



Date of Council Meeting: March 10, 2015

**TOWN OF LEESBURG
TOWN COUNCIL MEETING**

Subject: Lower Sycolin Sanitary Sewer Conveyance System Pro-Rata

Staff Contact: Amy Wyks, Director of Utilities
Barbara Notar, Town Attorney
Renee LaFollette, Director Capital Projects

Council Action Requested: A decision by Council is needed to reestablish the 2005 Pro-Rata for Phase I of Lower Sycolin Sanitary Sewer conveyance system, and to adopt a Phase II Pro-Rata for the system.

Staff Recommendation: Staff recommends Council reestablish the 2005 Pro-Rata for Phase I of Lower Sycolin Sanitary Sewer conveyance system, and adopt a Phase II Pro-Rata for the system.

Commission Recommendation: Not Applicable

Fiscal Impact: The Lower Sycolin Sanitary Sewer Conveyance System is an approved Capital Improvement Program in the total amount of \$9,329,878. Phase I was completed in June 2014 and the project design and construction cost was \$5,329,878 (Including design costs for Phase II.) Phase II will be constructed by Peterson with the approved sewer agreement at an estimated project construction cost of \$4,000,000.

The Pro-Rata fees will recover the cost to design and construct of f the sanitary sewer system when properties are developed within the sewershed. (66% of Phase I and100% of Phase II)

Executive Summary: Based on the 2005 pro-rata, the cost share does not adequately reimburse the Town will the phased construction. Since the project has been divided into two phases, the 2005 Pro-Rata should be revised to address the phased construction and ensure the accurate cost benefit is charged to all undeveloped parcels. The revised pro-rata accurately distributes the cost share of Phase I and Phase II design and construction project costs to the future development of the applicable parcels. The revised pro-ratas will provide for 66% reimbursement of Phase I project costs and 100% reimbursement of Phase II project costs.

Background: The construction of the Lower Sycolin Creek Sewage Conveyance System was divided into two phases. Phase 1 construction has been completed including full operation of the Lower Sycolin Pump station, force main and gravity airport branch sewer main. Phase II consists of 9,000 feet of pipeline construction along Cochran Mill Road to Sycolin Road. The program description for the proposed CIP project 14402 (Lower Sycolin Sewage Conveyance System Phase II) states that staff is currently re-evaluating the adopted Pro-Rata based on current design and working cooperatively with the Peterson Companies on an agreement to accelerate the construction of this project.

In 2005, the Lower Sycolin Sewer Pro-Rata Resolution (2005-182) was adopted by Town Council. Considering the construction of the system in phases and changes in property density impacting proposed sewer flows, staff evaluated the existing Pro-Rata and, as a result, recommends the reestablishment of the Phase I Pro-Rata, and recommends adoption of a Phase II Pro-Rata as follows:

PHASE I PRO-RATA

Sector I Development	% of Sector for Phase I	Phase I Pro-Rata Share (2005)	Phase I Pro-Rata Share (2014 Cost Index)
Town	44%	\$1,072,369	Not Recoverable
Loudoun County	12%	\$285,965	\$375,691
Tuscarora Crossing	43%	\$1,024,709	\$1,346,226
Cochran Mill Road (Industrial Plant)	1%	\$23,830	\$31,308
Total	100%	\$2,406,874	\$1,753,224

Sector II Development	% of Sector for Phase I	Phase I Pro-Rata Share (2005)	Phase I Pro-Rata Share (2014 Cost Index)
Crosstrail (Northern including Town Parcels)	35%	\$1,034,100	\$1,363,480
Crosstrail (Southern)	50%	\$1,459,608	\$1,924,522
Misc. Property	15%	\$429,297	\$566,036
Total	100%	\$2,923,005	\$3,854,038

PHASE II PRO-RATA

Sector II Development	% of Sector for Phase II	Phase II Pro-Rata Share (2014)
Crosstrail (Northern including Town Parcels)	35%	\$1,415,119
Crosstrail (Southern)	50%	\$1,997,408
Misc Property	15%	\$587,473
Total	100%	\$4,000,000

