# Public Hearing – Impact Fee Presentation

**PUBLIC HEARING MINUTES**
**Date/Time:** November 20, 2025, at 6:00 p.m.
**Location:** Fountain Green City Hall, 375 N. State Street
**Purpose:** To receive information and public comment regarding proposed **Culinary Water** and **Sanitary Sewer** impact fees.

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## Call to Order

The public hearing was convened to discuss proposed impact fees for both sewer and water systems. The Mayor explained that state law requires impact fee facility plans and analysis to ensure the City understands how growth affects infrastructure and how future needs will be funded.

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## Introduction of Presenter

Cody Dieter, **EFG Consulting,** partnered with **Jones & DeMille Engineering,** was invited to present the Impact Fee Facility Plan (IFFP) and Impact Fee Analysis (IFA).
He explained the purpose of the hearing:

- To present information to the public
- To receive public input prior to adoption of an impact fee ordinance

He noted the City last discussed the analysis approximately two months prior.

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## Overview of Impact Fees

Mr. Dieter reviewed the statutory basis (Utah Code **11-36A**) and defined impact fees as *payments made by new development to mitigate the impacts they impose on City infrastructure.* They do not apply to remodels.

## Methodology Overview:

- Forecast demand over the next 10–20 years
- Measure current level of service
- Determine excess capacity available
- Identify new facilities required where excess capacity is insufficient
- Exclude grant funding
- Factor eligible debt service
- Calculate the maximum allowable fee per ERC (Equivalent Residential Connection)

# Culinary Water Impact Fee Presentation

## ERC Projections

- 2023 ERCs: **554**
- Expected increase over 20 years: **118 ERCs**

## Level of Service & Capacity

- **Water Rights:** 0.5 acre-feet/connection → *excess capacity exists*
- **Source Capacity:** 0.633 gpm/connection → *excess capacity exists*
- **Storage:** 454 gallons/connection → *excess capacity exists*
- **Distribution Pressure:** 40 psi minimum → *no meaningful excess capacity*

## Quantified Excess Capacity

| Category | Additional ERCs Supported | Value Recoverable |
|---|---|---|
| Water Rights | 59 ERCs | $135,000 |
| Source | 119 ERCs | $247,000 |
| Storage | 1,516 ERCs | $1,000,000 |

No new facilities are planned for culinary water at this time; impact fees capture the value of existing excess capacity.

## Maximum Allowable Impact Fee

- **Total Maximum Water Impact Fee: $5,042 per ERC**

The City Council may adopt a lower fee but may not exceed the calculated maximum.

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## Questions & Discussion – Culinary Water

### Why $5,042 is the maximum?

Mr. Dieter walked through the calculations of excess capacity value divided by remaining ERCs.

### Current Water Impact Fee

- Staff confirmed current fee is **$2,000**.

### Effect of Choosing a Lower Fee

Shane asked whether the consultant could show the impact of not collecting the full allowable fee.
Mr. Dieter explained:

- Collecting less (e.g., $3,000 instead of $5,000) leaves a funding gap.
- This gap must be covered through **increased water rates** on existing users.
- Impact fees help reimburse existing residents for infrastructure they've already paid for.

## Frequency of Updating Impact Fees

- The City may update impact fees anytime, but a new analysis is required.
- Updates are only useful when meaningful changes occur (e.g., new wells, new water rights needs, major developments).

## Payment Timing / 90-Day Waiting Period

- After adoption, impact fees cannot take effect for at least **90 days**, per state statute.
- This protects applicants who are already in the planning process.
- Individuals may pre-pay during the 90-day period.

## Questions on Paying Impact Fees Before Building

Significant discussion occurred regarding whether citizens can pre-pay impact fees tied to lots where construction will occur later.

