

Olivehurst Public Utility District



Agenda Item Staff Report

Meeting Date: February 20, 2020

Item description/summary:

OPUD's water and sewer capacity fees each have a clause for increasing the fee due to inflation. The clauses all use the Construction Cost Index (CCI) for 20 cities plus San Francisco published in the Engineering News and Record. Per the CCI for 20 cities plus San Francisco published in the Engineering News Record for the twelve month period of December 2018 through December 2019, the annual increase adjustments for water and wastewater capacity fees for inflation is 1.85% (see attached memo from EPS). My field experience during this period for construction costs is consistent with this data. Each year at this time the Board is asked to approve the fee increase to meet inflation.

Fiscal Analysis:

Failure to adjust for increases in construction cost will result in a negative consequence. If the OPUD capacity fees don't keep pace with construction cost increases, then the funding available will not be sufficient to build the facilities identified in the respective nexus studies.

Sample Motion/Staff Recommendation:

Recommended
Move to authorize annual CCI rate increase under Exhibit A to the following Resolutions: Resolution No. 2065 Resolution No. 2110, Resolution No. 2067 Resolution No. 2112 Resolution No. 2119; Resolution No. 2115 Resolution No. 2215 and Resolution No. 2216.

Prepared by:

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