

Urban Core Redevelopment Area Wastewater Collection Master Plan Funding Recommendations

Presentation to:
City Commission
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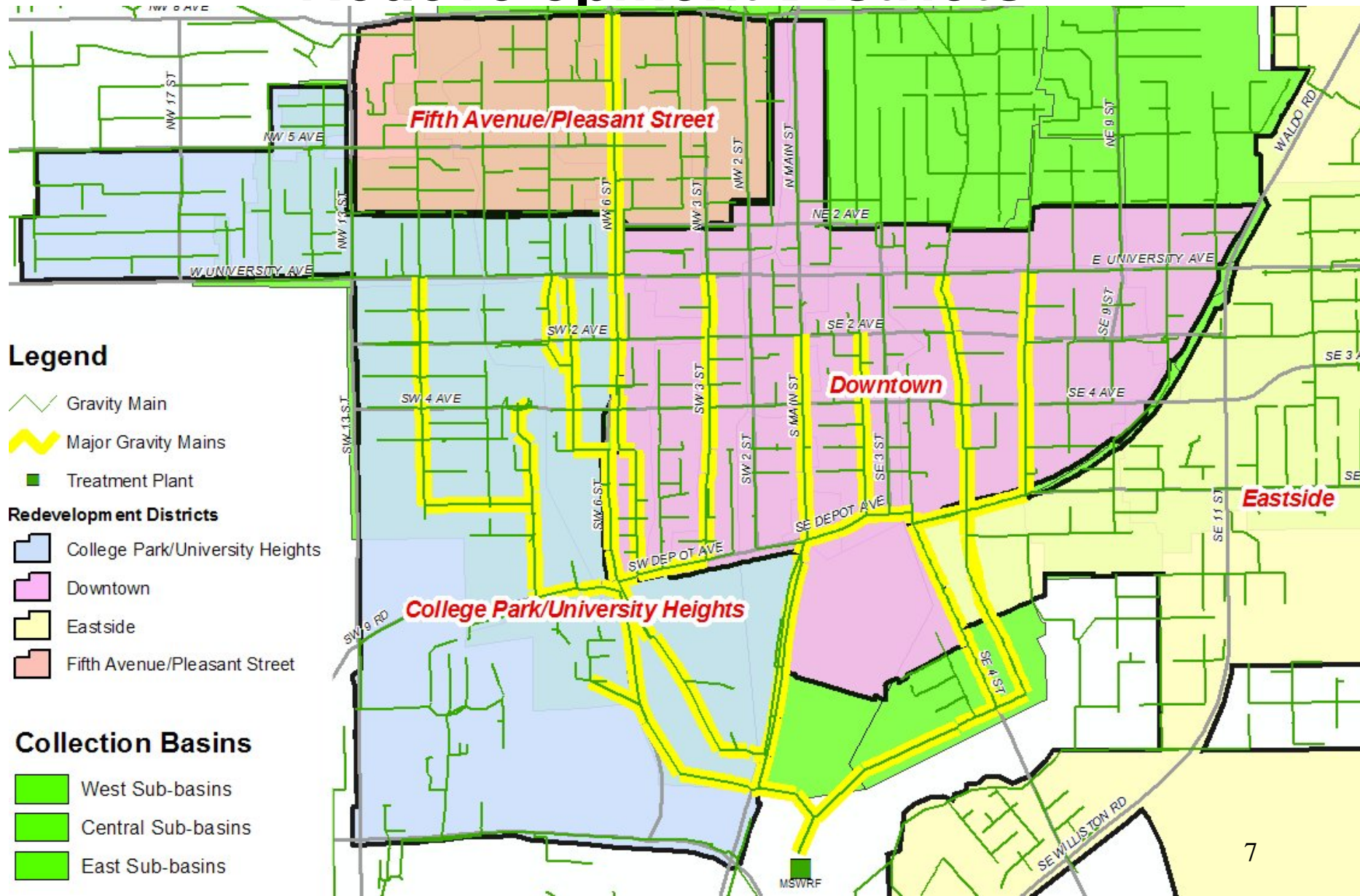
Urban Core Redevelopment Area Wastewater Master plan

- Presented to CRA December 18, 2006
 - Engineering Analysis
 - Trunk sewer capacities
 - Future capacity needs & improvements req'd
 - Cost Estimates
 - Preliminary Funding Alternatives
 - Referred to RUC
- Presented to RUC March 13, 2007
 - Evaluation of funding alternatives
 - Funding Recommendations
 - RUC Referral to City Commission

Reasons for Master Plan

- Gravity collection system
 - Functions well - Reliable
 - Capacity for current demands & future projects that are currently proposed
 - FUTURE redevelopment in CRAs may require major upgrades to trunk sewers
 - Gravity Trunk sewers expensive to upgrade
 - Costs may be disproportionately borne
 - Potential impediment to redevelopment under current policy

Redevelopment Districts



Legend

- Gravity Main
- Major Gravity Mains
- Treatment Plant

Redevelopment Districts

- College Park/University Heights
- Downtown
- Eastside
- Fifth Avenue/Pleasant Street

Collection Basins

- West Sub-basins
- Central Sub-basins
- East Sub-basins

Proposed Funding Approach

- 1) Levelized Connection Charges
- 2) GRU “System Improvements”

1. Proposed Levelized Connection Charge

- Current Policy:
 - No Lift Station or Force Main Connection charges in Urban Core area
- Proposed Levelized Connection Charge
 - All New Connections pay same charge
 - Additional GRU revenue ~ \$273/ERU
 - GRU pay fixed portion of the cost of each capacity improvement project
 - GRU fixed portion set at 40% (based on current estimates of construction costs and revenues)

2. Proposed System Improvements

- “System Improvements”
 - **paid for by general ratepayers**
 - Normally includes only improvements to serve existing customers – not new capacity
- Proposal: Upgrades to trunk mains in urban core that are functional but are limited in capacity due to slope funded by GRU ratepayers as System Improvements

Proposed Policy Changes in Urban Core to Promote Redevelopment

20 yr Total Costs

	Current Policy	Levelized Connection Charge Only	LCC + System Improvements*
GRU Contributions			
Oversizing	\$4,030,000	\$4,030,000	\$4,030,000
Levelized Connection Chg	-	\$3,700,000	\$3,700,000
<u>System Improvements</u>	-	-	<u>\$2,190,000</u>
Total GRU Portion	\$4,030,000 26%	\$7,730,000 50%	\$9,920,000 64%
Developer/other	\$11,440,000 74%	\$7,740,000 50%	\$5,550,000 36%
Total Cost	\$15,470,000	\$15,470,000	\$15,470,000

*Replacement of existing trunk mains which are capacity limited due to slope.

Recommendations

For Urban Core Area Only:

1. General ratepayer funds will be used to make sewer improvements at locations in which capacity is constrained due to sewer slope;
**In other areas, these type projects will continue to be 100% developer funded.*
2. City Attorney be directed to prepare, and the City Clerk to advertise an ordinance to implement levelized connection charges to fund a portion of the cost of projects to increase trunk sewer capacity to accommodate new development in the urban core area;
**GRU will fund 40% of the cost of each project using the revenue from the levelized connection charges.*

Recommendations (cont'd)

3. The balance of the cost for capacity improvement projects in the urban core area will continue to be the responsibility of the developer without further use of utility funds;
**City Commission & CRA can consider use of funding sources other than ratepayer funds or general connection charges to further assist developers on project-by-project basis*
4. This item be removed from the referral list.

Thank you!