

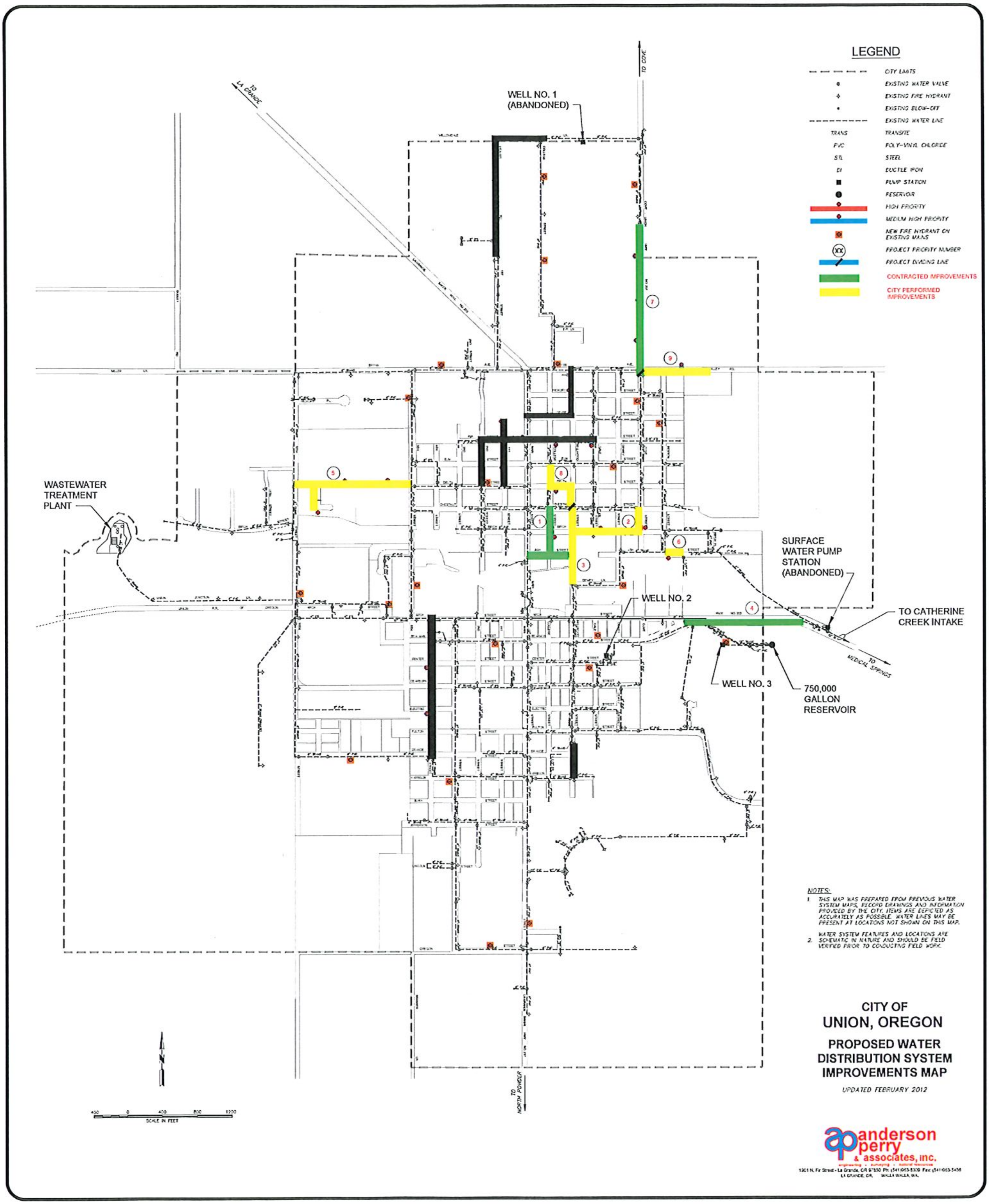
	2025-2026 Projection	2024-2025 Projection	2024-2025 July-Dec Current	2023-2024 Actual	2022-2023 Actual	2021-2022 Actual	2020-2021 Actual	2019-2020 Actual
Taxes Estimated to Receive	$ 647,586.61	$ 605,925.42	$ 297,095.92	$ 592,038.36	$ 589,160.44	$ 514,074.00	$ 382,509.00	$ 334,654.10
Interest			$ 11,537.62	$ 3,196.24	$ 2,295.18	$ 1,406.00	$ 1,246.00	$ 2,286.95
Water Project User Fees		$ -	$ -	$ -		$ 19,046.00	$ 76,035.00	$ 75,507.01
Set-up Fees	$ 1,215.76	$ 1,215.76	$ 575.00	$ 1,175.00	$ 1,175.00	$ 1,275.00	$ 1,418.00	$ 1,775.00
Installation Fees	$ 12,729.07	$ 12,729.07	$ 5,760.00	$ 11,820.00	$ 4,701.55	$ 16,739.00	$ 17,706.00	$ 2,210.00
IFA Loan/Grant				$ -		$ -	$ -	$ -
Misc Revenue	$ 4,346.31	$ 4,346.31	$ 1,405.13	$ 2,096.39	$ 8,357.48	$ 3,990.00	$ 1,422.00	$ 9,079.99
Transfers In				$ -	$ 2,238.57	$ 3,750.00	$ -	$ -
Operating Revenue	$ 665,877.75	$ 624,216.56	$ 316,373.67	$ 610,325.99	$ 607,928.22	$ 560,280.00	$ 480,336.00	$ 425,513.05
Rate increase	3.00%	1.00%	1.00%	1.00%	3.00%	Re-Work	2.50%	
Increase in Water Usage Fees	$ 41,661.19	$ 13,887.06		$ 2,877.92	$ 75,086.44	$ 131,565.00	$ 47,855.00	
Operating Expenses	$ 413,080.22	$ 397,192.52	$ 198,596.26	$ 307,222.71	$ 293,909.78	$ 314,079.00	$ 292,617.00	$ 282,204.09
Transfer To	$ 207,000.00	$ 207,000.00	$ 103,500.00	$ 142,000.00	$ 172,000.00	$ 118,250.00	$ 147,000.00	$ 72,000.00
Contingency				$ -				
Total Expenditures	$ 620,080.22	$ 604,192.52	$ 302,096.26	$ 449,222.71	$ 465,909.78	$ 432,329.00	$ 439,617.00	$ 354,204.09
Revenues less Exp	$ 45,797.53	$ 20,024.04	$ 14,277.41	$ 161,103.28	$ 142,018.44	$ 127,951.00	$ 40,719.00	$ 71,308.96
Loss With 0%		$ 6,136.98						
Beginning Balance	$ 710,092.76	$ 690,068.72	$ 690,068.72	$ 528,965.44	$ 386,947.00	$ 258,996.00	$ 218,277.00	$ 146,968.04
Ending Balance	$ 755,890.29	$ 710,092.76	$ 739,346.13	$ 690,068.72	$ 528,965.44	$ 386,947.00	$ 258,996.00	$ 218,277.00
Gain in Fund Balance	$ 45,797.53	$ 20,024.04	$ 49,277.41	$ 161,103.28	$ 142,018.44	$ 127,951.00	$ 40,719.00	$ 71,308.96

