CITY OF SOUTH SALT LAKE

WASTEWATER COLLECTION SYSTEM IMPACT FEE FACILITY PLAN AND IMPACT FEE ANALYSIS

(HAL Project No.: 126.63.100)

December 2024

HANSEN ALLEN & LUCE inc
ENGINEERS

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Kai M. Krieger, P.E.
Project Manager

HANSEN ALLEN & LUCE inc
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Jason Taylor, Water Division Manager
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Christopher Merket, City Engineer

Hansen, Allen & Luce, Inc.

Steve Jones, P.E., CEO
Kai Krieger, P.E., Project Manager
Jason Biesinger, P.E., Staff Engineer
Easton Hopkins, Staff Engineer

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IMPACT FEE CERTIFICATION

The Utah Impact Fee Act requires certifications for the Impact Fee Facilities Plan (IFFP) and the Impact Fee Analysis (IFA). Hansen, Allen & Luce provides these certifications with the understanding that the recommendations in the IFFP and IFA are followed by City Staff and elected officials. If all or a portion of the IFFP or IFA are modified or amended, or if assumptions presented in this analysis change substantially, this certification is no longer valid. All information provided to Hansen, Allen & Luce, Inc. is assumed to be correct, complete, and accurate.

IFFP Certification

Hansen, Allen & Luce, Inc. certifies that the IFFP prepared for the wastewater collection system:

1. includes only the costs of public facilities that are:
    a. allowed under the Impact Fees Act; and
    b. actually incurred; or
    c. projected to be incurred or encumbered within six years after the day on which each impact fee is paid;
2. does not include:
    a. costs of operation and maintenance of public facilities;
    b. costs for 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;
    c. 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
3. complies in each and every relevant respect with the Impact Fees Act.

IFA Certification

Hansen, Allen & Luce, Inc. certifies that the IFA prepared for the wastewater collection system:

1. includes only the costs of public facilities that are:
    a. allowed under the Impact Fees Act; and
    b. actually incurred; or
    c. projected to be incurred or encumbered within six years after the day on which each impact fee is paid;
2. does not include:
    a. costs of operation and maintenance of public facilities;
    b. costs for 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;
    c. 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;
    d. costs with grants or other alternate sources of payment; and
3. complies in each and every relevant respect with the Impact Fees Act.

HANSEN, ALLEN & LUCE, INC.

IMPACT FEE SUMMARY

PURPOSE OF STUDY

The impact fees for the South Salt Lake (City) wastewater collection system were last updated as a part of the City's 2014 master planning project. Since that time, construction costs have risen substantially due to a number of factors, including material shortages, labor shortages, and supply chain constraints. Further, an updated plan to redevelop the Downtown Area has increased the densities. To fund projects required to service the incoming development, the City entered into an interlocal sewer system agreement with the Downtown East Streetcar Sewer Public Infrastructure District (PID). The agreement outlines how the PID will fund projects required to service new development, and how Impact Fees will be used to reimburse project costs. To account for rising construction costs and increased development densities, South Salt Lake City (City) commissioned an impact fee update.

The **purpose** of the IFFP and IFA is to comply with the requirements of the Utah Impact Fees Act by identifying demands placed on the existing wastewater collection system by new development and identifying the means by which the City will meet these new demands. The South Salt Lake City Sanitary Sewer Master Plan has been updated in support of this analysis. There are several growth-related capital improvements anticipated to be needed in the next 10 years, so the calculated impact fee is based on anticipated capital facility projects as well as existing excess capacity and documented historic costs.

The impact fee **service area** is one service area as identified in the City's Sanitary Sewer Master Plan.

LEVEL OF SERVICE

ERU Loading and Treatment

- The established level of service for average daily flow is 165 gpd per Equivalent Residential Unit (ERU).

Infiltration and Inflow

- The established acceptable infiltration for the wastewater collection system is 0.8 MGD.
- The established acceptable inflow for the wastewater collection system is 2.0 MGD during a major storm event.

IMPACT FEE CALCULATION

The impact fee unit for sewer use is based on ERUs. An ERU is equal to the average hydraulic loading of one residential connection. The method of using ERUs for hydraulic analysis allows for allocation of existing and future demands for non-residential land uses.

The existing system served about 5,702 ERUs at the beginning of 2024. Projected **growth** adds 1,097 equivalent residential connections in the next 10 years for a total of 6,799 connections or equivalent.

The costs calculated for the capacity required for growth in the next 10 years come from the proportional historical buy-in costs of **excess capacity** in existing facilities and **new projects** required entirely to provide capacity for new development. The cost of providing capacity to resolve existing deficiencies is not included in the impact fee. However, excess capacity can be built into projects intended to solve existing deficiencies, and this excess capacity can be included in the impact fee. Likewise, available capacity in existing facilities and capacity that is created through new projects is included in the impact fee. In addition to the proportionate share of costs of existing facilities, the impact fee is based on infrastructure that will be constructed within the next 10 years.

To ensure the requirements of the 2022 Interlocal Sewer System Participant Agreement between the City and the PID are met, an impact fee has been calculated for PID and non-PID members. Components of the impact fee for non-PID members are presented in Table S-1 and components of the impact fee for PID members are presented in Table S-2. These costs represent an increase from the previous impact fee.

Table S-1
Proposed Impact Fee by Component (Non-PID Members)

Component	Per Typical Residential Connection
Collection	**$10,629**
Treatment	**$1,063**
Planning	**$97**
Total	**$11,789**

Table S-2
Proposed Impact Fee by Component (PID Members)

Component	Per Typical Residential Connection
Treatment	**$1,063**
Planning	**$97**
Total	**$1,160**

CHAPTER 1 INTRODUCTION

PURPOSE AND SCOPE

To ensure availability of funds for growth-related infrastructure projects, an IFFP and IFA were commissioned by the City.

This report identifies those items that the Utah Impact Fees Act specifically requires, including demands placed upon existing facilities by new development and the proposed means by which the municipality will meet those demands.

The impact fees for the South Salt Lake wastewater collection system were last updated as a part of the City's 2014 master planning project. Since that time, construction costs have risen substantially due to a number of factors, including material shortages, labor shortages, and supply chain constraints. Further, an updated plan to redevelop the Downtown Area has increased the densities. To fund projects required to service the incoming development, the City entered into an interlocal sewer system agreement with the Downtown East Streetcar Sewer Public Infrastructure District (PID). The agreement outlines how the PID will fund projects required to service new development, and how Impact Fees will be used to reimburse project costs. To account for rising construction costs and increased development densities, South Salt Lake City (City) commissioned an impact fee update.

IMPACT FEE COLLECTION

An impact fee is a one-time charge on new development to pay for the portion of a public facility that is required to support new development. Impact fees enable local governments to finance public facility improvements necessary for growth, without burdening existing customers with costs that are exclusively attributable to growth.

In order to determine the appropriate impact fee, the cost of the facilities associated with future development must be proportionately distributed. As a guideline in determining the "proportionate share", the fee must be found to be roughly proportionate and reasonably related to the impact caused by the new development.

MASTER PLANNING

A sanitary sewer master plan was prepared in conjunction with this analysis and is incorporated by reference. The master plan for the City's wastewater collection system is more comprehensive than the IFFP and IFA. It provides the basis for the IFFP and IFA and identifies all capital facilities required of the wastewater collection system for the 20-year planning horizon, including maintenance, repair, replacement, and growth-related projects. The recommendations made within the master plan comply with current City policies and standard engineering practices.

A hydraulic model of the wastewater collection system was prepared to aid in the analyses performed to complete the sanitary sewer master plan. The model was used to assess existing

performance, to establish a proposed level of service, and to confirm the effectiveness of the proposed capital facility projects to maintain the proposed level of service over the next 10 years.

CHAPTER 2 SYSTEM DEMAND AND CAPACITY

GENERAL

The purpose of this section is to identify the current level of service, characterize the existing system facilities, and determine the remaining capacity of these facilities.

The City's existing wastewater collection system is comprised of force mains and gravity sewers, including laterals, collectors, interceptors, and outfalls. Wastewater from the City's is treated at Central Valley Water Reclamation Facility (CVWRF). Figure 2-1 in the Sanitary Sewer Master Plan illustrates the existing wastewater collection system.

