

**A RESOLUTION SETTING THE AMOUNT OF
THE WATER SYSTEM DEVELOPMENT
CHARGE, ADOPTING AN AUTOMATIC
ANNUAL ADJUSTMENT FOR INFLATION**

**RESOLUTION NO. 14
for 2005**

WHEREAS, reference to ORS 223.297 to 223.314 and to City of Lebanon Ordinance No. 2378 establishing the City's ability to assess a water system development charge, and,

WHEREAS, the City adopted the report, *System Development Charge Study* prepared for the City of Lebanon by Galardi Consulting, LLC, May 2005, that applies methodologies consistent with ORS 223.304 to update the water reimbursement and improvement fees; and,

WHEREAS, the City Council appointed a technical review committee that met with City staff and consultants to update the system development charges and recommends the City increase the water SDC from its current level to the level in the report over a three year period,

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF LEBANON AS FOLLOWS:

Section 1

The amount of the water system development charge plus the administration fee shall be by type water meter size and by effective date over the next three years:

Meter Size	Current	Effective					
		August 1, 2005		July 1, 2006		July 1, 2007	
	SDC	SDC plus Administration Fee (7.5%)	SDC	SDC plus Administration Fee (7.5%)	SDC	SDC plus Administration Fee (7.5%)	
5/8 x 3/4"	\$548	\$715	\$769	\$882	\$948	\$1,049	\$1,128
1"	\$4,370	\$3,788	\$4,072	\$3,206	\$3,446	\$2,623	\$2,820
1 1/2"	\$2,740	\$3,575	\$3,843	\$4,410	\$4,741	\$5,245	\$5,638
2"	\$4,384	\$5,720	\$6,149	\$7,056	\$7,585	\$8,392	\$9,021
3"	\$8,768	\$11,440	\$12,298	\$14,112	\$15,170	\$16,785	\$18,044
4"	\$13,700	\$17,875	\$19,216	\$22,050	\$23,704	\$26,226	\$28,193
6"	\$27,400	\$35,751	\$38,432	\$44,102	\$47,410	\$52,452	\$56,386

The total amount of the SDC shall include a 7.5 percent fee for administration as permitted by ORS 223.307(5)

Section 2.

System Development Charges established by Section 1 of this resolution shall be collected upon issuance of a permit to connect to the water system or upon increased usage of the water system.

If a development is subject to more than one SDC charge, all charges shall be collected at the time the first permit is issued.

Section 3

Beginning with July 1, 2008, and each July 1 thereafter, the water SDC shall be adjusted for inflation using the construction cost index (CCI) published by McGraw Hill, Inc. in its publication ENR. ENR updates the CCI monthly and provides annual summaries in the July edition.

The formula for updating the SDC each year is as follows:

$$SDC_{\text{current year}} = SDC_{\text{last year}} \times (CCI_{\text{current year}} / CCI_{\text{last year}})$$

where:

- $CCI_{\text{current year}}$ = Construction Cost Index for the current year
- $CCI_{\text{last year}}$ = Construction Cost Index for the last year the SDCs were updated
- $SDC_{\text{current year}}$ = the SDC updated by the CCI
- $SDC_{\text{last year}}$ = the SDC to be updated

The water SDC shall not be adjusted for inflation until July 1, 2008, at which time the appropriate $CCI_{\text{last year}}$ shall be August 1, 2005.

Section 4

The *System Development Charge Study* identifies or incorporates by reference the identification of capital improvements eligible for funding through the water SDC and is hereby adopted as the Systems Development Charge Funds Project Plan as required by Section 9, Ordinance 2378.

Section 5

This resolution shall be effective August 1, 2005

Passed by the City Council of the City of Lebanon by a vote of 6 for and 0 against this 8 day of June, 2005.

Kenneth I. Toombs
 Kenneth I. Toombs, Mayor
 Scott Simpson, Council President

ATTEST:
John E. Hitt
 John E. Hitt, City Recorder