MEMORANDUM

EUGENE WATER & ELECTRIC BOARD

Rely on us.

TO:	Commissioners Carlson, Mital, Helgeson, Schlossberg and Brown
FROM:	Sue Fahey, Assistant General Manager/CFO; Deborah Hart, Finance Manager; and Adam Rue, Fiscal Services Supervisor
DATE:	September 23, 2019
SUBJECT:	Cost of Service Analysis for Upriver Service Territory
OBJECTIVE:	Information Only

Issue

EWEB services both the City of Eugene and adjacent areas, as well as areas along the McKenzie River between the cities of Walterville and Vida (Upriver). These two service territories are not physically contiguous, and Commissioners requested that staff prepare a separate cost of service analysis for the Upriver Service Territory.

Background

EWEB prices electric service differently based on both customer demand based on kilowatt thresholds and type (i.e. residential, commercial, and street lighting). The allocation of costs among customer rate classes and recovery within classes by different billing components (e.g., basic, energy, and demand charges) is informed by the Cost of Service Analysis (COSA). The COSA allocates costs among customer classes and provides details to support rate design within the classes. The model also provides pricing for contract customers to ensure equitable pricing.

In addition to the COSA model, staff also uses marginal cost studies to facilitate cost allocation and rate design. Marginal cost studies are effective for determining efficient price signals for incremental usage, matching customer load and conservation savings with EWEB realized savings, and designing distributed generation prices.

Methodology Overview

The COSA incorporates the annual budget and customer class characteristics to allocate the total revenue requirement among the customer classes. The primary factors used to allocate costs are energy consumption, demand factors, and customer and meter factors. For example, energy commodity costs are allocated on a projected energy consumption basis, while customer specific costs are allocated on a customer basis. The COSA primary cost categories are production costs, transmission, distribution, and customer costs. Historically, the costs have been viewed as one system and not allocated to classes on a locational basis.

Discussion

Upriver Cost of Service Analysis

The Upriver COSA incorporates elements of the marginal cost study, which can establish costs on a locational basis and incorporate them back into the traditional COSA model to further allocate costs within the customer classes to the in-town and upriver territories.

The table below illustrates the cost allocation for the tradition COSA which currently applies to all EWEB customers and the further allocation to EWEB Upriver customers. The cost of production is assumed to be comparable for all customers regardless of location. The transmission and distribution costs differ for in-town vs. upriver based on miles of transmission and distribution lines, transformers, and other equipment for the respective customer segments, which need to be operated and maintained, as well as due to future capital cost projections. Customer specific costs differ due to length of meter reading routes.

Table 1: Allocation Factors

Cost Type	In Town	Upriver
Production	Kilowatt hours based	Same cost
Transmission	Kilowatt demand based	Infrastructure to serve
Distribution	Kilowatt demand based	Infrastructure to serve
Customer	Customer based	Meter reading costs

Results

The results of the Upriver COSA indicate some costs are comparable and many of the costs are higher for customers based on their location. The production costs (i.e. generation and purchased power) and transmission to EWEB system (largely purchased from BPA transmission system) are comparable for both in-town and upriver costs. The upriver territory requires higher capital investment and ongoing maintenance per customer than in town, as well as higher meter reading expense. The existing and projected investments per residential customer for distribution infrastructure in terms of distribution miles, transformers, and poles are approximately two to three times higher than in town customers. The meter reading costs are roughly two times higher. The impact of these higher costs results in an increased delivery charge and basic charge.

Bill and Revenue Comparison

The upriver customers represent approximately 3% of total customer base with slightly higher than average usage. The higher costs for upriver service is generally related to costs recovered in the delivery charge. The delivery charge is billed on a per kilowatt hour basis. Therefore, different consumption levels are impacted differently. The bill impact of the cost differential associated with the Upriver analysis is approximately a 10-15% higher cost for upriver customers which would correspond with a rate reduction of approximately 0.5% for in town customers.

Amongst EWEB comparators, only two utilities price based on locations.