EXISTING EQUIVALENT RESIDENTIAL UNITS

In order to compare the relative quantities of wastewater loading between different types of land use, it is helpful to use a common unit of measure. The unit of measure used in this analysis is the ERU. The use of ERUs is a typical approach to describe the hydraulic loading imposed upon the wastewater collection system. An ERU is equal to the average hydraulic loading of an average residential connection. Once the ERU is established, non-residential uses can be quantified in terms of fractions or multiples of an ERU. For this analysis all residential connections, including townhouses and apartments, were equated to one ERU. The existing system served about 5,702 ERUs at the beginning of 2024.

For drinking water, the City has selected a 1-inch diameter water meter as the connection size for a residential service. Non-residential developments are assigned ERUs based on their meter size. Given that wastewater collection is not metered and wastewater loading is a product of water passing through the drinking water meter, the wastewater impact fee is also based on drinking water meter size. The number of wastewater ERUs designated for each property is the same as the number of ERCs designated for the drinking water system according to the meter size.

LEVEL OF SERVICE

The City has established a level of service for the wastewater collection system. It establishes the sizing criteria for the City's collection and treatment facilities. The level of service standards are shown below:

Level of Service

The level of service designated for the wastewater collection system has been established by the City to provide adequate wastewater collection and treatment capacity.

ERU Loading and Treatment

- The established level of service for average daily flow is 165 gpd per Equivalent Residential Unit (ERU).

Infiltration and Inflow

- The established acceptable infiltration for the wastewater collection system is 0.8 MGD.
- The established acceptable inflow for the wastewater collection system is 2.0 MGD during a major storm event.

Sewer Capacity

Existing

- Pipeline capacity (12-in and smaller) – Peak flow in the pipe must be less than 50 percent of the depth over diameter ratio.
- Pipeline Capacity (larger than 12-in) – Peak flow in the pipe must be less than 75 percent of the depth over diameter ratio.

METHODOLOGY USED TO DETERMINE EXISTING SYSTEM CAPACITY

The method for determining the remaining capacity in the wastewater collection system was based on the defined level of service in terms of ERUs. Both collection (pipes and lift stations) and treatment components of the wastewater collection system were assessed a capacity in terms of ERUs. The difference between the capacity of a facility and the existing demand (expressed as ERUs) is the remaining capacity. For example, to calculate the remaining capacity for treatment in ERUs, the required treatment for existing users in ERUs is subtracted from the capacity of the treatment plant in ERUs.

A hydraulic model was developed for the purpose of assessing system operation and capacity. For pipelines, the model was used to calculate a capacity in terms of ERUs. Each pipeline was sized to maintain an appropriate depth over pipe diameter (d/D) ratio under projected future conditions. Capacity, demand, and remaining capacity are presented in the following paragraphs for each component of the sewer system.

COLLECTIONS

The existing wastewater collection system consists of nearly 38 miles of pipeline and over 557 manholes. The pipes range in size from 6-inch diameter to 30-inch diameter. The system also has force main piping ranging from 4-inch diameter to 16-inch diameter. Lift stations are used to pump wastewater where gravity flow sewers are not capable of conveying flow to the treatment plant.

The City currently operates three lift stations. The lift stations lift the sewage to gravity lines which ultimately lead to the CVWRF outfall. These lift stations must therefore meet the level of service of 165 gpd/ERU. Currently, Lift Station #1 is not sized to service the buildout capacity of the system.

The existing system served about 5,702 ERUs at the beginning of 2024. Projected growth is anticipated to add 1,097 ERUs in the next 10 years for a total of 6,799 ERUs by 2034. The estimated ERU value in 2064 is 14,190.

TREATMENT

The City's wastewater is treated by the CVWRF, a regional facility serving multiple member

agencies. The City is given a capital contribution rate (expressed as a percentage of total capital contributions required) based on annual flow volumes from the City that are treated by the CVWRF. Flow capacity from CVWRF was used along with the City's capital contribution rate to calculate the portion of the CVWRF capacity funded by the City.

CAPITAL FACILITIES TO MEET SYSTEM DEFICIENCIES

The existing wastewater collection system is generally adequate to convey existing wastewater to the wastewater treatment plant. However, there are areas with inadequate capacity. These are described in the Sanitary Sewer Master Plan Update (2024). These projects are not eligible for impact fee reimbursement and are not discussed further in this report.

CHAPTER 3 IMPACT FEE FACILITY PLAN AND ANALYSIS

This section relies on the data presented in the previous sections to calculate a proposed impact fee based on an appropriate buy-in cost of available existing excess capacity previously purchased by the City, and the cost of projects needed to support projected growth.

The projected costs of the wastewater collection system projects are presented. Also included in this section are the possible revenue sources that the City may consider to fund the recommended projects.

GROWTH PROJECTIONS

The development of impact fees requires growth projections over the next ten years. Growth projections for the City were made by incorporating the growth rate presented in the Sanitary Sewer Master Plan. Total growth projections for the City through 2034 are summarized in Table 3-1. Figure 5-1 and Figure 5-2 in the Sanitary Sewer Master Plan outline the project 10-year growth areas.

Table 3-1
Growth Projections

Year	ERUs
2024	5,702
2025	5,811
2026	5,921
2027	6,031
2028	6,141
2029	6,251
2030	6,361
2031	6,471
2032	6,581
2033	6,690
2034	6,799
10-year Difference	**+1,097**

The existing system served about 5,702 ERUs at the beginning of 2024. Projected growth adds 1,097 ERUs in the next 10 years for a total of 6,799 ERUs.

COST OF EXISTING FACILITIES

Future growth can be served either by excess capacity in existing facilities or by constructing new facilities. The proposed impact fee will be based on both existing capacity and the projected cost of future construction projects. Although existing capacity is available in the collections system, costs attributable to existing collections facilities were not available and are not included in this analysis. Existing capacity exists in the treatment facilities and the costs attributed have been included in this analysis.

Treatment

CVWRF currently manages the treatment facilities and all upgrades. The City is given a capital contribution rate (expressed as a percentage of total capital contributions required) based on annual flow volumes from the City that are treated by the CVWRF. The 2025 capital contribution rate, provided by CVWRF, for the City is shown in Table 3-2.

Table 3-2
South Salt Lake Capital Contribution Rate

Year	Percent
2025	4.5184%

Table 3-3 is a summary of the treatment capacity provided by CVWRF. This includes the existing average treatment rate and the future design capacity after treatment upgrades are completed.

Table 3-3
CVWRF Capacity

Condition	WRF Flow Rate (MGD)	South Salt Lake Capital Contribution Rate[1]	South Salt Lake Capacity (MGD)[2]	Capacity (ERUs)[3]
Current average daily treatment rate	50	4.5184%	2.26	8,844
Current average daily treatment design capacity	75	4.5184%	3.39	15,690
Design average daily capacity after upgrades	84	4.5184%	3.80	18,154

1. See Table 3-2
2. Computed as the WRF flow rate multiplied by the South Salt Lake capital contribution rate
3. Computed as the South Salt Lake Capacity minus average infiltration (0.8 MGD), divided by 165 gpd/ERU.

Table 3-4 includes a summary of costs for existing treatment capacity and percent eligibility. Existing capacity in CVWRF was paid for by bonds. Historic records of these bonds have been

included in Appendix B.

Table 3-4
Cost and Impact Fee Eligibility of Existing Treatment Facilities

Project	Total Cost[1]	% Impact Fee Eligible[2]
Bonds Series 2020A and Series 2020B	$9,248,000	33%

1. See Appendix B.
2. Capacity remaining in existing treatment facilities was computed as the portion of the total existing design capacity (75 MGD) not currently consumed by existing users. See Table 3-3.

COST OF FUTURE FACILITIES

Table 3-5 includes a summary of costs for future collections capacity and percent eligibility. A portion of the future collection capacity is planned to be paid for by bonds secured by the PID. Historic records of these bonds have been included in Appendix B.