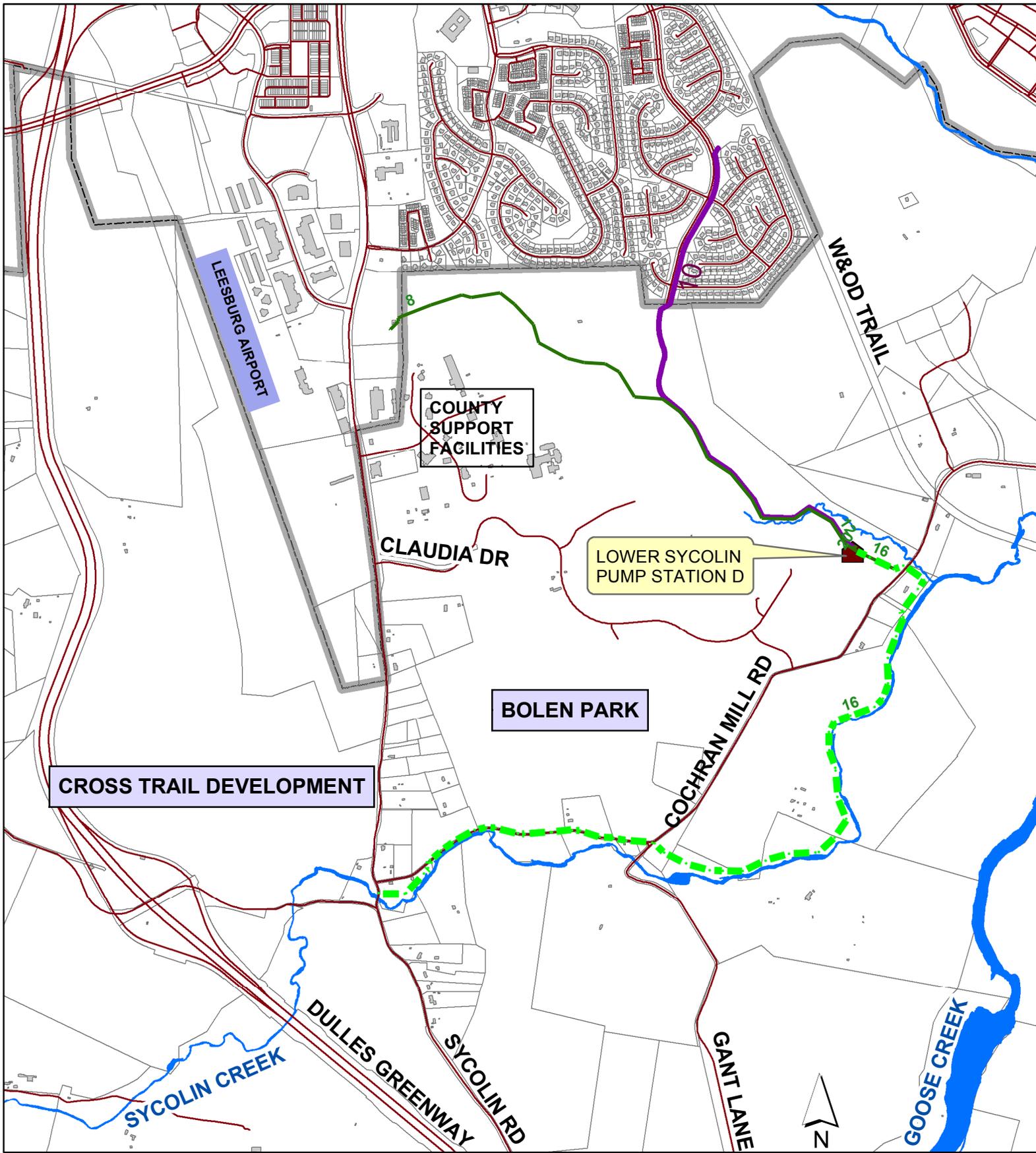
The entire sewershed has been divided into two sectors. Sector I includes those other properties that contribute to the Airport gravity sewer (Phase I) pump station and force main. Sector II comprises of those properties that contribute to Phase II gravity sewer (Phase II) along Cochran Mill Road, pump station and force main costs.

