



Agenda Abstract

BOARD OF COMMISSIONERS

Meeting Date: Aug. 28, 2023
Department: Utilities
Agenda Section: BOC/WSAC Joint Meeting
Public hearing: No
Date of public hearing: N/A

PRESENTER/INFORMATION CONTACT

Melissa Levin and/or Vanessa Waller, Raftelis Financial Consultants

ITEM TO BE CONSIDERED

Subject: System Development Fee Analysis Presentation

Attachments:

System Development Fee Analysis Presentation

Summary:

System development fees are charged to each new customer or development to offset the cost of replacing or constructing capital assets to meet demands placed on the system by each new customer or development.

In June 2017, the North Carolina General Assembly ratified House Bill 436: An Act to Provide for Uniform Authority to Implement System Development Fees for Public Water and Sewer Systems in North Carolina and to Clarify the Applicable Statute of Limitations. The bill amended Chapter 162A of the General Statutes by adding Article 8: System Development Fees.

As a requirement of the amended statute, the Town of Hillsborough has completed a system development fee analysis, retaining Raftelis Financial Consultants to complete the analysis and prepare a report. Staff participated heavily in the inputs and decision-making in the methodology utilized while relying on the experience and expertise of Raftelis. The report updates the 2018 report, also prepared by Raftelis. It incorporates planning and growth that have occurred since and adjusts the planning number and assets that may be included in the calculation. It is proposed to calculate fees going forward based on bedrooms or regulatory design standards instead of meter size as we have done in the past. This is to capture capacity demands of new growth more equitably that may not necessitate a larger meter size.

This informational agenda item is for both WSAC and the board to receive a presentation explaining how the analysis was prepared and to allow for questions to the consultant and staff about the fee recommendations.

Financial impacts:

Staff recommendation and comments:

No recommendation at this time.

Action requested:

Receive the presentation as information and ask questions as desired.