



Gregory L. Geist
Director

June 9, 2022

Board of County Commissioners
Clackamas County

Members of the Board:

Approval of Resolution Adjusting System Development Charges for Water Environment Services for FY 2022-2023. Fiscal Impact is approximately \$350,500.00 in Additional Revenues. No County General Funds Involved

Purpose/Outcomes	Approval of Resolution Adjusting System Development Charges for Water Environment Services for FY 2022-2023. Fiscal Impact is approximately \$350,500.00 in Additional Revenues. No County General Funds Involved
Dollar Amount and Fiscal Impact	Projected to collect approximately \$343,000 in additional wholesale Sanitary Sewer System Development Charges (“SDC”) revenues annually. Projected to collect approximately \$7,500 in additional Rate Zone 2 Surface Water SDC revenues annually.
Funding Source	WES Funds. No General Funds involved.
Duration	Permanent.
Previous Board Action/Review	The Board adopted a Sanitary Sewer SDC of \$8,120 and a Surface Water SDC of \$220 on June 16, 2021. Presented at issues on June 6, 2022.
Strategic Plan Alignment	<ol style="list-style-type: none"> 1. WES customers will continue to benefit from a well-managed utility. 2. This resolution aligns with the County strategic priority to build strong infrastructure and meet the strategic goal for 100% of County residents and business – where served – to have access to safe and affordable sewer services by providing funding for sewer and surface water infrastructure to support economic development.
Counsel Review	This Resolution was reviewed and approved by Amanda Keller, Assistant County Counsel, on May 25, 2022.
Procurement Review	Was this item reviewed by Procurement? No If no, provide brief explanation: The resolution to adjust system development charges is not required to be reviewed by Procurement.
Contact Person	Ron Wierenga, WES Assistant Director (503-742-4581)
Contract No.	Not Applicable.

BACKGROUND:

Water Environment Services’ Rules and Regulations allow for inflationary adjustments to the Sanitary Sewer and Surface Water System Development Charges (“SDCs”).

On May 23, 2022, staff presented to Water Environment Services' Budget Committee the Fiscal Year 2022-23 budget, which included an inflationary increase in the Sanitary Sewer SDC of approximately 5.9% to \$8,600, and an inflationary increase in the Surface Water SDC of approximately 5.9% to \$233. The inflationary adjustments are based on the 2021 Construction Cost Index. The Budget Committee voted to recommend approval of the budget, which included the SDC increases.

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

RECOMMENDATION:

Staff respectfully recommends that the Board of County Commissioners, as the governing body of Water Environment Services, approve the Resolution Adjusting System Development Charges for Water Environment Services for FY 2022-2023. Fiscal Impact is approximately \$350,500.00 in Additional Revenues.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Greg Geist", with a long horizontal flourish extending to the right.

Greg Geist, Director
Water Environment Services

Attachments: Authorizing Resolution



RECORDING MEMO

New Agreement/Contract

Amendment/Change/Extension

Other: _____

Originating County Department: _____

Purchasing for: _____

Other party to contract/agreement: _____

Title from Business Meeting Agenda:

After recording please return to:

Clerk to the Board please complete below this line after Board approval _____

Board Agenda Date: _____

Agenda Item Number: _____

**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 2022-2023



RESOLUTION NO. _____

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

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 Water Environment Services ("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 average annual construction cost index for 2021 reflected an increase of five and ninety-five hundredths percent (5.95%) from 2020; and

WHEREAS, on May 23, 2022, the WES Budget Committee approved the Fiscal Year 2022-23 budget proposed by staff, which included a sanitary sewer wholesale SDC rate of \$8,600 and a surface water SDC rate of \$233 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 \$8,600, and also adopt an increased surface water SDC within Rate Zone 2 of \$233;

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

1. Effective July 1, 2022, the WES wholesale sanitary sewer system development charge shall be adjusted by approximately 5.9% to Eight Thousand Six Hundred Dollars (\$8,600.00) per equivalent dwelling unit, as defined and applied by the WES Rules and Regulations and the previously-adopted methodology; and
2. Effective July 1, 2022, the WES surface water system development charge within Rate Zone 2 shall be adjusted by approximately 5.9% to Two Hundred Thirty-Three Dollars (\$233.00) 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
2022-2023

RESOLUTION NO. _____

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ADOPTED this 9th day of June, 2022.

Water Environment Services

Chair

Recording Secretary