

WEST SLOPE WATER DISTRICT

BOARD AGENDA ITEM NO. 5

MEETING DATE: January 21st, 2015

TITLE: Proposed Resolution No. 01-2015 Amending System Development Charges and Declaring Effective Date

ITEM: The District's System Development Charge (SDC) Ordinance requires annual indexing of the charges between formal methodology updates to avoid large increases. This resolution will increase the District's SDCs by 2.4% based on the change in the Seattle Construction Index as published in the Engineering News Record. The December 201 Index is 10,384.58. The December 2013 Index was 10,142.65. This change would increase the SDC on a 5/8x3/4-inch meter from \$3,054.00 to \$3,127.00, an increase of \$73.00.

STAFF RECOMMENDATION: Staff recommends approval of Resolution No. 1-2015.

BUDGET IMPACT: This change could increase SDC revenues for the last five months of the FY 2014-2015 budget by an estimated \$500.00 or less.

ADDITIONAL INFORMATION: Jerry Arnold, General Manager

ATTACHMENT: Resolution No. 2-2014 and Exhibit A

WEST SLOPE WATER DISTRICT

RESOLUTION NO. 1-2015

A RESOLUTION AMENDING SYSTEM DEVELOPMENT CHARGES FOR THE WEST SLOPE WATER DISTRICT; AND DECLARING AN EFFECTIVE DATE OF FEBRUARY 1, 2015

WHEREAS, on November 15, 2001 the Board of Commissioners of the West Slope Water District (“District”) adopted Ordinance No. 1-01 establishing system development charges (SDCs), and other related procedures to comply with ORS 223.297 to ORS 223.314, inclusive, to provide revenues necessary for capital improvements constructed and to be constructed within the District; and

WHEREAS, in accordance with the methodology provided in Section 5C of Ordinance No. 1-01, the Administrative Staff of the District has calculated the amount of SDCs to be imposed by the Board of Commissioners to collect the statutorily authorized, necessary revenues; and

WHEREAS, the District adopted Resolution No. 12-01 that established SDC amounts, in accordance with Section 5 of Ordinance No. 1-01, effective December 12, 2001; and

WHEREAS, pursuant to Section 5 of Ordinance No. 1-01, Staff of the District reviewed construction costs as published by Engineering News Record (ENR), Construction Cost Index for the Seattle area for the calendar year 2014; and the Board of Commissioners being fully advised amends the SDCs for the District as set forth; and

WHEREAS, the District adopted Resolution No. 2-2014 amending the schedule of charges relating to water system development charges, and

WHEREAS, construction costs have increased 2.4% between December 2013 and December 2014 as evidenced by the ENR CCI (Seattle), and

WHEREAS, the Board of Commissioners by this resolution amends the SDC for the District as set forth below.

BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE WEST SLOPE WATER DISTRICT THAT:

Section 1: Resolution No. 2-2014 is hereby repealed and superceded by this Resolution No. 1-2015, effective at 8:00 a.m., PDT on February 1, 2015.

Section 2: The Board adopts the adjustment of SDC's based on the change in the Engineering News Record Cost Construction Index for the Seattle area for the calendar 2014.

Section 3: Pursuant to Section 2, above, the SDC is calculated by the change in the index from a value of 10,142.65 (December 31, 2013) to a value of 10,384.58 (December 31, 2014), which is a 2.4% increase.

Section 4: The system development charges are hereby adopted as the rate for SDCs in the District, in Exhibit "A" attached hereto.

INTRODUCED AND ADOPTED THIS 21st DAY OF JANUARY 2015.

WEST SLOPE WATER DISTRICT

By Donna Davis
Donna Davis, Chair

ATTEST:

By Bruce Hellebuyck
Bruce Hellebuyck, Treasurer

EXHIBIT A

RESOLUTION No. 1-2015

Source: Amended Resolution No. 1-2015; System Development Charges

Rates Effective February 1, 2015

Meter Size	Reimbursement Fee			Improvement Fee			Current Total	Revised Total
	Current	% Increase	Revised	Current	% Increase	Revised		
5/8 x 3/4	1,507	2.4%	1,543	1,547	2.4%	1,584	\$3,054	\$3,127
1	3,764	2.4%	3,854	3,865	2.4%	3,958	\$7,629	\$7,812
1.5	7,528	2.4%	7,709	7,738	2.4%	7,924	\$15,266	\$15,633
2	12,044	2.4%	12,333	12,381	2.4%	12,678	\$24,425	\$25,011
3	24,002	2.4%	24,578	24,762	2.4%	25,354	\$48,763	\$49,932
4	37,951	2.4%	38,862	38,679	2.4%	39,607	\$76,630	\$78,469
6	75,281	2.4%	77,088	77,380	2.4%	79,237	\$152,661	\$156,325
8	120,448	2.4%	123,339	123,808	2.4%	126,779	\$244,256	\$250,118
10	172,762	2.4%	176,908	177,973	2.4%	182,244	\$350,736	\$359,152
12	338,758	2.4%	346,888	348,208	2.4%	356,565	\$686,966	\$703,454

CONSTRUCTION ECONOMICS

ENR's 20-city average cost indexes, wages and material prices. Historical data and details for ENR's 20 cities can be found at ENR.com/economics

Construction Cost Index

+2.7%
DEC. 2014

1913=100	INDEX VALUE	MONTH	YEAR
CONSTRUCTION COST	9936.44	+0.3%	+2.7%
COMMON LABOR	21149.34	+0.4%	+2.7%
WAGE \$/HR.	40.18	+0.4%	+2.7%

Annual inflation measured by the CCI increased to 2.7% from 2.5% in November and a low of 2.0% October.

