MINUTES OF THE WASATCH COUNTY COUNCIL
ACTING AS THE
GOVERNING BOARD OF THE NORTH VILLAGE SPECIAL SERVICE DISTRICT
SEPTEMBER 10, 2024

PRESENT: Board Chair Steve Farrell
Board Member Luke Searle
Board Member Heidi Franco
Board Member Yvonne Barney
Board Member Steve Farrell
Board Member Erik Rowland

EXCUSED: Board Member Kendall Crittenden
Board Member Spencer Park

STAFF: Max Covey, the General Manager
Dave Fuller, Assistant General Manager
Theresa Baronek, District Manager
Dana Kohler, Administrative Assistant
Kierstan Smith, CPA
Doug Scow, Water Rights Manager
Wade Webster, Keetley Water Treatment Plant Manager
Shari Coleman, Accounting Clerk
Joy Manwiller, Accountant
Rick Tatton, Court Reporter via Zoom

Board Chair Steve Farrell called the meeting to order at 4:34 p.m. on Tuesday, September 10, 2024. All the members of the Governing Board of the North Village Special Service District are present except for Board Member Spencer Park and Board Member Kendall Crittenden who are excused. The record should also show that the Governing Board of the North Village Special District is meeting in the Wasatch County Council Chambers located in the Wasatch County Administration Building located at 25 North Main, Heber City, Utah 84032.

REGULAR SESSION

APPROVAL OF THE MINUTES FOR AUGUST 13, 2024

Board Member Heidi Franco made a motion to approve the minutes for August 13, 2024, as written. Board Member Yvonne Barney seconded the motion, and the motion carries with the following vote:

AYE: Board Chair Steve Farrell

AYE: Board Member Heidi Franco
AYE: Board Member Yvonne Barney
AYE: Board Member Luke Searle
AYE; Board Member Erik Rowland

NAY: None.

APPROVAL OF THE WARRANTS LIST

Board Member Eric Rowland made a motion to approve the warrants in the amount of $254,206.90. Board Member Heidi Franco seconded the motion, and the motion carries with the following vote:

AYE: Board Chair Steve Farrell
AYE: Board Member Erik Rowland
AYE: Board Member Yvonne Barney
AYE: Board Member Luke Searle
AYE: Board Member Heidi Franco

NAY: None.

GENERAL MANAGER'S REPORT

Max Covey, the General Manager, addressed the Governing Board of the North Village Special Service District and indicated that we had a culinary water line break in River Meadows Ranch. There was some damage done to a residential house and it took a large piece of asphalt to fix the road. We did work with our insurance agent on that, and they found that we were not at fault. After this insurance discussion we have discussed getting some no-fault insurance and we will see what takes place with that and we will keep the Governing Board up to date on what comes about regarding some no-fault insurance being purchased. We also will work with the homeowner to fix the damage that was done to this broken pipeline. The Board Chair indicated that it might be better to just pay it out of the General Fund.

Max Covey also indicated the sewer project is completed. We are flowing sewer through it now and flowing back to the Coyote Lift Station which is on Highway 40 that was being completed and right now that is complete. Also, a big push to finish the infrastructure for this summer and get roads paved, things like that. Also working on lining the pipes in the North Village area and there is a lot of it lined around the WRF and our treatment plant is completed but there is a large amount of lining that we need to do and realigning the canals a little bit. Board Member Steve Farrell indicated that the developer should pay for that lining and, in the future, we should explore that.

Heidi Franco indicated that what we have is a draft discussing the public hearing that will be held at 6:00 p.m. A couple of things I want to mention on the maps need to be added too. I need to have explained to me what it means there is a bonded cost and an unbonded cost. Max Covey indicated that years ago some areas were bonded, and some were not bonded at the first of the North Village development. Some have a reduced rate for those who first participated in the bond and just an unbonded fee. Heidi Franco indicated that there is no blue star designation on the map on page 63 in the agenda. It could be made clear and identify what those blue stars were and what type of structure that is.

Board Chair Steve Farrell indicated that we need a motion to continue this matter to 6:00 p.m. when we will have the public hearing regarding the culinary and secondary water impact fee facilities plan and analysis Resolution #2024-02. **Board Member Heidi Franco made a motion to continue this agenda to 6:00 p.m. when the public hearing will take place. Board Member Erik Rowland seconded the motion, and the motion carries with the following vote:**

AYE: Board Chair Steve Farrell
AYE: Board Member Erik Rowland
AYE: Board Member Heidi Franco
AYE: Board Member Yvonne Barney
AYE: Board Member Luke Searle

NAY: None.