- The City of Seattle has different customer rates on a locational basis but it is a function of franchise agreement pass through rather than based on utility cost of service.
- Emerald People's Utility District has two different rates 1) for its standard service territory and 2) for customer previously served by Springfield Utility Board and transferred to Emerald

PUD. If an existing customer moved from the address, the new customer is billed at the standard Emerald PUD price schedule.

Feasibility of Implementation
It is feasible to create an upriver customer class and price services differently. By working with consultants to ensure rate models follow industry standards, significant progress has been made to update pricing tools and more effectively price electric services. This includes updating the existing COSA model and performing a marginal cost study. These tools supported the analysis for the Upriver COSA. The methodology to allocate upriver costs; however, is not completely aligned with current business practices. Staff would need to modify and streamline budgeting, plant in service and cost tracking, as well as adjust the COSA model, if Commissioners chose to create an upriver customer class. These changes would need to be implemented prior to developing a location based customer class.

If the Board chooses to pursue implementing a separate residential price for upriver customers, management would engage a consultant to review the existing COSA model and business practices, and to assist in developing an equitable cost allocation.

Recommendation/ Requested Board Action
This material is provided for information only.

MEMORANDUM

EUGENE WATER & ELECTRIC BOARD

Rely on us.

TO:	Commissioners Carlson, Mital, Helgeson, Schlossberg and Brown
FROM:	Karl Morgenstern, Water Quality & Source Protection Supervisor
DATE:	September 16, 2019
SUBJECT:	Pentachlorophenol Plume Associated with International Paper Mill Complex
OBJECTIVE:	Information Only

Issue

Provide Board with requested annual update concerning potential drinking water threats associated with the pentachlorophenol plume in groundwater adjacent to the McKenzie River. Based on current data and information, staff do not believe the PCP groundwater plume poses a significant threat to EWEB's drinking water quality at this time. Staff will continue to monitor the situation. For more information, review the Background and Discussion sections below.

Background

For the past 24 years, the Oregon Department of Environmental Quality (DEQ) has been working with both Weyerhaeuser Company (Weyerhaeuser) and International Paper Company (IP) to address the pentachlorophenol (PCP) plume originating from the Springfield mill site at 801 North 42nd Street. Wood treatment practices using PCP occurred at the site until 1986. Weyerhaeuser discovered soil contamination at the mill site after removing their sawmill facility in 1991. Weyerhaeuser entered into Consent Order WMCSR-WR-95-09 with the DEQ on September 5th, 1995, agreeing to investigate the contamination and identify potential solutions to protect human health and the environment. To be protective of the Springfield Utility Board (SUB)/Rainbow Water District (RWD) well field, Weyerhaeuser installed a carbon filtration system in 1996 to treat water from the SUB/RWD wells should PCP be detected.

On December 3rd, 2002, DEQ approved a final Remedial Design/Remedial Action Work Plan (RD/RA) for the site and has been tracking the implementation of this plan. The RD/RA work plan requires continued monitoring and reporting on the progress and extent of the groundwater PCP plume as it migrates to the northwest and toward the SUB/RWD supply wells adjacent to the McKenzie River (see attached map).

Ongoing groundwater monitoring of the PCP plume is conducted by PES Environmental, Inc. (PES) on behalf of IP. Prior to 2012, monitoring wells were sampled on a monthly basis. In July, 2012, PES began collecting samples on a semiannual basis from a select number of monitoring wells after DEQ approved proposed monitoring changes submitted by PES on behalf of IP. In addition to providing analytical results from the monitoring wells to both IP and DEQ, PES provides the data on behalf of IP to EWEB upon request. The SUB/RWD wells and the well field treatment system are sampled on a monthly basis when the systems are in production. Analytical

results from the wells and associated treatment system are sent to IP, SUB, RWD, DEQ and EWEB.

In addition, semiannual RD/RA progress reports summarizing work performed during the previous six months at the mill complex, along with anticipated work, are submitted to DEQ. EWEB staff have been given access to the semiannual reports. The most recent report, Number 88, was received by EWEB staff on April 26th, 2019, and is included in the discussion below. The next submission, Report Number 89, is not due until October.

