

This brief is being provided to inform the Board, staff and public of the details of an agenda item that requires action from the Board. The President of the Board will provide board members, staff, and the public the opportunity to ask questions about this topic when this agenda item is announced.

Date: 1/15/22

Originator: Tiana Bradley

Purpose: 2022 System Development Charges – Inflation Rate Increase

Supporting Documents Included:

- 2022- GMCS D System Development Charge Revision per ENR-Construction Cost Index
- Construction Cost Index - January 2022
- Proposed – System Development Charges for 2022

1. **Description:**

The Gold Mountain Community Services District Board of Directors every year adopts a SDC Inflation Rate increase. The proposed rate increase for 2022 is by 8.00% as indicated by the Construction Cost Index data.

2. **Reason for Recommended Board Action - (Consider compliance, cost savings, fixing a problem):**

The GMCS D Annual adoption of rate increase for the System Development Charge

3. **Anticipated Impacts to the District (negative and/or positive) - (Consider financial impact, change in procedures, customer and staff communication and effect if recommendations are not adopted):**

There are no negative impacts to the district with this proposed increase.

The positive impact includes a potential increase in revenues from existing standby customer who wish to pay this connection fee to be part of the district's water & sewer system.

Lastly, an increase in yearly revenues from moving the existing standby customer into the residential or commercial customer billing system.

4. **Anticipated Impacts to the Customer – Standby, Residential, Commercial:**

The reclassification from a standby customer to either as Residential or Commercial customer.

5. **Recommendation (s):**

The GMCS D Board of Directors adopt this 2022 System Development Charges – Inflation Rate Increase

CONSTRUCTION ECONOMICS

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

Construction Cost Index

+8.0%
ANNUAL INFLATION RATE
JAN. 2022

1913=100	INDEX VALUE	MONTH	YEAR
CONSTRUCTION COST	12555.55	+0.6%	+8.0%
COMMON LABOR	24365.52	0.0%	+1.4%
WAGE \$/HR.	46.82	0.0%	+1.4%

Building Cost Index

+13.9%
ANNUAL INFLATION RATE
JAN. 2022

1913=100	INDEX VALUE	MONTH	YEAR
BUILDING COST	7359.09	+1.0%	+13.9%
SKILLED LABOR	11055.72	0.0%	+2.6%
WAGE \$/HR.	60.99	0.0%	+2.6%

Materials Cost Index

+2.2%
MONTHLY INFLATION RATE
JAN. 2022

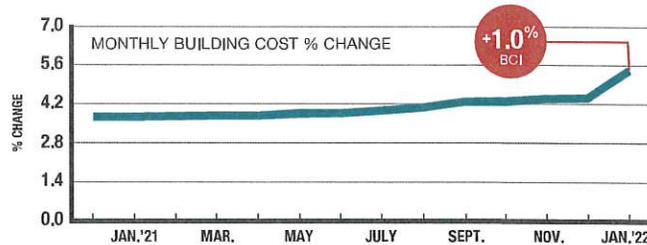
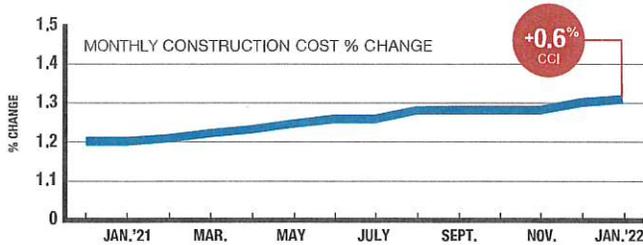
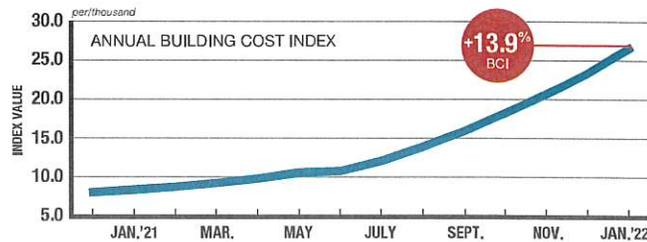
1913=100	INDEX VALUE	MONTH	YEAR
MATERIALS COST	5073.87	+2.2%	+33.7%
CEMENT \$/TON	151.44	-0.5%	+3.1%
STEEL \$/CWT	79.47	+3.8%	+41.2%
LUMBER \$/MBF	949.70	-0.3%	+26.9%

The Construction Cost Index's annual escalation rose 8%, while the monthly component rose 0.6%.