Water Reserve		
	Reserve Balance 1/13/25	$ 602,720.28
	Transfer from Water Fund	$ 175,000.00
		$ 777,720.28
	Contracted Improvements	
4	Slip Line Arch Street	$ 695,000.00
1	N. College St. Water Line Replacement from Ash to Chestnut and E. Ash St. from Main to Bellwood	$ 372,500.00
7	Highway 237 - Bryan Street to 1832 Cove Street	$ 662,500.00
		$ 1,730,000.00

Notes: Update Master Plan that was done in 2011

Inventory for lead and copper lines from mainlines to residences was completed this Fall

Receives a transfer from water fund each year.


LEGEND
CITY LIMITS
EXISTING WATER VALVE
EXISTING FIRE HYDRANT
EXISTING BLOW-OFF
EXISTING WATER LINE
TRANS
TRANSITE
PVC
POLY-VINYL CHLORIDE
STL
STEEL
DI
DUCTILE IRON
PUMP STATION
RESERVOIR
HIGH PRIORITY
MEDIUM HIGH PRIORITY
NEW FIRE HYDRANT ON EXISTING MAINS
XX
PROJECT PRIORITY NUMBER
PROJECT DIVIDING LINE
CONTRACTED IMPROVEMENTS
CITY PERFORMED IMPROVEMENTS
TO LA GRANDE
TO COVE
WELL NO. 1 (ABANDONED)
WASTEWATER TREATMENT PLANT
SURFACE WATER PUMP STATION (ABANDONED)
WELL NO. 2
TO CATHERINE CREEK INTAKE
TO MEDICAL SPRINGS
WELL NO. 3
750,000 GALLON RESERVOIR
TO NORTH POWDER
1
2
3
4
5
6
7
8
9
400
0
400
800
1200
SCALE IN FEET
NOTES:
1. THIS MAP WAS PREPARED FROM PREVIOUS WATER SYSTEM MAPS, RECORD DRAWINGS AND INFORMATION PROVIDED BY THE CITY. ITEMS ARE DEPICTED AS ACCURATELY AS POSSIBLE. WATER LINES MAY BE PRESENT AT LOCATIONS NOT SHOWN ON THIS MAP.
2. WATER SYSTEM FEATURES AND LOCATIONS ARE SCHEMATIC IN NATURE AND SHOULD BE FIELD VERIFIED PRIOR TO CONDUCTING FIELD WORK.
CITY OF
UNION, OREGON
PROPOSED WATER DISTRIBUTION SYSTEM IMPROVEMENTS MAP
UPDATED FEBRUARY 2012
anderson perry & associates, inc.
engineering • surveying • natural resources
1901 N. Fir Street • La Grande, OR 97850 Ph. (541) 963-8309 Fax (541) 963-5456
LA GRANDE, OR. WALLA WALLA, WA.