Building Cost Index

+2.9%
DEC. 2014

1913=100	INDEX VALUE	MONTH	YEAR
BUILDING COST	5480.04	+0.2%	+2.9%
SKILLED LABOR	9434.17	+0.5%	+2.7%
WAGE \$/HR.	52.36	+0.5%	+2.7%

The BCI's annual escalation rate increased to 2.9% from 2.8% last month, primarily due to a 0.5% rise in the index's labor component.

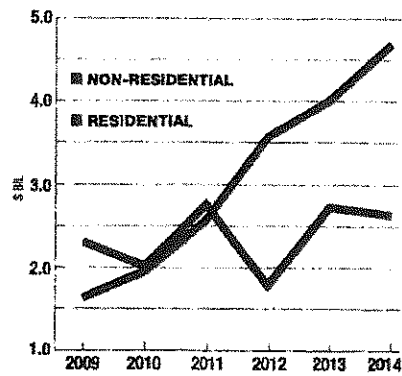
Materials Cost Index

-0.3%
DEC. 2014

1913=100	INDEX VALUE	MONTH	YEAR
MATERIALS COST	3064.01	-0.3%	+2.8%
CEMENT \$/TON	116.37	+0.1%	+5.0%
STEEL \$/CWT	50.30	-0.3%	+1.4%
LUMBER \$/MBF	469.59	-0.4%	+7.6%

Both steel and lumber prices fell this month, pulling the MCI down 0.3%.

Construction activity in Seattle is following two different paths, as the housing boom continues, while the non-residential market falters, according to a forecast by Dodge Data & Analytics. The housing market in the Seattle metropolitan area is expected to increase 17.1% this year to \$4.7 billion, marking the fourth consecutive year of double-digit growth. The non-residential building market is predicted to slip 3.2% this year, following 2013's 52% rebound.



SOURCE: DODGE DATA & ANALYTICS

ENR's Cost Indexes by City

1913=100	CONSTRUCTION COST		BUILDING COST		COMMON LABOR		SKILLED LABOR		MATERIALS	
	DEC '14 INDEX	% CHG. YEAR	DEC '14 INDEX	% CHG. YEAR	DEC '14 INDEX	% CHG. YEAR	DEC '14 INDEX	% CHG. YEAR	DEC '14 INDEX	% CHG. YEAR
ATLANTA	6255.79	+4.4	4118.20	+2.3	11492.11	+4.8	5874.47	+1.2	3046.43	+3.6
BALTIMORE	7052.64	+1.4	4913.66	+2.5	12947.37	0.0	7327.93	+0.8	3439.75	+4.8
BIRMINGHAM	6922.03	+2.8	4243.36	+4.0	13292.11	+2.8	6251.05	+5.0	3017.80	+2.8
BOSTON	12471.31	+0.6	6756.05	+2.3	27802.63	0.0	12778.98	+1.6	3074.69	+4.1
CHICAGO	14386.64	+5.8	6837.64	+4.1	32913.16	+6.4	13064.26	+4.8	3031.68	+2.2
CINCINNATI	8911.58	+4.3	4863.00	+6.9	18097.37	+1.2	7452.85	+1.0	3281.58	+6.3
CLEVELAND	11878.68	+5.9	5472.71	+6.4	26336.84	+6.6	9491.29	+8.7	3017.22	+2.2
DALLAS	5524.26	+1.7	4139.11	+1.3	9615.79	+1.0	5978.38	0.0	3016.55	+3.0
DENVER	7073.93	+0.9	4447.60	+2.4	13668.42	0.0	6765.77	+1.7	3032.14	+3.4
DETROIT	10686.63	+3.8	5665.26	+2.3	23152.63	+3.7	9951.35	+1.4	3046.17	+4.2
KANSAS CITY	10910.95	+1.9	5712.12	+0.5	23700.00	0.0	10031.83	+0.3	3072.50	+0.8
LOS ANGELES	10755.68	+4.3	5706.75	+2.5	23457.89	0.0	10184.38	+3.2	2970.46	+0.9
MINNEAPOLIS	11767.53	+8.3	5578.53	+1.5	26031.58	+9.6	9757.36	+1.3	3025.05	+1.9
NEW ORLEANS	5858.48	+1.1	3935.33	+3.7	10494.74	0.0	5440.84	+3.9	3016.90	+3.4
NEW YORK CITY	16321.05	+4.6	8073.92	+5.0	37689.47	+4.9	16007.21	+5.7	3224.27	+2.8
PHILADELPHIA	11715.19	+0.9	6465.28	+2.0	25889.47	+0.8	12068.47	+2.2	3027.72	+1.5
PITTSBURGH	8505.90	+0.3	5217.88	+0.5	17636.84	0.0	8995.80	0.0	2909.51	+1.3
ST. LOUIS	10430.03	+2.9	5629.49	+4.9	22494.74	+3.0	9874.47	+6.3	3035.54	+2.3
SAN FRANCISCO	10915.84	+5.0	6248.05	+3.1	23857.89	+6.1	11589.19	+4.7	2983.62	+1.0
SEATTLE	10384.58	+2.4	5584.86	+3.1	22415.79	+2.4	9797.60	+3.4	3010.62	+2.5



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49