The Regular Meeting of the
Brian Head Town Council
Town Hall - 56 North Highway 143
Brian Head, UT 84719
TUESDAY, AUGUST 23, 2016 @ 1:00 PM

AGENDA

A. CALL TO ORDER **1:00**
B. PLEDGE OF ALLEGIANCE
C. DISCLOSURES

D. PUBLIC INPUT/ REPORTS (Limited to three (3) minutes) Non-Agenda Items

E. APPROVAL OF THE MINUTES: August 9, 2016 Town Council Meeting

F. AGENDA ITEMS:

1. **BRISTLECONE POND SAFETY & USAGE DISCUSSION.** Jason Waterson, Utah Local Government Trust. The Council will hold a discussion on the safety and use of Bristlecone Pond.

2. **PUBLIC HEARING – FISCAL YEAR 2017 BUDGET AMENDMENT.** Bret Howser, Town Manager will give a brief explanation of the proposed budget amendment. The Council will receive public comment on the proposed amendments. Comments are limited to three minutes and written comments may be submitted to the Town Clerk no later than noon on August 23, 2016.

3. **FISCAL YEAR 2017 BUDGET AMENDMENT ORDINANCE**. Cecilia Johnson, Town Treasurer. The Council will consider an ordinance amending the fiscal year 2017 budget.

4. **CONSOLIDATED FEE RESOLUTION ADOPTION**. Wendy Dowland, Public Works Assistant. The Council will consider a resolution amending the Consolidated Fee Schedule.

5. **IMPACT FEE DISCUSSION**. Bret Howser, Town Manager. The Council will hold a discussion on the town's impact fees for water, sewer and public safety.

G. ADJOURNMENT

H. SLIDE SHOW PRESENTATION BY JOHN GRISSINGER. John Grissinger, Brian Head Resort, will present a slide show to the Council and public.

Date: August 19, 2016

Available to Board Members as per Resolution No. 347 authorizes public bodies, including the Town, to establish written procedures governing the calling and holding of electronic meetings at which one or more members of the Council may participate by means of a telephonic or telecommunications conference. In compliance with the Americans with Disabilities Act, persons needing auxiliary communications aids and services for this meeting should call Brian Head Town Hall @ (435) 677-2029 at least three days in advance of the meeting.

CERTIFICATE OF POSTING

I hereby certify that I have posted copies of this agenda in three public and conspicuous places within the Town Limits of Brian Head; to wit, Town Hall, Post Office and The Mall on this 19th day of August 2016 and have posted such copy on the Utah Meeting Notice Website and have caused a copy of this notice to be delivered to the Daily Spectrum, a newspaper of general circulation.

_____
Nancy Leigh, Town Clerk

Town Council
Staff Report

Subject:	Discussion Regarding Bristlecone Pond Signage
Author:	Cecilia Johnson, Town Treasurer
Department:	Administration
Date:	August 23, 2016
Type of Item:	Legislative

SUMMARY

Brian Head Town owns Bristlecone Pond (a man-made pond) that was constructed in 2013. The first fish were stocked in the pond in the spring of 2014. Thereafter, fishing was allowed in the Pond. The Brian Head Town Council would like to know the requirements about warning signs, etc. being posted at the pond. The Brian Head Town Attorney and Brian Head Town Property Insurance Company was contacted for direction.

PREVIOUS COUNCIL ACTION

N/A

BACKGROUND

Brian Head Town's Bristlecone Pond has been a great tourist attraction since it was constructed. It is also used by local residents. The Town wants to be in compliance with liability issues. This matter is on the agenda for discussion to determine 1) if or if not the Town is required to put signs up at the Pond; and 2) if the Town is required to put up signs – what should they say?

ANALYSIS

Utah Local Governments Trust (the Town's Insurance Company) has suggested posting the following signs: "Closed from Dusk to Dawn" – "No Lifeguard on Duty" – "Swim at your Own Risk" or maybe even "No Swimming Allowed". Eric Johnson, the Town's Attorney, feels we need to post warning signs since this is a man-made pond as opposed to a natural pond.

