



CITY OF HENDERSONVILLE

Water and Sewer
System Development Fees



April 22, 2024

System Development Fees (SDFs)

- Fees assessed to new development for water and sewer capacity.
- SDFs recover costs necessary for expansion and additional capacity - "Growth pays for Growth"
- Lack of SDFs places the full cost of infrastructure capacity on existing ratepayers
- SDFs should be viewed as a mechanism to ensure the equitable distribution of cost responsibilities between existing and future utility customers

Process and Engagement

Group	Action	Date
Staff	SDF written analysis begins	9/7/2022
Water & Sewer Advisory Committee	SDF 101 presentation	10/24/2022
City Council	SDF 101 presentation	10/26/2022
City Council	Initial results presentation	4/26/2023
Buisness Advisory Committee	Presentation	7/10/2023
Water & Sewer Advisory Committee	Presentation	7/24/2023
City Council	Presentation	8/23/2023
Buisness Advisory Committee	Final Presentation & board recommendations	10/9/2023
Water & Sewer Advisory Committee	Final Presentation & board recommendations	10/23/2023
City Council	Final Presentation & council recommendations	10/25/2023
Public	Written analysis available for public comment	11/1/2023 - 12/18/2023
Chamber of Commerce-Public Policy Committee	Presentation	12/14/2023
City Council	Public Hearing	3/7/2024

Residential Calculated SDFs

Dwelling Heated Sq Ft	Calculated Water SDF	Calculated Wastewater SDF	Combined SDF
<1000	\$1,247	\$2,048	\$3,295
1,000 - 1,500	\$1,332	\$2,188	\$3,519
1,501 - 2,000	\$1,359	\$2,233	\$3,592
2,001 - 2,500	\$1,443	\$2,370	\$3,813
2,501 - 3,000	\$1,500	\$2,465	\$3,965
3,001 - 3,500	\$1,613	\$2,650	\$4,263
3,501 - 4,000	\$1,724	\$2,833	\$4,558
4,000+	\$1,992	\$3,273	\$5,265
Multi-Family (per unit)	\$894	\$1,469	\$2,364
Mobile Home Park (per unit)	\$1,399	\$2,299	\$3,699

Non-Residential Calculated SDF's

Meter Size	Calculated Water SDF	Calculated Wastewater SDF	Combined SDF
3/4"	\$2,494	\$4,097	\$6,591
1"	\$4,156	\$6,828	\$10,984
1 1/2"	\$8,312	\$13,657	\$21,969
2"	\$13,300	\$21,850	\$35,150
3"	\$29,093	\$47,798	\$76,891
4"	\$52,368	\$86,036	\$138,405
6"	\$108,062	\$177,535	\$285,597
8"	\$232,748	\$382,383	\$615,131
10"	\$349,122	\$573,575	\$922,697

Proposed Fee Implementation

1. Effective date of January 1, 2025. SDF 25% of maximum fee.
2. July 1, 2025 increase to 50% of maximum fee.
3. July 1, 2026 increase to 100% of maximum fee.

Implementation

- Commitment of Utility Service - Current
 - 1) Service already established and meter in place
OR
 - 2) A complete service application submitted, payment of tap/meter fee, AND building permit issued.
- Commitment of Utility Service - After SDF Adoption
 - 1) Payment of SDF and issuance of Letter of Commitment

Reduced SDF

	100%			50%			25%		
RESIDENTIAL	Water	Wastewater	Combined	Water	Wastewater	Combined	Water	Wastewater	Combined
<1000 sq ft	\$1,247	\$2,048	\$3,295	\$624	\$1,024	\$1,648	\$312	\$512	\$824
1,000 - 1,500 sq ft	\$1,332	\$2,188	\$3,519	\$666	\$1,094	\$1,760	\$333	\$547	\$880
1,501 - 2,000 sq ft	\$1,359	\$2,233	\$3,592	\$680	\$1,117	\$1,796	\$340	\$558	\$898
2,001 - 2,500 sq ft	\$1,443	\$2,370	\$3,813	\$722	\$1,185	\$1,907	\$361	\$593	\$953
2,501 - 3,000 sq ft	\$1,500	\$2,465	\$3,965	\$750	\$1,233	\$1,983	\$375	\$616	\$991
3,001 - 3,500 sq ft	\$1,613	\$2,650	\$4,263	\$807	\$1,325	\$2,132	\$403	\$663	\$1,066
3,501 - 4,000 sq ft	\$1,724	\$2,833	\$4,558	\$862	\$1,417	\$2,279	\$431	\$708	\$1,140
4,000+ sq ft	\$1,992	\$3,273	\$5,265	\$996	\$1,637	\$2,633	\$498	\$818	\$1,316
Multi-Family Master Meter (per unit)	\$894	\$1,469	\$2,364	\$447	\$735	\$1,182	\$224	\$367	\$591
Mobile Home Park (per unit)	\$1,399	\$2,299	\$3,699	\$700	\$1,150	\$1,850	\$350	\$575	\$925
NON-RESIDENTIAL	Water	Wastewater	Combined	Water	Wastewater	Combined	Water	Wastewater	Combined
3/4" meter	\$2,494	\$4,097	\$6,591	\$1,247	\$2,049	\$3,296	\$624	\$1,024	\$1,648
1" meter	\$4,156	\$6,828	\$10,984	\$2,078	\$3,414	\$5,492	\$1,039	\$1,707	\$2,746
1 1/2" meter	\$8,312	\$13,657	\$21,969	\$4,156	\$6,829	\$10,985	\$2,078	\$3,414	\$5,492
2" meter	\$13,300	\$21,850	\$35,150	\$6,650	\$10,925	\$17,575	\$3,325	\$5,463	\$8,788
3" meter	\$29,093	\$47,798	\$76,891	\$14,547	\$23,899	\$38,446	\$7,273	\$11,950	\$19,223
4" meter	\$52,368	\$86,036	\$138,405	\$26,184	\$43,018	\$69,203	\$13,092	\$21,509	\$34,601
6" meter	\$108,062	\$177,535	\$285,597	\$54,031	\$88,768	\$142,799	\$27,016	\$44,384	\$71,399
8" meter	\$232,748	\$382,383	\$615,131	\$116,374	\$191,192	\$307,566	\$58,187	\$95,596	\$153,783
10" meter	\$349,122	\$573,575	\$922,697	\$174,561	\$286,788	\$461,349	\$87,281	\$143,394	\$230,674