Board Chair Steve Farrell indicated that the time now is 6:00 p.m. which is the time that the public hearing is set for.

PUBLIC HEARING

CULINARY AND SECONDARY WATER IMPACT FEE FACILITIES PLAN AND ANALYSIS, RESOLUTION #2024-02.

Rachel Valek, Engineer for Bowen Collins, addressed the Governing Board of the North Village Special Service District and presented a power point presentation and then indicated that an impact fee is a one-time fee and a tax imposed upon new development activity as a condition of development approval to mitigate the impact of the new development on public infrastructure. The purpose of the Impact Fee Analysis (IFA) is to calculate the allowable impact fee that may be assessed to new development in accordance with Utah Code. Rachel then went through ways that impact fees are calculated. A fair impact fee is calculated by dividing the cost of existing and future facilities by the amount of new growth that will benefit from the unused capacity. Rachel indicated that some costs not used in the impact fee calculation are operational and maintenance costs, cost of facilities constructed beyond 10 years, cost associated with capacity not expected to be used within 10 years. Cost of facilities funded by grants, developer contributions or other funds which the city is not required to repay. Cost of renovating or reconstructing facilities which do not provide new capacity or need enhancement of services to serve future development.

Costs that are used in the calculation of impact fees include: New facilities required to maintain but not exceed the proposed level of service identified in the impact fee facilities plan only those expected to be built within ten years are considered in the final calculations of the impact fee. Historic cost of existing facilities that will serve new development. Cost of professional services for engineering, planning, and preparation of the Impact Fee Facilities Plan and Impact Fee Analysis.

North Village Special Service District has retained Bowen Collins and Associated to prepare an Impact Fee Analysis for its culinary water system based on a recently completed Impact Fee Facilities Plan. An impact fee is a one-time fee, and a tax, imposed upon new development activity as a condition of development approval to mitigate the impact of the new development on public infrastructure. The purpose of an IFA is to calculate the allowable impact fee that may be assessed to new development in accordance with Utah Code.

The calculated impact fee for culinary water in North Village Special Service District is $6,644 per WCU (for bonded users and $10,085 per WCU for unbonded users. This is the legal maximum amount that may be charged as an impact fee. A lower amount may be adopted if desired, but a higher fee is not allowable under the requirements of the Utah Code. This is separate from any additional charges levied by the district for hookup costs or for reasonable permit and application fees.

Rachel Valek indicated that the attached Impact Fee Analysis includes only the costs of public facilities that are: allowed under the Impact Fees Act and actually incurred or projected to be incurred or encumbered within the six years after the day on which each impact fee is paid.

Rachel Valek indicated that it does not include costs of operation and maintenance of public facilities. Costs of qualifying public facilities that will raise the level of service for the facilities, through impact fees, above the level of service that is supported by existing residents, or an expense for overhead, unless the expense is calculated pursuant to a methodology that is consistent with generally accepted cost accounting practices and the methodological standards set forth by the Federal Office of Management and budget for federal grant reimbursement and complies in each and every relevant respect with the impact fees act.

Rachel Valek indicated the purpose of a water Impact Fee Facilities Plan is to identify demands placed upon District facilities by future development and evaluate how these demands will be met by the district. The Facilities Plan is also intended to outline the improvements which may be funded through impact fees. The existing and future capital projects documented in this IFFP will ensure that level of service standards is maintained for all existing and future residents who reside within the district. Local governments must pay strict attention to the required elements of the Impact Fee Facilities Plan. Projected future growth will be met through a combination of utilizing available excess capacity in existing facilities and the construction of additional capacity in new facilities. The percentage of existing capacity available for use by future growth has been calculated. Much of the analysis forming the basis of this IFFP has been taken from the District's Secondary Water System Master Plan, which was also prepared by Bowen and Collins and Associates. For the purpose of impact fee calculations, the district system will be treated as a single service area.

Rachel Valek indicated that the Impact Fee Facility Plan components are to identify the existing level of service, establish a proposed level of service, identify excess capacity to accommodate future growth at the proposed level of service. Identify demands placed upon existing public facilities by new development. Identify how demands from new development will be met. Consider the following additional issues: Revenue sources to finance required system improvements. Necessity of improvements to maintain the proposed level of service. Need for facilities relative to planned locations of schools.