Jason Waterson from Utah Local Governments Trust will be at the Council meeting to present options to the Town Council.

DEPARTMENT REVIEW

Not Applicable.

FINANCIAL IMPLICATIONS

There are no financial implications involved – except for the cost of the signs, if it is determined they are needed.

BOARD/COMMISSION RECOMMENDATION

Not applicable.

STAFF RECOMMENDATION

Not applicable.

PROPOSED MOTION

This is an informational item only and no action is required by Council.

Town Council
Staff Report

Subject: PUBLIC HEARING FOR FISCAL YEAR 2017 BUDGET AMENDMENT
Author: Nancy Leigh, Town Clerk
Department: Administration
Date: August 23, 2016
Type of Item: Legislative

SUMMARY:

The Council will hold a public hearing to receive public comment on a proposed amendment to the fiscal year 2017 Water and Sewer Capital Project Budgets.

PREVIOUS COUNCIL ACTION:

N/A

BACKGROUND:

The Council is required to hold a public hearing to receive public comment on budget amendments. This public hearing is for the purpose of amending the water and sewer capital project budgets for the Vasels water/sewer line extension project.

The Council awarded the bid to Orton Excavating for the Vasels water/sewer line project and it was determined that a budget amendment was needed in order to proceed with the project.

ANALYSIS:

Bret will give a brief explanation of the proposed amendment before the Council opens the public hearing. Please remember, the public hearing is for the public to comment and the Council should refrain from entering into discussions or answering questions until the public hearing is closed. We will give some time for the Council and/or staff to answer questions that were raised during the public hearing.

DEPARTMENT REVIEW:

The Administration Department has reviewed this item.

FINANCIAL IMPLICATIONS:

The town is required to publicize the notice in the newspaper at a minimal cost.

BOARD/COMMISSION RECOMMENDATION:

N/A

STAFF RECOMMENDATION:
None needed.

PROPOSED MOTION:
The Council can move to close the regular meeting and open the public hearing and again to close the public hearing and reconvene the regular meeting.

Town Council
Staff Report

Subject: Ordinance Amending FY 2017 Brian Head Town Water and Sewer Capital Budgets
Author: Cecilia Johnson, Town Treasurer
Department: Administration
Date: August 23, 2016
Type of Item: Legislative

SUMMARY

It is proposed that Council adopt Ordinance No. 16-007 amending the FY 2017 Brian Head Town water and sewer capital budgets.

PREVIOUS COUNCIL ACTION

The Town Council adopted all fiscal year 2017 budgets at its meeting of June 14, 2016.

BACKGROUND

Brian Head Town has a project to extend the water and sewer lines on Vasels Road. At the time of the original adoption of the budgets a project was created entitled W 2017 Vasels Line Extension for both the water budget and the sewer budget. Originally, the amounts for the project were budgeted at $50,000 in the water budget and $28,000 in the sewer budget. These amounts now need to be amended.

ANALYSIS

It is anticipated Engineering costs for the Vasels water line and sewer line extensions will be $10,000. This amount will be split equally between the water and sewer capital budgets. Orton Excavating received the bid to complete the work. The cost will be $49,500 for the sewer line extension and $37,500 for the water line extension. Therefore, the W 2017 Vasels water line extension will be amended to $42,500 and the W 2017 Vasels sewer line extension will be amended to $54,500. See attached capital water and sewer budgets (showing original capital budgets and proposed amended capital budgets).

DEPARTMENT REVIEW

Staff has reviewed the amendments to the water and sewer capital budgets and feel they are in compliance with budget requirements.

FINANCIAL IMPLICATIONS

Obviously we are increasing the Water and Sewer Capital budgets by $22,000. Since the water and sewer budgets are for Enterprise Funds, the bottom line is not required to balance to zero (0).

BOARD/COMMISSION RECOMMENDATION

Not applicable

STAFF RECOMMENDATION

Staff recommends Ordinance No. 16-007 amending FY 2017 water and sewer capital budgets be adopted as presented.