The Building Cost Index was up 13.9% on an annual basis, while the monthly component increased 1%.

The MCI rose 2.2% since last month, while the annual escalation rate increased 33.7%.

Inflation's Pulse Year-to-year and monthly percent changes for ENR's cost indexes



SOURCE: ENR

Cost Index Review

BASE YEAR	CONSTRUCTION		BUILDING		SKILLED WAGES		COMMON WAGES	
	1913	1967	1913	1967	1913	1967	1913	1967
2020 Dec.	11625.95	1082.33	6445.14	954.00	10743.67	1053.78	24037.06	1160.17
2021 Jan.	11627.94	1082.51	6459.83	956.17	10775.90	1057.04	24037.06	1160.17
Feb.	11698.80	1089.11	6493.19	961.11	10797.45	1058.78	24157.25	1165.88
Mar.	11749.75	1093.85	6545.22	968.81	10800.69	1059.05	24157.25	1165.88
Apr.	11849.31	1103.12	6612.50	978.77	10805.01	1059.49	24253.88	1170.25
May	11989.91	1116.21	6754.51	999.79	10805.01	1059.49	24253.88	1170.25
June	12112.05	1127.58	6876.96	1017.91	10815.82	1060.41	24256.31	1170.40
July	12237.69	1139.28	7006.95	1037.15	10826.64	1061.48	24256.31	1170.40
Aug.	12463.13	1160.26	7201.88	1066.01	10848.29	1063.55	24353.34	1175.33
Sept.	12464.55	1160.40	7214.29	1067.84	10880.83	1066.67	24355.78	1175.39
Oct.	12464.94	1160.43	7244.90	1072.38	10978.76	1075.78	24355.78	1175.39
Nov.	12467.32	1160.65	7255.67	1073.97	11000.72	1078.06	24355.78	1175.39
Dec.	12481.82	1162.00	7289.50	1078.98	11055.72	1083.53	24355.78	1175.39
2022 Jan.	12555.55	1168.87	7359.09	1089.28	11055.72	1083.53	24365.52	1175.83

INFLATION

+1.3%

Common Labor Index

ANNUAL ESCALATION FOR COMMON LABOR REACHED 1.4% IN JANUARY, WHILE SKILLED LABOR EXPERIENCED A 2.6% ESCALATION IN THE SAME PERIOD.

