

# City Council Work Session

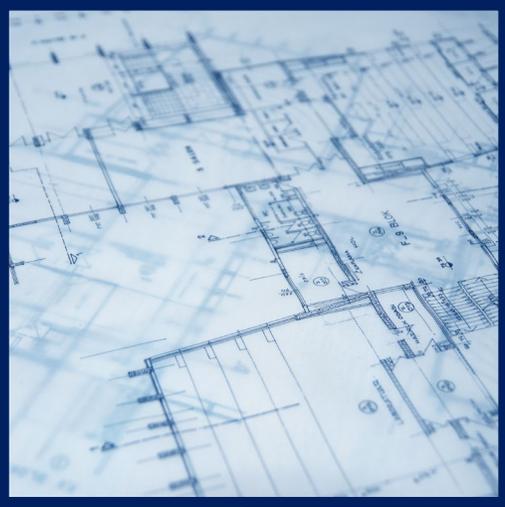


## System Development Charges

March 18, 2026

Presented by:





## AGENDA

- History and background of SDCs
- Policy issues concerning SDCs
- 2026 Capital Improvement Plans
- Specific details of the analysis
- Forecast of single-family SDC
- SDCs in neighboring communities
- Next Steps



# HISTORY & BACKGROUND OF WATER, WASTEWATER, & STORMWATER SDCS



## History

- Current SDC methodologies adopted in 2022
- Estimated population in 2022 ~14,350
- Total 2022 20-year Master Plan CIPs:
  - Water \$57.3m
  - Wastewater \$62.8m
  - Stormwater \$45.9m



## 2026

- ↑ 46.5m
- ↑ 13.5m
- ↑ 6.4m

- In the process of implementing Master Plan priority projects
- Estimated population in 2026 ~14,800
- Total 2025 20-year Master Plan CIP:
  - Water \$103.8m
  - Wastewater \$76.3m
  - Stormwater \$52.3m