Discussion

Results for monitoring wells located within the intermediate depth zone, with screening intervals ranging from 36 to 72 feet below ground surface, show decreasing concentration trends near the former sawmill site and at a site downgradient of the PCP plume, just north of Keizer Slough. PCP concentrations from samples collected in July, 2018 and January, 2019, ranged from 5.5 micrograms per liter (µg/L) to non-detectable below the reported quantitation limit (quantitation limit is .5 µg/L). For perspective, the monitoring well located just north of Keizer Slough, and reporting the 5.5 µg/L PCP result, had a maximum PCP value of 61 µg/L in 2012, although the result was flagged as estimated.

PCP results for deep groundwater monitoring wells, typically 78 to 92 feet deep, show similar decreasing concentration trends over time with the exception of one well, MW-18D, located along the western edge of the downgradient portion of the plume (see attached map). PCP concentrations reported for this well were largely non-detect prior to 2010, but have steadily increased to current levels (July, 2018 – 5.6 µg/L and January, 2019 – 7.1 µg/L). The highest PCP concentration detected over the past two sampling events was 33 µg/L (January, 2019), which came from a duplicate sample (primary sample was 32 µg/L) collected at monitoring well MW-27D. Looking at all available data since 2001, the peak PCP concentration reported for MW-27D was 320 µg/L in 2001. MW-27D is located in the immediate downgradient portion of the plume. Several other deep groundwater wells have reported non-detect values over the past few years. Of notable exception are two down-gradient monitoring wells, MW-19D and MW-5D, which are both located between Keizer Slough and the McKenzie River. Although concentrations appear to be decreasing over time, reported values from January, 2019 ranged from 8.1 µg/L at MW-5D to 13 µg/L at MW-19D.