PROPOSED MOTION

"I hereby move to adopt Ordinance No. 16-007, an ordinance amending FY 2017 water and sewer capital budgets for Brian Head Town as presented."

DRAFT

ORDINANCE NO. _____

AN ORDINANCE AMENDING THE FISCAL YEAR 2017 BUDGET OF FUNDS AND ACCOUNTS ENDING JUNE 30, 2017 FOR THE TOWN OF BRIAN HEAD, UTAH.

WHEREAS, in accordance with the Uniform Fiscal Procedures Act for Utah Towns, Brian Head Town, Utah, has approved its budget for the fiscal year ending June 30, 2017; and

WHEREAS, the Town Council determined it was necessary to amend the fiscal year budget 2017 for the Water and Sewer Capital Project Funds in order to complete a water/sewer line project identified as the Vasels Water/Sewer line Extension.

WHEREAS, in accordance with Utah State law, a public hearing was held on August 23, 2016 on the amended budget and comments received relating thereto;

NOW THEREFORE, BE IT ORDAINED BY THE TOWN COUNCIL OF BRIAN HEAD, STATE OF UTAH:

ADOPTION: The Fiscal Year 2017 budget hereby be amended, including all funds and accounts as shown in the budget format attached and dated August 17, 2016 (See Attachment "A").

PASSED AND ADOPTED BY THE TOWN COUNCIL OF BRIAN HEAD, STATE OF UTAH on this _____ day of August, 2016

VOTING:

Mayor H.C. Deutschlander	Aye____	Nay____
Council Member Clayton Calloway	Aye____	Nay____
Council Member Reece Wilson	Aye____	Nay____
Council Member Larry Freeberg	Aye____	Nay____
Council Member David Bourne	Aye____	Nay____

BRIAN HEAD TOWN

By: _____
H.C. Deutschlander, Mayor

ATTEST:

_____
Nancy Leigh, Town Clerk (SEAL)

CERTIFICATE OF PASSAGE AND POSTING

I hereby certify that the above Ordinance is a true and accurate copy, including all attachments, of the Ordinance passed by the Town Council on the _____ day of August, 2016, and have posted a complete copy of the ordinance in three conspicuous places within the Town of Brian Head, to-wit: Town Hall, Post Office and the Mall.

_____
Nancy Leigh, Town Clerk

ATTACHMENT "A"
FISCAL YEAR 2017 BUDGET AMENDMENT

Brian Head Town
Capital Budget
51 - 51 Water as of 07/31/2016

8/17/2016

Description	2017 Budget	2017 Actual
Projects:		
W 2017 Distribution Line from MG Tank to Salt Pile Tank & Pu	231,479	0
W 2017 Vasels Water Line Extension	50,000	2,145
Total Projects:	**281,479**	**2,145**
Direct Purchase:		
1611 - Land and water rights	0	0
1621 - Buildings	0	0
1631 - Water system	0	0
1641.05 - Machinery & equipment 5 yr	0	0
1641.07 - Machinery & equipment 7 yr	0	0
1641.10 - Machinery & equipment 10 yr	0	0
Total Direct Purchase:	**0**	**0**
Total Capital Requirement:	**281,479**	**2,145**
Long Term Debt Repayment:		
1980 GO Water	8,302	676
2009 USDA Water Revenue	85,481	7,010
2013 G.O Reservior Bond	88,000	0
2016 GO Refunding	172,000	172,000
Total Long Term Debt Repayment:	**353,783**	**179,686**
Total Capital and Long Term Debt Requirement:	**635,262**	**181,831**
Resources to be Provided:		
Net Income	326,184	32,469
Add Depreciation	193,409	16,117
Provided/Required from Operation:	**519,593**	**48,587**
Project Borrowing	0	0
Total Resources to be Provided:	**519,593**	**48,587**
Resource Remaining or to be Provided:	**(115,669)**	**(133,245)**
Beginning Capital Asset Resources:	**0**	**0**
Ending Capital Asset Resources:	**(115,669)**	**(133,245)**

