



City of Lawrence
UTILITIES

2007 Annual Utility System Development Charges Report

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A. Background

As required by City ordinance, the Lawrence Department of Utilities shall prepare an annual report for the City Commission detailing the receipt and expenditure of system development charges on or about March 1 of each year. By ordinance, the report shall: detail the receipt and expenditure of system development charges, review the rates of system development charges, and report on matters concerning the administration of system development charges.

The following timeline illustrates the history of the system development charges:

- January 2, 1996 – The City Commission passed Ordinance #6781 establishing system development charges for water and sanitary sewer customers to fund improvements to the City's utility system.
- January 1, 1997 – The Department of Utilities implemented year 1 of a 3-year phased-in approach for system development charges.
- September 21, 1999 – The City Commission adopted Ordinance #7138 to update the development charges from January 1, 2000 through 2004.
- August 24, 2004 – The City Commission adopted Ordinance #7808 and #7809 to update the development charges for water and sanitary sewer from January 1, 2005 through 2009.
- August 14, 2007 – The City Commission replaced Ordinance #7809 with Ordinance #8134 to update the development charges effective on January 1, 2008.

B. Receipt and Expenditure Information

Funds generated from the system development charge are deposited into the City Utility Fund to fund improvements to the City's water and wastewater utility system. These funds are used to pay for utility system design and construction costs, interest and debt issuance costs and capital improvements, which expand the capacity of the water and wastewater systems. Water system development charge collections are designated to be used only for water utility capital improvements and wastewater system development charge collections are designated to be used only for wastewater utility capital improvements. Table B1 shows the 2007 and 2006 water and wastewater system development charges collected. Table B2 shows 2007 water and wastewater system development charges collected by month. The system development charges collected for the water system continues to be more than for wastewater system development charges for both 2006 and 2007, based on rate studies and models. The water charges increased \$140 (for a 5.8 inch meter) over the wastewater charges in 2006. Further detail describing the implementation of system development charges can be found in the most recent version of the water and wastewater rate study.

Table B1. 2007 and 2006 water and wastewater system development charges collected.

Description	2007	2006
Water System Development Charges	\$595,140	\$681,785
Wastewater System Development Charges	\$537,470	\$512,852
Total System Development Charges Collected	\$1,132,610	\$1,194,637

Table B2. 2007 water and wastewater system development charges collected by month.

Month	SDC-Water	SDC-Wastewater	Total
January	\$26,990	\$25,630	\$52,620
February	8,770	6,320	15,090
March	12,150	11,790	23,940
April	10,800	9,170	19,970
May	20,900	10,480	31,380
June	33,070	30,130	63,200
July	37,770	35,530	73,300
August	26,320	24,660	50,980
September	17,550	17,030	34,580
October	76,180	74,140	150,320
November	195,710	180,550	376,260
December	128,930	112,040	240,970
TOTALS	\$595,140	\$537,470	\$1,132,610

The Department of Utilities processed and collected system development charges on applications for service in 2007. Tables B3 shows the total number of service applications received by the Department of Utilities in 2007 and 2006 for residential service. While Tables B4 shows the total number of service applications received by the Department of Utilities in 2007 and 2006 for non-residential service.

Table B3. 2007 and 2006 total number of residential service applications received by meter size

Size of Meter	2007 Residential Applications (ct.)	2006 Residential Applications (ct.)
5/8"	387	403
1"	90	20
1 ½"	1	0
2"	1	1
>2"	0	0
TOTAL	396	424

Table B4. 2007 and 2006 total number of non-residential service applications received by meter size

Size of Meter	2007 Non-Residential Applications (ct.)	2006 Non-Residential Applications (ct.)
5/8"	9	6
1"	5	9
1 1/2"	1	0
2"	3	6
>2"	1	0
TOTAL	19	21

The system development charges collected helped repay loan payments from the State Revolving Loan Fund. The annual State Revolving Loan payment for the water utility is \$442,639.14 for the Clinton Plant Expansion and \$407,104.42 for Lime Residuals Project. The wastewater utility has annual payments totaling \$3,085,487.04 for the Wastewater Plant Expansion. These expenditures alone exceed the System Development fees collected in 2006.