Table 3-5
Cost and Impact Fee Eligibility of Future Collection Facilities

Project	Available Project Funds	Finance Charges	Interest Carry Cost	Total	% Impact Fee Eligible
Series 2022A Senior Bonds and Series 2022B Subordinate Bonds	$19,702,216	$11,945,784	$56,623,728	$88,271,728	100%

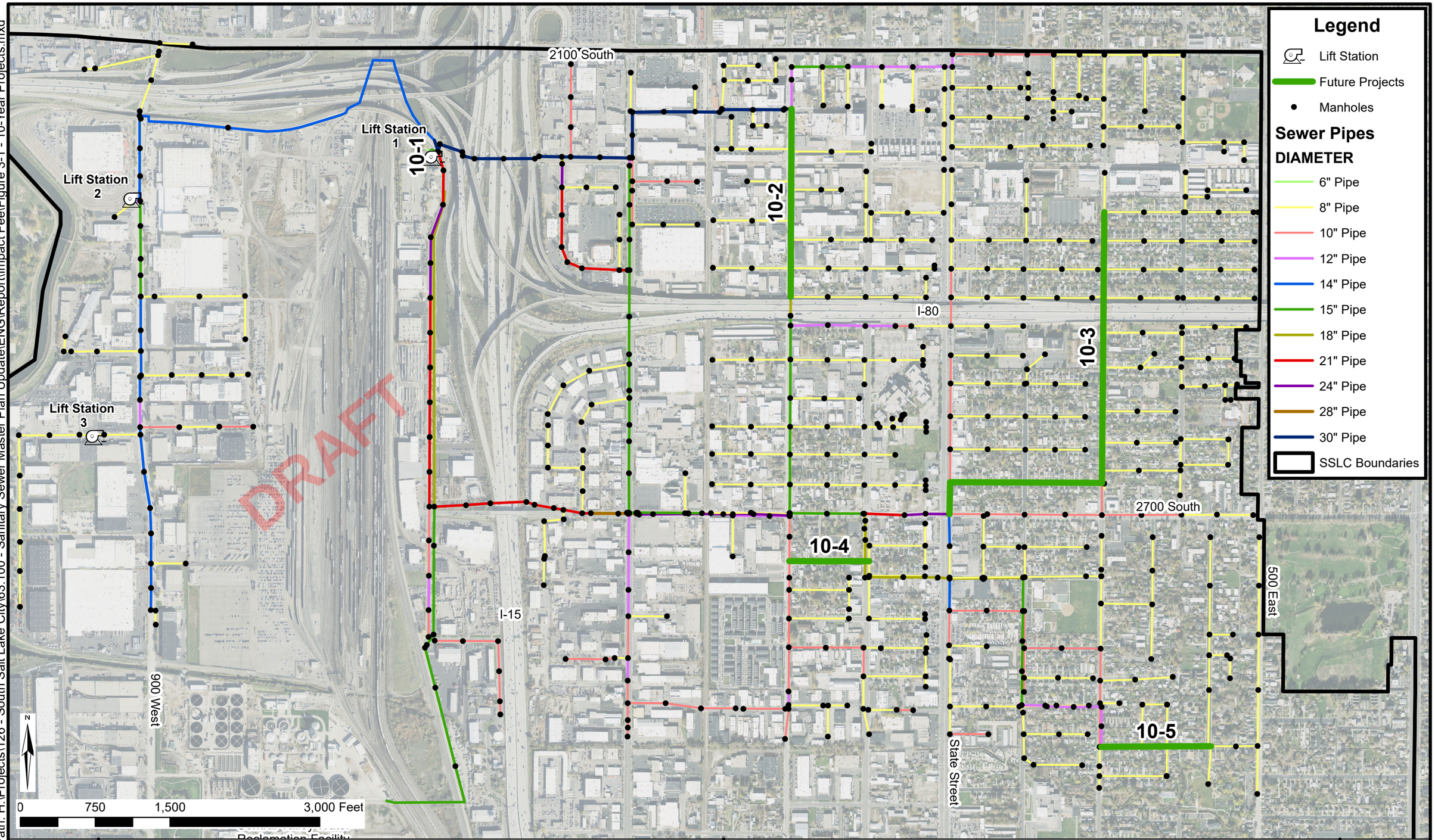
1. See Appendix B.

The facilities and costs presented in Table 3-6 and shown in Figure 3-1 are proposed projects essential to maintain the current level of service while accommodating future growth within the next 10 years. The facility sizing for the proposed projects was based on the proposed level of service, growth projections and hydraulic model results. Detailed information for these projects and estimated costs are included in the City's sanitary sewer master plan.

Table 3-6
Estimated Cost of Future Facilities and Impact Fee Eligible Cost

Project	Map ID	Cost	% To Growth	Eligible Collection Cost	Capacity Added
Downtown Sewer Pumping Station	10-1	$13,455,000	100%	$13,455,000	8,488 ERUs
West Temple Downtown Sewer Improvements	10-2	$4,534,309	100%	$4,534,309	8,488 ERUs
300 East Sewer Improvements	10-3	$2,860,349	100%	$2,860,349	8,488 ERUs

Date: 12/4/2024
Document Path: H:\Projects\126 - South Salt Lake City\63.100 - Sanitary Sewer Master Plan Update\ENG\Report\Impact Fee\Figure 3-1 - 10-Year Projects.mxd



HANSEN ALLEN & LUCE INC ENGINEERS

SOUTH SALT LAKE CITY
IFFP & IFA

10-YEAR PROJECTS

FIGURE
3-1

Project	Map ID	Cost	% To Growth	Eligible Collection Cost	Capacity Added
Shelley Ave Sewer Improvements	10-4	$336,418	100%	$336,418	8,488 ERUs
Welby Ave Sewer Improvements	10-5	$462,575	100%	$462,575	8,488 ERUs
Total	**-**	**$21,648,651**	**-**	**$21,648,651**	**-**

1. See Appendix C for cost estimates.
2. See Figure 3-1 for future project information.

Available project funds from the bonds secured by the PID are insufficient to cover the total estimated cost of the future projects. Table 3-7 displays the additional funds needed to cover the total costs of the projects.

Table 3-7
Estimated Cost of Future Facilities Not Covered by Bonds

Estimated Cost of Future Projects[1]	Available Project Funds[2]	Additional Funds Needed
$21,648,651	$19,702,216	$1,946,435

1. See Appendix C for cost estimates.
2. See Table 3-5.

Table 3-8 shows the total impact fee eligible cost.

Table 3-8
Impact Fee Eligible Cost

Bonds[1]	Additional Funds Needed[2]	Total Impact Fee Eligible Cost
$88,271,728	$1,946,435	$90,218,163

1. See Table 3-5.
2. See Table 3-7.

IMPACT FEE UNIT CALCULATION

Wastewater Impact Fee Unit

It is recommended that the City continue to use the ERU method to calculate a wastewater impact fee unit. The number of ERUs is determined by the size of the water meter. One impact fee unit is equal to one ERU, which corresponds to a ¾" or 1" drinking water meter. Larger meters correspond to a higher ERU count.

Impact Fee Calculation

The wastewater impact fee per unit has been calculated based on the value of the excess capacity

in the system and the cost of predicted future projects over the next 10 years.

Collections

The collections portion of the impact fee unit is calculated as shown in Table 3-9. Collection projects have been sized to accommodate the buildout capacity of the system. Therefore, the fee was calculated by dividing the impact fee-eligible cost of existing and planned 10-year projects by the capacity of the future system.

Table 3-9
Collections Facility Costs by Time Period

Time Period	Total ERUs Served	ERUs Towards Total Growth Capacity	Proportion of Capacity Remaining	Proportionate Cost
Existing	5,702	0	0%	$0
10-year	6,799	1,097[1]	12.92%	$11,659,911
Beyond 10-year	14,190	7,391[2]	87.08%	$78,558,252
Total	-	**8,488**	**100%**	**$90,218,163**

1. Based on Master Plan growth projections. See Table 3-1.
2. A remaining capacity of 7,391 ERUs was calculated as the projected ERU count in 2064 (14,190) minus ERUs existing at the beginning of year 2034. See Table 3-1.

The collections impact fee was calculated as shown in Table 3-10.

Table 3-10
Collections Impact Fee Unit Calculation

	Total
Impact Fee-Eligible Cost[1]	$11,659,911
ERUs Served[2]	1,097
Collections impact (per ERU)[3]	**$10,629**

1. See Table 3-9
2. Based on Master Plan growth projections. See Table 3-1 and 3-9
3. Calculated as impact fee-eligible costs divided by the number or ERUs served.

