Water and Sewer SDCs Update Presentation

March 12, 2024

AGENDA

❖ History and Background

❖ Policy issues concerning SDCs

❖ Specific details of the analysis

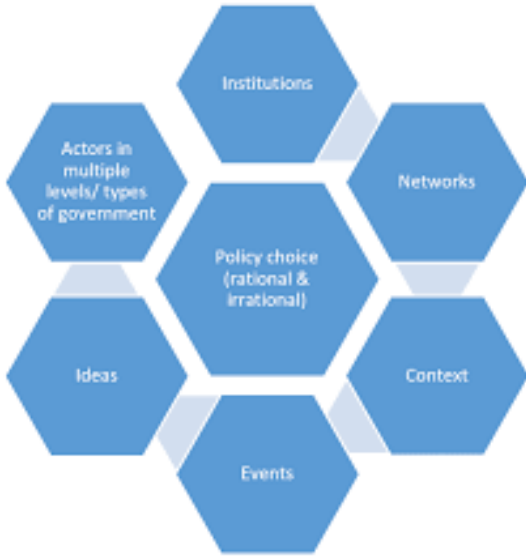❖ SDCs in neighboring communities

❖ Next Steps
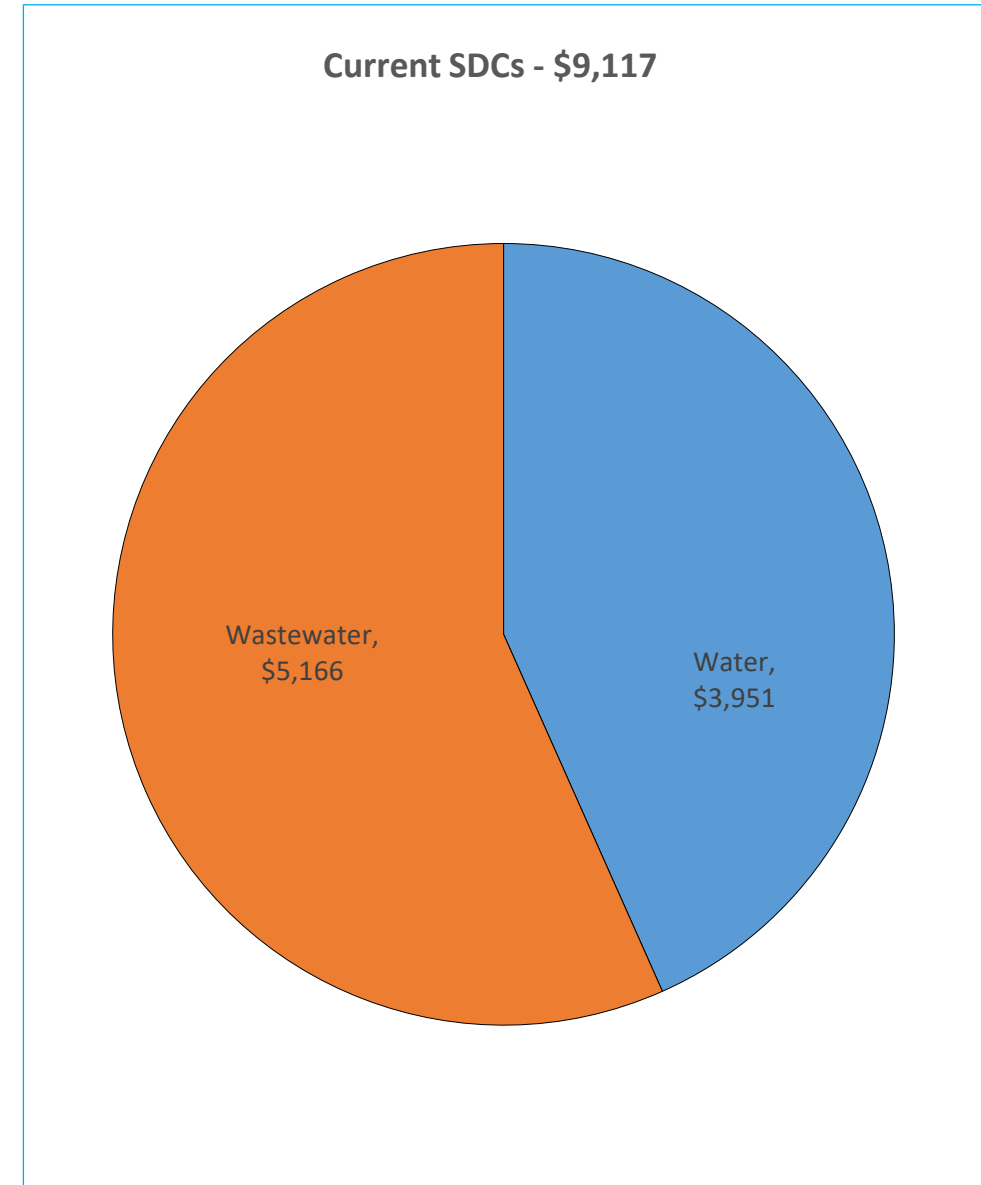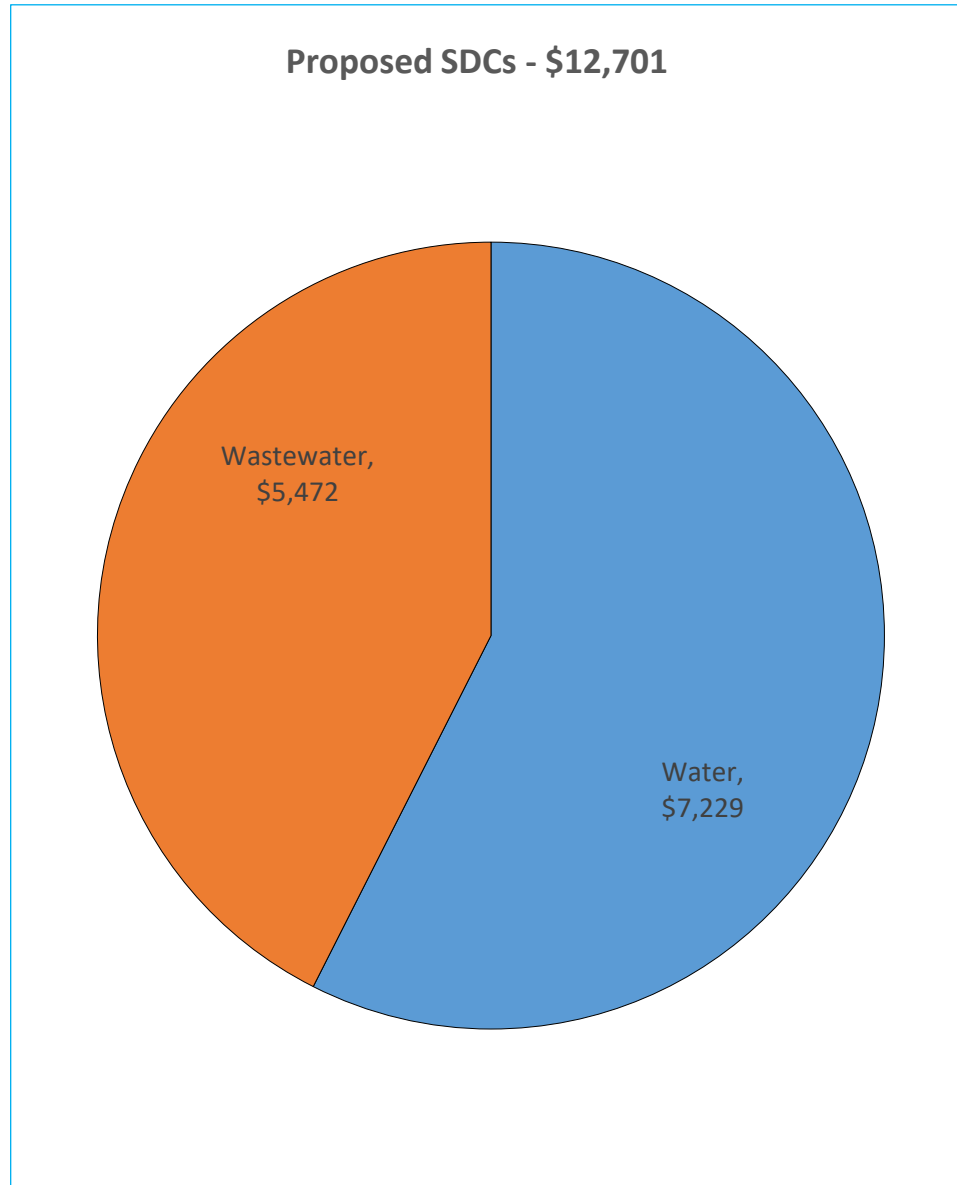
HISTORY & BACKGROUND

