



**RESOLUTION NO. 2007-03\***

**REPEALED 2021-01**

**A RESOLUTION PROVIDING FOR A SYSTEM DEVELOPMENT CHARGE IMPROVEMENT AND REIMBURSEMENT FEES TO IMPROVE AND EXPAND TERREBONNE DOMESTIC WATER SYSTEM; AND REPEALING RESOLUTION NO. 2001-01 FOR THE TERREBONNE DOMESTIC WATER DISTRICT**

WHEREAS, ORS 223.297 to 223.314 authorizes the development of a system development charges and sets procedures and requirements for their adoption; and

WHEREAS, the Terrebonne Domestic Water District (District) has adopted Ordinance No. 2001-01, an Ordinance Authorizing the Establishment of System Development Charges for the Terrebonne Domestic Water District, and

WHEREAS, District engineer HGE, Inc., Architects, Engineers and Water Conservation and Planners (HGE, Inc.) has developed Water System capital Facilities and Water Conservation and land Management Plans (Plans), which were adopted by the District in April 2006; and

WHEREAS, HGE, Inc, has developed a water system capital improvement plan (CIP) which reflects a 20 year planning period from 2006 to 2026 (April 2006), a water system methodology (April 2006) for both reimbursement and improvement fees, and incorporated water system SDC combining these two fees, attached as Exhibit 1 and incorporated herein, including any documents in or relied upon by Exhibit 1; and

WHEREAS, the CIP estimates SDC eligible capital costs for sources, reservoir, transmission and distribution at \$4,432,930; and

WHEREAS, the District intends to fund \$4,332,930 of the total improvement costs attributed to new growth with SDC improvement fees; and

WHEREAS, District desires that the SDC improvement fee be increased on an annual basis by the cost of inflation, based upon the Engineering News Record Construction Cost Index (ENR CCI); and

WHEREAS, the water system SDC methodology has been available for public review since April, 2006, in excess of the statutory 60-day minimum review period.

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners for the Terrebonne Domestic Water District, as follows:

### **SECTION 1 - ESTIMATED GROWTH**

The District's water system capital improvement plan estimates a year 2026 population of 2,087 residents, an increase of 1121 persons above the current population of 916. This reflects an average growth rate of 4% for a 20-year planning period. For purposes of estimating growth for the service area and various classes of customers, the District has calculated this growth projection in terms of equivalent dwelling units (EDUs). In 2026 the District will need to service an additional 567 EDUs. This number is derived by dividing the year 2026 growth by the estimated person per household (1171 additional persons / 2.065 pph = 567)

### **SECTION 2 - ESTABLISHMENT OF WATER SYSTEM SDCs**

The SDC methodology for the Water System Development Charge, set forth in Exhibit 1, is hereby adopted and incorporated herein by this reference.

- A. Reimbursement Fee. To compensate District for the cost of undertaking construction of the existing water system facilities, which retain unused capacity the following formula for a System Development Charge reimbursement fee per EDU, based upon buildout projection, will be used:

The pricing of the remaining capacity in the District's water facilities is a function of the "book value" of the facilities as reflected by the principal payment made on a 1977 review bond, divided by the projected demand on the system as measured in EDUs (Book value cost basis / benefited EDUs).

Example Calculation:

$$\begin{aligned} & \$70.047.78 / 567 \\ & = \text{Cost Per Benefited EDU} = \$123.54 \\ & = \text{reimbursement fee} = \$123.54 \text{ per EDU} \end{aligned}$$

This fee varies annually, reflection the change in book value of the improvements over the life of the loan. The results reimbursement fee herein adopted is reflected as the "Cost per EDU " in Exhibit 2, attached hereto and incorporated herein by this reference.

- B. Improvement Fee. To compensate the District for capital costs associated with system expansion to provide water system capacity for anticipated resident needs, the following formula for System Development Charge improvement fee per new development EDU will be used.

$$\begin{aligned} &\text{Total Cost of Planned Capacity Increasing \& System Improvements Projects} \\ &+ \text{ Estimated Increase in EDUs by 2026} \\ &= \$4,332.930 / 567 \text{ EDUs} \\ &\text{Improvement Fee} = \$7,641 \text{ per EDUs} \end{aligned}$$

- C. SDC Fee. Reimbursement Fee + Improvement Fee = Water SDC

Example Calculation

The 2007 total Water SDC for one EDU is calculated at \$7,765.39 (\$7,641.85 + \$123.54). To ensure equitable costs, the District hereby adopts a total water system SDC of \$7,765 per EDU, based upon a Combination of the reimbursement and Improvement fees established above. As note above, this total SDC will vary annually Based upon the reimbursement fee shown in Exhibit 2.

The District shall implement this total SDC amount in equal increments over a three-year Period. Therefor, the total SDC fee imposed from November 29, 2007 to November 29, 2008 shall be \$4,033; the SDC for the period of November 29, 2008 to November 29, 2009 will be \$5,866, plus increases as established in Subsection 3 of the Resolution; and SDC fee from November 29, 2009 imto; further amendment shall be \$7,700 per EUD plus increases as established in Subsection 3 of this Resolution.

### **SECTION 3 - CHARGE INCREASE**

- A. The Water SDC improvement fee imposed herein shall increase as noted above and reflected in Exhibit 2 on the 29th of November, annually, based upon the changing book value cost basis, without the need for modification of this resolution or the underlying methodology.

- A. Water SDC improvement fee imposed herein shall increase by the cost of inflation on the 29th day of November, annually, based on the ENR CCI, without the need for modification of the Resolution of the underlying methodology. The ENR CII for April was 7,692.

#### **SECTION 4**

When SDC improvement fee imposed herein is payable upon issuance of a building permit, a development permit for development not required the issuance of a building permit, a permit or approval to connect to the eater system, at the time the usage of Water System is increased, or otherwise required by Ordinance N0. 2007-01

#### **SECTION 5- QUALIFIED PUBLIC IMPROVEMENT CREDIT**

- A. When a “qualified public improvement”, as defined in Ordinance No. 2007-01, is constructed by a water improvement applicant (Applicant), the District shall grant a credit Against any and all applicable improvement charges which would otherwise be owed by the Applicant. The amount of the credit shall be determined by the District Engineer, and reflect the actual qualified public improvement construction cost. The credit shall be only for the improvement fee charged for the type of improvement that exceeds the District’s minimum standard facility size or capacity needed to serve the particular development project or property. The Applicant shall have the burden of demonstrating that a particular improvement qualifies for credit under the Section of this Resolution, pursuant to ORS 223.304 and Ordinance No. 2007-01.
- B. When the construction of a qualified public improvement gives rise to a credit amount greater that the water SDC improvement fee that would otherwise be levied against the project receiving development approval, the excess credit may be applied against water SDC improvement fees that accrue in subsequent phases of the original development project. Such credits may also be transferred to other properties or development projects within the District owned by the same Applicant. Credit may not be transferred between Property owners or Applicants. This subsection shall not Prohibit the District from providing a greater credit , or from providing a share of the costs of such improvements by other means, if the District is designated by resolution.

**SECTION 6**

All previously adopted resolutions establishing water development charges, including Resolution No. 2001-01 are hereby repealed

**DATED** this 11th day of December, 2007

APPROVED BY:

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President, Board of Commissioners

ATTEST

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Secretary, Board of Commissioners

\*It should be noted that this Resolution was originally incorrectly denoted as 2007-01 when it should have been denoted as 2007-03.

