

- 1. Orem Wants to Raise Your Rates to Replace Your Pipes Every Fifty Years.**
 - a. No pipes will be replaced because of age, they will be replaced because of:
 - i. Being too small, needed capacity for the system.
 - ii. Leak History-Is the pipe failing?
 - iii. Fire Flow Requirements- 2-, 4- inch pipe sizes do not convey adequate fire flows for the fire department to fight fires.
 - b. In fact, according to Hans, only 3% of the capital improvement program is for pipe replacement.

- 2. Smart Meters Are Not Essential**
 - a. "Orem wants to monitor when you water your lawn, take a shower, and do your laundry"
 - i. With 23,000 customers, Orem will not be monitoring your ongoing water usage
 - b. Meters allow customers to monitor their water use.
 - c. Will allow for leak detection.
 - d. This is key to future conservation which will reduce future expenses on the system
 - e. Meter replacement has a payback to the City by more accurate reads, less manpower
 - f. Wall Street Journal Article quoted by Hans, title "**Water Meters Begin to Get Smarter: Utilities hope that the more consumers know, the less they'll consume**"

- 3. Orem Wants to Raise Your Rates to Fund Lakeside Property.**
 - a. No revenue from the rate increases will be used to fund the infrastructure associated with the Lakeside Development.
 - b. The developer by agreement will pay for all the needed improvements.

- 4. Orem City Wants to Double the Fleet Replacement Budget.**
 - a. Average age of the utility fleet is 10.5 years.
 - b. Little investment over the past five years, long term budgets are lower.
 - c. Not your average fleet, as an example one Vector truck costs \$400,000.

- 5. Orem City Wants to Raise Your Rates to Build Vineyards Storage Tank**
 - a. By agreement, Vineyard would pay for any facilities built by Orem to serve Vineyard.
 - b. At present, Vineyard is proceeding with a plan to provide storage separate from Orem's water system.

- 6. Orem City Wants to Raise Your Rates to Develop a Golf Course Reuse System for the Golf Course**
 - a. If given a choice the golf course would not want to use reuse water on the golf course because of its water quality and its effects on the turf and plants.
 - b. This project would remove a large water demand on the west side of Orem City.
 - c. The reuse system allows Orem City to delay expanding water deliveries (pipes) from the east side of the city to the west side, saving Orem taxpayers money.
 - d. This project does not benefit the golf course, it benefits the City residents.

Orem City Residents Can Not Afford to Subsidize Developers

Vote Against South West Annex

Disadvantages to Annex

The City does not have the resources to install infrastructure for water, sewer and storm water in the annexation area. Therefore, development will not occur unless owners/developers install the infrastructure necessary to connect to City utilities. (Orem City Agenda 8/25/2015)

Projected South West Annex Costs to Orem Citizens

Costs Based on City Manager Projections	
Five Year Approved Budget – Orem City Council	
Water Chris's graph, 3/10/2015 10 year water fund cap imp (1) Years 2016-2018	\$ 1,735,000.00
Well - Chris's 3/10/2015 10 year water fund cap imp (2) Year 2018	\$ 3,000,000.00
Sewer - per Chris's 10 year graph (3) Years 2017-2019	\$ 3,900,000.00
Storm Water page 109 budget 2015-2016 (4) Years 2018-2020	<u>\$ 2,255,000.00</u>
TOTAL	\$ 10,890,000.00

(1) http://orem.org/pdf/pw/water_system_capital_improvements_2015.pdf

(2) http://orem.org/pdf/pw/water_system_capital_improvements_2015.pdf

(3) http://orem.org/pdf/pw/sewer_system_capital_improvements_2015.pdf

(4) <http://orem.org/pdf/pw/sewerwaterstormcfplan.pdf>

South West Annex Costs Guaranteed by Developers? \$ 0

When Developers fail, Orem residents will get stuck with the bill.

Orem City Five Year Budget Raises Your Utility Rate \$562/Year

Get the facts, go to: voteforhans.com

Developers should pay for the new well – Not Orem Citizens. Based on below Lewis and Young Report, Orem has no excess capacity, and it says the well will supply the water and the storage

Excess Capacity: No excess capacity exists in the existing storage system which can be utilized by the annexation area. The annexation area will utilize the existing distribution lines, but no buy-in component will be calculated because there was no cost to Orem City for the original infrastructure. (The above sentences can be found on actual page 4 of the Culinary Water IFFP and IFA, August 2015, Orem City Annexation Area, or page 18 sidebar of link below, study starts on page 15)

<http://www.utah.gov/pmn/files/173837.pdf>

“State storage requirements can also be met by well capacity, which is the most cost effective option for the annexation area and the direction Orem has chosen to pursue in this case.” *(The above sentences can be found on page 4 of the Culinary Water IFFP and IFA, August 2015, Orem City Annexation Area, or page 18 sidebar of link below, study starts on page 15*

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Section 4: Existing Facilities Inventory

The intent of the equity buy-in component is to recover the costs of the unused capacity in existing infrastructure from new development. This section addresses any excess capacity within the culinary water system.

Excess Capacity

Source

A water source component is not calculated in this impact fee analysis because Orem charges a separate Water Rights Impact Fee which addresses the source needs.

Storage

Orem City analyzed the water storage system and determined that there is no excess capacity which can be utilized by the annexation area. A new storage tank could be built to service the area, but the state storage requirements can also be met by constructing a new well in the area. The new well would be more cost effective and would still satisfy the state requirements. The City has chosen to pursue this course of action.

Distribution

The annexation area will continue to utilize the existing distribution system. A buy-in component for these facilities has not been calculated because there was no cost to Orem City for the original infrastructure.

Manner of Financing Existing Public Facilities

The City has funded its existing capital infrastructure through a combination of different revenue sources, including general fund revenues, property taxes, developer contributions, the issuance of debt, and grant monies. This analysis has removed all funding that has come from federal grants and donations from non-resident citizens to ensure that none of those infrastructure items are included in the level of service.