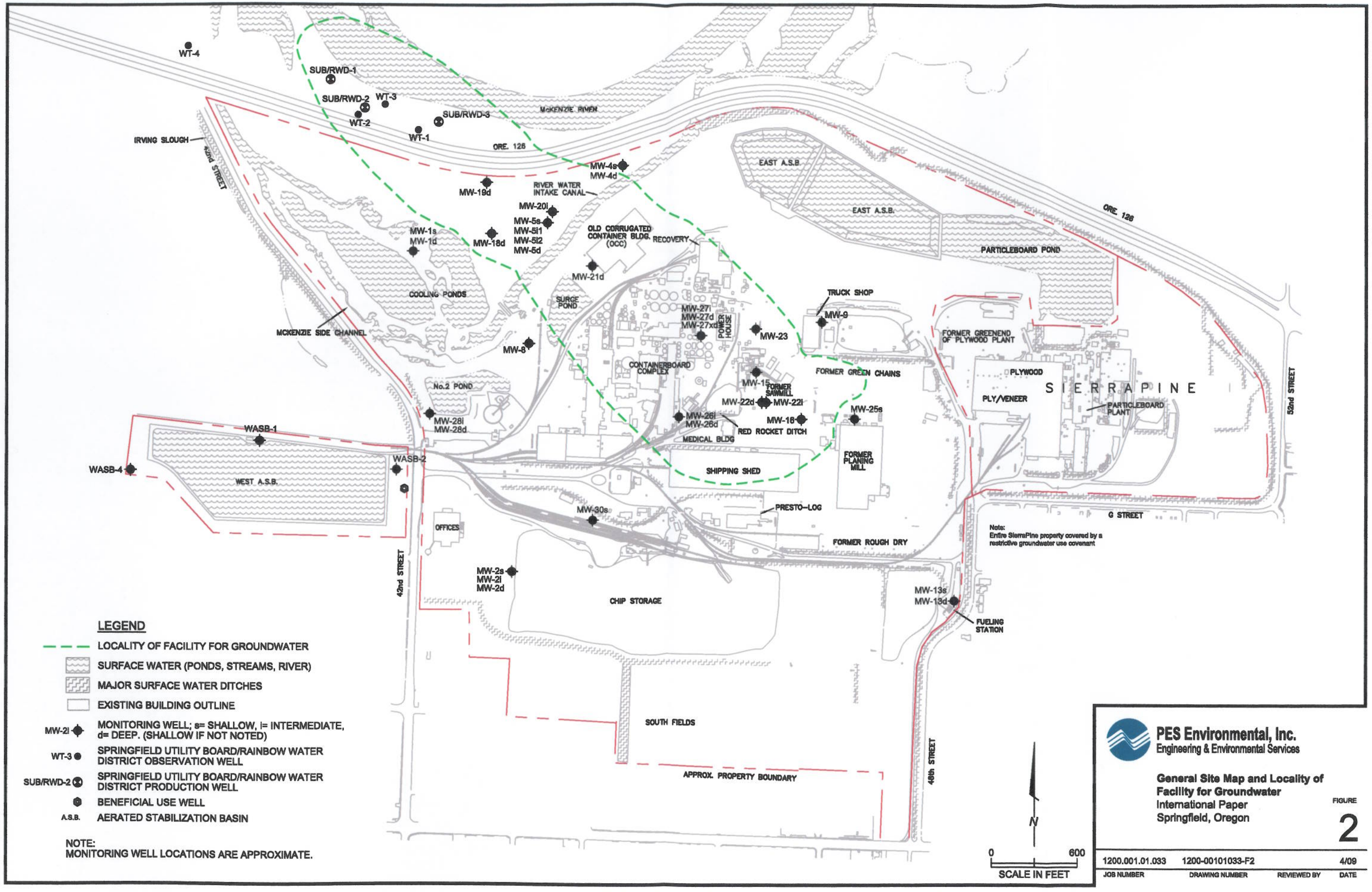
From 2001 to 2019, over 300 samples have been collected by PES from three SUB/RWD wells (#1, #2, #3) located down-gradient of the plume and adjacent to the McKenzie River. During this time there have been a total of 7 PCP detections. The U.S. Environmental Protection Agency maximum contaminant level (MCL) for PCP is 1 µg/L for drinking water. The 7 detections were found in wells #1 and #2 at concentrations ranging from .082 to 0.21 µg/L, which are below the MCL. No detections were reported for well #3 during this time. As expected, most detections were reported during the second half of the monitoring period, in line with model predictions showing a slow progression of the plume to the northwest and towards the well fields. No PCP detections have been reported over the past 3 years. Samples collected from all three SUB/RWD wells are also analyzed periodically for volatile organic compounds (VOCs). Over the past 5 years, two VOCs have been detected at least once at very low concentrations in Well #1. No VOC detections have been reported over the past three years from the SUB/RWD wells.

Drinking Water Source Protection staff have been collecting water samples from stormwater sources in the vicinity of the plume on a regular basis since 2002. Although Hayden Bridge staff have been

collecting raw water samples at the drinking water plant over a far longer period, only data collected since 2000 is included in this review. PCP has been sampled at the intake more than 170 times since 2000. During this time, there have been no detections above the reporting limit (RL). The RL typically falls around .1 µg/L for most PCP samples. Over 110 samples have been analyzed for PCP from sites associated with Springfield's urban stormwater runoff since 2002. A total of 21 PCP detections have been reported from sites related to urban stormwater runoff, although over half are considered estimated values since the detected values fall below the RL. Nearly 80% of the detections are the result of targeted monitoring efforts during storm events. Detected concentrations range from .012 µg /L to .8 µg /L, all below the MCL for PCP. The maximum value observed originated from the 42nd stormwater channel, but was flagged by the analyzing laboratory as an estimated value. A total of 9 detections are associated with locations adjacent to or near the plume. However, the other 12 detections came from stormwater sources not associated with the plume. The occurrence of PCP in stormwater channels not associated with IP's property suggests the presence of PCP is likely ubiquitous at low concentrations in urban landscapes, especially during storm events when many contaminants are flushed into local waterways. No PCP detections above the RL have been observed in either raw water or stormwater sources within the past 24 months, which includes approximately 25 samples in total.

