



City of Lawrence
UTILITIES

2013 Annual Utility System Development Charges Report

Table of Contents

- A. Background
- B. Receipt and Expenditure Information
- C. Rate Information
- D. Administration

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 1/1/2005 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.
- March 26, 2013 – The City Commission replaced Ordinance #8303 with Ordinance #8847 to set charges effective May 1, 2013 and each year after that effective January 1 beginning 2014 through 2017.

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 2012 and 2013 water and wastewater system development charges collected. Table B2 shows 2013 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. 2012 and 2013 water and wastewater system development charges collected.

Description	2012	2013
Water System Development Charges	\$513,560	\$552,920
Wastewater System Development Charges	\$691,840	\$732,447
Total System Development Charges Collected	\$1,205,490	\$1,285,367

Table B2. 2013 water and wastewater system development charges collected by month.

Month	SDC - Water	SDC - Wastewater	Total
January	\$27,300	\$31,020	\$58,320
February	\$7,020	\$8,870	\$15,890
March	\$113,880	\$195,840	\$309,720
April	\$163,800	\$91,350	\$255,150
May	\$30,220	\$29,460	\$59,680
June	\$23,850	\$25,200	\$49,050
July	\$131,970	\$190,677	\$322,647
August	(\$74,730)*	\$28,560	(\$46,170)*
September	\$31,800	\$11,760	\$43,560
October	\$36,530	\$53,440	\$90,020
November	\$28,630	\$34,350	\$62,980
December	\$32,600	\$31,920	\$64,520
TOTALS	\$552,920	\$732,447	\$1,285,367

*The negative balance in August above is due to reimbursements of water and sewer SDC charges that were paid in July for Rock Chalk Park.

The Department of Utilities processed and collected system development charges on applications for service in 2013. Tables B3 shows the total number of service applications received by the Department of Utilities in 2012 and 2013 for residential service. While Tables B4 shows the total number of service applications received by the Department of Utilities in 2012 and 2013 for non-residential service.

Table B3. 2012 and 2013 total number of residential service applications received by meter size

Size of Meter	2012 Residential Applications (ct.)	2013 Residential Applications (ct.)
5/8"	112	155
1"	22	7
1 1/2"	2	23
2"	7	0
>2"	0	0
TOTAL	143	185

Table. B4. 2012 and 2013 total number of non-residential service applications received by meter size

Size of Meter	2012 Non-Residential Applications (ct.)	2013 Non-Residential Applications (ct.)
5/8"	4	3
1"	7	7
1 1/2"	7	6
2"	2	10
>2"	2	1
TOTAL	22	27

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 2013	December 31, 2013 Balance	Capacity Related Projects included*	
				Water	Wastewater
Revenue Bonds – Series 2005	2025	\$1,740,000 in principle and \$605,650 in interest	\$14,460,000 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	\$135,000 in principle and \$859,275 in interest	\$19,095,000 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	\$175,000 in principle and \$144,185 in interest	\$3,475,000 outstanding	Stoneridge/ West Hills Tank	
Revenue Bonds – Series 2009	2031	\$310,000 in principle and \$523,575 in interest	\$9,360,000 outstanding		WW Pump Station, Anaerobic Digester

Table B5. Debt Description continued.

Debt	Year Matures	Debt Service Payment in 2013	December 31, 2013 Balance	Capacity Related Projects included*	
				Water	Wastewater
SRF 1260	2021	\$2,275,791 in principle and \$638,427 in interest	\$20,577,479 outstanding		WW Plant Expansion
GOB (SRF funds refinanced)	2023	\$615,000 in principle and \$148,463 in interest	\$6,500,000 outstanding	Clinton Plant Expansion, Lime Residuals Project	
Revenue Bonds – Series 2013	2014	\$36,300,000 in principle and \$272,250 in interest	\$36,300,000 outstanding	Kaw Water Treatment Plant Intake, Kaw Water Transmission Main to North Lawrence, portions of 31 st & LA and 31 st & Haskell water main replacement, O'Connell Road Water line	Wakarusa WWTP/Influent Pump Station/Force Main Design, Kaw WWTP Co-generation and back-up power, Rapid Inflow/Infiltration Reduction Program (included due to the increased capacity at WWTP and lift stations)

The system development charges collected in 2013 will be used to fund projects in 2014, debt, and interest payments for water and wastewater capacity improvements. The department is anticipating the following growth related projects for 2014:

- Kaw Water Treatment Plant intake (\$4,770,000)
- Kaw Water Transmission Main to North Lawrence (\$7,836,400)
- portions of the South Lawrence Traffic way water main relocation from 31st and Louisiana and 31st Street and Haskell to O'Connell Road (\$3,203,875)
- Wakarusa WWTP/Influent Pump Station/Force Main design (\$14,892,800)
- Kaw WWTP: Co-generation and Backup power improvements(\$1,081,000)
- Rapid Inflow and Infiltration Reduction Program (\$2,415,200).

C. Rate Information

Table C1 summarizes 2013 system development charge rate schedule for both water and wastewater customers as approved March 26, 2013 by the City Commission and effective May 1, 2013.

Table C1. 2013 system development charge rate schedule

Type of Customer	Size of Meter	Water System Development Charge *	Wastewater System Development Charge **
Residential	5/8"	\$1,590	\$1,680
Residential	1"	\$3,980	\$1,680
Residential	1 1/2"	\$7,950	\$1,680
Residential	2"	\$12,720	\$1,680
All-Other	5/8"	\$1,590	\$3,510
All-Other	1"	\$3,980	\$8,780
All-Other	1 1/2"	\$7,950	\$17,550
All-Other	2"	\$12,720	\$28,080
All-Other	3"	\$23,850	\$52,650
All-Other	4"	\$39,750	\$87,750
All-Other	6"	\$78,500	\$175,500
All-Other	8"	\$159,000	\$351,000
All-Other	10"	\$238,500	\$526,500
All-Other	12"	\$349,800	\$772,200
All-Other	16"	\$874,500	\$1,930,500

*Source: City of Lawrence, Ordinance #8847 Section 1. *Water System Development Charge; Meter Type, Size, and Charge.*

** Source: City of Lawrence, Ordinance #8847, 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.