2024 RATE LIST (effective April 1, 2024)

METER SIZE	BASE RATE/MONTH	BASE CUBIC FEET ALLOWED	SEWER RATE BASE
¾ inch	$34.68	up to 1000	$ 54.11
1 inch	$78.81	up to 2000	$108.22
1 ½ inch	$157.61	up to 4000	$216.43
2 inch	$262.68	up to 8000	$432.85
3 inch	$420.29	up to 16000	$865.70

Base rate prior to any water use $98.79 (includes EMS rate of $10.00)

Each cubic foot is .005 per cubic foot allowed
Each cubic foot over allowed is .0125 per cubic foot

CITY OF UNION
RESOLUTION NO. 2024-04

A RESOLUTION ADJUSTING WATER AND WASTEWATER RATES EFFECTIVE APRIL 1, 2024

WHEREAS, administration for the City of Union has reviewed water and wastewater revenues and expenditures over the past year; and,

WHEREAS, administration has found that water revenues have remained strong, but are beginning to show signs of falling behind due to a substantial increase of supplies over the year; and,

WHEREAS, administration has found wastewater revenues have not been keeping up with the current rate of inflation on supplies; and,

WHEREAS, administration advises that wastewater rates and water rates need an increase, but not at the set rates as defined in Ordinance 50.068(F)(7); and,

WHEREAS, administration believes the rates of water need a small adjustment of 1% and wastewater rates need a slightly larger adjustment of 3%.

NOW, THEREFORE, the City Council, in regular assembly, does hereby declare and resolve the proposed changes shall be applied to the City of Union water and wastewater rates:

1. 3% increase per each REU (Resident Equivalent Unit) category on wastewater
2. 1% increase per each REU (Resident Equivalent Unit) category on water
3. Rates shall take effect on the April billing cycle.

ADOPTED by 4 members of the Common Council voting therefore and approved by the Mayor of the City of Union, this 11th day of March 2024.

Approved:

Susan Hawkins

Susan Hawkins, Mayor

Attest:

Celeste Tate

Celeste Tate, City Administrator

CITY OF UNION
STATE OF OREGON

In the Matter of Revising and
Updating Union City Code Sections
Relating to Sewer and Water Charges

ORDINANCE NO. 563

WHEREAS the City of Union provides sanitary sewer and water service to City residents; and

WHEREAS calculation of how the City of Union charges for such utility services needs revisions and updating in order to maintain the current level of services while operating in a fiscally reasonable manner; and

NOW, THEREFORE the City Council of City of Union amends Union City Code Chapter Section 50.068 as follows:

§ 50.068 METERS.

(F) Charges.

(1) Funds in excess of utility expenses. If revenues received from the imposition of water and sewer rates exceed expenses of the current operation, capital improvement costs and debt service for the water and sewer systems, the excess water and sewer revenues shall be held, respectively in the Water Reserve Fund and Sewer Reserve Fund, and the use of those funds shall be limited to the future maintenance, improvement and debt payment for the water and sewer systems, respectively.

(2) Water; residential equivalent unit.

(a) Except as provided following the chart below, the number of residential equivalent units (REUs) shall be determined by meter size, as follows:

Water Meter Size	Number of REUs	Allowable Consumption Included in Base Rate (Cubic Feet)	Base Water Rate Month	Base Sewer Rate Month
3/4-inch	1	0	$33	$50
1-inch	2	0	$75	$100
1 1/2-inch	4	0	$150	$200
2-inch	8	0	$250	$400
3-inch	16	0	$400	$800

(b) The number of residential equivalent units (REUs) for duplexes, triplexes, manufactured dwelling parks, multi-family dwelling and businesses with apartment where two or more dwelling units are served by a single meter, shall be the sum of the dwelling units served by that meter, irrespective of meter size.

(3) Water rates.

(a) All dwellings (REUs) using water from the City of Union will be required to have a three-fourths inch meter (or larger if required by special circumstances e.g., fire suppression system). The base rate water for residential service shall be $33 per month per residential equivalent unit (REU) as defined in this section, which base rate does not include charges for water usage.

(b) In addition to the base fee set forth in F(3)(a) the first 1000 cubic feet of water used per billing cycle shall be subject to a charge of $0.005 per cubic foot. Thereafter, water usage in excess of 1000 cubic feet shall be charged at the rate of $0.0125 per cubic foot, except during the time frame from June 1 to October 1, during which time the first 2000 cubic feet of water usage per billing cycle shall be charged $0.005 per cubic foot and charged $0.0125 per cubic foot used thereafter.

(4) Sewer rates.

(a) The residential equivalent unit (REU) for sewer is 725 cubic feet of effluent. Each additional REU used, such as by heavy industrial or commercial laundry use, for example, will be multiples of the REU rate like the water chart (division (F)(2)(a) above).

(b) The base rate for sewer service from the City of Union shall be $50 per month per residential equivalent unit (REU).

(c) Hotels, motels and RV parks will be charged one base rate for the business and pro-rated one-thirtieth per use day of rooms or hookups.

(5) Rates following disconnection.

(a) When water service to a lot, parcel, or unit has been disconnected, the account shall no longer be subject to any maintenance, the base rate, or usage charges. Users disconnecting services will be responsible only for paying a disconnect fee (turn off) and any water usage that has occurred since the last meter reading.

(b) Water or sewer service shall not be resumed without authorization from the City of Union, and the payment of any fees that may be due and owing including a fee for resumption of service or re-connection has been paid.

(c) Any property with water and sewer services that has been disconnected for a period greater than or equal to three years, shall pay system development charges, if any such charges are enacted in the interim, to reconnect service to the system.