Reduced SDF – Revenue Projections

	100%			50%			25%		
	Water	Wastewater	Combined	Water	Wastewater	Combined	Water	Wastewater	Combined
Projected Annual SDF Revenue	\$ 1,420,000.00	\$ 1,360,000.00	\$ 2,780,000.00	\$ 710,000.00	\$ 680,000.00	\$ 1,390,000.00	\$ 355,000.00	\$ 340,000.00	\$ 695,000.00
Conservative Annual SDF Revenue	\$ 596,000.00	\$ 545,000.00	\$ 1,141,000.00	\$ 298,000.00	\$ 272,500.00	\$ 570,500.00	\$ 149,000.00	\$ 136,250.00	\$ 285,250.00

Projected Annual Revenue: 50% of current projects in development process are completed

Conservative Annual Revenue: 20% of current projects in development process are completed

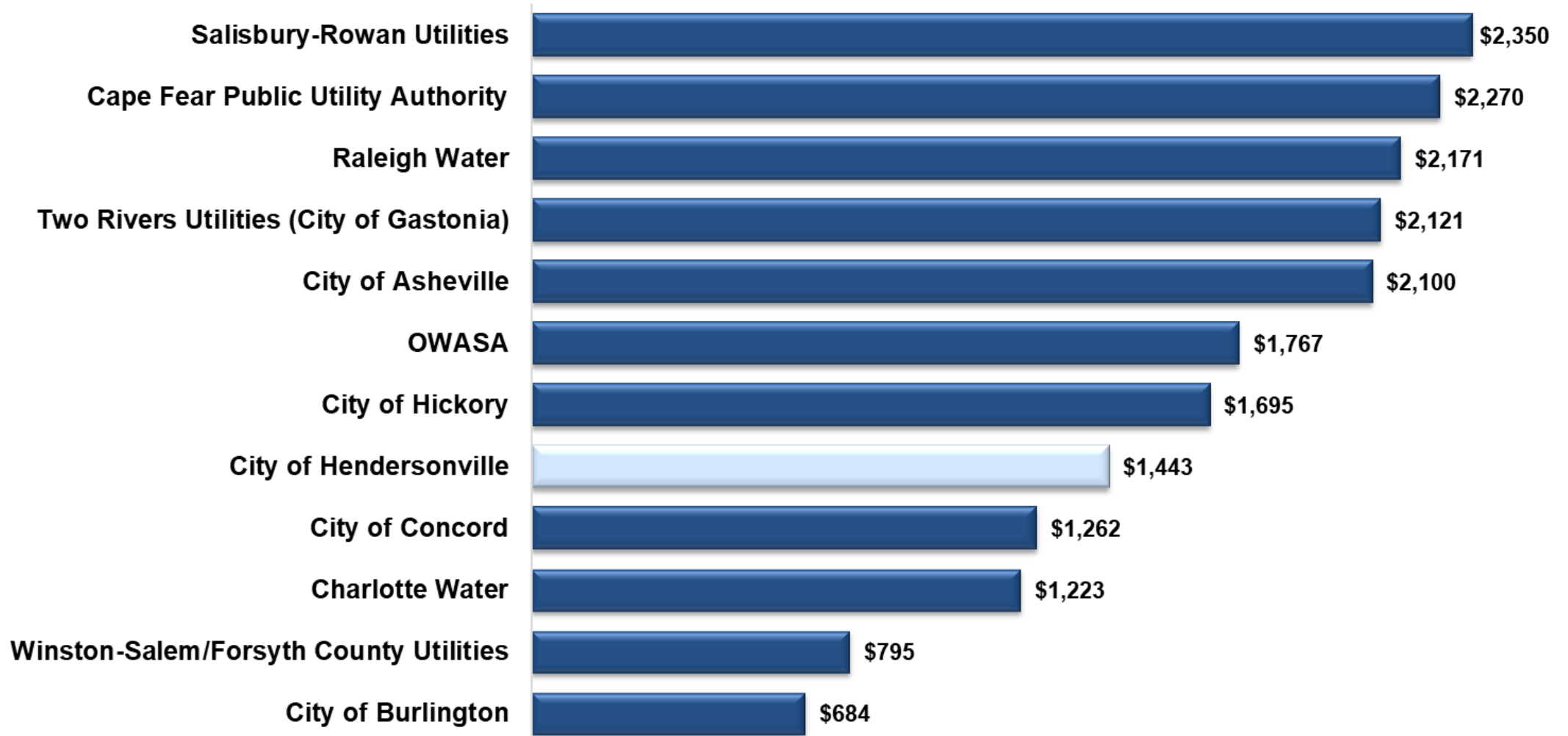


Questions?

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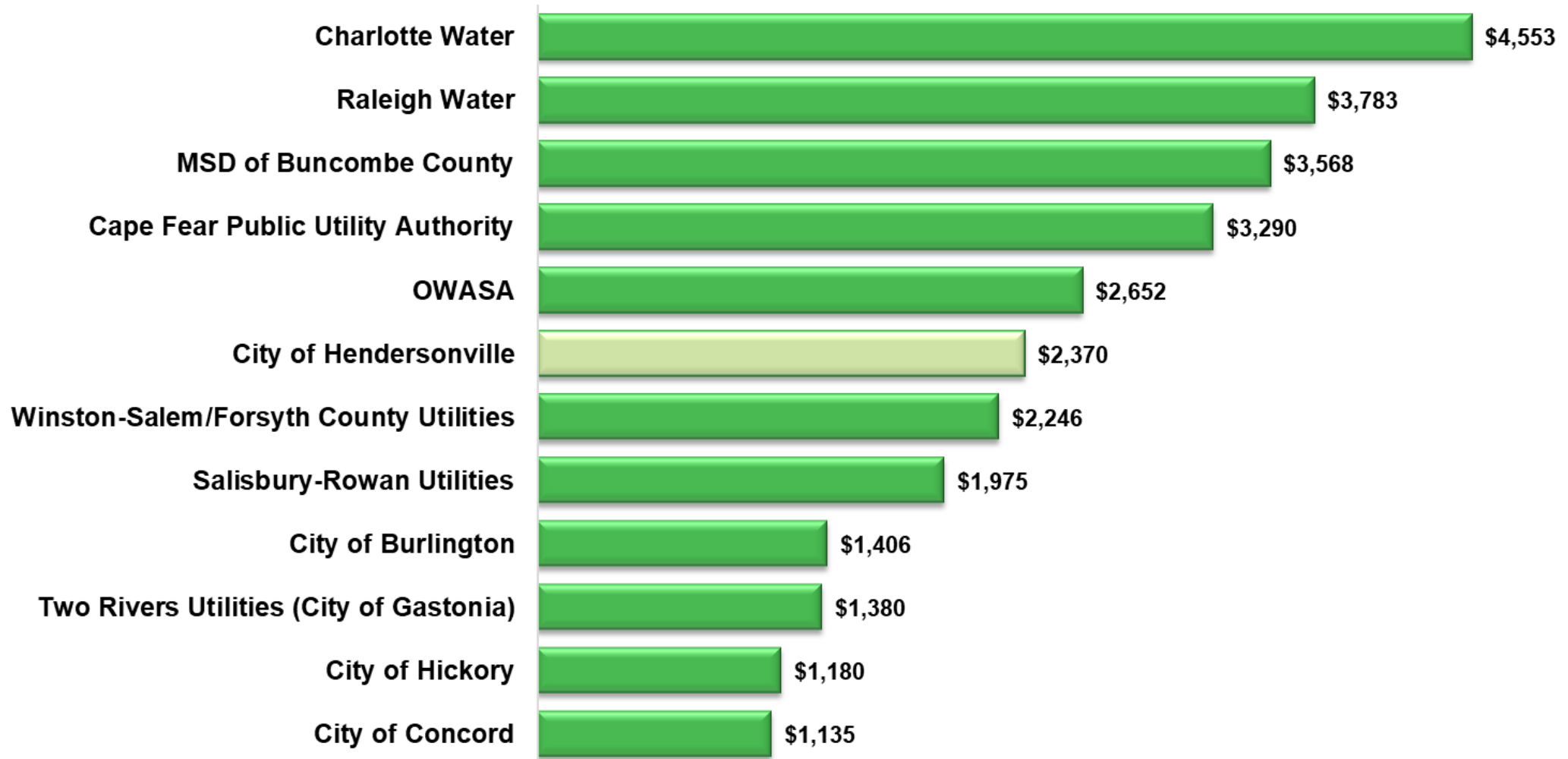
Water SDF – Residential Comparison

Figure 3.1 - Water System Development Fees (Residential 2,100 Sq. Ft.)



Sewer SDF – Residential Comparison

Figure 3.2 - Sewer System Development Fees (Residential 2,100 Sq. Ft.)



MSD of Buncombe County: - Multi-Family per unit \$2,390 (67% of single family)