NORTH STATE
BUILDING INDUSTRY
ASSOCIATION

November 19, 2026

President Dennise Burbank
and Members of the Olivehurst Public Utility District Board
1970 9th Avenue
Olivehurst CA 95961

Re: Item 7.1.8 Consider approving Resolution No. 2470, a resolution Adopting the Wastewater Capacity Charge Nexus Study and Establishing Wastewater Capacity Charges

Dear President Burbank and Members of the Board:

On behalf of the North State Building Industry Association (BIA) and our over 500 member companies, we respectfully request a two-year delay in the implementation of the proposed wastewater capacity charge increase, with annual inflation adjustments, or, alternatively, implementation in three equal annual installments, plus inflation.

The BIA supports bringing Wheatland into OPUD's treatment system and providing infrastructure for future housing and economic development. We recognize the need to maintain reliable facilities, address wet-weather flows, and begin improvements early enough to avoid capacity constraints. Our request concerns the timing of the increase and its effect on housing feasibility.

The proposed change from $6,962 to $8,635 per equivalent dwelling unit adds $1,673 per single-family home, or approximately 24 percent. We appreciate the District's and its consultant's explanations of the calculation, cost allocation, Wheatland's participation, and sequence of improvements. Those explanations clarify the program but do not resolve our concern about imposing the increase under current market conditions.

When achievable prices cannot support added costs, project feasibility suffers. A phase or land acquisition may be delayed, or a community may not proceed. A temporary fee transition can therefore influence whether homes are built, even without an equivalent reduction in advertised prices. So while deferring the increase would not necessarily lower a new home's price by $1,673, it could be the deciding factor in whether a project moves forward at all.

This is particularly true in southern Yuba County, where our members report heightened sensitivity to buyer demand, financing costs, sales incentives, and regional competition. These communities offer homes attainable to a broader range of households, but their feasibility should not be assumed to match more established submarkets.

Homebuilders continue to rely on substantial incentives to help buyers qualify and keep communities moving. An additional fee competes with those resources. The cumulative burden of public fees, construction costs, financing, and incentives is significant, even when an individual increase seems modest relative to a home's price.

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We understand the District's concern about a funding gap and its position that governing agreements prohibit shifting that gap to existing ratepayers. **We are not asking existing customers to subsidize new development or the District to jeopardize necessary improvements.**

We ask the Board to evaluate a transition period against the actual schedule of infrastructure expenditures and available funding. The District has explained that the capital program is phased, existing capacity will be absorbed before the larger expansion is needed, and improvements to the existing plant are expected to be bid in mid-2027. A slower market may not change the calculated cost per unit of capacity, but it affects when capacity is consumed, expansion is needed, and connection revenue arrives. Before concluding that the entire increase must take effect immediately, we ask the District to identify the specific funding gap associated with a two-year delay or three-year phase-in and evaluate how that gap could be addressed without shifting costs to existing ratepayers or compromising necessary improvements.

The collection of any fee revenue depends on projects proceeding. Maintaining project feasibility can help preserve the connections and future revenue on which the District's infrastructure program relies. The District and homebuilders share an interest in avoiding both infrastructure constraints and financial conditions that prevent housing from moving forward.

We request the following implementation approach:

First, defer the study-related increase for 24 months from its otherwise applicable effective date. Retain the existing charge with normal annual inflation adjustments, then implement the updated charge with appropriate inflation adjustments.

Alternatively, implement one-third of the $1,673 increase in each of three successive years—approximately $558 per EDU annually, before inflation. The first installment would take effect on the otherwise applicable effective date, with the others on its first and second anniversaries. Annual inflation adjustments could continue.

We support Wheatland's participation in the regional system and the wastewater infrastructure needed for future growth. A measured implementation schedule would help protect the housing production necessary to make that investment successful. We respectfully ask the Board to provide that flexibility.

Sincerely,



Jeff Short
Government & Public Affairs Director
North State Building Industry Association