(6) Rates: use of water no sewer or sewer no water.

(a) Those accounts receiving city water service but no sewer service will pay the amounts owed for water service as set forth in section (F)(3) above.

(b) Those accounts receiving city sewer service will pay full rates for sewer.

(7) Adjustments. For the purposes of this section, a 0% - 3.0% increase in the above rates in divisions (F)(3), (4), (5) and (6) above will be made yearly to keep the water and sewer rates current with increased cost of living

(a) A 1.5% increase will automatically go into effect on April 1 annually should council fail to address the rates as depicted in (F)(7)(b) below.

(b) The City Council shall review the current rate annually in January (but no later than March) and may increase rates as determined to be appropriate not to exceed 3.0%.

(c) In the event of an emergency defined as a major loss to the water or sewer system, the need to respond to an unfunded mandate of the State of Oregon or the U.S. Federal government, an act of God, terrorism or vandalism, Council may adjust the rates appropriately.

(d) The City Council is further authorized to decrease sewer rates, water rates, or both in the event the Council determines that such decrease will not reduce the current acceptable level of services.

(e) Notwithstanding the foregoing, or any provision of any ordinance of the City of Union, the City Council is hereby authorized to set or amend all water and sewer rates, and system development charges, by resolution.

(8) Special circumstances and requirements. For any utility rates not expressly provided for in this section, including but not limited to utility hookup charges, standby fire rates and contract rates, the City Council retains the authority to set rates by resolution.

(G) Effective date of metered rates. The rates herein provided to be paid and collected shall be effective for all collection periods beginning on and after the date on which the City Council, by resolution, established the beginning of metered charges

All previous Ordinances Effective date of metered rates. The rates herein provided to be paid and collected shall be effective for all collection periods beginning on and after the date on which the City Council, by resolution, established the beginning of metered charges.

(Ord. 421, passed 5-30-1990; Ord. 508, passed 6-28-2007; Ord. 545, passed 11-10-2014)

Effective Date. This Ordinance shall take effect on the 1 day of October 2021.

FIRST READING: August 9, 2021
SECOND READING: September 13, 2021
DATED this September 14, 2021
CITY OF UNION CITY COUNCIL

Mayor

Attest:

City Administrator/Recorder

CITY OF UNION RESOLUTIONS
RESOLUTION 2006-24

A RESOLUTION ESTABLISHING WATER AND SEWER SYSTEMS DEVELOPMENT CHARGES.

WHEREAS, the City Council enacted Ordinance 500 on 10 April 2006, enabling the development and promulgation of Systems Development Charges (SDCs) for water, wastewater, streets, flood control, and parks; and

WHEREAS, Ordinance No. 500 requires that the City Council establish by resolution the methodology for determining SDCs and the amount of the reimbursement and improvement components of each SDC charged, and the method by which the same will be indexed annually; NOW, THEREFORE

BE IT RESOLVED BY THE COMMON COUNCIL OF THE CITY OF UNION:

Section 1. The Council finds that the development and promulgation of Systems Development charges for Water and Wastewater are feasible and appropriate at this time, considering that master plans exist for both utilities (a Water Master Plan for water and a Facilities Plan for wastewater) with improvements to the system costed out and either planned (water) or completed (wastewater). The Council reserves the right to develop and promulgate Systems Development Charges for streets, parks, and flood control at a future date

Section 2. Systems Development Charges for water and wastewater shall be based on the values for existing plant and equipment owned by the City's Water and Sewer Departments, respectively, which are listed in Schedule A attached hereto. Schedule A provides the methodology for calculating Systems Development Charges required by Ordinance 500, which methodology is summarized as follows:

(a) The Reimbursement Fee component of the Water SDC shall be determined by taking the replacement cost of the portion of system components owned by the Water Department, deducting the amount still mortgaged by bonded debt, and dividing the result by the number of Residential Equivalent Units (REUs) to produce the Reimbursement Fee per REU. Those figures are:

Replacement cost of plant and equipment owned by Water Dept.:	$ 3,766,183.69
LESS: Amount still mortgaged by bonded debt	(181,824.00)
Balance on which Reimbursement Fee can be charged:	3,584,359.69
DIVIDED by number of REUs (1,000):	3,584.36

(b) The Reimbursement Fee component of the Wastewater SDC shall be determined by taking the replacement cost of the portion of system components owned by the Sewer Department, deducting the amount still mortgaged by bonded debt, and deducting the amount paid for with grant funds, and dividing the result by the number of Residential Equivalent Units (REUs) to produce the Reimbursement Fee per REU. Those figures are:

Replacement cost of plant and equipment owned by Sewer Dept.:	$ 5,467,704.81
LESS: Amount still mortgaged by bonded debt	(2,609,996.00)
LESS: Amount of upgrade paid with grant funds	(1,600,000.00)
Balance on which Reimbursement Fee can be charged:	1,257,708.81
DIVIDED by number of REUs (1,000):	1,257.71

(c) The Improvement Fee component of the Water SDC shall be determined by taking the estimated cost of the water system improvements identified by the Water Master Plan, and dividing the result by the number of Residential Equivalent Units (REUs) to produce the Improvement Fee per REU. Those figures are:

Estimated cost of growth-related improvements in Water Master Plan:	$ 347,500.00
DIVIDED by number of REUs (1,000)	347.50

(d) There is currently no Improvement Fee component of the Wastewater SDC. All necessary improvements required by the Facilities Plan were made during the 1999-2000 upgrade.