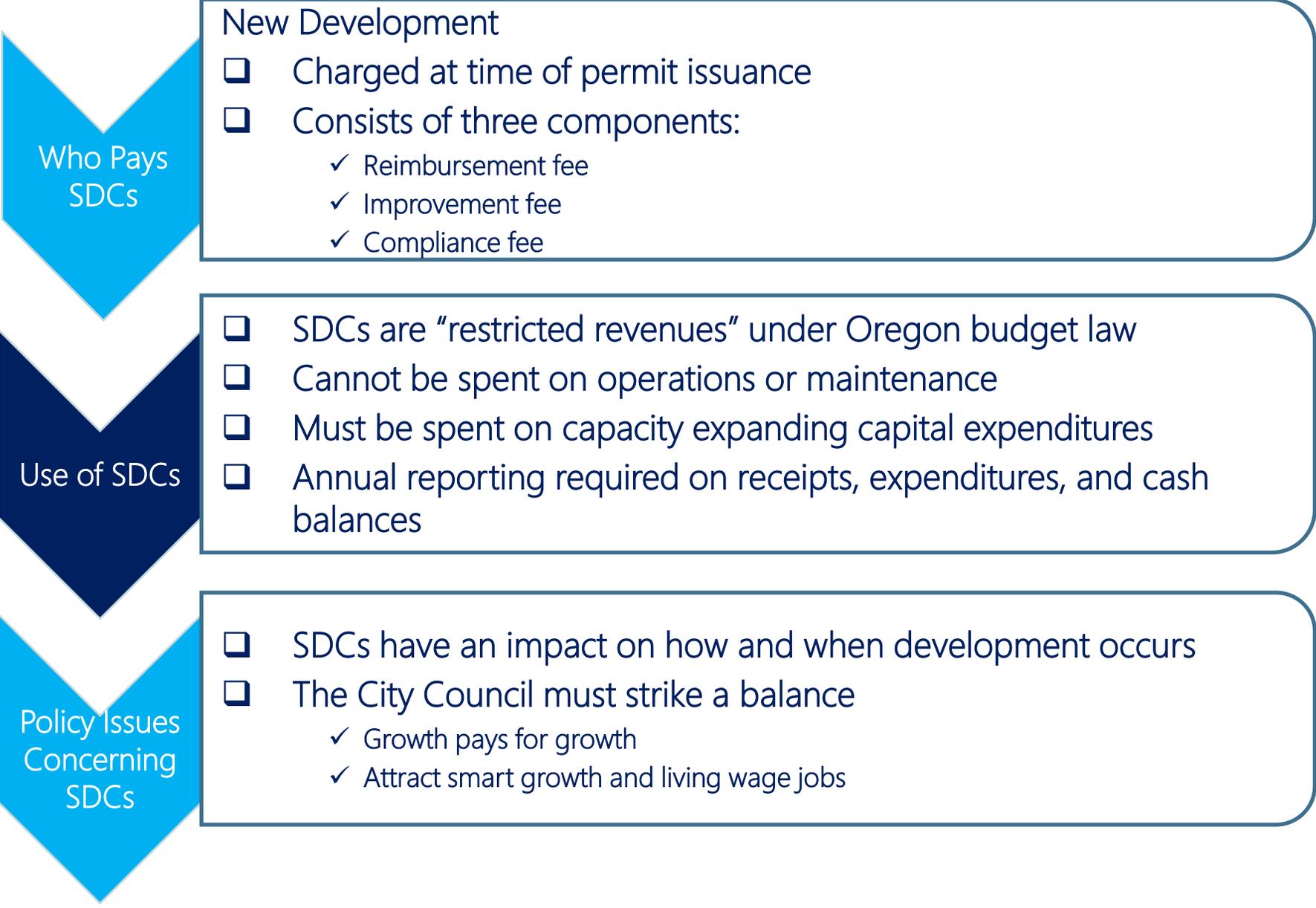


## SDC methodology

- Water, wastewater, and stormwater SDCs are driven by the "improvements approach" which is based on a specific list of planned capacity increasing capital improvements.