Key points from Council and public discussion:

- Historically, the City has allowed payment of impact fees without a building permit.
- It is unclear whether current ordinances still allow this.
- Concerns include:
    - Avoiding loopholes where landowners pre-pay for many connections
    - Protecting residents with single lots who want to save costs
    - Ensuring fairness and accurate long-term planning
- The City needs to verify ordinance language regarding:
    - Pre-payment
    - Time limits on starting construction after permits
    - Requirements to repay differences when fees change
    - Treatment of agricultural connections

## Permit Expiration & Impact Fee Repayment

Discussion included:

- Whether failure to begin construction within a set period (e.g., 9–12 months) requires:
    - Reapplication for a building permit
    - Repayment of impact fees or payment of the difference

- Several attendees noted that ordinances may already address this, but clarification is needed.

### Council and Public Comments

- Some favored allowing individuals to pre-pay for family lots.
- Others emphasized the need to protect the City from large-scale prepayment misuse.
- The Mayor and Council agreed that **ordinance review is needed** but noted it does not prevent adoption of the analysis; the effective date allows time to resolve ordinance questions.

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## Sanitary Sewer Impact Fee Presentation

### Overview of Sewer Level of Service

The consultant began by explaining the current **Level of Service (LOS)** for the sanitary sewer system:

- The city's average daily sewer inflow is **226.2 gallons per capita per day**, for both collection and treatment.
- The LOS is based on analyses performed by **Jones & DeMille Engineering**, who also projected future system needs.

### Proposed Impact Fee Components

The impact fee analysis identified two primary projects:

**Lagoon Expansion – 25 Acres**

- Total estimated project cost: **$6.27 million**.
- The analysis assumes **75% grant funding**, leaving **$1.5 million** as the city-funded portion relevant to impact fees.
- The proposed expansion is designed to serve **118 new sewer connections** anticipated over the next 20+ years.
- Resulting impact fee share:
  **$1.5 million ÷ 118 connections = $13,286 per new connection**.

The consultant emphasized:

- If actual grant funding differs from assumed values, the impact fee can be recalculated to match real costs.
- This expansion addresses growth-driven demand.

## Questions About Current Lagoon Capacity

The council raised major concerns about the engineering analysis, stating that the city has **no remaining lagoon capacity.**

### Jones & DeMille's Position

- The city is **at capacity now** and cannot accommodate additional sewer connections.
- The need to add irrigation water to lagoons is due to **excessive seepage**, not underuse.
- They recommend planning for a **fourth lagoon within the next seven years.**

### Council and Staff Concerns

Several members questioned the accuracy of these findings:

- Longtime operator has repeatedly stated the lagoons **have been performing well** and have **excess capacity.**
- Operators must add water each fall to maintain lagoon levels, which seems inconsistent with an overloaded system.
- Current lagoon freeboard is estimated at **5–12 feet**, while typical guidelines suggest maintaining **2 feet.**
- Some council members expressed prior negative experiences with J&D analyses in other communities, including underestimations of capacity.

### Request for Verification

Council agreed:

- **Curt and Kerry** will gather operational numbers (flows, loading rates, sampling history) and perform independent calculations.
- The city will contact **Jones & DeMille** to review and verify their capacity calculations.
- No decisions will be made until this verification is complete.

## Lagoon Rehabilitation & Screening Device Project

A second project discussed was proposed:

- **Lagoon rehabilitation and installation of a screening device**, estimated at **$987,750.**
- This project benefits both current and future users, so the cost is split based on the proportion of existing vs. new ERCs (Equivalent Residential Connections).
- Approximately **82%** of the cost is assigned to **current users**, with **18%** assigned to **future users.**
- The growth-related portion results in an estimated impact fee cost of **about $1,470 per ERC.**

### Funding for Current Users

To cover the portion paid by existing users, the city may need to:

- Increase sewer rates,
- Use existing enterprise fund balances, or
- Borrow within the sewer enterprise fund.

The consultant noted:

- A **sewer rate study** was not included in this scope but can be completed upon request.
- Maximum allowable Impact Fee - $14,756.

## Council Q&A

Major items clarified:

- The $1,470 ERC cost reflects the total number of current + future ERCs over 20 years.
- With **approximately 672 ERCs**, current users must collectively cover their share of the rehabilitation cost.
- Council members stressed the need to understand how improvements will be allocated financially between present and future ratepayers.

Michelle Walker, City Recorder

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