Section 3. Water and Wastewater Systems Development charges, pursuant to the calculations in Section 2., above, shall be:

WATER SYSTEMS DEVELOPMENT CHARGE PER REU:	
Reimbursement Fee:	$ 3,584.36
Improvement Fee:	347.50
TOTAL WATER SDC:	3,931.86

WASTEWATER SYSTEMS DEVELOPMENT CHARGE PER REU:	
Reimbursement Fee:	$ 1,257.71
Improvement Fee:	0.00
TOTAL WASTEWATER SDC:	1,257.71

Section 4. Residential Equivalent Units (REUs) shall be determined as follows:

(a) Except as provided in subsection (b), below, REUs shall be determined by water meter size:

3/4" meter =	1 REU
1" meter =	2 REUs
1-1/2" meter =	4 REUs
2" meter =	8 REUs
3" meter =	16 REUs

(b) Notwithstanding subsection (a), above, the number of Residential Equivalent Units for duplexes, triplexes, manufactured dwelling parks, and multi-family dwellings, where two or more dwelling units are served by a single meter, shall be the sum of the dwelling units served by that meter, irrespective of meter size.

Section 5. The above Water Systems Development Charge shall replace the water connection fee established by Resolution 95-14 (7/10/95), and the Wastewater Systems Development Charge shall replace the sewer connection fee established by Resolution 88-20 (9/12/88). The City shall continue to charge for time, equipment, and materials for establishing new water and sewer connections over and above the Systems Development Charges, pursuant to cost recovery schedules established by resolution of the Council.

Section 6. The above Systems Development Charges shall be assessed and collected pursuant to the provisions of Ordinance 500, and shall be credited as follows: Water Reimbursement Fees shall be credited to the Water Repair (Reimbursement) Fund, Water Improvement Fees to the Water New Growth (Improvement) Fund, Wastewater Reimbursement Fees to the Sewer Repair (Reimbursement) Fund, and Wastewater Improvement Fees, should any be imposed in the future, shall be credited to the Sewer New Growth (Improvement) Fund. Monies so collected and credited shall be used only for the purposes allowed by Ordinance 500.

Section 7. The Systems Development charges in Section 3., above, shall be adjusted annually each September. Said adjustment shall take into account any changes to plant and equipment in Schedule A, and reductions in bonded debt levels for the respective utility. The value of plant and equipment not so changed, and the estimated cost of planned improvements in Schedule A shall be indexed to mirror changes in the Construction Cost Index published by the *Engineering News-Record*.

Section 8. This Resolution shall be effective SIXTY (60) days following its adoption by the Council and approval by the Mayor.

Adopted by _____ members of the City Council voting therefor, and approved by the Mayor of the City of Union this 11th_ day of September, 2006.

Approved: Attest:

Mayor City Recorder

CITY OF UNION ORDINANCES

ORDINANCE NO. 500

AN ORDINANCE AUTHORIZING THE ESTABLISHMENT OF PROVISIONS FOR GOVERNING THE DEVELOPMENT AND USE OF SYSTEM DEVELOPMENT CHARGES FOR WATER, WASTEWATER, STREETS, FLOOD CONTROL, AND PARKS.

SECTIONS

THE CITY OF UNION DOES ORDAIN AS FOLLOWS:

Section 1. SHORT TITLE: This ordinance may be referred to as the *Systems Development Charge Enabling Ordinance.*

Section 2. PURPOSE: The purpose of the system development charge is to impose a portion of the cost of capital improvements for water, wastewater, streets, flood control, and parks upon those developments and redevelopments that create the need for or increase the demands on capital improvements.

Section 3. SCOPE: The system development charge imposed by this ordinance is separate from and in addition to any applicable tax, assessment, charge, or fee otherwise provided by law or imposed as a condition of development.

Section 4. DEFINITIONS: For purposes of this ordinance, the following mean:

(1) *CAPITAL IMPROVEMENTS.* Facilities or assets used for:

(a) Water supply, treatment and distribution;

(b) Waste water collection, transmission, treatment and disposal;

(c) Drainage and flood control;

(d) Transportation; or

(e) Parks and recreation.

"Capital improvement" does not include costs of the operation or routine maintenance of a capital improvement.

(2) *DEVELOPMENT.* The change in character, occupancy or use of land or buildings; including redevelopment and demolishing a building for the conversion of such property to a different use.

(3) *IMPROVEMENT FEE.* A fee for costs associated with capital improvements to be constructed after the date the fee is adopted pursuant to Section 5 of this ordinance.

(4) *LAND AREA.* The area of a parcel of land as measured by projection of the parcel boundaries upon a horizontal plane, with the exception of a portion of the parcel within a recorded right-of-way or easement subject to a servitude for a public street or for a public scenic or preservation purpose.

(5) *OWNER.* The owner or owners of record title, or the purchaser or purchasers under a recorded land sales agreement, and other persons having an interest of record in the described real property.

(6) *PARCEL OF LAND.* A lot, parcel, block, or other tract of land that is occupied or may be occupied by a structure or structures or other use, and that includes the yards and other open spaces required under the zoning, subdivision, or other development ordinances.