Requested Board Action

No formal action is requested at this time.



Note:
Entire SierraPine property covered by a restrictive groundwater use covenant

LEGEND

- LOCALITY OF FACILITY FOR GROUNDWATER
- SURFACE WATER (PONDS, STREAMS, RIVER)
- MAJOR SURFACE WATER DITCHES
- EXISTING BUILDING OUTLINE
- MW-2i — MONITORING WELL; s= SHALLOW, i= INTERMEDIATE, d= DEEP. (SHALLOW IF NOT NOTED)
- WT-3 — SPRINGFIELD UTILITY BOARD/RAINBOW WATER DISTRICT OBSERVATION WELL
- SUB/RWD-2 — SPRINGFIELD UTILITY BOARD/RAINBOW WATER DISTRICT PRODUCTION WELL
- BENEFICIAL USE WELL
- A.S.B. — AERATED STABILIZATION BASIN

NOTE:
MONITORING WELL LOCATIONS ARE APPROXIMATE.

PES Environmental, Inc.
Engineering & Environmental Services

General Site Map and Locality of Facility for Groundwater
International Paper
Springfield, Oregon

FIGURE 2

1200.001.01.033	1200-00101033-F2		4/09
JOB NUMBER	DRAWING NUMBER	REVIEWED BY	DATE

MEMORANDUM

EUGENE WATER & ELECTRIC BOARD

Rely on us.

TO:	Commissioners Carlson, Mital, Helgeson, Schlossberg and Brown
FROM:	Frank Lawson, General Manager
DATE:	September 24, 2019
SUBJECT:	Roosevelt Operation Center (ROC) Consolidation
OBJECTIVE:	Information Only

Issue

At the Board's September 6, 2019 meeting, Commissioners requested information concerning issues related to the building construction necessary to consolidate staff at the Roosevelt Operations Center (ROC).

Background

Based on a 2016 feasibility analysis, it was determined that EWEB would reduce operating costs and improve workplace efficiency by consolidating staff to the Roosevelt Operations Center (ROC). The original objective was to consolidate the majority of staff to the ROC location, however approximately 75 employees would remain at the downtown Headquarters building.

In August of 2018, the Board approved a contract that would facilitate that effort through remodeling of the existing ROC facility. The remodel work was to include the addition and removal of walls and doors, as well as associated electrical, plumbing, HVAC, and mechanical work.

Discussion

In early 2019, Management pursued the prospect of further streamlining operations by centralizing all groups, including Customer Services and Dispatch staff. This will result in more efficiencies with greater long-term cost savings. Additionally, by vacating a larger portion of the Headquarters building, we will be afforded the opportunity to prepare the building for its eventual sale and offer more flexibility for an earlier sale or property lease should the opportunity arise.

This decision came after the initial design and construction contracts were completed and approved. Revisions to the existing floor and office plans were necessary to accommodate approximately 75 additional staff. In particular, the Dispatch Control Center and Customer Call Center have distinct business needs. The space best suited for the Call Center required engineering and construction to accommodate changes to the HVAC system, including installation of a new air handler and necessary structural work to support the heavy equipment on the roof. The space also required acoustical engineering and associated modifications to satisfy a bustling Call Center. The Dispatch Control Center will have a smaller footprint at the ROC that will not accommodate its existing

mimic board which is used to display real time status of the electrical system. An upgrade for this critical piece of equipment, as well as a dispatch radio interface, were already in the Capital Plan; the relocation to the ROC has caused us to accelerate the timeline for these replacements from 2020 to 2019.

Other impacts resulting from moving additional staff from Headquarters included shifting the planned locations of several work areas to make room for the new Customer Call Center. This challenge was addressed by shrinking the Communications floor space to accommodate the Meter Reading Department who relinquished their space to house the General Manager's Office and conference area. The tighter floor space for Communications resulted in the addition of a mezzanine for storage and a shop area. This caused layout, structural and HVAC changes to the Communications shop designs and drawings and resulted in this portion of the remodel being delayed a few months.