Brian Head Town
Capital Budget
52 - 52 Sewer as of 07/31/2016

8/17/2016

Description	2017 Budget	2017 Actual
Projects:		
W 2017 Vasels Sewer Line Extension	28,000	2,145
Total Projects:	**28,000**	**2,145**
Direct Purchase:		
1611 - Land and water rights	0	0
1621 - Buildings	0	0
1631 - Sewer system	519,923	0
1641.05 - Machinery & equipment 5 yr	0	0
1641.07 - Machinery & equipment 7 yr	0	0
1641.10 - Machinery & equipment 10 yr	0	0
Total Direct Purchase:	**519,923**	**0**
Total Capital Requirement:	**547,923**	**2,145**
Long Term Debt Repayment:		
Total Long Term Debt Repayment:	**0**	**0**
Total Capital and Long Term Debt Requirement:	**547,923**	**2,145**
Resources to be Provided:		
Net Income	36,902	13,021
Add Depreciation	50,764	4,230
Provided/Required from Operation:	**87,666**	**17,251**
Project Borrowing	0	0
Total Resources to be Provided:	**87,666**	**17,251**
Resource Remaining or to be Provided:	**(460,257)**	**15,106**
Beginning Capital Asset Resources:	**0**	**0**
Ending Capital Asset Resources:	**(460,257)**	**15,106**

Brian Head Town
Capital Budget
51 - 51 Water as of 08/31/2016

8/17/2016

Description	2017 Budget	2017 Actual
Projects:		
W 2017 Distribution Line from MG Tank to Salt Pile Tank & Pu	231,479	0
W 2017 Vasels Water Line Extension	42,500	2,145
Total Projects:	**273,979**	**2,145**
Direct Purchase:		
1611 - Land and water rights	0	0
1621 - Buildings	0	0
1631 - Water system	0	0
1641.05 - Machinery & equipment 5 yr	0	0
1641.07 - Machinery & equipment 7 yr	0	0
1641.10 - Machinery & equipment 10 yr	0	0
Total Direct Purchase:	**0**	**0**
Total Capital Requirement:	**273,979**	**2,145**
Long Term Debt Repayment:		
1980 GO Water	8,302	1,355
2009 USDA Water Revenue	85,481	14,040
2013 GO Reservior Bond	88,000	88,000
2016 GO Refunding	172,000	172,000
Total Long Term Debt Repayment:	**353,783**	**275,395**
Total Capital and Long Term Debt Requirement:	**627,762**	**277,540**
Resources to be Provided:		
Net Income	326,184	(29,363)
Add Depreciation	193,409	16,117
Provided Required from Operation:	**519,593**	**(13,246)**
Project Borrowing	0	0
Total Resources to be Provided:	**519,593**	**(13,246)**
Resource Remaining or to be Provided:	**(108,169)**	**(290,786)**
Beginning Capital Asset Resources:	**0**	**0**
Ending Capital Asset Resources:	**(108,169)**	**(290,786)**

Brian Head Town
Capital Budget
52 - 52 Sewer as of 08/31/2016

8/17/2016

Description	2017 Budget	2017 Actual
Projects:		
W 2017 Vasels Sewer Line Extension	54,500	2,145
Total Projects:	**54,500**	**2,145**
Direct Purchase:		
1611 - Land and water rights	0	0
1621 - Buildings	0	0
1631 - Sewer system	519,923	0
1641.05 - Machinery & equipment 5 yr	0	0
1641.07 - Machinery & equipment 7 yr	0	0
1641.10 - Machinery & equipment 10 yr	0	0
Total Direct Purchase:	**519,923**	**0**
Total Capital Requirement:	**574,423**	**2,145**
Long Term Debt Repayment:		
Total Long Term Debt Repayment:	**0**	**0**
Total Capital and Long Term Debt Requirement:	**574,423**	**2,145**
Resources to be Provided:		
Net Income	36,902	1,888
Add Depreciation	50,764	4,230
Provided/Required from Operation:	**87,666**	**6,119**
Project Borrowing	0	0
Total Resources to be Provided:	**87,666**	**6,119**
Resource Remaining or to be Provided:	**(486,757)**	**3,974**
Beginning Capital Asset Resources:	**0**	**0**
Ending Capital Asset Resources:	**(486,757)**	**3,974**

Town Council
Staff Report

Subject: **Consolidated Fee Schedule Resolution**
Author: **Wendy Dowland, Nancy Leigh, Bret Howser**
Department: **Administration**
Date: **08/23/16**
Type of Item: **Legislative**

SUMMARY:
The Town Council recently made minor changes to the Consolidated Fee Schedule and asked staff to review the schedule for additional fee changes.