The overall average sanitary flow contribution from this sewershed is estimated at 780,750 gallons per day with approximately 202,000 gallons per day from Sector I and 578,750 gallons per day from Sector II

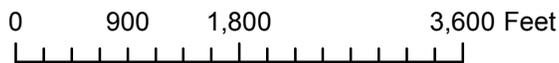
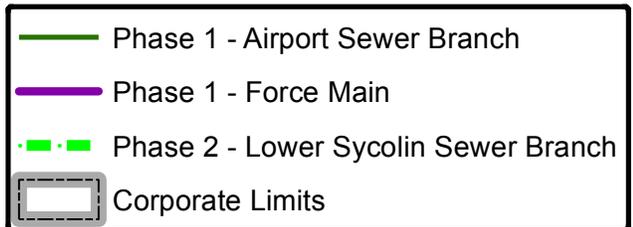
The cost of Phase I construction and associated engineering and inspection services is \$5,329,878.40 of which 88% is recoverable through collection of Pro-Rata fees from developers in Sectors I and II. The estimated cost of Phase II is \$4,000,000.00 of which 100% is recoverable through collection of Pro-Rata fees from developers in Sector II.

Attachments: Resolution

Map of Lower Sycolin Sewershed and Sanitary Sewer Conveyance System.
Lower Sycolin Pro-rata Calculation



MODIFIED LOWER SYCOLIN CREEK SEWERSHED



Lower Sycolin Sewer Pro-Rata (Revised Flow for Crosstrail per Peterson 1/20/15)

Phase I Construction Project	Total
Lower Sycolin Pump Station	\$2,134,000.00
Lower Sycolin Force Main	\$1,150,820.14
Airport Gravity Sanitary Sewer (Phase I)	\$1,095,792.26
Engineering Design & SDC's for Pump Station, FM, Phases I & II	\$949,266.00
Total	\$5,329,878.40

Flows

Sector I Development	Estimated Flow gpd
Town	90,000
Loudoun County	24,000
Tuscarora Crossing	86,000
Cochran Mill Road (Industrial Plant)	2,000
Total Sector I Flows (gpd)	202,000

Sector II Development	Estimated Flow gpd
Crosstrail (Northern including Town Parcels)	204,750
Crosstrail (Southern)	289,000
Misc Property	85,000
Total Sector II Flows (gpd)	578,750

Total Flow of Sectors I and II to the Pump Station and Forcemain		780,750
% of Total Flow from Sector I to the Pump Station and Forcemain	26%	202,000
% of Total Flow from Sector II to the Pump Station and Forcemain	74%	578,750

Based on % of Total Flow the Pro-Rata share to each sector is as follows:

Construction Project	Total	Sector I %	Sector I Share	Sector II %	Sector II Share
Lower Sycolin Pump Station	\$2,134,000	26%	\$552,120	74%	\$1,581,880
Lower Sycolin Force Main	\$855,568	26%	\$221,357	74%	\$634,211
Airport Gravity Sanitary Sewer (Phase I)	\$1,386,663	100%	\$1,386,663	0%	\$0
Engineering Design & SDC's for Pump Station, FM, Phases I & II	\$953,647	26%	\$246,733	74%	\$706,914
Total	\$5,329,878		\$2,406,874		\$2,923,005

The Pro-Rata share per development within each sector is as follows:

Sector I Development	% of Sector	Pro-Rata Share (2005)	Pro-Rata Share (2015 Cost Index)
Town	45%	\$1,072,369	Not Recoverable
Loudoun County	12%	\$285,965	\$375,691
Tuscarora Crossing	43%	\$1,024,709	\$1,346,226
Cochran Mill Road (Industrial Plant)	1%	\$23,830	\$31,308
Total	100%	\$2,406,874	\$1,753,224

Sector II Development	% of Sector	Pro-Rata Share (2005)	Pro-Rata Share (2015 Cost Index)
Crosstrail (Northern including Town Parcels)	35%	\$1,034,100	\$1,363,480
Crosstrail (Southern)	50%	\$1,459,608	\$1,924,522
Misc Property	15%	\$429,297	\$566,036
Total	100%	\$2,923,005	\$3,854,038

Phase I 2005 Pro-Rata Rate to be re-established (Calculate Based on ENR Index for 2005):	Total Cost	Total gpd	Pro-Rata Rate (2005)	Pro-Rata Rate (2015 Cost Index)
Sector I	\$2,406,873.71	202,000	\$11.92 per gpd	\$15.71 per gpd
Sector II	\$2,923,004.69	578,750	\$5.05 per gpd	\$6.66 per gpd

1/15 ENR Construction Index: 9971.96

Phase II Construction Project	Total
Cochran Mill Gravity Sanitary Sewer Phase II	\$4,000,000.00
Total	\$4,000,000.00