Treatment

Treatment facility upgrades are managed by CVWRF, which is undergoing several upgrades to be compliant with new regulations aimed at minimizing effluent nutrients. The process upgrades will apply to both existing and future users.

CVWRF provided a summary of upgrades for nutrient removal. See Table 3-11.

Table 3-11
Future Nutrient Removal Projects

Project	Cost	Existing Demand (MGD)[1]	Planned Future Demand at Buildout (MGD)[1]	% to New Growth	Cost to New Growth
Sidestream Phosphorus	$9,892,563	50	84	40%	$4,004,133
Sidestream Nitrogen	$22,249,315	50	84	40%	$9,005,675
BNR Basins	$125,602,969	50	84	40%	$50,839,297
Blower Buildings	$51,796,150	50	84	40%	$20,965,108
Thickening & Straining	$45,983,020	50	84	40%	$18,612,175
Dewatering	$56,300,000	50	84	40%	$22,788,095
Total	**$311,824,017**	-	-	-	**$126,214,483**

1. See Table 3-3.

Costs for these upgrades are shared amongst the member agencies according to their capital contribution rate. The additional capacity added to the City's wastewater collection system with the treatment plant upgrades is summarized in Table 3-12.

Table 3-12
South Salt Lake Remaining Treatment Capacity (after Treatment Projects)

	Value
Capacity Remaining (MGD)[1]	1.54 MGD
ERUs Remaining[2]	9,311 ERUs

1. Calculated as the difference between the City's future treatment capacity after CVWRF projects are complete (3.80 MGD; see Table 3-3) and South Salt Lake's existing average daily capacity (2.26 MGD; see Table 3-3).
2. ERUs were found by converting the City's flow contribution in MGD to ERUs with the LOS of 165 gpd/ERU.

The total cost of the future treatment projects associated with new growth is summarized in Table 3-13.

Table 3-13
Future Treatment Facilities' Costs to New Growth

Cost
$3,712,191 / MGD[1]
$3.71 / gpd
$613 / ERU[2]

1. Calculated as the total cost to new growth (see Table 3-10) divided by the difference between the future capacity after upgrades and existing treatment flows (84 and 50 MGD; see Table 3-3).
2. ERUs were found by converting MGD to ERUs with the LOS of 165 gpd/ERU.

The treatment portion of the impact fee unit is calculated as shown in Table 3-14.

Table 3-14
Treatment Cost by Time Period

Time Period	ERUs Served	Buy-In Cost	Growth Cost	Total Cost
Existing	5,702	$6,165,333	$0	$6,165,333
10-year	1,097[1]	$493,961	$671,925	$1,165,886
Beyond 10-year	7,391[2]	$2,588,706	$5,030,950	$7,619,656
Total	**14,190**	**$9,248,000**	**$5,702,875**	**$14,950,875**

1. Based on Master Plan growth projections. See Table 3-1.
2. A remaining capacity of 7,391 ERUs was calculated as the projected ERU count in 2064 (14,190) minus ERUs existing at the beginning of year 2034. See Table 3-1.

The treatment impact fee was calculated as shown in Table 3-15.

Table 3-15
Treatment Impact Fee Unit Calculation

	Total
Impact Fee-Eligible Cost[1]	$1,165,886
ERUs Served[2]	1,097
Treatment impact (per ERU)[3]	**$1,063**

1. See Table 3-14.
2. Based on Master Plan growth projections. See Table 3-1 and 3-14.
3. Calculated as impact fee-eligible costs divided by the number or ERUs served.

Planning

The planning portion of the impact fee was calculated as shown in Table 3-16. Portions of the City's 2024 master plan study attributable to growth (approximately 60% of total expenditures) are impact fee eligible. 100% of costs associated with the IFFP and IFA are impact fee eligible.

It is assumed that the City will update impact fee analysis at an interval of every 3 years and the master plan at an interval of every 5 years. ERCs served by the master plan are those estimated to develop within these time horizons.

Table 3-16
Planning Component of Impact Fee

Planning Document	Cost	% of Plan Associated to Growth[1]	Cost Associated to Growth	ERUs Served[2]	Cost per ERU
2024 Sanitary Sewer Master Plan	$39,500	60%	$23,700	549	$43
2024 IFFP and IFA	$17,900	100%	$17,900	329	$54
Total	**$57,400**	**-**	**$41,600**	**-**	**$97**

1. Percentages to growth for the master plan was based on a review of the scope of the plan and associated fees for tasks associated with the existing system and future growth. The IFFP and IFA are 100% associated with growth.
2. ERUs served was defined as the amount of ERUs expected to develop during the 5-year life of the master plan and the 3-year life of the IFFP and IFA, respectively. See Table 3-1.

All costs are anticipated to be recovered within the 10-year planning window.

Facility Cost by Time Period

Costs attributed to growth over the next 10 years are included in the impact fee. Table 3-17 is a summary of the existing and future facility costs by time period. Existing costs are those costs attributed to capacity currently being used by existing connections. Costs attributed to the next 10 years are costs for the new capacity for the assumed growth. These costs are included in the impact fee.

Table 3-17
Facility Cost by Time Period

Component	Existing	Next 10 Years	Beyond 10 Years	Total
Collection	$0	$11,659,911	$78,558,252	**$90,218,163**
Treatment	$6,165,333	$1,165,886	$7,619,656	**$14,950,875**
Planning[1]	$0	$106,409	$0	**$106,409**
Total	**$6,165,333**	**$12,932,206**	**$86,177,908**	**$105,275,447**

1. Planning costs were calculated as the cost per ERU in Table 3-15 multiplied by the number of ERUs expected in the next 10 years (1,097 ERUs).

Per the interlocal agreement between the City and the PID, the impact fee has been developed for PID and non-PID members. Table 3-18 is a summary of the cost included in the impact fee calculation by component for non-PID members. Table 3-19 summarizes the impact fee costs for PID members. The unit cost per ERU is shown, which was calculated by dividing the impact fee eligible cost for the respective components by the total ERUs served.

Table 3-18
Proposed Wastewater Impact Fee Per ERU (Non-PID Members)

Component	Impact Fee-Eligible Cost	ERUs Served	Cost per ERU
Collection	$11,659,911	1,097	**$10,629**
Treatment	$1,165,886	1,097	**$1,063**
Planning	$106,409	1,097	**$97**
Total			**$11,789**

Table 3-19
Proposed Wastewater Impact Fee Per ERU (PID Members)

Component	Impact Fee-Eligible Cost	ERUs Served	Cost per ERU
Collection	$0	0	**$0**
Treatment	$1,165,886	1,097	**$1,063**
Planning	$106,409	1,097	**$97**
Total			**$1,160**

Total Impact Fee Calculation for Various Meter Sizes

Table 3-20 shows the recommended impact fee by meter size for non-PID members. Users requiring larger meters will individually be assessed an ERU capacity based on projected water use. The total proposed impact fee for a typical single-family residential connection non-PID member requiring a 1-inch drinking water connection is **$11,789.** For larger meter sizes, the fee scales proportionately according to the ERU capacity of the meter. The ERU count for each meter size is calculated based on American Water Works Association (AWWA) rated capacity for each meter size. This represents an equitable distribution of potential to use the City's sewer system.

Table 3-20
Proposed Wastewater Impact Fee Based on Meter Size (Non-PID Members)

Drinking Water Meter Size	ERUs	Impact Fee
1”	1.0	**$11,789**
1 ½”	3.33	**$39,258**
2”	5.33	**$62,836**

Table 3-21 shows the recommended impact fee by meter size for PID members. The total proposed impact fee for a typical single-family residential connection inside the PID requiring a 1-inch drinking water connection would have an impact fee of **$1,160.**

Table 3-21
Proposed Wastewater Impact Fee Based on Meter Size (PID Members)

Drinking Water Meter Size	ERUs	Impact Fee
1”	1.0	**$1,160**
1 ½”	3.33	**$3,863**
2”	5.33	**$6,183**

Properties that use multiple meters should pay one impact fee corresponding to the meter size that would have been necessary if the property had used only one meter.

