



## DWP AGENDA REPORT

DATE: June 21, 2005  
TO: Board of Commissioners  
FROM: Jerome D. Gruber *JDG*  
PREPARED BY: Diane Muir *DM*  
**RE: CONSTRUCTION COST INDEX INCREASE**

### Background:

The 3-Year Capital Improvement Plan provided by So & Associates Engineer's Inc. recommended, and the Board and City Council approved, yearly increases to Connection/Capital Facilities, Supplemental Water Source, and Rehabilitation Fees based upon the Engineering Construction Cost Index. At the March 15 Board Meeting, staff informed the Board that this year's Construction Cost Index increased by 5.52 percent. The following fees will be increased accordingly, effective July 1, 2005, with the FY 2005/06 Budget:

### Previous:    New:

\$4,942	\$5,215	<b>CONNECTION/CAPITAL FACILITIES FEE.</b> The fee goes toward system improvements, including new water lines, reservoirs, wells, and other improvements needed to provide water service to the new properties that are connected to the system.
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\$1,000	\$1,055	<b>SUPPLEMENTAL WATER SOURCE FEE</b> Adopted 8/14/04
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\$1,117	\$1,117	<b>WATER DEMAND OFFSET CAPACITY CHARGE</b> Adopted 3/31/05 (No change)
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\$ 525	\$ 525	<b>LABOR AND MATERIALS TO INSTALL A 5/8" METER</b> (No change)
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<b>\$7,584</b>	<b>\$7,912</b>	<b>* TOTAL AMOUNT DUE TO ESTABLISH NEW WATER SERVICE (PER EDU) *An increase of \$328 per EDU.</b>
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The System Rehabilitation Fee is also due for a fee increase. This fee will increase from \$6.76 to \$7.13 (.37 cents) per month.