Flows

Sector II Development	Estimated Flow gpd
Crosstrail (Northern including Town Parcels)	204,750
Crosstrail (Southern)	289,000
Misc Property	85,000
Total Sector II Flows (gpd)	578,750

Based on % of Total Flow the Pro-Rata share to each sector is as follows:

Construction Project	Total	Sector I %	Sector I Share	Sector II %	Sector II Share
Cochran Mill Gravity Sanitary Sewer Phase II	\$4,000,000	0%	\$0	100%	\$4,000,000
Total	\$4,000,000		\$0		\$4,000,000

The Pro-Rata share per development within each sector is as follows:

Sector II Development	% of Sector	Pro-Rata Share (2015)
Crosstrail (Northern including Town Parcels)	35%	\$1,415,119
Crosstrail (Southern)	50%	\$1,997,408
Misc Property	15%	\$587,473
Total	100%	\$4,000,000

New Phase II Pro-Rata Rate to be established (Calculate Based on 2014 ENR Index at Adoption)	Total Cost	Total gpd	Pro-Rata Rate (2015)
Sector II	\$4,000,000.00	578,750	\$6.91 per gpd

Note: Change in density of any parcels within both sectors could require a reevaluation of established pro-rata

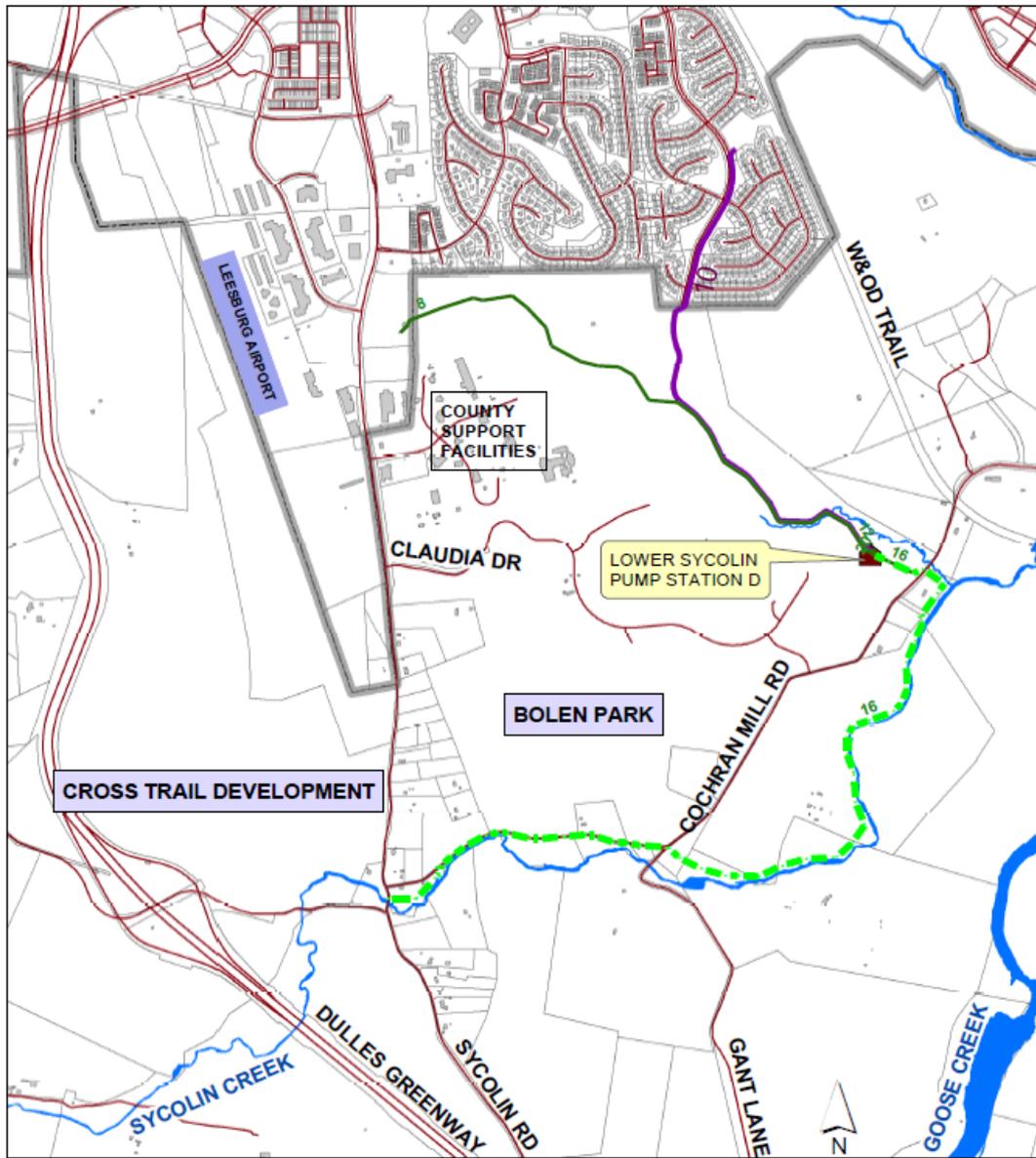
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Lower Sycolin Sewer Conveyance System Phase II Construction and Pro-Ratas