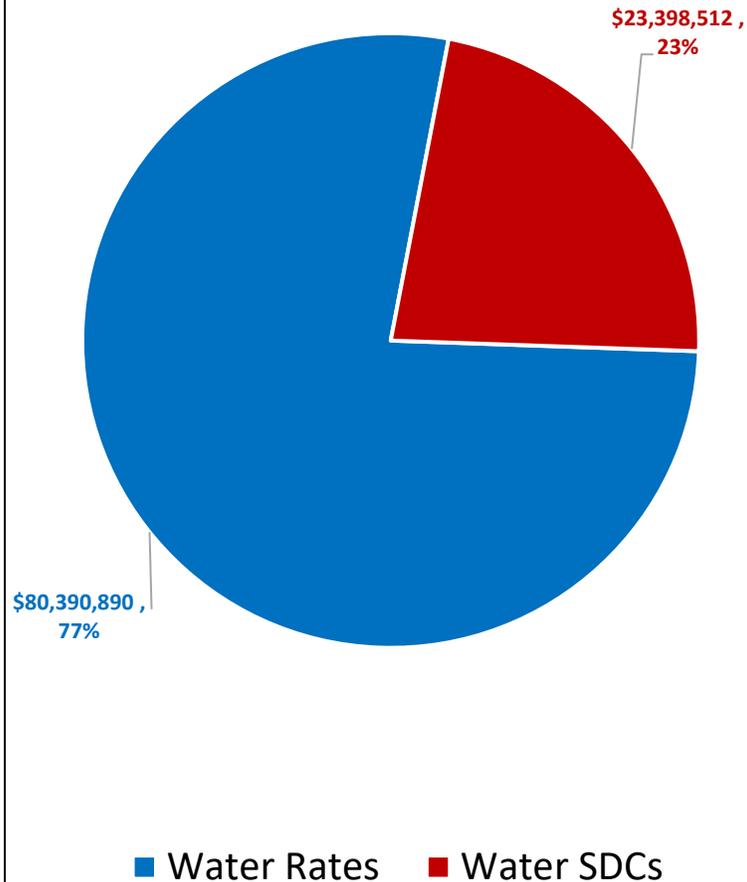


# SDCs 101 ...

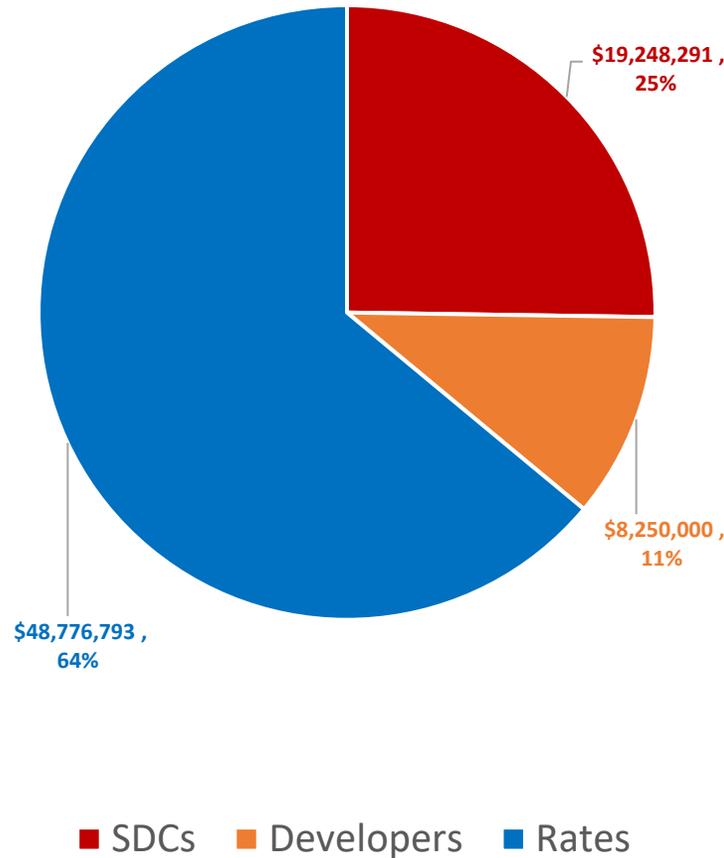


# PROJECTED CAPITAL PLAN(S) FUNDING SOURCES

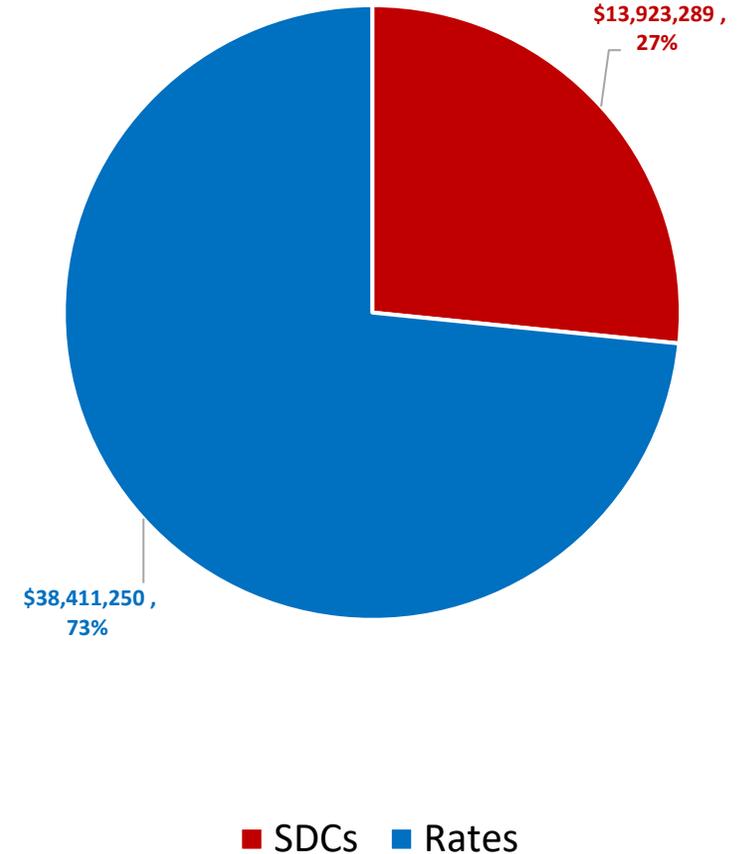
## Water (\$103.8 million)