In addition to the aforementioned scope changes, there have been shorter delays caused by conflicts between architectural and electrical drawings as well as the challenges of working in an operational facility. The winter snow storm was another factor which impacted the construction schedule. During the last week of February and beginning of March, all construction activities were halted for several weeks while staff focused on restoration of service for our customers.

The combination of these issues has contributed to delay the construction project completion date and design and construction change orders. Despite these delays, the project is on target to move all staff who are slated to reside at the ROC by the end of the year. The total cost, with change orders, is projected to come in at approximately $3.4 million.

If Commissioners have specific questions about the project that were not addressed in this correspondence, please contact Rod Price.

Recommendation/Requested Board Action

None, this memorandum is for informational purposes only.

MEMORANDUM

EUGENE WATER & ELECTRIC BOARD

Rely on us.

TO:	Commissioners Carlson, Mital, Helgeson, Schlossberg and Brown
FROM:	Sue Fahey, Assistant General Manager/CFO; Rene Gonzalez, Customer Solutions Manager; Jeannine Parisi, Customer Relationship Manager
DATE:	September 19, 2019
SUBJECT:	Water System Development Charge Policy
OBJECTIVE:	Provide General Direction

Issue
Management requests Board consideration of updates to EWEB Customer Service Policy Appendix D – Water System Development Charges in support of modernization and affordability initiatives.

Background
System Development Charges (SDCs) are used to fund capital projects needed to meet increased demand on the water system caused by new users. EWEB's Water System SDC's were last updated in May 2016 to include an upper level charge reflecting the increased cost to serve customers at higher elevations in our water distribution system. The current policy is silent on the topic of EWEB grants to offset SDCs for low income development projects.

Discussion
Proposed policy updates are shown in the red-lined version included as Attachment A. The first amendment is in Section D - Schedule of Charges. The standard size for a new residential smart water meter is now three-quarter inch compared to the prior standard of five-eighth inch. This operational change is not anticipated to alter water infrastructure needs or customer usage patterns that would otherwise justify an increased SDC charge. Instead, Management recommends collapsing the two lower charges into a "less than 1 inch" meter size with a single SDC rate for residential meters which aligns with the change to residential basic charges approved by the Board last year.

The second recommended change supports EWEB's core value centered on affordability, and is shown in Section E - Calculated Charges. This modification allows EWEB to calculate a lower SDC for housing units under 800 square feet (aka Accessory Dwelling Units (ADUs) and "tiny homes"). Recent changes to state law and local policy initiatives have been enacted to increase the supply of affordable housing. These smaller units create less demand on water infrastructure compared to a traditional home (e.g., lower occupancy, fewer water fixtures), and current SDC rates don't distinguish this difference.

A review of consumption for ADUs with separate water meters in EWEB service territory indicates that usage is about half of a typical residential customer. This finding is consistent with the current SDC methodology that assumes half the water consumption in a single family home is for irrigation. A fifty-percent reduction of the residential SDC rates for ADUs is reasonable given these factors.

The last major update applies to waivers for low income housing projects. While it has been EWEB's past practice to provide grants to offset water SDCs for certain low income development projects based on surplus revenues, the current policy does not address such offsets. Management conferred with legal counsel on whether EWEB could waive the SDC, in whole or in part, to simplify administration. In summary, counsel advised that the Board could do so under the Charter's broad grant of authority. Counsel recommended EWEB craft criteria on the public purpose for an SDC waiver, define qualifying projects and whether qualification can be subsequently lost, and develop other findings to show this program is equitable to current and future users. Management proposes a new Section J - Conditional Waivers for Qualifying Development Projects.

As in the past, EWEB will continue to rely on the City of Eugene to determine initial eligibility for an SDC exemption, and compliance with that exemption over time, based on City Code. The recommended changes require General Manager approval for SDC waivers over $50,000 for a single project or over $100,000 in aggregate. For reference, a 50-unit low income apartment complex is typically assessed a water SDC of about $45,000 (base level charge). All SDC waivers will be provided in the Community Investment quarterly reports to ensure transparency and to track financial metrics.