It must be noted that water use varies even among customers with meters of similar size. The values in Table 3-16 are representative fees; however, it is recommended that it be specified in development agreements that customers whose water use exceeds the ERU value associated with their meter size be charged additional impact fees to account for actual water use.

Alternatively, the City may calculate an impact fee for non-residential connections based on projected indoor water use according to the following formulas.

ERUs = (indoor water use, gpd) / (165 gpd per ERU)

Impact fee = ERU * $11,789

For example, if a customer will use 10 gpm of water indoors, the impact fee may be calculated as follows:

Indoor water use = 10 gal/min * 1,440 min/day = 14,400 gpd

ERUs = (14,400 gpd) / (165 gpd per ERU) = 87.3 ERUs

Impact fee = 87.3 ERUs * $11,789/ERU = $1,029,180

REVENUE OPTIONS

Utah Code 11-36a-302(2) requires a local political subdivision to generally consider all revenue sources to finance the impacts on system improvements, including grants, bonds, interfund loans, impact fees, and anticipated or accepted dedications of system improvements. This impact fee facilities plan considers each of these options. An expanded discussion on options the City has to generate revenue is included in this section for reference.

Revenue options for the recommended projects include general obligation bonds, revenue bonds, State/Federal grants and loans, user fees, and impact fees. Although this analysis focuses on impact fees, the City may need to consider a combination of these funding options. The following discussion describes each of these options.

General Obligation Bonds through Property Taxes

This form of debt enables the City to issue general obligation bonds for capital improvements and replacement. General Obligation (G.O.) Bonds would be used for items not typically financed through the Water Revenue Bonds (for example, the purchase of water source to ensure a sufficient water supply for the City in the future). G.O. bonds are debt instruments backed by the full faith and credit of the City which would be secured by an unconditional pledge of the City to levy assessments, charges or ad valorem taxes necessary to retire the bonds. G.O. bonds are the lowest-cost form of debt financing available to local governments and can be combined with other revenue sources such as specific fees, or special assessment charges to form a dual security through the City's revenue generating authority. These bonds are supported by the City as a whole, so the amount of debt issued for the water system is limited to a fixed percentage of the real market value for taxable property within the City. G.O. Bonds must be approved through a citizen vote. For growth-related projects this type of revenue places an unfair burden on existing residents as they had previously paid for their level of service.

Revenue Bonds

This form of debt financing is also available to the City for utility related capital improvements. Unlike G.O. bonds, revenue bonds are not backed by the City as a whole, but constitute a lien against the water service charge revenues of a Water Utility. Revenue bonds present a greater risk to the investor than do G.O. bonds, since repayment of debt depends on an adequate revenue stream, legally defensible rate structure, and sound fiscal management by the issuing jurisdiction. Due to this increased risk, revenue bonds generally require a higher interest rate than G.O. bonds. This type of debt also has very specific coverage requirements in the form of a reserve fund specifying an amount, usually expressed in terms of average or maximum debt service due in any future year. This debt service is required to be held as a cash reserve for annual debt service payment to the benefit of bondholders. Typically, voter approval is not required when issuing revenue bonds. For growth-related projects this type of revenue places an unfair burden on existing residents as they had previously paid for their level of service.

State/Federal Grants and Loans

Historically, both local and county governments have experienced significant infrastructure funding support from state and federal government agencies in the form of block grants, direct grants in aid, interagency loans, and general revenue sharing. Federal expenditure pressures and virtual elimination of federal revenue sharing dollars are clear indicators that local government may be left to its own devices regarding infrastructure finance in general. However, state/federal grants and loans should be further investigated as a possible funding source for needed water system improvements.

It is also important to assess likely trends regarding federal / state assistance in infrastructure financing. Future trends indicate that grants will be replaced by loans through a public works revolving fund. Local governments can expect to access these revolving funds or public works trust funds by demonstrating both the need for and the ability to repay the borrowed monies, with interest. As with the revenue bonds discussed earlier, the ability of infrastructure programs to wisely manage their own finances will be a key element in evaluating whether many secondary funding sources, such as federal/state loans, will be available to the City.

Not charging impact fees, or significantly lowering them could be viewed negatively from the perspective of State/Federal funding agencies. Charging a proper impact fee signals to these agencies that the community is using all possible means to finance the projects required to provide vital services to their residents.

User Fees

Similar to property taxes on existing residents, user fees to pay for improvements related to new growth-related projects place an unfair burden on existing residents as they had previously paid for their level of service.

Impact Fees

As discussed in Chapter 1, an impact fee is a one-time charge to a new development for the purpose of raising funds for the construction of improvements required by the new growth and to maintain the current level of service. Impact fees in Utah are regulated by the Impact Fee Statute and substantial case law. Impact fees are a form of a development exaction that requires a fee to offset the burdens created by the development on existing municipal services. Funding the future improvements required by growth through impact fees does not place the burden on existing residents to provide funding of these new improvements.

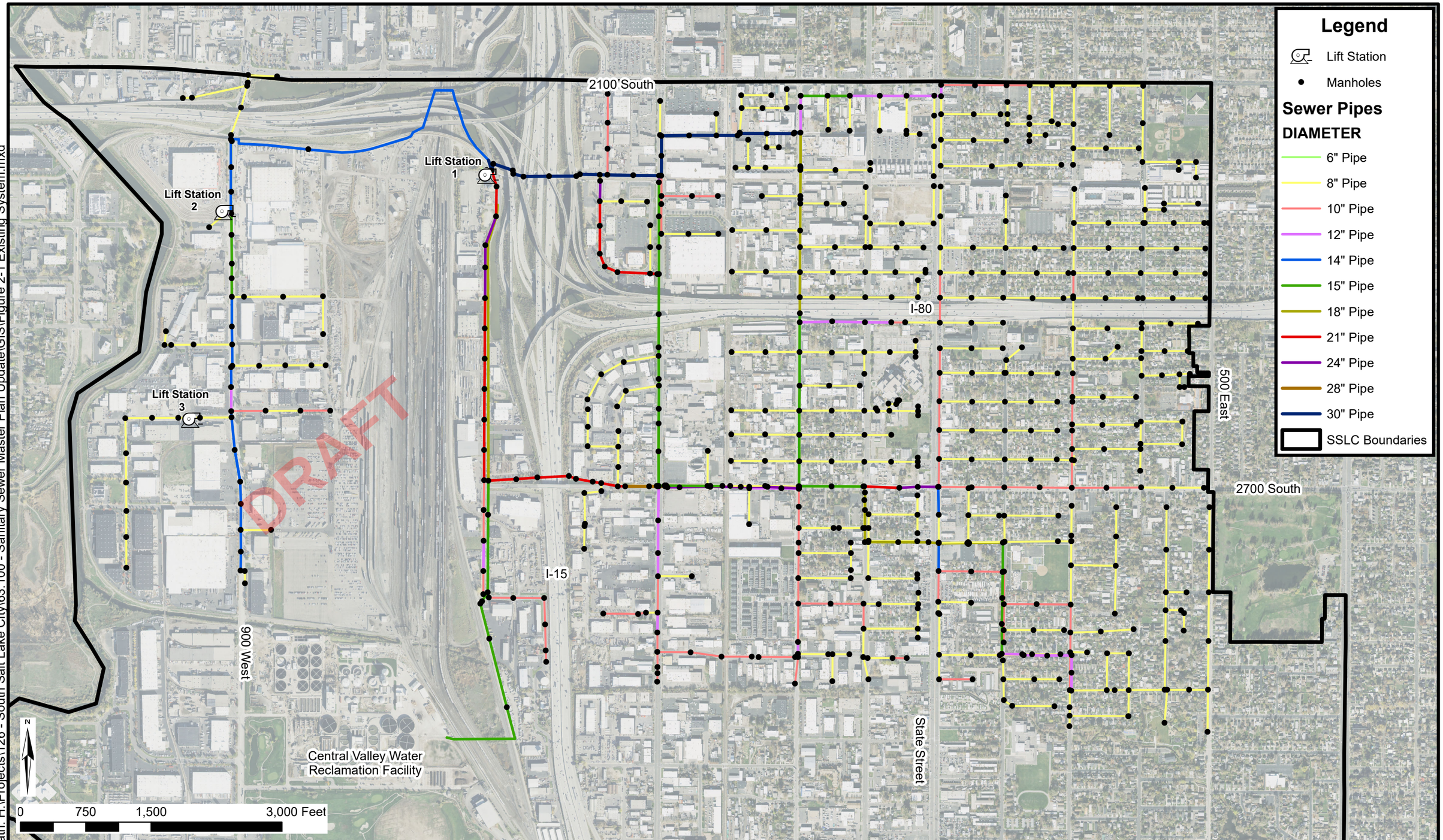
REFERENCES

State of Utah. 2014C. Utah Code Annotated, Section Utah Code 11-36a: Impact Fees Act

Hansen, Allen & Luce. 2024. “Sanitary Sewer Master Plan Update.”