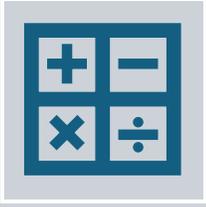
## Wastewater (\$76.3 million)



## Stormwater (\$52.3 million)



# Details of the Analysis



In the final analysis, SDCs are rates charged for services consisting of:

Numerator (\$)  
Denominator (units of demand)



The resulting "Rates" are very sensitive to

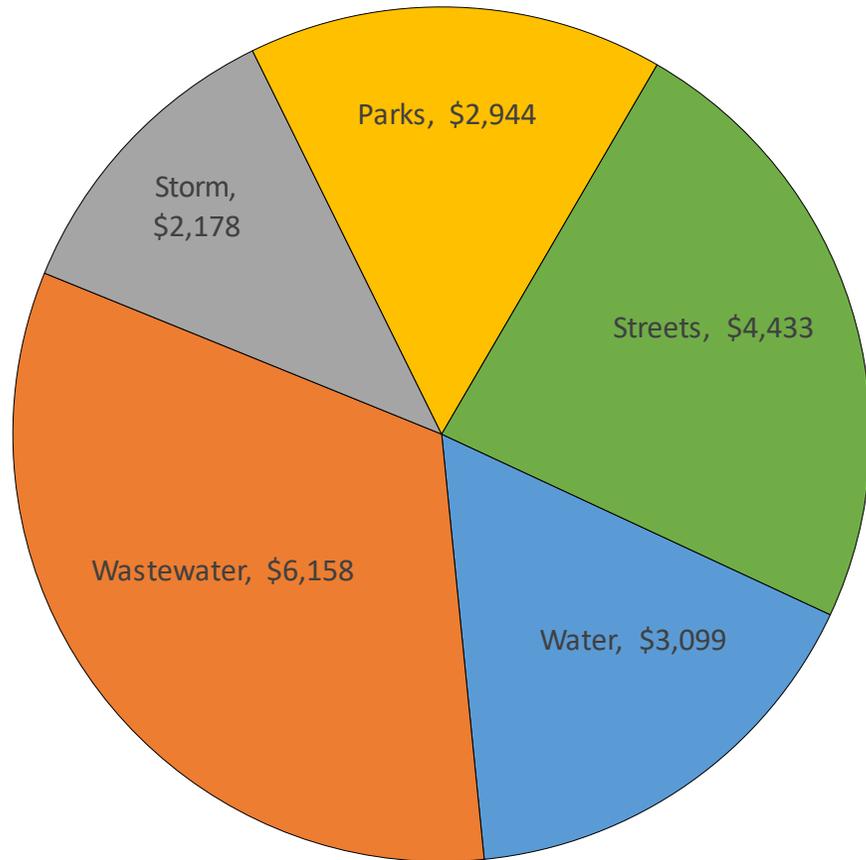
Changes in Costs or Funding Allocations  
Changes in Forecasts of Future Demand Units (i.e., population)