PREVIOUS COUNCIL ACTION:
Council recently adopted resolution no. 456 for the Consolidated Fee Schedule showing a $2.00 increase to the residential sewer rate and changed the description of a half ERC rate for water.

DEPARTMENT REVIEW:
Administration & Public Works

FINANCIAL IMPLICATIONS:

BOARD/COMMISSION RECOMMENDATION:
None

RECOMMENDATION:
Changes to the Consolidated Fee Schedule are noted in red. Explanations are as follows:
Staff recommends changing Land Use Fees to reflect more of an actual cost to the Town. The previous CFS charged an initial application fee plus $250 per lot or dwelling unit. This would impose an additional $2500 fee for someone wanting to build a 10 unit condominium when the process is the same regardless of size. An approximate breakdown of the fees for land use are as follows:
Land Use Fees:
Public Notice: $150
Public Mailing: $250
Engineer Review: $325 plus $113 per hour for extensive review.
Attorney Review: $150 per hour
Staff, Council, Commission Time: $500

Annexation Petition: Staff recommends changing this to $500. This is to encourage annexation into the town. The additional costs are still identified.

Logging/Tree Removal Permit: Staff recommends increasing the amounts for tree removal permits. The Town has recently seen an increase in tree removal and has developed an additional review process for these permits. The additional cost is to cover staff time.

Publications & Administrative Fees: Staff recommends reducing the costs for publications and administrative fees to reflect more of an actual cost. The changes are based on the copier lease & maintenance agreement. A typical long distance bill for the fax is less than $1.00 per month and paper is less than $.01 per page.

Inspection Fees: Building inspection fees are paid directly to Iron County.
Building Permit Fees: Permit fees are paid directly to Iron County.

Impact Fees: *Bret Howser*

Connection Fees: Staff recommends increasing the Residential Water Connection fee. The cost of a meter, barrel, and inspection has increased over time.

Special Events: Staff recommends increasing building rental fees. Other cities charge $200 - $400 per day for non-commercial events.

PROPOSED MOTION:
I moved to adopt resolution No. 457, a resolution adopting the Consolidated Fee Schedule for Brian Head Town with an effective date of _____.

DRAFT

Brian Head Town

RESOLUTION NO. _____

A RESOLUTION ADOPTING THE CONSOLIDATED FEE SCHEDULE FOR TOWN OF BRIAN HEAD, BRIAN HEAD, UTAH AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the Town of Brian Head assesses fees for various zoning procedures, building permits, and other administrative permits, utilities and services provided in the Brian Head Code, and other codes adopted by Brian Head Town; and

WHEREAS, a Consolidate Fee Schedule has been adopted by the Town of Brian Head, and amended by resolution, from time-to-time, for all fees provided for or required under Brian Head Town Ordinances into a single document to facilitate more efficient administration and access of the various fees for the public.

NOW, THEREFORE, BE IT RESOLVED, by the Brian Head Town Council that the attached "Consolidated Fee Schedule" dated August 23, 2016 is hereby updated, and adopted, to be implemented by the Brian Head Town staff forthwith;

BE IT FURTHER RESOLVED that this Resolution and associated fees supersedes all previous versions and shall take effect August 23, 2016.

PASSED AND ADOPTED by the Brian Head Town Council this ____ day of August 2016, by the following vote.