Additional growth related projects in 2007 for water and wastewater facilities included:

- Waterline Rehabilitation and Replacement Program
- Acquired WWTP Site and complete Siting & Environmental Studies
- Pump Station 1,2, and 3 in North Lawrence
- Pump Station 48 construction
- Pump Station 16 rehabilitation and expansion
- I/I Removal
- General Sanitary Sewer Improvements
- General Pumping Station Improvements
- General WWTP Improvements

The system development charges collected in 2007 will be used for projects in the 2008 Capital Improvement Program and for Debt and interest payments for the State Revolving Loan Fund and bonded payments for the water and wastewater improvements. Examples of growth related projects planned for 2008 with anticipated cost:

- Continuation of the Phase II of the Clinton WTP expansion (\$16,700,000)
- Waterline Rehabilitation and Replacement Program (\$1,200,000)
- KAW Water Treatment Plant Southeast Area Transmission Main (\$10,000,000)
- Storage Facility T1 – 6th Street West – Elevated Tank (\$204,000)
- Southeast Area Benefit District Participation (PS49) (\$800,000)
- Pipe Project – West Baldwin Creek Interceptor Project (\$4,500,000)
- Anaerobic Digester Improvement (\$5,000,000)
- Wakarusa Water Reclamation Facility – 6.9 MGD initial stages (\$1,000,000)
- WWRF Collections line (\$6,000,000)

C. Rate Information

Table C1 summarizes the 2007 system development charge rate schedule for both water and wastewater customers.

Table C1. 2007 system development charge rate schedule

Type of Customer	Size of Meter	Water System Development Charge *	Wastewater System Development Charge **
Residential	5/8"	\$1,350	\$1,310
Residential	1"	3,370	1,310
Residential	1 ½"	6,730	1,310
Residential	2"	10,760	1,310
All-Other	5/8"	1,350	2,390
All-Other	1"	3,370	5,980
All-Other	1 1/2"	6,730	11,950
All-Other	2"	10,760	19,120
All-Other	3"	20,180	35,850
All-Other	4"	33,630	59,750
All-Other	6"	67,250	119,500
All-Other	8"	134,500	239,000
All-Other	10"	201,750	358,500
All-Other	12"	295,900	525,800
All-Other	16"	739,750	1,314,500

*Source: City of Lawrence, Ordinance #7809 Section 1. (B) *Water System Development Charge; Meter Type, Size, and Charge.*

** Source: City of Lawrence, Ordinance #7809, Section 2. (B) *Wastewater System Development Charge; Meter Type, Size and Charge.*

Table C2 summarizes the 2008 system development charge rate schedule for both water and wastewater customers based on the Ordinance No. 8134.

Table C2. 2008 system development charge rate schedule

Type of Customer	Size of Meter	Water System Development Charge *	Wastewater System Development Charge **
Residential	5/8"	1,420	1,450
Residential	1"	3,550	1,450
Residential	1 ½"	7,100	1,450
Residential	2"	11,360	1,450
All-Other	5/8"	1,420	2,860
All-Other	1"	3,550	7,150
All-Other	1 1/2"	7,100	14,300
All-Other	2"	11,360	22,880
All-Other	3"	21,300	42,900
All-Other	4"	35,500	71,500
All-Other	6"	71,000	143,000
All-Other	8"	142,000	286,000
All-Other	10"	213,000	429,000

All-Other	12"	312,400	629,200
All-Other	16"	781,000	1,573,000

* Source: City of Lawrence, Ordinance #8134 Section 1. (C) *Water System Development Charge; Meter Type, Size, and Charge.*

** Source: City of Lawrence, Ordinance #8134, Section 2. (C) *Wastewater System Development Charge; Meter Type, Size and Charge.*

D. Administration

The Department administers the system development charges effectively and with few issues arising from the process.