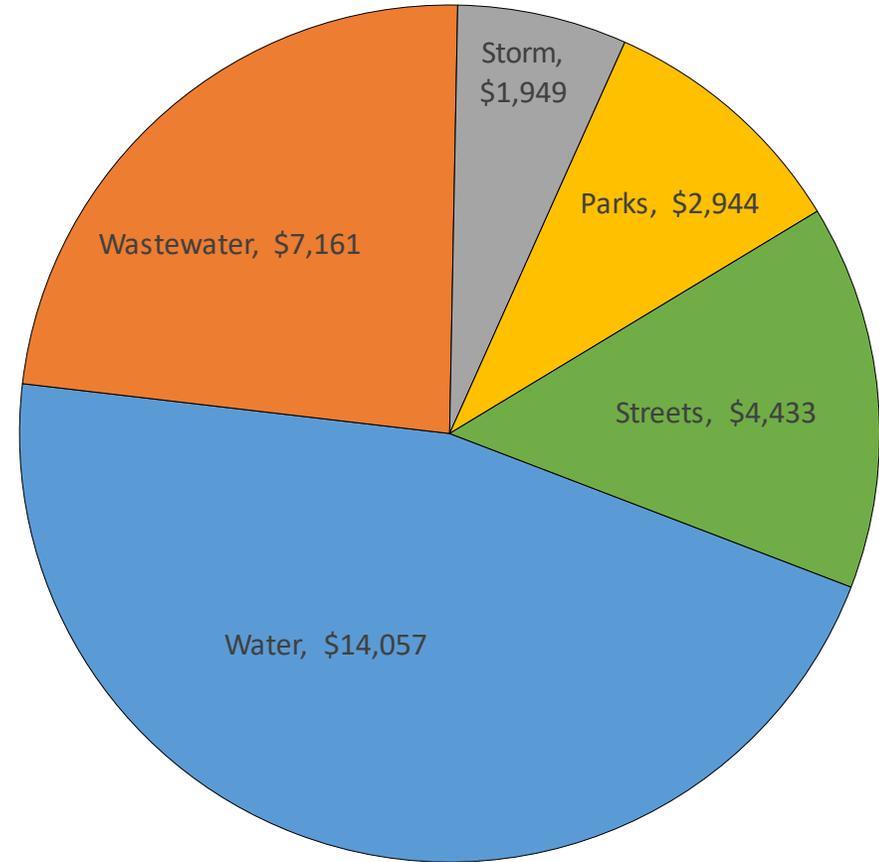
Have to Balance Both Variables to Reach a Recommended Rate