2022 - GM CSD System Development Charge Revision per ENR-Construction Cost Index

Effective 1/8/2010		Per Resolution 2009-10-06		
Meter Size	Water SDC	Wastewater SDC	Total SDC	
1 Inch (residential)	\$6,450	\$3,260	\$9,710	
1.5 Inch	\$12,900	\$6,520	\$19,420	
2 Inch	\$20,640	\$10,432	\$31,072	
3 Inch	\$38,700	\$19,560	\$58,260	
4 Inch	\$64,500	\$32,600	\$97,100	
6 Inch	\$129,000	\$65,200	\$194,200	
Effective 1/1/2011		12 month ENR - CCI	3.6%	
Meter Size	Water SDC	Wastewater SDC	Total SDC	
1 Inch (residential)	\$6,682	\$3,377	\$10,059	
1.5 Inch	\$13,364	\$6,755	\$20,119	
2 Inch	\$21,383	\$10,807	\$32,190	
3 Inch	\$40,093	\$20,264	\$60,357	
4 Inch	\$66,822	\$33,773	\$100,595	
6 Inch	\$133,644	\$67,547	\$201,191	
Effective 1/1/2012		12 month ENR - CCI	2.5%	
Meter Size	Water SDC	Wastewater SDC	Total SDC	
1 Inch (residential)	\$6,849	\$3,461	\$10,310	
1.5 Inch	\$13,698	\$6,923	\$20,621	
2 Inch	\$21,917	\$11,077	\$32,994	
3 Inch	\$41,095	\$20,770	\$61,865	
4 Inch	\$68,492	\$34,617	\$103,109	
6 Inch	\$136,985	\$69,235	\$206,220	
Effective 1/1/2013		12 month ENR - CCI	2.6%	
Meter Size	Water SDC	Wastewater SDC	Total SDC	
1 Inch (residential)	\$7,027	\$3,550	\$10,577	
1.5 Inch	\$14,054	\$7,102	\$21,156	
2 Inch	\$22,486	\$11,365	\$33,851	
3 Inch	\$42,163	\$21,310	\$63,473	
4 Inch	\$70,272	\$35,517	\$105,789	
6 Inch	\$140,546	\$71,035	\$211,581	
Effective 1/1/2014		12 month ENR - CCI	2.4%	
Meter Size	Water SDC	Wastewater SDC	Total SDC	
1 Inch (residential)	\$7,195	\$3,635	\$10,830	
1.5 Inch	\$14,391	\$7,272	\$21,663	
2 Inch	\$23,025	\$11,637	\$34,662	
3 Inch	\$43,174	\$21,821	\$64,995	
4 Inch	\$71,958	\$36,369	\$108,327	
6 Inch	\$143,919	\$72,739	\$216,658	
Effective 1/1/2015		12 month ENR - CCI	3.2%	
Meter Size	Water SDC	Wastewater SDC	Total SDC	
1 Inch (residential)	\$7,425	\$3,751	\$11,176	
1.5 Inch	\$14,851	\$7,504	\$22,355	
2 Inch	\$23,761	\$12,009	\$35,770	
3 Inch	\$44,555	\$22,519	\$67,074	
4 Inch	\$74,260	\$37,532	\$111,792	
6 Inch	\$148,524	\$75,066	\$223,590	
Effective 1/1/2016		12 month ENR - CCI	1.6%	
Meter Size	Water SDC	Wastewater SDC	Total SDC	
1 Inch (residential)	\$ 7,543.00	\$ 3,811.00	\$ 11,354.00	
1.5 Inch	\$ 15,088.00	\$ 7,624.00	\$ 22,712.00	
2 Inch	\$ 24,141.00	\$ 12,201.00	\$ 36,342.00	
3 Inch	\$ 45,267.00	\$ 22,879.00	\$ 68,146.00	
4 Inch	\$ 75,448.00	\$ 38,132.00	\$ 113,580.00	
6 Inch	\$ 150,900.00	\$ 76,267.00	\$ 227,167.00	
Effective 1/1/2017		12 month ENR - CCI	3.9%	
Meter Size	Water SDC	Wastewater SDC	Total SDC	
1 Inch (residential)	\$ 7,837.00	\$ 3,959.00	\$ 11,796.00	
1.5 Inch	\$ 15,676.00	\$ 7,921.00	\$ 23,597.00	
2 Inch	\$ 25,082.00	\$ 12,676.00	\$ 37,758.00	
3 Inch	\$ 47,032.00	\$ 23,771.00	\$ 70,803.00	
4 Inch	\$ 78,390.00	\$ 39,619.00	\$ 118,009.00	
6 Inch	\$ 156,785.00	\$ 79,241.00	\$ 236,026.00	
Effective 1/1/2018		12 month ENR - CCI	3.3%	
Meter Size	Water SDC	Wastewater SDC	Total SDC	
1 Inch (residential)	\$ 8,095.00	\$ 4,089.00	\$ 12,184.00	
1.5 Inch	\$ 16,193.00	\$ 8,182.00	\$ 24,375.00	
2 Inch	\$ 25,909.00	\$ 13,094.00	\$ 39,003.00	
3 Inch	\$ 48,584.00	\$ 24,555.00	\$ 73,139.00	
4 Inch	\$ 80,976.00	\$ 40,926.00	\$ 121,902.00	
6 Inch	\$ 161,958.00	\$ 81,855.00	\$ 243,813.00	

