



June 22, 2023

BCC Agenda Date/Item: _____

Board of County Commissioners
 Acting as the Governing Body of Water Environment Services
 Clackamas County

Approval of a Resolution Adjusting System Development Charges for Water Environment Services for Fiscal Year 2023-24. Fiscal Impact is approximately \$213,600 in additional revenues. No County General Funds are involved.

Previous Board Action/Review	The Board adopted a Sanitary Sewer System Development Charge of \$8,600 and a Surface Water System Development Charge of \$233 on June 9, 2022. The WES Budget Committee approved the FY 2023-24 budget as presented on May 22, 2023, which includes the proposed adjustments to the System Development Charge rates.		
Performance Clackamas	This project supports the County’s Strategic Priorities to: <ul style="list-style-type: none"> • Build a Strong Infrastructure • Ensure safe, healthy and secure communities 		
Counsel Review	Yes	Procurement Review	N/A
Contact Person	Ron Wierenga	Contact Phone	503-742-4581

EXECUTIVE SUMMARY: Water Environment Services’ Rules and Regulations allow for inflationary adjustments to the Sanitary Sewer and Surface Water System Development Charges (“SDCs”) to ensure that revenues keep pace with funding needs for new infrastructure.

On May 22, 2023, staff presented to Water Environment Services’ Budget Committee the Fiscal Year 2023-24 budget, which included an inflationary increase in the Sanitary Sewer SDC of approximately 3.01% to \$8,860, and an inflationary increase in the Surface Water SDC of approximately 3.01% to \$240. The inflationary adjustments are based on the March 2023 Engineering News Record Construction Cost Index. The Budget Committee voted to recommend approval of the budget, which included the SDC increases.

The new rates are projected to collect approximately \$210,000 in additional sewer SDCs and approximately \$3,600 in surface water SDCs annually.

The attached resolution has been reviewed and approved by County Counsel.

For Filing Use Only

RECOMMENDATION: WES staff recommends the Board, acting as the governing body of Water Environment Services, approve the resolution increasing the sanitary sewer wholesale system development charge to \$8,860, and increasing the surface water system development charge to \$240 for WES Rate Zone 2. Fiscal impact is approximately \$213,600 in additional revenues.

Respectfully submitted,



Greg Geist
Director, WES

Attachments: Resolution

**BEFORE THE BOARD OF COUNTY COMMISSIONERS
OF CLACKAMAS COUNTY, STATE OF OREGON**

A Resolution Adjusting System
Development Charges for Water
Environment Services for Fiscal
Year 2023-24



RESOLUTION NO. _____

Page 1 of 2

This matter comes before the Board of County Commissioners of Clackamas County, Oregon ("Board"), acting as the governing body of Water Environment Services ("WES").

WHEREAS, on June 29, 2017, the System Development Charge methodology for Clackamas County Service District No. 1 ("CCSD#1") and the Tri-City Service District were adopted as the System Development Charge ("SDC") methodologies for WES; and

WHEREAS, WES' Rules and Regulations allow for adjustments to SDCs by resolution based upon the periodic application of a specific cost index; and

WHEREAS, inflationary calculations are to be based upon construction cost changes in the Engineering News Record Construction Cost Index; and

WHEREAS, the percent change in the Engineering News Record's 20-City National Average Construction Cost Index reflected an increase of three and one-hundredths percent (3.01%) from March 2022 through March 2023; and

WHEREAS, on May 22, 2023, the WES Budget Committee approved the Fiscal Year 2023-24 budget proposed by staff, which included a sanitary sewer wholesale SDC rate of \$8,860 and a surface water SDC rate of \$240 within Rate Zone 2 (contiguous with the boundaries of CCSD#1); and

WHEREAS, in order to meet the continuing obligations and ensure effective performance of WES, it is necessary to adopt an increased sanitary sewer wholesale SDC of \$8,860, and also adopt an increased surface water SDC within Rate Zone 2 of \$240;

BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS, ACTING AS THE GOVERNING BODY OF WATER ENVIRONMENT SERVICES, THAT:

1. Effective July 1, 2023, the WES sanitary sewer wholesale system development charge shall be adjusted by approximately 3.01% to Eight Thousand Eight Hundred Sixty Dollars (\$8,860.00) per equivalent dwelling unit, as defined and applied by the WES Rules and Regulations and the previously-adopted methodology; and
2. Effective July 1, 2023, the WES surface water system development charge within Rate Zone 2 shall be adjusted by approximately 3.01% to Two Hundred Forty Dollars (\$240.00) per equivalent service unit, as defined and applied by the WES system development charge ordinance and the previously-adopted methodology; and
3. WES staff are directed to publish these updated system development charges where appropriate, in accordance with this resolution; and
4. An executed copy hereof shall be kept on file at WES.

**BEFORE THE BOARD OF COUNTY COMMISSIONERS
OF CLACKAMAS COUNTY, STATE OF OREGON**

A Resolution Adjusting System
Development Charges for Water
Environment Services for Fiscal Year
2023-24

RESOLUTION NO. _____

Page 2 of 2

ADOPTED this 22nd day of June, 2023.

Water Environment Services

Chair

Recording Secretary