March 10, 2015

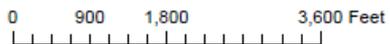
Lower Sycolin Sewer Conveyance System

- * Phase I – Construction complete
 - * Airport Gravity Main
 - * Lower Sycolin Pump Station
 - * Force main to Kincaid Blvd.
- * Phase II
 - * Gravity main from Crosstrail (Compass Creek) to Pump Station
 - * Proposed Sewer agreement with Peterson Companies to construct gravity sewer main



MODIFIED LOWER SYCOLIN CREEK SEWERSHED

DATE: 08-19-2014
Town of Leesburg Utilities



- Phase 1 - Airport Sewer Branch
- Phase 1 - Force Main
- - - Phase 2 - Lower Sycolin Sewer Branch
- Corporate Limits

Impacted Parcels

- * Existing Town customers previously using the airport pump station that is now off line.
- * Loudoun County 92 acre tract
- * A portion of Tuscarora crossing
- * Industrial plants, businesses and few residences along Cochran Mill Road
- * Crosstrail (Compass Creek)

Pro-Ratas

- * Phase I Pro-Rata (Total cost \$5.3 M)
 - * Pump Station and force main benefits all parcels.
 - * Airport Gravity main benefits Town, Loudoun County, Tuscarora Crossing and few parcels along Cochran Mill. (Sector 1)
 - * Engineering, Design and inspection services benefit all parcels.
- * Phase II Pro-Rata (Estimated Total cost \$4.0 M)
 - * Gravity main benefits Crosstrail and misc. property along Cochran Mill. (Sector II)

Pro-Ratas

- * Phase I Pro-Rata
 - * Sector 1 Properties - \$15.71 per gpd
 - * Sector II Properties - \$6.66 per gpd
- * Phase II Pro-Rata
 - * Sector II Properties - \$6.91 per gpd
- * Gpd is calculated based on daily flow from DCSM.
- * Pro-Rata rate is adjusted per ENR Construction Index

Staff Recommendation

- * Approve sewer agreement with Peterson Companies to construct gravity sewer main
- * Not publicly bid Town project. Peterson to construct per provisions in agreement.
- * Revised Lower Sycolin Sewer Pro-Rata for Phase I.
- * Adopt Lower Sycolin Sewer Pro-Rata for Phase II

Questions and Answers

PRESENTED: March 10, 2015

RESOLUTION NO. _____

ADOPTED: _____

A RESOLUTION: AMENDING AND ESTABLISHING PRO-RATA FEES FOR THE LOWER SYCOLIN SANITARY SEWER CONVEYANCE SYSTEM

WHEREAS, Section 34-128 of the Town Code authorizes the Town to collect pro-rata fees for Town constructed sewer facilities necessitated, at least in part, by future subdivisions or development of land; and

WHEREAS, the Town constructed a pump station and associated utilities to provide sewer service to the Lower Sycolin Creek sewershed properties; and

WHEREAS, Resolution 2005-182 established a pro-rata fee for Section I and Section II for Lower Sycolin Creek Sanitary Sewer Conveyance Systems; and

WHEREAS, the Lower Sycolin Creek Sanitary Sewer Conveyance System has been divided into two construction phases (Phase I and Phase II); and

WHEREAS, the total estimated cost of engineering and construction Phase I and engineering Phase II of the conveyance system is \$ 5,329,878.40; and

