

The background of the slide is a light gray gradient with several realistic water droplets of various sizes scattered across it. The droplets have highlights and shadows, giving them a three-dimensional appearance. The text is centered in the middle of the page.

SYSTEM DEVELOPMENT FEE STUDY FOR WATER FACILITIES

NORTH CAROLINA DEVELOPMENT FEE ENABLING LEGISLATION

- PRIOR TO THE ADOPTION OF NORTH CAROLINA S.L. 2017-138 (HOUSE BILL 436), CHATHAM COUNTY WAS GIVEN THE AUTHORITY UNDER A 1987 SESSION LAW, CHAPTER 460, TO COLLECT IMPACT FEES FROM DEVELOPERS TO HELP DEFRAY THE COSTS OF CONSTRUCTING CAPITAL IMPROVEMENTS INCLUDING THOSE FOR WATER AND SEWER SYSTEMS.
- WITH THE ADOPTION OF S.L. 2017-138, CHATHAM COUNTY, ALONG WITH ALL LOCAL GOVERNMENTS, WAS GIVEN DIRECT AUTHORITY TO CHARGE A DEVELOPMENT FEE FOR WATER AND SEWER SYSTEMS.

REQUIREMENTS OF THE LAW

- A QUALIFIED PROFESSIONAL MUST DEVELOP THE DEVELOPMENT FEE ON A WRITTEN ANALYSIS, USING GENERAL ACCEPTED ENGINEERING AND PLANNING PRACTICES. A QUALIFIED PROFESSIONAL IS DEFINED AS “A FINANCIAL PROFESSIONAL OR A LICENSED PROFESSIONAL ENGINEER QUALIFIED BY EXPERIENCE AND TRAINING OR EDUCATION TO EMPLOY GENERALLY ACCEPTED ACCOUNTING, ENGINEERING, AND PLANNING METHODOLOGIES TO CALCULATE SYSTEM DEVELOPMENT FEES FOR PUBLIC WATER AND SEWER SYSTEMS.”
 - TISCHLERBISE IS A FISCAL, ECONOMIC, AND PLANNING CONSULTING FIRM SPECIALIZING IN THE COST OF GROWTH SERVICES WITH QUALIFIED PLANNERS AND FINANCIAL CONSULTANTS ON STAFF. OUR SERVICES INCLUDE DEVELOPMENT FEES, FISCAL IMPACT ANALYSIS, INFRASTRUCTURE FUNDING, USER FEE AND COST OF SERVICE STUDIES, CAPITAL IMPROVEMENT PLANS, AND FISCAL SOFTWARE. TISCHLERBISE HAS PREPARED OVER 900 DEVELOPMENT FEE STUDIES OVER THE PAST 37 YEARS FOR LOCAL GOVERNMENTS ACROSS THE UNITED STATES.

REQUIREMENTS OF THE LAW

- A SYSTEM DEVELOPMENT FEE ADOPTED BY A LOCAL GOVERNMENTAL UNIT UNDER ANY LAWFUL AUTHORITY OTHER THAN THIS ARTICLE AND IN EFFECT ON OCTOBER 1, 2017, SHALL BE CONFORMED TO THE REQUIREMENTS OF THIS ARTICLE NOT LATER THAN JULY 1, 2018.
- FEE ANALYSIS COVERS A PLANNING HORIZON OF NOT LESS THAN 10 YEARS NOR MORE THAN 20 YEARS.
- A SYSTEM DEVELOPMENT FEE SHALL NOT EXCEED THAT CALCULATED BASED ON THE SYSTEM DEVELOPMENT FEE ANALYSIS.

REQUIREMENTS OF THE LAW

- FEE ANALYSIS CALCULATES A FINAL SYSTEM DEVELOPMENT FEE PER SERVICE UNIT OF NEW DEVELOPMENT AND INCLUDES AN EQUIVALENCY OR CONVERSION TABLE FOR USE IN DETERMINING THE FEES APPLICABLE FOR VARIOUS CATEGORIES OF DEMAND.
- CURRENT AND PROPOSED WATER SYSTEM DEVELOPMENT FEE:

All Development (per meter)

Meter Size (inches)	Capacity Ratio	Proposed Water Fee	Current Fee	\$ Change	Percent Change
5/8 x 3/4	1.00	\$3,431	\$3,500	(\$69)	-2%
1	1.67	\$5,729	\$7,000	(\$1,271)	-18%
1 1/2	3.33	\$11,425	\$10,000	\$1,425	14%
2	5.33	\$18,287	\$16,000	\$2,287	14%
3	10.00	\$34,310	\$30,000	\$4,310	14%
4	16.67	\$57,194	\$40,000	\$17,194	43%
6	33.33	\$114,355	\$120,000	(\$5,645)	-5%

Source: American Water Works Association, Manual M-6, Water Meters - Selecting, Testing, Installation, and Maintenance; TischlerBise analysis

Note: Proposed water fee is truncated

ADOPTION AND PERIODIC REVIEW

- FOR NOT LESS THAN 45 DAYS PRIOR TO CONSIDERING THE ADOPTION OF A SYSTEM DEVELOPMENT FEE ANALYSIS, THE LOCAL GOVERNMENTAL UNIT SHALL POST THE ANALYSIS ON ITS WEB SITE AND SOLICIT AND FURNISH A MEANS TO SUBMIT WRITTEN COMMENTS, WHICH SHALL BE CONSIDERED BY THE PREPARER OF THE ANALYSIS FOR POSSIBLE MODIFICATIONS OR REVISIONS.
 - WE RECEIVED 4 COMMENTS
- AFTER EXPIRATION OF THE PERIOD FOR POSTING, THE GOVERNING BODY OF THE LOCAL GOVERNMENTAL UNIT SHALL CONDUCT A PUBLIC HEARING PRIOR TO CONSIDERING ADOPTION OF THE ANALYSIS WITH ANY MODIFICATIONS OR REVISIONS.
- THE LOCAL GOVERNMENTAL UNIT SHALL PUBLISH THE SYSTEM DEVELOPMENT FEE IN ITS ANNUAL BUDGET OR RATE PLAN OR ORDINANCE. THE LOCAL GOVERNMENTAL UNIT SHALL UPDATE THE SYSTEM DEVELOPMENT FEE ANALYSIS AT LEAST EVERY FIVE YEARS.
- IF APPROVED, THE FEES DETERMINED FROM THE STUDY WILL BE INCLUDED IN THE BUDGET ORDINANCE FOR ADOPTION

CHANGES TO THE COUNTY WATER POLICY

- CHANGED REFERENCE OF NC DENR TO NC DEQ TO REFLECT CHANGES IN THE STATE ORGANIZATION
- CHANGED REFERENCE TO “AVAILABILITY FEE” TO “SYSTEM DEVELOPMENT FEE” TO BE CONSISTENT WITH STATE LAW
- REMOVED REFERENCES RELATED TO CHARGING A SYSTEM DEVELOPMENT FEE ON MULTI-FAMILY RESIDENTIAL BASED ON NUMBER OF UNITS. FEE WILL BE BASED ON METER SIZE INSTEAD OF RESIDENTIAL UNITS TO BE CONSISTENT WITH THE STATE LAW