



June 20, 2024

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 2024-25. Fiscal impact is approximately \$203,500 in additional revenues per year. Funding is through system development charges. No County General Funds are involved.

Previous Board Action/Review	The Board adopted a Sanitary Sewer System Development Charge of \$8,860 and a Surface Water System Development Charge of \$240 on June 22, 2023. The WES Budget Committee approved the Fiscal Year 2024-25 budget as presented on May 28, 2024, which includes the proposed adjustments to the System Development Charge rates.		
Performance Clackamas	This project supports the County’s Strategic Plan of building public trust through good government.		
Counsel Review	Yes	Procurement Review	No
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 28, 2024, staff presented to Water Environment Services’ Budget Committee the Fiscal Year 2024-25 budget, which included an inflationary increase in the Sanitary Sewer SDC of approximately 2.70% to \$9,100, and an inflationary increase in the Surface Water SDC of approximately 2.70% to \$246.50. The inflationary adjustments are based on the calendar year 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 \$200,000 in additional sewer SDCs and approximately \$3,500 in surface water SDCs annually.

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

RECOMMENDATION: WES staff recommends the Board, acting as the governing body of Water Environment Services, approve the resolution increasing the sanitary sewer wholesale

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system development charge to \$9,100, and increasing the surface water system development charge to \$246.50 for WES Rate Zone 2. Fiscal impact is approximately \$203,500 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, 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 2024-25



RESOLUTION NO. _____

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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 two and seven-tenths percent (2.70%) for the 2023 calendar year; and

WHEREAS, on May 28, 2024, the WES Budget Committee approved the Fiscal Year 2024-25 budget proposed by staff, which included a sanitary sewer wholesale SDC rate of \$9,100.00 and a surface water SDC rate of \$246.50 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 \$9,100.00, and also adopt an increased surface water SDC within Rate Zone 2 of \$246.50;

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

1. Effective July 1, 2024, the WES sanitary sewer wholesale system development charge shall be adjusted by approximately 2.70% to Nine Thousand One Hundred Dollars (\$9,100.00) per equivalent dwelling unit, as defined and applied by the WES Rules and Regulations and the previously-adopted methodology; and
2. Effective July 1, 2024, the WES surface water system development charge within Rate Zone 2 shall be adjusted by approximately 2.70% to Two Hundred Forty-Six Dollars and Fifty Cents (\$246.50) 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
2024-25

RESOLUTION NO. _____

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ADOPTED this 20th day of June, 2024.

Water Environment Services

Chair

Recording Secretary