APPENDIX A

Master Plan Information



Date: 10/21/2024
Document Path: H:\Projects\126 - South Salt Lake City\63.100 - Sanitary Sewer Master Plan Update\GIS\Figure 2-1 Existing System.mxd

HANSEN ALLEN & LUCE INC ENGINEERS

SOUTH SALT LAKE CITY
SANITARY SEWER MASTER PLAN UPDATE

EXISTING SYSTEM

FIGURE 2-1

APPENDIX B

Bond Information

NEW ISSUE
BOOK-ENTRY-ONLY

NOT RATED

In the opinion of Gilmore & Bell, P.C., Bond Counsel to the District, under existing law and assuming continued compliance with certain requirements of the Internal Revenue Code of 1986, as amended, the interest on the Bonds is excludable from gross income for federal income tax purposes, and is not an item of tax preference for purposes of the federal alternative minimum tax. Bond Counsel is also of the opinion that the interest on the Bonds is exempt from State of Utah individual income taxes. Bond Counsel notes that for tax years beginning after December 31, 2022, interest on the Bonds may be included in adjusted financial statement income of applicable corporations for purposes of determining the applicability and amount of the federal corporate alternative minimum tax. See "TAX MATTERS" in this Limited Offering Memorandum.

DOWNTOWN EAST STREETCAR SEWER PUBLIC INFRASTRUCTURE DISTRICT
(IN THE CITY OF SOUTH SALT LAKE)
SALT LAKE COUNTY, UTAH

$29,170,000
LIMITED TAX GENERAL OBLIGATION BONDS
SERIES 2022A

$2,478,000
SUBORDINATE LIMITED TAX GENERAL OBLIGATION BONDS
SERIES 2022B

Dated: Date of Delivery

Due: March 1, as shown below (Series 2022A Senior Bonds)
March 15, as shown below (Series 2022B Subordinate Bonds)

The Downtown East Streetcar Sewer Public Infrastructure District (the "District") is issuing (a) its Limited Tax General Obligation Bonds, Series 2022A (the "Series 2022A Senior Bonds"), pursuant to an Indenture of Trust (Senior) to be dated as of September 1, 2022 (the "Senior Indenture") between the District and UMB Bank, n.a., as trustee (the "Trustee"); and (b) its Subordinate Limited Tax General Obligation Bonds, Series 2022B (the "Series 2022B Subordinate Bonds" and, together with the Series 2022A Senior Bonds, the "Bonds") pursuant to an Indenture of Trust (Subordinate) to be dated as of September 1, 2022 (the "Subordinate Indenture" and, together with the Senior Indenture, the "Indentures"), between the District and the Trustee, as trustee for the Series 2022B Subordinate Bonds. The Trustee will also act as Registrar and Paying Agent for the Bonds. DTC will act as securities depository for the Bonds. The Bonds will be issued in book-entry-only form and purchasers of the Bonds will not receive certificates evidencing their ownership interests in the Bonds. *Capitalized terms used on the cover page of this Limited Offering Memorandum are defined in the Introduction herein or in "APPENDIX C—SELECTED DEFINITIONS" hereto.*

The Series 2022A Senior Bonds are limited tax general obligations of the District secured by and payable solely from the Senior Pledged Revenue consisting of the following revenues: (a) all Senior Property Tax Revenues (generally defined as all moneys derived from imposition by the District of the Senior Required Mill Levy (including the allocation to the District of any uniform fees related to personal property)); (b) all Senior Pioneering Agreement Revenue; (c) all Senior PILOT Revenue; and (d) any other legally available moneys which the District determines, in its absolute discretion, to credit to the Senior Bond Fund. The District has covenanted to levy ad valorem property taxes in the amount of the Senior Required Mill Levy upon all taxable property of the District each year, subject to certain minimum and maximum limitations as described herein. The Series 2022A Senior Bonds will also be secured by amounts on deposit in the Surplus Fund, which will be partially funded with proceeds of the Series 2022A Senior Bonds in the amount of $2,908,000 and will thereafter be funded from excess Senior Pledged Revenue, if any, up to the Maximum Surplus Amount. A portion of the interest on the Series 2022A Senior Bonds will be paid from capitalized interest to be funded with proceeds of the Series 2022A Senior Bonds in the amount of $5,200,763. **The Senior Indenture provides that, notwithstanding any other provision therein, in the event that any amount of principal of or interest on the Series 2022A Senior Bonds remains unpaid after the application of all Senior Pledged Revenue available therefor on March 1, 2063 (the "Senior Bond Termination Date"), the Series 2022A Senior Bonds and the lien of the Senior Indenture securing payment thereof will be deemed discharged, and the estate and rights thereby granted will cease, terminate, and be void**.

The Series 2022B Subordinate Bonds are "cash flow" limited tax general obligations of the District secured by and payable from the Subordinate Pledged Revenue, generally consisting of the following revenues: (a) all Subordinate Property Tax Revenues (generally defined as all moneys derived from imposition by the District of the Subordinate Required Mill Levy (including the allocation to the District of any uniform fees related to personal property)); (b) all Subordinate Pioneering Agreement Revenue; (c) all Subordinate PILOT Revenue; and (d) any other legally available moneys which the District determines, in its absolute discretion, to credit to the Subordinate Bond Fund. The District has covenanted to levy a Subordinate Required Mill Levy upon all taxable property of the District each year, consisting of ad valorem property taxes subject to certain limitations as described herein. No regularly scheduled payments of principal are due on the Series 2022B Subordinate Bonds prior to their maturity date, and any interest payments on the Series 2022B Subordinate Bonds that are not paid when due will accrue and compound on each Subordinate Interest Payment Date until sufficient Subordinate Pledged Revenue is available for payment, or until discharged as described below. ***As demonstrated in the Financial Forecast, it is not anticipated that there will be any Subordinate Pledged Revenue available to pay accrued interest on the Series 2022B Subordinate Bonds until 2035, and it is not anticipated that there will be any Subordinate Pledged Revenue available to pay principal on the Series 2022B Subordinate Bonds until 2053. These dates represent a forecast and there is no guarantee that any payments will be made on or after such date or, further, that the Series 2022B Subordinate Bonds will be paid prior to their discharge date of March 15, 2063 (the "Subordinate Bond Termination Date"), as more particularly described below.*** **The Subordinate Indenture provides that, notwithstanding any other provision therein, in the event that any amount of principal of or interest on the Series 2022B Subordinate Bonds remains unpaid after the application of all Subordinate Pledged Revenue available therefor on the Subordinate Bond Termination Date, the Series 2022B Subordinate Bonds and the lien of the Subordinate Indenture securing payment thereof will be deemed discharged, and the estate and rights thereby granted will cease, terminate, and be void.**

The Bonds are being issued in minimum denominations of $500,000 or any integral multiple of $1,000 in excess thereof as fully registered bonds. Interest on the Series 2022A Senior Bonds is payable annually to the extent of Senior Pledged Revenue available therefor on March 1 each year, commencing on March 1, 2023, at the rates set forth below. Interest on the Series 2022B Subordinate Bonds is payable annually to the extent of Subordinate Pledged Revenue available therefor on March 15 each year, commencing on March 15, 2023, at the rate set forth below.

