



CITY OF HENDERSONVILLE AGENDA ITEM SUMMARY

SUBMITTER: Adam Murr **MEETING DATE:** 07/24/2023
AGENDA SECTION: New Business **DEPARTMENT:** Administration
TITLE OF ITEM: Water & Sewer System Development Fees (SDFs) – *Adam Steurer, Utilities Engineer*

SUGGESTED MOTION(S):

N/A

SUMMARY:

Through the FY24 Budget Process, Hendersonville City Council directed Staff to further pursue information on System Development Fees (SDFs). SDFs are one-time charges paid by a new customer to recover a portion or all the cost of constructing water and sewer system capacity. The fees can also be assessed for existing customers requiring increased system capacity. In general, SDFs are based upon the costs of current and/or future utility infrastructure including, but not limited to, water supply facilities, treatment facilities, effluent disposal facilities, and transmission mains. SDFs serve as the mechanism by which growth can “pay its own way” and minimize the extent to which existing customers must bear the cost of facilities that will be used to serve new customers. Currently, the City does not assess SDFs and therefore does not recover the cost of providing water and sewer capacity from new connections to the utility systems.

Staff are continuing to work with a consulting firm, Stantec, to explore various SDF scenarios and impacts. Ahead of presentations in October with Stantec, Staff would like to receive additional feedback from the Business Advisory Committee, Water and Sewer Advisory Committee, and City Council.

BUDGET IMPACT: N/A

Is this expenditure approved in the current fiscal year budget? N/A

If no, describe how it will be funded. N/A

ATTACHMENTS:

System Development Fee (SDF) Presentation