



V. Water System Development Charges

This section covers information about EWEB’s policies and procedures pertaining to the assessment and collection of Water System Development Charges.

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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 System Development Charge is separate and in addition to any applicable line extension charges, service and meter installation fees.

EWEB's water 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 Water System Development Charges 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 rates 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

A System Development Charge shall apply to all new water services installed and additional demands placed on the water system on and after July 1, 1997 unless otherwise exempted by the provisions of this policy. Assessment and collection of the charge shall occur at the time a completed new service and/or meter installation order is placed by the customer/developer, 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 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 SDC's and other applicable charges have been billed to and/or paid by the customer/developer in accordance with EWEB's established billing and collection procedures.

D. Schedule Of Charges

<u>Meter Size</u>	<u>Meter Equivalence</u>	<u>System Development Charge</u>
5/8"	1	\$ 2,613.00
3/4"	1.5	\$ 3,919.00
1"	2.33	\$ 6,087.00
1.5"	5	\$13,063.00
2"	8	\$20,900.00

E. Calculated Charges

System Development Charges 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, 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 customer/developer, 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 customer/developer 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.

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G. Credits

Credits against the improvement fee portion of the system development charge will be granted for qualified public improvements. An example of a qualifying improvement would be when a developer 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 a System Development Charge.

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, SDC's 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 customer/developer must demonstrate that either a previous SDC was paid, or that the original service was installed prior to implementation of this policy.