(7) *QUALIFIED PUBLIC IMPROVEMENT.* A capital improvement that is required as a condition of development approval, identified in the plan adopted pursuant to Section 9 of this ordinance; and either

(a) Not located on or contiguous to property that is the subject of the development approval; or

(b) 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.

(8) *REIMBURSEMENT FEE.* A fee for costs associated with capital improvements already constructed or under construction on the date the fee is adopted pursuant to Section 4 of this ordinance, for which the Council determines capacity exists.

(9) *SYSTEMS DEVELOPMENT CHARGE.* A reimbursement fee, an improvement fee or a combination thereof assessed or collected at the time of increased usage of a capital improvement, at the time of issuance of a development permit or building permit, or at the time of connection to the capital improvement. "System development charge" includes that portion of a sewer or water system connection charge that is greater than the amount necessary to reimburse the City for its average cost of inspecting and installing connections with sewer and water facilities. "System development charge" does not include fees assessed or collected as part of a local improvement district assessment, a charge in lieu of a local improvement district assessment, or the cost of complying with requirements or conditions imposed by a land use decision, expedited land division, or limited land use decision.

Section 5. SYSTEMS DEVELOPMENT CHARGE ESTABLISHED:

(1) System development charges shall be established and may be revised by resolution of the Council.

(2) Unless otherwise exempted by the provisions of this ordinance or other local or state law, a system development charge is hereby imposed upon all development within the City, upon the act of connecting to the City sewer or water system within the City, and upon all development outside the boundary of the City that connect to or otherwise uses the sewer, water or storm sewer facilities of the City.

Section 6. METHODOLOGY:

(1) The methodology used to establish or modify a reimbursement fee shall consider the cost of the then-existing facilities, prior contributions by then-existing users, gifts or grants from federal or state government or private persons, the value of unused capacity available to future system users, rate-making principals employed to finance publicly owned capital improvements, and other relevant factors identified by the Council. The methodology for establishing or modifying a reimbursement fee shall promote the objective that future system users shall contribute no more than an equitable share of the cost of then-existing facilities.

(2) The methodology used to establish or modify an improvement fee shall consider the cost of projected capital improvements needed to increase the capacity of the system, the need for increased capacity required to serve future users, and be calculated to obtain the cost of capital improvements for the projected need for available system capacity for future users.

(3) The methodology used to establish or modify an improvement fee or a reimbursement fee, or both, shall be contained in a resolution adopted by the Council.

(4) The methodology used to establish or modify an improvement fee or a reimbursement fee shall not:

(a) Include or incorporate a method or system under which the payment of the fee or the amount of the fee is determined by the number of employees of an employer without regard to new construction, new development or new use of an existing structure by the employer;

(b) Include or incorporate any method or system under which the payment of the fee or the amount of the fee is based on the number of individuals hired by the employer after a specified date; or

(c) Assume that costs are necessarily incurred for capital improvements when an employer hires an additional employee.

(5) All methodology for establishing or modifying reimbursement or improvement fees shall be available for public inspection.

(6) A change in the amount of a reimbursement fee or an improvement fee is not a modification of the system development charge if the change in amount is based on a change in the cost of materials, labor or real property applied to the projects or project capacity as set forth in the plan adopted pursuant to Section 8 of this ordinance; or the periodic application of one or more specific cost indexes or other periodic data sources.

(7) A specific cost index or periodic data source must be:

(a) a relevant measurement of the average change in prices or costs over an identified time period for materials, labor, real property, or a combination of the three;

(b) published by a recognized organization or agency that produces the index or data source for reasons that are independent of the system development charge methodology; and

(c) incorporated as part of the established methodology or identified and adopted in a separate City resolution or order.

(8) A combination of a reimbursement fee and an improvement fee may be imposed, if the methodology demonstrates that the charge is not based upon providing the same system capacity.

Section 7. AUTHORIZED EXPENDITURES:

(1) Reimbursement fees shall be applied only to capital improvements associated with the systems for which the fees are assessed, including expenditures relating to the repayment of indebtedness.

(2) Improvement fees shall be spent only on capacity-increasing capital improvements, including expenditures relating to the repayment of debt for the improvements. An increase in system capacity occurs if a capital improvement increases the level of performance or service provided by existing facilities or provides new facilities. The portion of the capital improvements funded by improvement fees must be related to the need for increased capacity to provide service for future users.

(3) A capital improvement being funded wholly or in part from revenues derived from an improvement fee shall be included in the plan adopted by the City pursuant to Section 9 of this ordinance.

(4) Notwithstanding subsections (1) and (2) of this section, system development charge revenues may be expended on the direct costs of complying with the provisions of this ordinance, including the costs of developing system development charge methodologies and providing an annual accounting of system development charge expenditures.

Section 8. EXPENDITURE RESTRICTIONS:

(1) System development charges shall not be expended for costs associated with the construction of administrative office facilities that are more than an incidental part of other capital improvements.

(2) System development charges shall not be expended for costs of the operation or routine maintenance of capital improvements.