Effective 1/1/2019	12 month ENR - CCI		3.3%	NO INCREASE
Meter Size	Water SDC	Wastewater SDC	Total SDC	
1 Inch (residential)	\$ 8,362.00	\$ 4,223.00	\$	12,585.00
1.5 Inch	\$ 16,727.00	\$ 8,452.00	\$	25,179.00
2 Inch	\$ 26,763.00	\$ 13,526.00	\$	40,289.00
3 Inch	\$ 50,187.00	\$ 25,365.00	\$	75,552.00
4 Inch	\$ 83,648.00	\$ 42,276.00	\$	125,924.00
6 Inch	\$ 167,302.00	\$ 84,556.00	\$	251,858.00

Effective 1/1/2020	12 month ENR - CCI		2.6%	
Meter Size	Water SDC	Wastewater SDC	Total SDC	
1 Inch (residential)	\$ 8,579.00	\$ 4,332.00	\$	12,911.00
1.5 Inch	\$ 17,161.00	\$ 8,671.00	\$	25,832.00
2 Inch	\$ 27,458.00	\$ 13,877.00	\$	41,335.00
3 Inch	\$ 51,491.00	\$ 26,024.00	\$	77,515.00
4 Inch	\$ 85,822.00	\$ 43,375.00	\$	129,197.00
6 Inch	\$ 171,651.00	\$ 86,754.00	\$	258,405.00

Effective 1/1/2021	12 month ENR - CCI		2.1%	
Meter Size	Water SDC	Wastewater SDC	Total SDC	
1 Inch (residential)	\$ 8,759.00	\$ 4,422.00	\$	13,181.00
1.5 Inch	\$ 17,521.00	\$ 8,853.00	\$	26,374.00
2 Inch	\$ 28,034.00	\$ 14,168.00	\$	42,202.00
3 Inch	\$ 52,572.00	\$ 26,570.00	\$	79,142.00
4 Inch	\$ 87,624.00	\$ 44,285.00	\$	131,909.00
6 Inch	\$ 175,255.00	\$ 88,575.00	\$	263,830.00

Effective 1/1/2022	12 month ENR - CCI		8.0%	PROPOSED
Meter Size	Water SDC	Wastewater SDC	Total SDC	
1 Inch (residential)	\$ 9,459.00	\$ 4,775.00	\$	14,234.00
1.5 Inch	\$ 18,922.00	\$ 9,561.00	\$	28,483.00
2 Inch	\$ 30,276.00	\$ 15,301.00	\$	45,577.00
3 Inch	\$ 56,777.00	\$ 28,695.00	\$	85,472.00
4 Inch	\$ 94,633.00	\$ 47,827.00	\$	142,460.00
6 Inch	\$ 189,275.00	\$ 95,661.00	\$	284,936.00

Gold Mountain Community Services District

PROPOSED **System Development Charges for 2022**

The System Development Charge is a onetime charge to connect to the water and wastewater systems. These charges support the development of the District's future infrastructure.

On January 1 of each year the System Development Charges are adjusted relative to the cumulative changes in the Engineering News-Record Construction Cost Index for the previous 12 months.

Meter Size		Water SDC		Wastewater SDC		Total SDC
1 Inch (residential)	\$	9,459.00	\$	4,775.00	\$	14,234.00
1.5 Inch	\$	18,922.00	\$	9,561.00	\$	28,483.00
2 Inch	\$	30,276.00	\$	15,301.00	\$	45,577.00
3 Inch	\$	56,777.00	\$	28,695.00	\$	85,472.00
4 Inch	\$	94,633.00	\$	47,827.00	\$	142,460.00
6 Inch	\$	189,275.00	\$	95,661.00	\$	284,936.00

Before the District will issue a "Will Serve" letter and allow connection by any Gold Mountain property owner, the customer requesting service must meet the following three conditions:

1. They must be standby customers in good standing and current in all standby charges.
2. They must have Final Design and Review Committee Plan approval.
3. They must pay the appropriate System Development Charges based on their meter size.