$6,645,000 5.750% Series 2022A Senior Term Bond due March 1, 2042 Price 100.00% CUSIP© 261151 AA2 [1]
$22,525,000 6.000% Series 2022A Senior Term Bond due March 1, 2053 Price 100.00% CUSIP© 261151 AB0 [1]
$2,478,000 9.000% Series 2022B Subordinate Term Bond due March 15, 2053 Price 100.00% CUSIP© 261151 AC8 [1]

The Series 2022A Senior Bonds are subject to optional and mandatory sinking fund redemption and the Series 2022B Subordinate Bonds are subject to optional and mandatory redemption prior to maturity at the prices and upon the terms set forth in this Limited Offering Memorandum.

Proceeds from the sale of the Bonds will be used for the purposes of financing the Sewer Improvements. A portion of the proceeds of the Series 2022A Senior Bonds will be used to fund (a) a portion of the interest to accrue on the Series 2022A Senior Bonds, (b) the Initial Deposit to the Surplus Fund, (c) the costs of issuing the Bonds, and (d) Administrative Expenses of the District.

REPAYMENT OF THE PRINCIPAL OF AND INTEREST ON THE BONDS IS SPECULATIVE IN NATURE AND INVOLVES A HIGH DEGREE OF INVESTMENT RISK. AS SUBORDINATE "CASH FLOW" OBLIGATIONS, REPAYMENT OF THE SERIES 2022B SUBORDINATE BONDS IS SUBJECT TO A HIGHER DEGREE OF RISK THAN REPAYMENT OF THE SERIES 2022A SENIOR BONDS. EACH PROSPECTIVE INVESTOR IS ADVISED TO READ "RISK FACTORS" HEREIN FOR A DISCUSSION OF CERTAIN RISK FACTORS THAT SHOULD BE CONSIDERED IN CONNECTION WITH AN INVESTMENT IN THE BONDS. THE BONDS ARE BEING OFFERED AND SOLD ONLY TO "QUALIFIED INSTITUTIONAL BUYERS" AS SUCH TERM IS DEFINED IN 17 C.F.R. SECTION 230.144A OR "ACCREDITED INVESTORS" AS DEFINED IN RULE 501 OF REGULATION D UNDER THE SECURITIES ACT.

This cover page contains certain information for quick reference only. It is not a summary of this issue. Investors must read the entire Limited Offering Memorandum to obtain information essential to the making of an informed investment decision.

The Bonds are offered when, as, and if issued by the District and accepted by the Underwriter subject to the approval of legality of the Bonds by Gilmore & Bell, P.C., Salt Lake City, Utah, as Bond Counsel, and the satisfaction of certain other conditions. Gilmore & Bell, P.C., Salt Lake City, Utah, has also acted as Disclosure Counsel to the District. Certain legal matters will be passed upon by Snow Jensen & Reece, P.C., St. George, Utah, as counsel to the District, and by Ray Quinney & Nebeker P.C., Salt Lake City, Utah, as PILOT counsel to the PILOT Declarants. Kutak Rock LLP, Denver, Colorado, is acting as counsel to the Underwriter and has assisted in the preparation of this Limited Offering Memorandum in such capacity. The Bonds are expected to be available for delivery through the facilities of DTC on or about September 8, 2022.

D|A|DAVIDSON
D.A. Davidson & Co. member SIPC

This Limited Offering Memorandum is dated August 30, 2022.

[1] None of the District, the Trustee, or the Underwriter assumes any responsibility for the accuracy of CUSIP numbers, which are included solely for the convenience of owners of the Bonds.

additional financing will be able to be obtained in any particular timeframe or at all. See "RISK FACTORS—*Development Not Assured*."

It is anticipated that the District will undertake financing and construction of the Sewer Improvements and that it will dedicate the Sewer Improvements once completed to the City for ownership, operation, and maintenance thereof. According to the City, design is complete on the Sewer Improvements along South West Temple Avenue and South 300 East, design is in process and anticipated to be complete by mid-September 2022 on the remaining Sewer Improvements, and bids are anticipated to be awarded in the fourth quarter of 2022. Construction of the Sewer Improvements is anticipated to begin in the fourth quarter of 2024 and be completed by November 2023. The Governing Document requires the District to complete the Sewer Improvements by December 31, 2026. See "THE DISTRICT—Governing Document Authorizations and Limitations."

In addition, the District and the City have entered into the City Interlocal Agreement to set forth the terms and conditions on which future property owners and developers, whose property was not included in the initial boundaries of the District (i.e. properties not within the Development) can obtain access to and use of the Sewer Improvements. See "THE DISTRICT—Material Agreements of the District—*City Interlocal Agreement*."

Estimated Sources and Uses of Funds. The estimated uses of the proceeds of the Bonds are as follows:

Sources:	
Series 2022A Senior Bonds Par Amount	$29,170,000.00
Series 2022B Subordinate Bonds Par Amount	2,478,000.00
Total	$31,648,000.00
Uses:	
Deposit to Senior Project Fund	$19,702,216.17
Deposit to Subordinate Project Fund	2,403,660.00
Deposit to Senior Bond Fund (Capitalized Interest)	5,200,762.50
Deposit to Surplus Fund (Initial Deposit)	2,908,000.00
Deposit to Administrative Expenses Fund	320,000.00
Costs of Issuance, including Underwriting Discount [1] and Contingency	1,113,361.33
Total	$31,648,000.00

[1] See "MISCELLANEOUS—Underwriting."
Source: The Underwriter

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Debt Service Requirements and Forecasted Payments

Set forth in the following table are the debt service requirements for the Series 2022A Senior Bonds and the forecasted payments for the Series 2022B Subordinate Bonds.

TABLE I
Debt Service Requirements and Forecasted Payments

	Series 2022A Senior Bonds[1]		Series 2022B Subordinate Bonds[1, 2]		Annual
Year	Principal	Interest	Principal	Interest	Total
2023	--	$ 833,085	--	--	$ 833,085
2024	--	1,733,588	--	--	1,733,588
2025	--	1,733,587	--	--	1,733,587
2026	--	1,733,588	--	--	1,733,588
2027	--	1,733,587	--	--	1,733,587
2028	--	1,733,588	--	--	1,733,588
2029	--	1,733,587	--	--	1,733,587
2030	$ 145,000	1,733,588	--	--	1,878,588
2031	190,000	1,725,250	--	--	1,915,250
2032	240,000	1,714,325	--	--	1,954,325
2033	295,000	1,700,525	--	--	1,995,525
2034	350,000	1,683,562	--	--	2,033,562
2035	415,000	1,663,438	--	$ 322,522	2,400,960
2036	480,000	1,639,575	--	637,108	2,756,683
2037	550,000	1,611,975	--	649,982	2,811,957
2038	625,000	1,580,350	--	662,986	2,868,336
2039	705,000	1,544,412	--	676,430	2,925,842
2040	790,000	1,503,875	--	690,625	2,984,500
2041	880,000	1,458,450	--	705,880	3,044,330
2042	980,000	1,407,850	--	717,506	3,105,356
2043	1,080,000	1,351,500	--	736,103	3,167,603
2044	1,195,000	1,286,700	--	749,395	3,231,095
2045	1,320,000	1,215,000	--	760,857	3,295,857
2046	1,445,000	1,135,800	--	781,114	3,361,914
2047	1,585,000	1,049,100	--	795,193	3,429,293
2048	1,735,000	954,000	--	809,018	3,498,018
2049	1,890,000	849,900	--	828,219	3,568,119
2050	2,060,000	736,500	--	843,121	3,639,621
2051	2,240,000	612,900	--	859,654	3,712,554
2052	2,430,000	478,500	--	878,445	3,786,945
2053	5,545,000	332,700	2,478,000	1,315,185	9,670,885
Total	$29,170,000	$42,204,385	$2,478,000	$14,419,343	$88,271,728

[1] Assumes no optional redemptions prior to maturity. Figures have been rounded.
[2] Principal and interest on the Series 2022B Subordinate Bonds are payable solely from and to the extent of Subordinate Pledged Revenue. There are no scheduled principal payments on the Series 2022B Subordinate Bonds until final maturity. The amounts set forth herein reflect the projected payments on the Series 2022B Subordinate Bonds as set forth in the Financial Forecast, based upon the assumptions more particularly set forth therein. No assurance is given that the level of Subordinate Pledged Revenue projected in the Financial Forecast will be achieved, or that payment of the principal of or interest on the Series 2022B Subordinate Bonds will be paid as set forth in this table. Failure to pay the amounts set forth above with respect to the Series 2022B Subordinate Bonds will not constitute an event of default under the Subordinate Indenture. See "RISK FACTORS—Risks Inherent in Financial Forecast and Market Study," "THE SERIES 2022B SUBORDINATE BONDS—"Cash Flow" Nature of Series 2022B Subordinate Bonds," "—Security for the Series 2022B Subordinate Bonds," and the Financial Forecast attached as APPENDIX A hereto.
Source: The Underwriter and the Financial Forecast

CLOSING MEMORANDUM

CITY OF SOUTH SALT LAKE

$6,835,000
TAXABLE SEWER REVENUE BONDS,
SERIES 2020B

CLOSING DATE: February 28, 2020

The documents specified will be delivered as a condition precedent to the issuance and purchase of the $6,835,000 Taxable Sewer Revenue Bonds, Series 2020B (the *"Bonds"*) of the City of South Salt Lake (the *"Issuer"*). The Bonds will be sold to the State of Utah, Department of Environmental Quality, Water Quality Board (the *"Purchaser"*).