- Current water and sewer SDC methodologies reviewed & adopted by the City Council in May 2018 (Resolution No. 2018-03)

- This SDC study employs the currently adopted SDC methodologies

- New water and sewer master plans have been completed and adopted by the City Council in June 2023 (Ordinances 530 and 531, respectively)

- Council historical policy to update SDCs when new master plans have been completed and adopted

POLICY

- SDCs <u>are not</u> charged to rate payers

  - ✓ SDCs are one-time fees charged to new development at the time of permit issuance

  - ✓ By statute SDCs consist of two unique fee components: a reimbursement fee and an improvement fee

- SDCs are "restricted" revenues and can only be spent on capacity expanding projects or the portion of project costs that expand capacity

- SDCs <u>do</u> have an impact on infrastructure development and the composition of our future tax base.

- The Council's policy on SDC pricing must <u>strike a balance</u> between the philosophy of "growth pays for growth" and the goal of attracting smart growth and living wage jobs
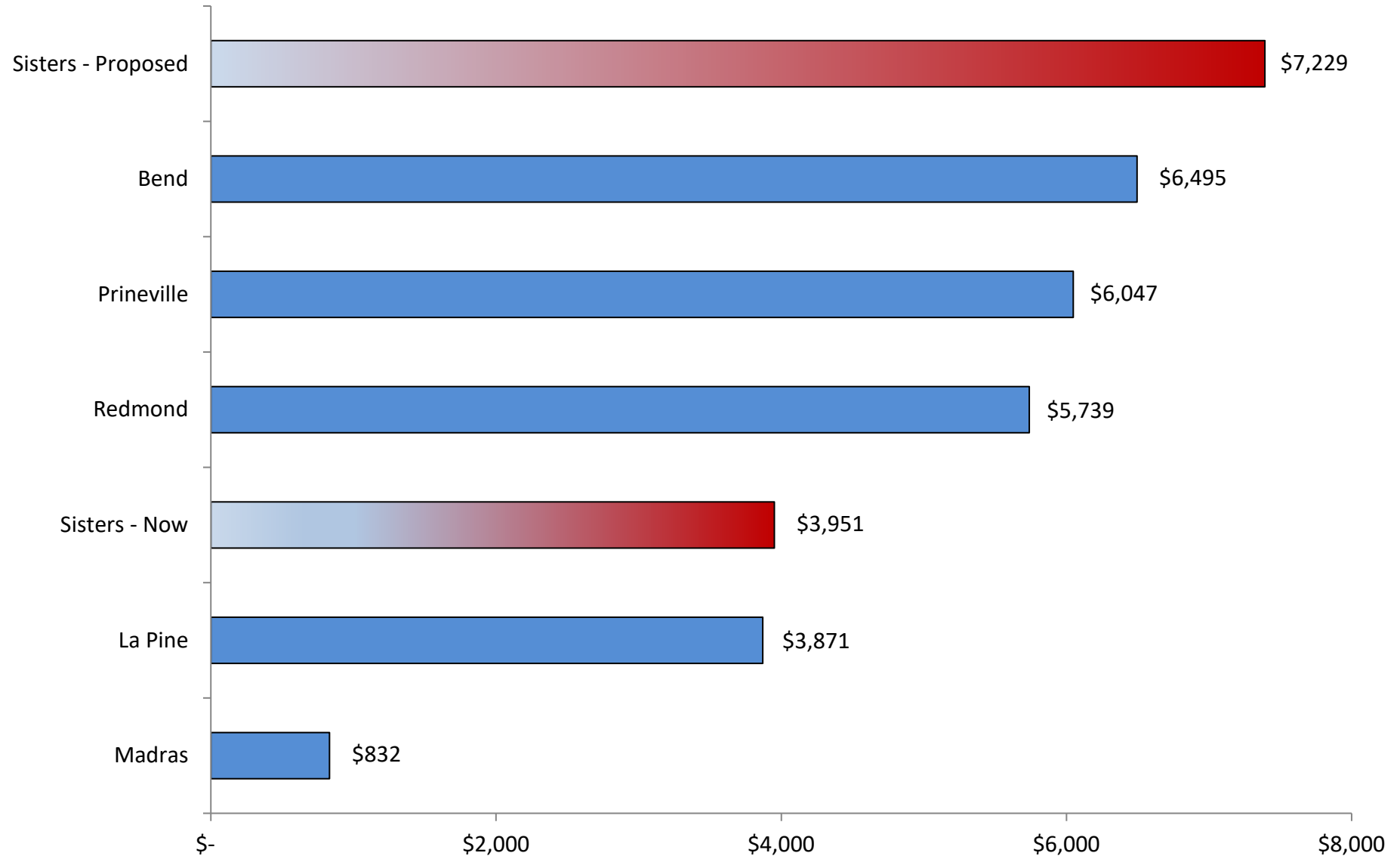
PROPOSED VS. CURRENT SDC 3/4" METER