Section 9. IMPROVEMENT PLAN: Prior to the establishment of a system development charge by resolution, the Council shall adopt a plan that:

(1) Lists the capital improvements that may be funded with improvement fee revenues, including the estimated cost and time of construction of each improvement, and the estimated percentage of costs eligible to be funded with revenues from improvement fees for each improvement; and

(2) Describes the process for modifying the plan. The Council may modify the plan and list at any time. If a system development charge will be increased by a proposed modification of the list to include a capacity increasing capital improvement, as referenced in Section 7(2) of this ordinance, the City shall provide at least thirty (30) days notice of the proposed plan modification to persons who have requested written notice under Section 16(2) of this ordinance. A hearing on such proposed plan modifications will be held if the City receives a written request for such a hearing within seven (7) days of the date the proposed modification is scheduled for adoption. If no such request is received within this time period, a hearing is not required, but may be held in the Council's sole discretion.

Section 10. COLLECTION OF CHARGE:

(1) The system development charge is payable upon annexation or issuance of a building permit, a development permit, a development permit for development not requiring the issuance of a building permit, a permit or approval to connect to the water or sewer system, or a right-of-way access permit.

(2) If no building, development, or connection permit is required, the system development charge is payable at the time the usage of the capital improvement is

increased based on changes in the use of the property.

(3) The applicant for a connection permit shall be required to state in writing the intended use of the building in sufficient detail to enable the City to determine the appropriate category of use. If the use of a building changes or if the stated use is incorrect, the occupant shall report the change of use to the City within thirty (30) days and promptly pay any additional system development charges. If the occupant fails to report a correct statement of use or a change of use within thirty (30) days or fails to pay the additional system development charge within ten (10) days after invoice, the occupant shall pay a penalty of 10% (ten percent) of the balance due plus interest on the unpaid balance at the rate of 1.5% (one point five percent) per month.

(4) The City shall not issue such permit or allow such connection until the charge has been paid in full, provision for installment payments has been made pursuant to Section 12 of this Ordinance, or unless an exemption is granted pursuant to Section 13 of this ordinance.

Section 11. DELINQUENT CHARGES; HEARING:

(1) When, for any reason, a system development charge has not been paid, the City Administrator shall report to the Council the amount of the uncollected charge, the description of the real property to which the charge is attributable, the date upon which the charge was due, and the name of the owner.

(2) The Council shall schedule a public hearing on the matter and direct that notice of the hearing be given to each owner with a copy of the City Administrator's report concerning the unpaid charge. Notice of the hearing shall be given either personally or by certified mail, return receipt requested, or by both personal and mailed notice, and by posting notice on the parcel at least ten (10) days before the date set for the hearing.

(3) At the hearing, the Council may accept, reject, or modify the determination of the City Administrator as set forth in the report. If the Council finds that a system development charge is unpaid and uncollected, The City Recorder shall docket the unpaid and uncollected system development charge in the City lien docket. Upon completion of the docketing, the City shall have a lien against the described land for the full amount of the unpaid charge, together with interest at the legal rate of 10% (ten percent) and with the City's actual cost of serving notice of the hearing on the owners. The lien shall be enforceable in the manner provided in ORS Chapter 223.

Section 12. INSTALLMENT PAYMENTS:

(1) The owner of the parcel of land subject to a system development charge of over $10,000 may apply for payment in installments, to include interest at the legal rate of ten percent (10%) on the unpaid balance, in accordance with ORS 223.208. Payment may be over a period of less than ten (10) years, if so elected by the property owner. Otherwise, system development charges are payable over a period of ten (10) years, in accordance with such terms as set by the City.

(2) The City Administrator shall provide application forms for installment payments, which shall include a waiver of all rights to contest the validity of the lien, except for the correction of computational errors.

(3) An applicant for installment payments shall have the burden of demonstrating the applicant's authority to assent to the imposition of a lien on the parcel and that the property interest of the applicant is adequate to secure payment of the lien.

(4) The City Administrator shall report to the City Recorder the amount of the system development charge, the dates on which payments are due, the name of the owner, and the description of the parcel.

(5) The City Recorder shall docket the lien in the lien docket. From that time the City shall have a lien upon the described parcel for the amount of the system development charge, together with interest on the unpaid balance at the rate established by the Council. The lien shall be enforceable in the manner provided in ORS Chapter 223.

(6) Upon written request of the City Administrator, the City Recorder is authorized to cancel assessments of system development charges, without further Council action, where the new development approved by the building permit is not constructed and the building permit is cancelled.

(7) For property that has been subject to a cancellation of assessed system development charges, any future installment payment contract shall be subject to the code provisions applicable to system development charges and installment payment contracts on file on the date the new contract is received by the City.

Section 13. EXEMPTIONS:

(1) Structures and uses established and legally existing on or before the effective date of this ordinance are exempt from a system development charge, except sewer and water charges, to the extent of the structure or use then existing and to the extent of the parcel of land as it is constituted on that date. Structures and uses affected by this subsection shall pay the sewer or water charges pursuant to terms of this ordinance upon the receipt of a permit to connect to the sewer or water system.

(2) Additions to single-family dwellings that do not constitute the addition of a dwelling unit, as defined by the State Uniform Building Code, are exempt from all portions of the system development charge.

(3) An alteration, addition, replacement or change in use that does not increase the parcel's or structure's use of the public improvement facility are exempt from all portions of the system development charge.