SERIES 2020A

JUNE 1	PRINCIPAL MATURING	JUNE 1	PRINCIPAL MATURING
2025	$120,000	2035	$121,000
2026	120,000	2036	121,000
2027	120,000	2037	121,000
2028	120,000	2038	121,000
2029	120,000	2039	121,000
2030	120,000	2040	121,000
2031	120,000	2041	121,000
2032	121,000	2042	121,000
2033	121,000	2043	121,000
2034	121,000	2044	121,000

SERIES 2020B

JUNE 1	PRINCIPAL MATURING	JUNE 1	PRINCIPAL MATURING
2025	$341,000	2035	$342,000
2026	341,000	2036	342,000
2027	341,000	2037	342,000
2028	341,000	2038	342,000
2029	341,000	2039	342,000
2030	342,000	2040	342,000
2031	342,000	2041	342,000
2032	342,000	2042	342,000
2033	342,000	2043	342,000
2034	342,000	2044	342,000

(2) The Series 2020 Project (as defined in the Notice of Public Hearing to which this *Addendum A* is attached) is expected to have the following impacts on the Issuer's sewer system (the *"System"*) and System users:

The project is to upgrade and improve the system at the Central Valley Water Reclamation Facility in order to meet new water treatment rules, regulations, and permit requirements. Also, aging infrastructure at the treatment facility will be replaced and upgraded.

(3) User charge rates and connection fees are estimated to be as follows:

South Salt Lake's sewer utility user's fee in fiscal year 2019 was $7.00/1,000 gallons of discharged water. South Salt Lake estimates the sewer utility fee will increase by approximately $1.30/1,000 gallons of discharged water in order to meet the debt payment obligations.

EXHIBIT A

FORM OF STATE AGENCY BONDS

CITY OF SOUTH SALT LAKE, UTAH
TAXABLE SEWER REVENUE BOND
SERIES 2020[A][B]

$[2,413,000][6,835,000]

The City of South Salt Lake, Utah (the *"Issuer"*), a political subdivision and body politic of the State of Utah, acknowledges itself indebted and for value received hereby promises to pay, but solely in the manner and from the revenues and sources hereinafter provided, to the registered owner hereof or registered assigns, the principal amount of $[2,413,000][6,835,000]. Principal shall be payable in registered installments on June 1 of each of the years as set forth in the following repayment schedule:

[JUNE 1	PRINCIPAL MATURING	JUNE 1	PRINCIPAL MATURING
2025	$120,000	2035	$121,000
2026	120,000	2036	121,000
2027	120,000	2037	121,000
2028	120,000	2038	121,000
2029	120,000	2039	121,000
2030	120,000	2040	121,000
2031	120,000	2041	121,000
2032	121,000	2042	121,000
2033	121,000	2043	121,000
2034	121,000	2044	121,000]

[JUNE 1	PRINCIPAL MATURING	JUNE 1	PRINCIPAL MATURING
2025	$341,000	2035	$342,000
2026	341,000	2036	342,000
2027	341,000	2037	342,000
2028	341,000	2038	342,000
2029	341,000	2039	342,000
2030	342,000	2040	342,000
2031	342,000	2041	342,000
2032	342,000	2042	342,000
2033	342,000	2043	342,000
2034	342,000	2044	342,000]

Except as provided in the next succeeding paragraph, principal payments, whether at maturity or by redemption, shall be payable upon surrender of this bond (the *"Bond"* or *"Series 2020[A][B] Bond"*) at the offices of the Paying Agent, or of any successor Paying Agent. Payments of interest on delinquent payments shall be made to the Registered Owner thereof and shall be paid by check or draft mailed to the Registered Owner thereof at his address as it appears on the registration books of the Issuer maintained by the Registrar, or at such other address as is furnished to the Registrar in writing by such Registered Owner.

As long as the State of Utah, Department of Environmental Quality, Division of Water Quality, Water Quality Board (the *"State Agency"*) is the registered holder of this Bond, installment payments shall be made by check or draft mailed to the State Agency as the registered holder at the address shown on the registration books maintained by the Registrar.

If any installment payment of Bond principal is not paid when due and payable, the Issuer shall pay interest on the delinquent installment at the rate of 18% per annum from said due date until paid. All payments shall be made in any coin or currency which on the date of payment is legal tender for the payment of debts due the United States of America. All payments shall be applied first to interest, if any, and then to principal.

THE ISSUER IS OBLIGATED TO PAY THE PRINCIPAL AND REDEMPTION PRICE OF THIS BOND SOLELY FROM THE REVENUES (THE *"REVENUES"*) OF THE SYSTEM (AS DEFINED IN THE HEREINAFTER DEFINED BOND RESOLUTION) AND OTHER FUNDS OF THE ISSUER PLEDGED THEREFOR UNDER THE BOND RESOLUTION, SUBJECT TO PAYMENT OF THE PRIOR BONDS AND THE TERMS OF THE BOND RESOLUTION. THIS BOND IS NOT A DEBT OF THE ISSUER WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY LIMITATION ON INDEBTEDNESS. PURSUANT TO THE BOND RESOLUTION, SUFFICIENT REVENUES HAVE BEEN PLEDGED AND WILL BE SET ASIDE INTO SPECIAL FUNDS BY THE ISSUER TO PROVIDE FOR THE PROMPT PAYMENT OF THE PRINCIPAL OF AND INTEREST, IF ANY, ON THIS BOND.

APPENDIX C

Future Cost Estimates

City of South Salt Lake Capital Facility Plan
Wastewater 10-Year and Buildout Recommended Improvements
Preliminary Engineers Cost Estimates

	Item	Unit	Unit Price	Quantity	Total Price
10-1.	***Downtown Sewer Pumping Station***				
	(Based on Condie Construction bid on June 5, 2024)				
	Construct new pump station	LS	$13,455,000	1	$ 13,455,000
				Total	$ 13,455,000
				Total to Downtown Sewer Pumping Station	**$ 13,455,000**
10-2.	***West Temple Downtown Sewer Improvements***				
	(Based on Condie Construction bid on June 5, 2024)				
	Install 30" gravity line	LS	$ 4,534,309	1	$ 4,534,309
				Total	$ 4,534,309
				Total to West Temple Downtown Sewer Improvements	**$ 4,534,309**
10-3.	***300 East Sewer Improvements***				
	(Based on actual construction cost)				
	Install 12" gravity line	LS	$ 2,860,349	1	$ 2,860,349
				Total	$ 2,860,349
				Total to 300 East Sewer Improvements	**$ 2,860,349**
10-4.	***Shelley Ave Sewer Improvements***				
	Install 10" gravity line	LF	$ 421	800	$ 336,418
				Total	$ 336,418
				Total to Shelley Ave Sewer Improvements	**$ 336,418**
10-5.	***Welby Ave Sewer Improvements***				
	Install 10" gravity line	LF	$ 421	1100	$ 462,575
				Total	$ 462,575
				Total to Welby Ave Sewer Improvements	**$ 462,575**
				Total Costs	**$ 21,648,651**