Recommendation
Management requests Board feedback on the proposed policy changes to align SDC charges with new meter standards, enable reduced SDCs for ADUs, and to formalize and streamline administration of an SDC waiver program.

Requested Board Action
No action is requested at this time. Proposed policy changes will be provided at the November Board meeting in conjunction with the Budgets and Price Proposals agenda item. Board action will be requested at the December 3 meeting.

APPENDIX D – WATER SYSTEM DEVELOPMENT CHARGES

TABLE OF CONTENTS

A. Background

Effective July 1, 1997, EWEB will apply a Water System Development Charge (SDC) to fund capital improvements to meet increased demands on the system caused by new users. This SDC is separate and in addition to any applicable line extension charges, service and Meter installation fees.

EWEB's SDC consists of reimbursement, improvement, and administration charges. The reimbursement charge is based on the value of unused system capacity and is determined by establishing the existing water system plant value and the current system capacity available for future development. The improvement charge is based on the projected water demand necessary to serve future growth and the projected cost of corresponding system improvements identified in EWEB's Water System Capital Improvement Plan. The administration charge covers costs associated with accounting, billing, collection, and periodic review.

These SDCs have been developed and approved by EWEB in accordance with the requirements of ORS 223.297 to 223.314. EWEB's SDC methodology and calculations shall be formally reviewed no less than once every five years, and updated to reflect changes in capital requirements, growth projections, and other material factors that affect determination of the charge. Between each formal review cycle, the charges incorporated herein may be adjusted by application of an appropriate cost index to reflect annual increases in construction costs.

Copies of the technical methodology and other information concerning the basis for this charge are available for public inspection at the EWEB offices.

B. Application

An SDC shall apply to all new Water Services installed and additional demands placed on the water system on and after July 1, 1997 unless otherwise waived or exempted by the provisions of this policy. Assessment and collection of the charges due shall occur at the time a completed new service and/or Meter installation order is placed by the Property Owner, or in the case of a change in use or occupancy, at such time that a building permit is issued for an improvement or modification which results in a new or increased demand on the water system.

C. General Provisions and Requirements

The schedule of charges is based on the size of the Meter installed. The larger the Meter, the higher the cost since a greater demand is placed on the system. The SDC methodology is based on a standard 5/8 inch Meter having a typical peak day maximum

demand of 871 gallons per day. Charges for all other Meter sizes are determined on flow capacity equivalent to a 5/8 inch Meter.

Installation of Water Services and Meters will not proceed until all SDCs and other applicable charges have been billed to and/or paid by the Property Owner in accordance with EWEB's established billing and collection procedures.

D. Schedule of Charges

~~The table below shows the adjusted SDC charges effective May 1, 2016.~~ EWEB is using an average index rather than a City specific index to provide a smoother trend, avoiding City specific susceptibility to price spikes.

Meter Size	Meter Equivalence	SDC (Base)	System Development Charge SDC (Upper Level)*
< 1"~~5/8~~	1"	$ 2,276	$ 3,063
~~3/4"~~	~~1.5~~	~~$ 3,415.00~~	~~$ 4,594.00~~
1"	2.33	$ 5,691	$ 7,657
1.5"	5	$11,382	$15,314
2"	8	$18,211	$24,502

* Service areas that are directly fed through pressure levels 800 or above will be charged the upper level SDC.
(Resolution No. 1613)

E. Calculated Charges

SDCs for Meter sizes above 2 inches will be calculated manually based on the estimated maximum day demand expressed in 5/8 inch Meter equivalents. EWEB reserves the right to calculate manually the SDC for any service or Meter size which in EWEB's determination will exhibit demand characteristics inconsistent with assumptions made for purposes of establishing the above schedule of charges. Such instances may include, but are not limited to, accessory dwelling units (ADUs) or equivalent dwellings (800 square feet or less), individually Metered multi-family residential units, large irrigation services, and other applications which fall outside the typical use patterns of EWEB's various Customer classifications.

