



City of Lawrence
UTILITIES

2012 Annual Utility System Development Charges Report

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A. Background

As required by City ordinance, the Lawrence Department of Utilities prepares an annual report for the City Commission detailing the receipt and expenditure of system development charges on or about March 1 of each year. As required by 19-905(B) of the City Code, the report shall provide the following:

- detail the receipt and expenditure of system development charges
- review the rates of system development charges
- report on matters concerning the administration of system development charges

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

- July 2, 1996 – The City Commission passed Ordinance #6791 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 23, 2004 – The City Commission adopted Ordinance #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.
- August 26, 2008 – The City Commission replaced Ordinance #8134 with Ordinance #8308 to update the development charges effective on January 1, 2009. This remains the rate schedule for 2012.

B. Receipt and Expenditure Information

Funds generated from the system development charge are deposited into the City Water and Sewer Fund Account 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. The funds collected in a given year are expended in the following year. Table B1 shows the 2011 and 2012 water and wastewater system development charges collected. Table B2 shows 2012 water and wastewater system development charges collected by month. 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. 2011 and 2012 water and wastewater system development charges collected.

Description	2011	2012
Water System Development Charges	\$304,200	\$513,560
Wastewater System Development Charges	\$293,680	\$691,840
Total System Development Charges Collected	\$597,880	\$1,205,490

Table BB2. 2012 water and wastewater system development charges collected by month.

Month	SDC - Water	SDC - Wastewater	Total
January	\$4,680	\$4,410	\$9,090
February	\$119,340	\$216,710	\$336,050
March	\$35,880	\$54,790	\$54,790
April	\$25,740	\$20,580	\$20,580
May	\$26,520	\$19,220	\$19,220
June	\$14,040	\$13,230	\$13,230
July	\$67,860	\$65,140	\$65,140
August	\$43,680	\$36,830	\$36,830
September	\$14,040	\$19,260	\$19,260
October	\$114,290	\$307,300	\$193,010
November	\$27,300	\$29,550	\$56,850
December	\$20,280	\$19,110	\$39,390
TOTALS	\$513,650	\$691,840	\$1,205,490

The Department of Utilities processed and collected system development charges on applications for service in 2012. Tables B3 shows the total number of service applications received by the Department of Utilities in 2011 and 2012 for residential service. While Tables B4 shows the total number of service applications received by the Department of Utilities in 2011 and 2012 for non-residential service.

Table B3. 2011 and 2012 total number of residential service applications received by meter size

Size of Meter	2011 Residential Applications (ct.)	2012 Residential Applications (ct.)
5/8"	116	112
1"	12	22
1 ½"	0	2
2"	0	7
>2"	0	0
TOTAL	128	143

Table. B4. 2011 and 2012 total number of non-residential service applications received by meter size

Size of Meter	2011 Non-Residential Applications (ct.)	2012 Non-Residential Applications (ct.)
5/8"	0	4
1"	3	7
1 ½"	2	7
2"	1	2
>2"	1	2
TOTAL	7	22

The system development charges collected helped repay loan payments from the State Revolving Loan Fund, revenue bonds, and a general obligation bond. Table B5 describes the bond and loan maturity, debt service payments, balances, and the capacity related projects. Each debt category may also include non-capacity related projects.

Table B5. Debt Description

Debt	Year Matures	Debt Service Payment in 2012	December 31, 2012 Balance	Capacity Related Projects included*	
				Water	Wastewater
Revenue Bonds – Series 2005	2025	\$1,625,000 in principal and \$737,850 in interest	\$16,140,000 outstanding	Clinton Plant Expansion, Kaw Water Supply/ Transmission	Alvamar Drive Area Sanitary Sewer Improvement Project, North Lawrence Pump Stations Improvements, 24 th & Crossgate Drive Area Sanitary Sewer Improvement Project
Revenue Bonds – Series 2007	2032	\$125,000 in principal and \$870,750 in interest	\$19,225,000 outstanding	Clinton Plant Expansion	West Baldwin Creek Sanitary Sewer, East Hills PS#25 Upgrade, Wet Weather Storage at 4 Seasons, 15 & NH/11 th & Delaware sanitary sewer, Anaerobic Digester
Revenue Bonds – Series 2008	2028	\$165,000 in principal and \$159,460 in interest	\$3,645,000 outstanding	Stoneridge/ West Hills Tank	
Revenue Bonds – Series 2009	2031	\$295,000 in principal and \$540,845 in interest	\$9,660,000 outstanding		WW Pump Station, Anaerobic Digester

SRF 1260	2021	\$2,125,724 in principal and \$777,587 in interest	\$22,776,957 outstanding		WW Plant Expansion
GOB (SRF funds refinanced)	2023	\$600,000 in principal and \$163,525 in interest	\$7,105,000 outstanding	Clinton Plant Expansion, Lime Residuals Project	

The system development charges collected in 2012 will be used to fund projects in 2013, debt, and interest payments for water and wastewater capacity improvements. The department is anticipating two growth related project for 2013, which include the O'Connell Road Water main (\$2,200,000) and the 31st Street Water main (\$1,000,000). Any potential projects that are associated with an approved CIP budget have not been included in this report.

C. Rate Information

Table C1 summarizes 2012 system development charge rate schedule for both water and wastewater customers.

Table C1. 2012 system development charge rate schedule

Type of Customer	Size of Meter	Water System Development Charge *	Wastewater System Development Charge **
Residential	5/8"	\$1,560	\$1,470
Residential	1"	\$3,900	\$1,470
Residential	1 ½"	\$7,800	\$1,470
Residential	2"	\$12,480	\$1,470
All-Other	5/8"	\$1,560	\$2,970
All-Other	1"	\$3,900	\$7,430
All-Other	1 1/2"	\$7,800	\$14,850
All-Other	2"	\$12,480	\$23,760
All-Other	3"	\$23,400	\$44,550
All-Other	4"	\$39,000	\$74,250
All-Other	6"	\$78,000	\$148,500
All-Other	8"	\$156,000	\$297,000
All-Other	10"	\$234,000	\$445,500
All-Other	12"	\$343,200	\$653,400
All-Other	16"	\$858,000	\$1,633,500

*Source: City of Lawrence, Ordinance #8308 Section 1. *Water System Development Charge; Meter Type, Size, and Charge.*

** Source: City of Lawrence, Ordinance #8308, Section 2. *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.