(4) Municipal projects are exempt from all system development charges.

Section 14. CREDITS:

(1) A system development charge shall be imposed when a change of use of a parcel or structure occurs, but credit shall be given for the computed system development charge to the extent that prior structures existed and services were established on or before the effective date of the ordinance. The credit so computed shall not exceed the calculated system development charge. No refund shall be made on account of such credit.

(2) A credit shall also be given for construction of a qualified public improvement, upon acceptance by the City of that public improvement. 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 that particular development project or property. The applicant shall have the burden of demonstrating that a particular improvement qualifies for credit under this section.

(3) The City may deny a credit if it demonstrates that the application is not for a qualified public improvement, as defined in this ordinance, or by showing that the improvement for which credit is sought is not included in the plan adopted pursuant to Section 8 of this ordinance.

(4) 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. However, this subsection shall not prohibit the City from providing a greater credit, or from establishing a system providing for the transferability of credits, or from providing a credit for a capital improvement not identified in the plan adopted pursuant to Section 8, or from providing a share of the cost of such improvement by other means, if the City so chooses.

(5) Credit shall be used within ten (10) years from the date the credit is given.

Section 15. SEGREGATION AND USE OF REVENUE; ANNUAL ACCOUNTING: All funds derived from a particular type of system development charge are to be segregated by accounting practices from all other funds of the City. The system development charge calculated and collected shall be used for no purpose other than those set forth in Section 7 of this ordinance. The City shall provide an annual accounting to be completed by January 1st of each year for system development charges showing the total amount of system development charge revenues collected for each system and the projects that were funded in the previous fiscal year. The City shall include in the annual accounting a list of the amounts spent on each project funded, in whole or in part, with system development charge revenues, and the amount of revenue collected by the City from system development charges and attributed to the cost of complying with the provisions of this ordinance, including the costs of developing system development charge methodologies and providing annual accountings.

Section 16. REVIEW PROCEDURES:

(1) *EXPENDITURE REVIEW.*

(a) Any citizen or other interested person may challenge an expenditure of system development charge revenues by filing a written complaint with the City describing with particularity the decision of the City and the expenditure which the person challenges. Such challenges must be filed within two (2) years of the expenditure of the system development charge revenues.

(b) A hearing shall be held by the Council within sixty (60) days of the filing of the complaint. After providing notice to the challenger, the Council shall determine whether the expenditure was in accordance with this ordinance and the applicable Oregon Revised Statutes, and may affirm, modify or overrule the decision. If the Council determines that there has been an improper expenditure of system development charge revenues, the Council shall direct that a sum equal to the misspent amount be deposited within one (1) year to the credit of the account or fund from which it was spent.

(c) The decision of the Council shall be judicially reviewed only as provided in ORS 34.010 to 34.100.

(2) *METHODOLOGY REVIEW.*

(a) The City shall maintain a list of persons who have made written requests for notification prior to adoption or amendment of a methodology for any system development charge. Written notice shall be mailed to persons on the list at least ninety (90) days prior to the first hearing to establish or modify a system development charge, and the methodology supporting the system development charge shall be available at least sixty (60) days prior to the first hearing. The failure of a person on the list to receive a notice that was mailed does not invalidate the action of the City.

(b) The City may periodically delete names from the list, but, at least thirty (30) days prior to removing a name from the list, must notify the person whose name is to be deleted that a new written request for notification is required if the person wishes to remain on the notification list.

(c) Legal action intended to contest the methodology used for calculating a system development charge may not be filed after sixty (60) days following adoption or modification of the system development charge resolution by the City. Persons shall request judicial review of the methodology used for calculating a system development charge only as provided in ORS 34.010 to 34.100.

(3) *OTHER REVIEW.*

(a) Challenges of any other decisions required or permitted to be made by the City under this ordinance or associated resolutions including, but not limited to, objections to the calculation of a system development charge or a decision to increase a system development charge by modifying the improvement plan must be filed in writing with the City office within twenty (20) days of the date of the decision. The complaint must describe with particularity the City decision being challenged.

(b) A hearing shall be held by the Council within sixty (60) days of the filing of the complaint. After providing notice to the complainant, the Council shall determine whether the decision challenged is in accordance with this ordinance and the applicable Oregon Revised Statutes, and may affirm, modify, or overrule the decision.

(c) The Council must advise a person making written objection to a system development charge calculation of the review procedures provided by this section, and the right to petition for review pursuant to ORS 34.010 to ORS 34.100.

(d) A decision to increase a system development charge by modifying the plan adopted pursuant to Section 8 of this ordinance may be judicially reviewed only as provided in ORS 34.010 to 34.100.

Section 17. SEVERABILITY: The sections and subsections of this ordinance are severable. The invalidity of any one section or subsection shall not affect the validity of the remaining sections or subsections.

Section 18. EFFECTIVE DATE: This ordinance shall be in effect thirty (30) days from and after its passage by the Council and approval by the Mayor.

PASSED AND ADOPTED this 10th day of April, 2006, by the following vote:

AYES: 6 NAYS: 0 ABSTENTIONS: 0

--and the Mayor having declared the ordinance enacted by a unanimous vote, became effective on 10 May 2006.

APPROVED by the Mayor this 10th day of April, 2006.

Mayor

ATTEST:

City Recorder