Rachel Valek indicated that in addition to using available existing capacity, demand associated with projected future development will be met through the construction of additional capacity in new facilities. A primary focus of the Impact Fee Facilities Plan was the identification of projects required to serve new development. The results of the Impact Fee Facilities Plan included the costs of each required project, and the portion of costs associated with development in the planning window.

Rachel Valek indicated that the calculated impact fee for secondary water in the North Village Special Service District is $ 47,652 per irrigated acre. This is the legal maximum amount that is charged as an impact fee. A lower amount may be offered if desired, but a higher fee is not allowable under the requirements of the Utah Code. This is separate from any additional charges levied by the district for hookup costs or for other reasonable permit and application fees.

Max Covey indicated that the stars that Heidi Franco referred to are potential well sites. Board Chair Steve Farrell asked is that impact fee secondary is that per lot. Rachel Valek replied that is for an irrigated acre. Justin Dietrich indicated that any time a new development comes in we evaluate their water use against our typical water use category and we have a category that is a single family home, a town home, a condo and an studio apartment and then all types of different commercial so that number the WCU's is what we use which is water capacity unit. We evaluate each development on a custom basis.

Board Chair Steve Farrell asked what is our liability on the bonds now? How much unbonded indebtedness do we have in North Village? Dustin Dietrich indicated that he does not think there is any bond indebtedness. Board Chair Steve asked what percentage coming out of the Fisher Treatment Plan is going to be allocated to North Village? Dustin Dietrich indicated that North Village just purchased enough capacity, and it is a like a quarter of the capacity that has been purchased. North Village will continue to grow and so will Jordanelle and we will have to expand Fisher Ranch but Phase one the capacity that is coming online here in another month, North Village is locked up about a quarter plus or minus.

Board Chair Steve Farrell then asked with this new facility coming on this side of the mountain why are we looking to well sites for the capital improvement fund. Max Covey indicated that wells are not something that we have identified to use. One well right now we have a well that we are having some problems with. The problem that we have is the developer from the initial conception of that development had plans to do well and our opinion of that is we need to try to make that work so the developer wants to do their own thing and wants to be a part of that. We want to make sure that they are in areas that do not affect other wells in the area and different things like that. We want to be a part of the wells in putting them where we feel that they have the least amount of impact on the area but certainly North Village target using surface water to its maximum availability.

Board Chair Steve Farrell asked why we are including that in the capital facilities plan if we have these wells. Dustin Dietrich replied that developer funded infrastructure is part of the capital facility plan because they receive an impact fee credit against that infrastructure so it needs to be in for them to receive that credit back and that is how the district funds it through those credits as the developers and in the direct cash flow mechanism and it allows us to spread those costs across all users which have a developer fee contribute proportionately to that shared infrastructure. Board Chair Steve Farrell indicated that the facility provided by the developer is treated just like the other impact fee. I mean, is there a limitation on the amount of water that can be used for and is there a time frame that has to be set if it is included in the capital facility plan? Dustin Dietrich indicated that any impact fee receipts we have a six-year limit but that does not affect unbuilt infrastructure and monies uncollected. If it is in the ten-year capital facilities plan it is there so that we can access impacts that come in or a portion of the impact fees will be attributable to that. That is why we make the updates or should be making frequent updates every three to five years to capture changes in timing and things like that. Until we get money the clock does not start. And impacts are not directly connected to specific projects once they come through the door but just applicable to the plan as a whole. We would take impact fee monies all of them and put it to project number one and so on and so forth.

Board Member Heidi Franco indicated that she feels like we need to increase the impact fees and increase them to the maximum amount per study and not over and above what has been presented.

Public Comment:

Board Chair Steve Farrell then opened the public hearing up for public comment and there was none, so the public comment period was closed.

Board Member Heidi Franco made a motion that we propose, and we approve Resolution #2024-02 the enactment of the culinary water and secondary water impact fees analysis. Board Member Yvonne Barney seconded the motion, and the motion carries with the following vote:

AYE: Board Chair Steve Farrell
AYE: Board Member Yvonne Barney
AYE: Board Member Erik Rowland

AYE; Board Member Luke Searle
AYE: Board Member Heidi Franco

NAY: None.

ADJOURNMENT

Board Member Luke Searle made a motion that we adjourn. Board Member Erik seconded the motion, and the motion carries with the following vote.

AYE: Board Chair Steve Farrell
AYE: Board Member Yvonne Barney
AYE: Board Member Erik Rowland
AYE: Board Member Luke Searle
AYE: Board Member Heidi Franco

NAY: None.

The meeting was adjourned at 6:20 p.m.

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STEVE FARRELL/BOARD CHAIRMAN