Proposed SDCs - $12,701

Wastewater, $5,472

Water, $7,229

Current SDCs - $9,117

Wastewater, $5,166

Water, $3,951

SDC COMPS

Statewide Precedence/standard

High degree of variability in Oregon

Water Single-family Residential December, 2023

- Sisters - Proposed: $7,229
- Bend: $6,495
- Prineville: $6,047
- Redmond: $5,739
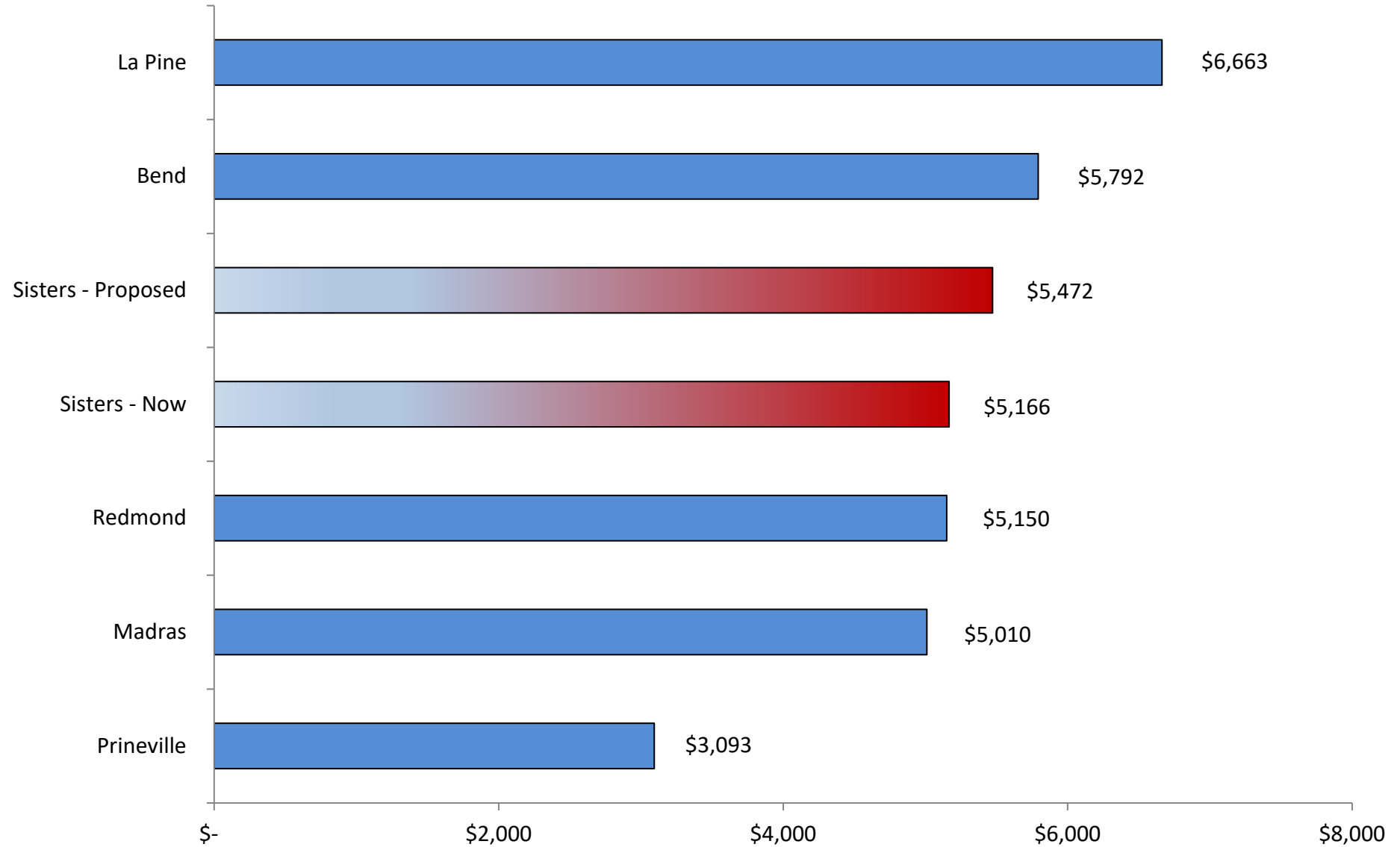- Sisters - Now: $3,951
- La Pine: $3,871
- Madras: $832

