



City of Lawrence
UTILITIES

2011 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:

- 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.
- August 19, 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 2011.

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 2010 and 2011 water and wastewater system development charges collected. Table B2 shows 2011 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. 2010 and 2011 water and wastewater system development charges collected.

Description	2010	2011
Water System Development Charges	\$432,900	\$304,200
Wastewater System Development Charges	\$432,410	\$293,680
Total System Development Charges Collected	\$865,310	\$597,880

Table B2. 2011 water and wastewater system development charges collected by month.

Month	SDC - Water	SDC - Wastewater	Total
January	\$10,920	\$10,290	\$21,210
February	\$10,140	\$5,880	\$16,020
March	\$17,940	\$14,700	\$32,640
April	\$45,240	\$30,950	\$76,190
May	\$15,600	\$11,760	\$27,360
June	\$39,780	\$29,480	\$69,260
July	\$57,720	\$73,890	\$131,610
August	\$38,220	\$56,310	\$94,530
September	\$10,920	\$10,290	\$21,210
October	\$15,600	\$10,290	\$25,890
November	\$31,200	\$29,550	\$60,750
December	\$10,920	\$10,290	\$21,210
TOTALS	\$304,200	\$293,680	\$597,880

The Department of Utilities processed and collected system development charges on applications for service in 2011. Tables B3 shows the total number of service applications received by the Department of Utilities in 2010 and 2011 for residential service. While Tables B4 shows the total number of service applications received by the Department of Utilities in 2010 and 2011 for non-residential service.

Table B3. 2010 and 2011 total number of residential service applications received by meter size

Size of Meter	2010 Residential Applications (ct.)	2011 Residential Applications (ct.)
5/8"	179	116
1"	4	12
1 ½"	0	0
2"	0	0
>2"	0	0
TOTAL	183	128

Table B4. 2010 and 2011 total number of non-residential service applications received by meter size

Size of Meter	2010 Non-Residential Applications (ct.)	2011 Non-Residential Applications (ct.)
5/8"	0	0
1"	5	3
1 1/2"	8	2
2"	6	1
>2"	2	1
TOTAL	21	7

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 2011	December 31, 2011 Balance	Capacity Related Projects included*	
				Water	Wastewater
Revenue Bonds – Series 2005	2025	\$2,375,580	\$17,765,000	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	\$995,550	\$19,350,000	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	\$319,460	\$3,810,000	Stoneridge/ West Hills Tank	
Revenue Bonds – Series 2009	2031	\$842,935	\$9,955,000		WW Pump Station, Anaerobic Digester
SRF 1260	2021	\$2,054,444	\$24,902,681		WW Plant Expansion
GOB (SRF funds refinanced)	2023	\$765,815	\$7,705,000	Clinton Plant Expansion, Lime Residuals Project	

The system development charges collected in 2011 will be used to fund projects in 2012, debt, and interest payments for water and wastewater capacity improvements. The department is anticipating one growth related project for 2012. This project is the Kaw WTP Raw Water Intake (\$7,150,000).

C. Rate Information

Table C1 summarizes the 2011 and 2012 system development charge rate schedule for both water and wastewater customers.

Table C1. 2011 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.