In cases where the SDC is calculated manually, EWEB may review subsequent actual water demands of the Property Owner, and retroactively adjust the SDC charge up or down to reflect deviations from the estimated water demand used to determine the original SDC amount. Such adjustments will typically be made within 24 months of the service installation, unless a longer period is required to establish the Customer's water use characteristics due to partial occupancy, operation, or production.

F. Changes in Use and/or Occupancy

When a new use or change in occupancy occurs that is an expansion or replacement of an existing development, the Property Owner shall pay an SDC for any increase in water demands placed on the system. Such charge shall be calculated and assessed on the additional increment of capacity required, or the incremental difference between the new larger service and the original service.

G. Credits

Credits against the improvement fee portion of the SDC will be granted for qualified public improvements. An example of a qualified public ~~ying~~ improvement would be when a Property Owner is required to install and pay for a water Main sized larger than necessary for that development to serve future system demands. The credit applies only to the improvement fee portion of the SDC, and cannot be larger than the original calculated improvement fee.

H. Exemptions

Unmetered fire lines, hydrant connections, and other Water Services installed solely for the provision of fire protection do not place routine demands on the water system, and therefore are not subject to an SDC.

Temporary Water Services of a short-term, transient nature shall not be assessed an SDC, until such time that they may be converted to service of a permanent nature, in which case the applicable SDC shall be assessed at that time. Water Services provided to vacant properties or unimproved parcels shall be considered temporary until such time buildings or other improvements associated with a permanent occupancy are constructed.

I. Abandonment of Services

When property has been previously served and the service has been abandoned, SDCs will not be assessed if the service being requested is the same size or smaller than the original service and the associated water demands are comparable. In this case, the Property Owner must demonstrate that either a previous SDC was paid, or that the original service was installed prior to implementation of this policy.

J. Conditional Waivers for Low-Income Housing Projects

EWEB may waive, in whole or in part, SDCs for low-income housing projects. To ensure Water Utility financial stability, working cash must be $500,000 above the Board target. Low-income housing projects may include multi-family rental

developments, single family home ownership developments, accessory dwelling units, tiny homes, and other non-traditional housing developments with a common facility for water service.

EWEB will use the same criteria to determine eligibility for conditional waivers that the City of Eugene uses to determine eligibility for its SDC exemptions for low-income housing developments under Eugene City Code. Low-income housing projects must first receive approval from the City of Eugene through its SDC exemption program before EWEB may grant a conditional waiver under this subsection.

The amount of the SDC waiver granted to each low-income housing project will be determined by EWEB and may consider water usage characteristics, water system impacts, the aggregate dollar amount of waivers requested in any given year, the number of eligible projects requesting waivers in any given year, and other relevant factors, for the purpose of arriving at an equitable allocation of available SDC waivers among eligible projects.

SDC waivers over $50,000 for a single project or over $100,000 in aggregate annually will require General Manager or designee approval. Notwithstanding Section 2.3 of this policy, there shall be no right to appeal any decision by EWEB regarding the approval, denial, or amount of any waiver provided under this subsection.

In the event the property for which a waiver is granted ceases to be used for housing for low-income persons or is sold or transferred for use other than housing for low-income persons within five years from the date the waiver is granted, the individual or business to whom the waiver was granted shall be required to pay EWEB the amount of the waived SDCs, plus interest at the statutory rate for interest on a judgment from the date the waiver was granted. EWEB shall be entitled to seek payment and pursue all available remedies for SDCs due, including recording a lien against the title to the benefited property.

For the purpose of determining eligibility of a project for a conditional waiver under this subsection, the terms “low-income persons” shall have the same meanings as those terms are used by the City of Eugene for its SDC exemption.

REVISION HISTORY

Version	Section Revised / Description	Resolution No.	Approved	Effective
1	Adopted updated SDC rate methodology	No. 1613	04/05/16	05/01/16
2~~1~~	Moved Water System Development Charges from Water Utility Policy into Customer Service Policy, Appendix D	No. 1816	06/05/18	06/06/18