SDC COMPS

Statewide Precedence/standard

High degree of variability in Oregon

Wastewater Single-family Residential December, 2023

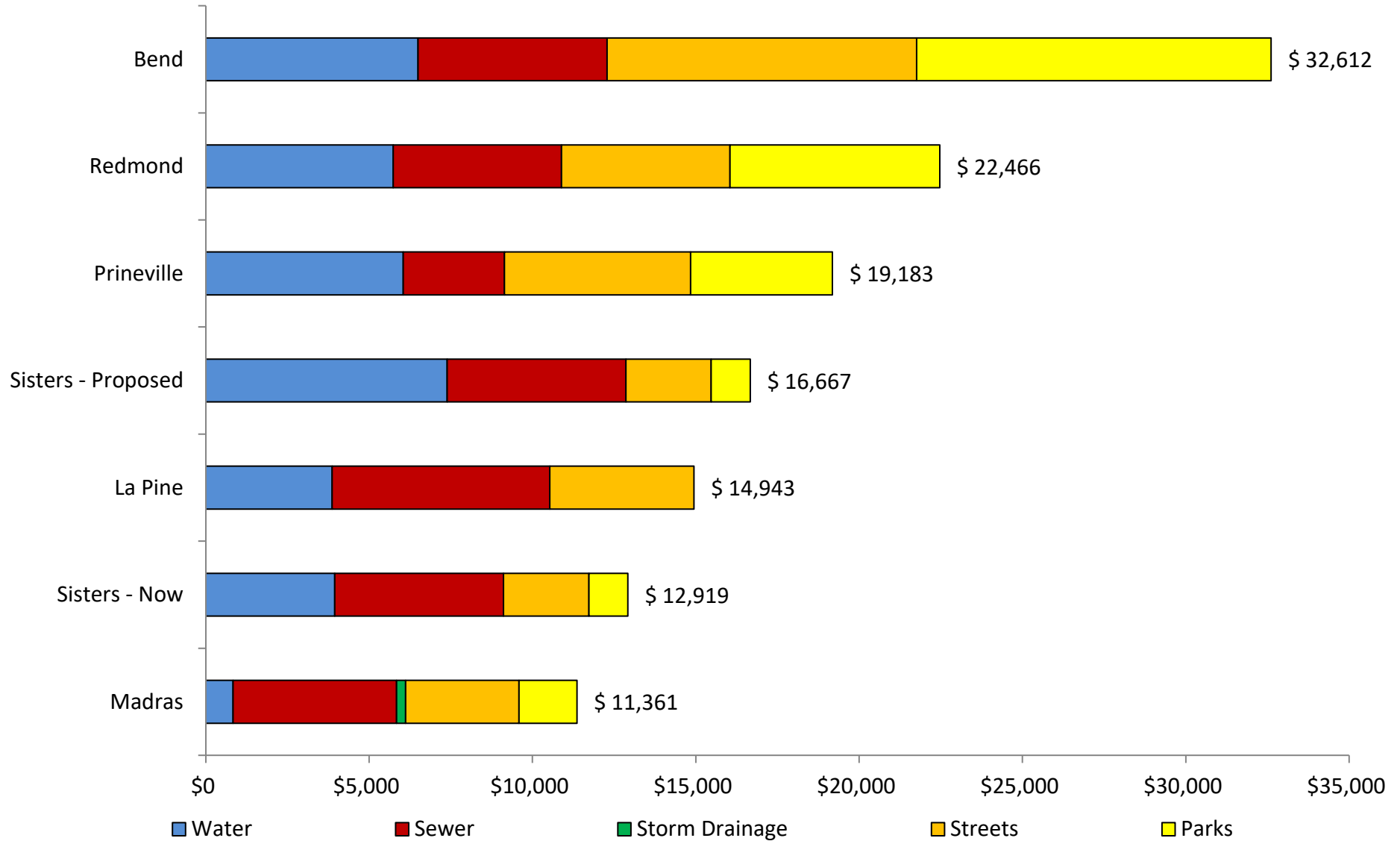| City	Amount
La Pine	$6,663
Bend	$5,792
Sisters - Proposed	$5,472
Sisters - Now	$5,166
Redmond	$5,150
Madras	$5,010
Prineville	$3,093

SDC COMPS

Statewide Precedence/standard

High degree of variability in Oregon

Neighboring Communities' Single-family SDCs - December, 2023

Community	Total
Bend	$ 32,612
Redmond	$ 22,466
Prineville	$ 19,183
Sisters - Proposed	$ 16,667
La Pine	$ 14,943
Sisters - Now	$ 12,919
Madras	$ 11,361

Legend: ■ Water ■ Sewer ■ Storm Drainage ■ Streets ■ Parks

SDC REVIEW/ADOPTION SCHEDULE

JANUARY

Council Workshop
January 24, 2024

APRIL

Placeholder for
additional Council
Workshop if necessary

JULY

New SDC rates go into effect
July 1, 2024

PWAB REVIEW

March 12, 2024

MAY

Public hearing and
adoption by Council
Resolution May 8, 2024

DISCUSSION