WHEREAS, the total estimated cost of engineering and construction of Phase II of the sewer conveyance system is approximately \$ 4,000,000.00; and

WHEREAS, it has been determined that approximately 12% of the cost of the design and construction related to Phase I of system is for the benefit of the existing customers and the remaining 88% is for the benefit of property owners of undeveloped lands in the Lower Sycolin Sewershed; and

A RESOLUTION: AMENDING AND ESTABLISHING PRO-RATA FEES FOR THE LOWER SYCOLIN SEWER SHED SANITARY SEWER CONVEYANCE SYSTEM

WHEREAS, it has been determined that the costs for the design and construction related to Phase II of system is for 100% of the benefit of property owners of undeveloped lands in the Lower Sycolin Sewershed; and

WHEREAS, the identification of the properties in the attached map is merely for purposes of identifying properties which may benefit from this capital project and is in no way a commitment, on the part of Town Council, to extend utilities to properties outside the Town corporate boundaries; and

WHEREAS, the following allocation for Phase I have been determined based on properties and uses subject to the Phase I pro-rata and has been adjusted accordingly to final engineering and construction costs; and

WHEREAS, the following allocations for Phase II have been determined, based on properties and uses subject to the pro-rata Phase II and will be adjusted accordingly once the project is completed; and

WHEREAS, the following table demonstrates costs assigned to each property based on the most current available data for Phase I Pro-Rata; and

Sector I Development	% of Sector	Pro-Rata Share (2005)	Pro-Rata Share (2014 Cost Index)
Town	44%	\$1,072,369	Not Recoverable
Loudoun County	12%	\$285,965	\$375,691
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A RESOLUTION: AMENDING AND ESTABLISHING PRO-RATA FEES FOR THE LOWER SYCOLIN SEWER SHED SANITARY SEWER CONVEYANCE SYSTEM

Sector II Development	% of Sector	Pro-Rata Share (2005)	Pro-Rata Share (2014 Cost Index)
Crosstrail (Northern including Town Parcels)	35%	\$1,034,100	\$1,363,480
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Misc Property	15%	\$429,297	\$566,036
Total	100%	\$2,923,005	\$3,854,038

WHEREAS, the following table demonstrates costs assigned to each property based on the most current available data for Phase II Pro-Rata;

Sector II Development	% of Sector	Pro-Rata Share (2014)
Crosstrail (Northern including Town Parcels)	35%	\$1,415,119
Crosstrail (Southern)	50%	\$1,997,408
Misc Property	15%	\$587,473
Total	100%	\$4,000,000

THEREFORE, RESOLVED by the Council of the Town of Leesburg in Virginia as follows:

SECTION I. The Lower Sycolin Creek Sanitary Sewer Conveyance System Phase I Pro-rata fee is hereby reestablished, effective upon passage, at a rate of \$15.71 per gallon per day of estimated usage for Phase I, Sector I properties and \$6.66 per gallon per day for Sector II properties identified and as shown on the attached map.

SECTION II. The Lower Sycolin Creek Sanitary Sewer Conveyance System Phase II Pro-Rata fee is hereby established, effective upon passage, at a rate of \$6.91 per gallon per day of estimated usage for Sector II properties identified and as shown on the attached map.

A RESOLUTION: AMENDING AND ESTABLISHING PRO-RATA FEES FOR THE
LOWER SYCOLIN SEWER SHED SANITARY SEWER
CONVEYANCE SYSTEM

SECTION III. The fees as specified in Section I and Section II shall be paid prior to the issuance of a Zoning Permit and concurrently with payment of all other required off-site and availability fees for new connections or increased use of existing connections to the Lower Sycolin Creek Sanitary Sewer Conveyance System.

SECTION IV. The fee shall be adjusted by the percentage increase or decrease in Engineering News Record Construction Cost Index value at the time of application. The current Construction Cost Index value from which the increase or decrease shall be measured is 7563 for Phase I and 9972 for Phase II.

SECTION V. The fees established herein shall be calculated based on the gallons per day usage per establishment as outlined on Drawing SD-2 (Average Daily Sewage Flows) in the Town's Design and Construction Standards Manual.

SECTION VI. The fees established herein shall run with the property and the Town Manager shall maintain for public inspection a record of properties subject to these fees.

PASSED this _____ day of _____ 2015.

Kristen C. Umstattd, Mayor
Town of Leesburg

ATTEST:

Clerk of Council