



MEMORANDUM

EUGENE WATER & ELECTRIC BOARD

Rely on us.

TO: Commissioners Mital, Simpson, Helgeson, Manning and Brown
FROM: Cathy Bloom, Finance Manager; Sue Fahey, Fiscal Services Supervisor;
Deborah Hart, Senior Financial Analyst
DATE: April 27, 2015
SUBJECT: System Development Charges Review Process
OBJECTIVE: Information Only

Issue

Per Board direction, staff reviews and updates the Water System Development Charge (SDC) approximately every 5 years. The last SDC proposal was reviewed by the Board in 2010. At the May Board meeting, staff will review the process and timeline for the 2015 SDC update. In November staff will ask the Board to consider an update to the SDC.

Background

Effective July 1, 1997 EWEB implemented a Water 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 three parts; reimbursement, improvement, and administration. The reimbursement charge is based on the value of unused system capacity. It is determined by establishing the existing Water system plant value and current system capacity available for future development. The improvement charge is based on the projected water demand necessary to serve future growth and the cost of the corresponding system improvements identified in the Water System Master Plan. Costs from accounting, billing, and collection are recovered through the administration charge. Water System Development Charges are developed in accordance with the requirements of ORS 223.297 to 223.314.

Discussion

On June 2nd the updated Water Master Plan is scheduled for Board approval. Upon approval and based on capital requirements, growth projections, and any other material factors as outlined in that plan, EWEB staff will work with consultants from Galardi Rothstein Group to develop a proposed schedule of Water SDCs. In addition to incorporating updates from the Water Master Plan, staff will engage with community stakeholders including the home builders association.

Requested Board Action

No action required. This is information only.