# FORECAST OF SINGLE-FAMILY SDCS

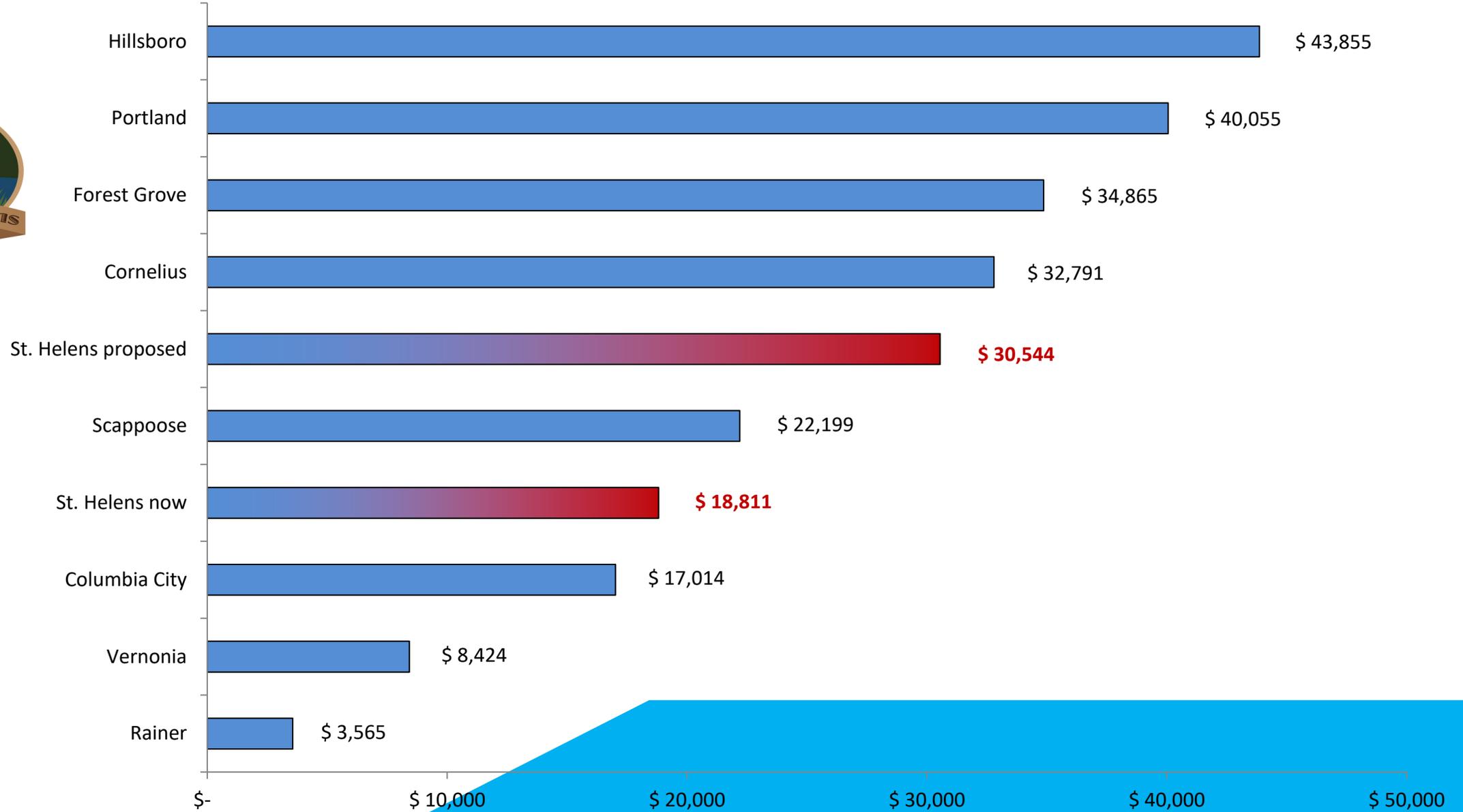
Current \$ 18,812



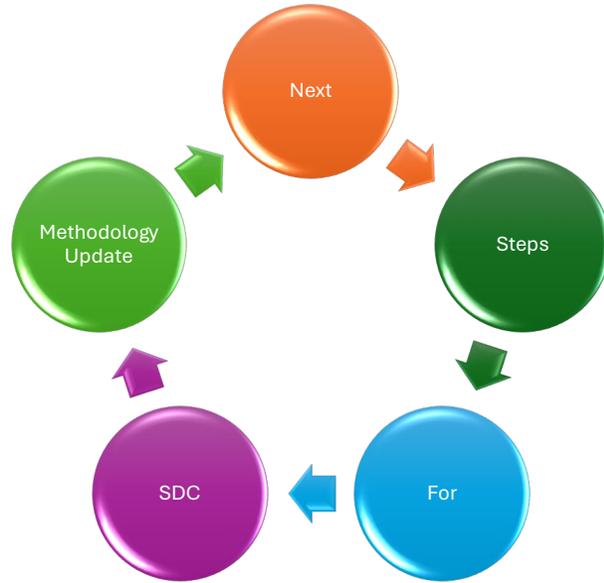
Proposed \$ 30,544



# Regional System Development Charges - Single Family Residential February, 2026



# Next Steps



Date	Item Description	Action Item
March 18, 2026	City Council work session on water, wastewater, and stormwater SDCs	No legislative action
March 19, 2026	Notification of City’s intent to modify water, wastewater, and stormwater SDC methodologies. Start of statutory 90-day notice per ORS 223.304 (6)	City Staff notices mailed to interested parties
April 18, 2026	Proposed water and parks SDC methodologies available for review; methodology report posted to the City website	City Staff posts methodology report to City website
June 17, 2026	Water, wastewater, and stormwater SDC methodology update resolution	City Council deliberation and vote