

**ARCH CAPE DOMESTIC WATER SUPPLY DISTRICT
POLICY 15-01 WD - PUBLIC FINANCE POLICIES**

1. Capital Improvement Plan

Arch Cape Domestic Water Supply District (ACWD) shall develop and maintain a Capital Improvement Plan (CIP) to guide its long-term capital asset maintenance, improvement, and expansion, and contribute to its long-term financial planning. The CIP shall anticipate needed or desired projects to improve, expand, or acquire capital assets for the maintenance and improvement of the district's facilities and systems. The CIP will include a year-by-year summary of projects for the next five years, including estimated annual capital expenditures and funding sources for each.

The CIP will also include estimated capital needs beyond five years for the purpose of anticipating large expenditures in the longer term.

The CIP will be prepared in conjunction with the annual budget and inform the public and the board of capital needs to be considered for funding in the annual budget.

2. Borrowing Authority

The Arch Cape Domestic Water Supply District has statutory authority to borrow money to finance operations or capital improvements. The board may borrow through the mechanisms legally available to it. Prior to issuing debt, the board shall consult with professionals in the field of public debt management to analyze alternative debt mechanisms and advise on the feasibility and practicality of issuing debt. If the board chooses to issue debt, it shall engage professionals to guide it through the process.

3. System Development Charges

Oregon state law (ORS 223.297 – 223.314) provides a framework for public agency establishment of system development charges. ACWD will observe and abide by these statutory requirements. ACWD will establish system development charges based on a review of district needs and the board's assessment of fairness and equity for existing sanitary system users, prospective users, and developers. The board shall review its SDC rates every three years, or more often at the discretion of the board. The board may change the rates or keep them the same as the result of this review.