



MEMORANDUM

EUGENE WATER & ELECTRIC BOARD

Rely on us.

TO: Commissioners Mital, Simpson, Helgeson, Manning and Brown
FROM: Sue Fahey, Finance Manager; Deborah Hart, Senior Financial Analyst
DATE: November 20, 2015
SUBJECT: System Development Charges Review Process
OBJECTIVE: Information Only

Issue

Per Board direction, Management reviews and updates the Water System Development Charges (SDC) approximately every 5 years. The last SDC proposal was reviewed by the Board in 2010. In January, Management will present options for Board consideration and direction, and in April 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 SDC is separate and in addition to any applicable main extension, service, and meter installation charges or 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

EWEB staff is working with consultants from Galardi Rothstein Group to develop a proposed updated schedule of Water SDCs. The proposed SDCs will incorporate the Capital Improvement Program prepared with the recently approved Water Master Plan.

At the January 2016 Board Meeting, Management will bring to the Board SDC methodology alternatives to consider and will request direction. Alternatives will include a draft fee schedule that acknowledges the costs associated with serving customers at elevation. Following the Board Meeting, staff will formally engage with the Home Builders Association of Lane County and other community stakeholders as needed.

Requested Board Action

No action required. This is information only.