Mayor H.C. Deutschlander	Aye____	Nay____
Council Member Clayton Calloway	Aye ____	Nay____
Council Member David Bourne	Aye ____	Nay____
Council Member Larry Freeberg	Aye____	Nay____
Council Member Reece Wilson	Aye____	Nay____

BRIAN HEAD TOWN

_____
H.C. Deutschlander, Mayor

ATTEST:

_____
Nancy Leigh, Town Clerk (SEAL)

Attachment "A"

BRIAN HEAD TOWN
CONSOLIDATED FEE SCHEDULE
Proposed 8-23-2016

Land Use Fees

General Plan Amendment	$1,000/Application
Zoning Amendment	$1,000/Application
Special Assessment Area (SAA)	$1,000/Application
Building Concept Review	$250/Application / $50.00 Small Bldg. Application
Conditional Use	$400
Variance	$400
Subdivision/PUD Infrastructure	1% of Engineer's infrastructure costs.
Subdivision/PUD Schematic	$750/Application
Subdivision/PUD Preliminary Plat	$1500 application fee
Subdivision/PUD Final Plat	$1250 application fee
Subdivision/PUD Plat Amendment	$1250 application fee
Subdivision by Metes & Bounds	$1000 application fee
Minor Subdivision (Parcel Split)	$750
Development Agreement	$5,000 Down payment to be applied to actual cost incurred by Town staff to prepare and/or present agreement. A positive balance must be maintained or work on agreement will cease.
Annexation Petition	$500, plus cost associated w/ feasibility impact, infrastructure & admin analysis
Planning Commission Special Meeting	$500
Trenching and Grading Permit	
For each address or single street cut*	$100

*Verification as licensed contractor, $5,000 bond and $1,000,000 insurance policy with Town as additional insured must be on file with Brian Head Town for any work in any public right-of-way or connection to Town sewer or water mains.

Logging/Tree Removal Permit	
Individual Trees for Safety/Fire	No Fee
Residential	$25
Construction	$250/Application
Commercial Logging	$500/Application
Burn Permit	$10 Residential / $100 Commercial
Sign Permit, Permanent	$50/Application
Sign Permit, Temporary *(Banner)*	No Charge

Building Code Violations

2 times the fee.

Fees accrue and are due from the date of notice following initial investigation. Fees will increase if violation is not abated according to the following:

1-30 Days	100% of fee
31-60 Days	150% of fee
61-90 Days	200% of fee

Licensing Fees

Business Licenses:	$80.00 / New Business Application
	$40.00 / Renewal of Business License
	$10.00 / Door-to-Door Solicitation Employee Permit

	$50.00 / Sexually Oriented Employee Permit
	$200.00 / Sexually Oriented Business
	$160.00 / New Application – Nightly Rentals
	$80.00 / Renewal Application – Nightly Rentals
	No Charge for Special Event Vendor
Dog License	$10 Neutered / $20 Non-neutered
Alcohol License, Initial	$100
Alcohol License, Renewal	$50

Publications

Land Management Code	$30.00 bound copy
General Plan	$20.00 bound copy
Public Works Construction Manual	$30.00 bound copy
Maps	$0.25 for 11”x17” black/white copy
	$0.50 for 11”x17” color copy
	$0.50 for photo copy
	$15.00 for Small Map
	$30.00 for Large Map

Administrative Fees

NSF Check	$25/Returned Check
Copies	$0.05 per B/W Copy
	$0.10 per Color Copy
Faxes	$0.10 per page for outgoing faxes
	$0.10 per page for incoming faxes
GRAMMA Request	determined on an individual basis per UCA 63-2-203.

Inspection Fees

One-time Building Inspection	Iron County
Re-inspection Fee	Iron County
Nightly Rental Fire Inspection	$30.00

Bonds (Refundable)

Subdivision Completion Bonds	125% of Engineers Cost to Complete

Building Permit Fees

COLLECTED BY IRON COUNTY

Building Permit Fees

VALUATIONS

1. New Construction — $150/sq ft
2. Finished basements — $50/sq ft
3. Decks — $25/sq ft
4. Remodeling: — Value determined by the contractor and approved by the Building Official t reflect the cost of work for code related items.
5. Valuations may be modified by the Building Official when evidence supports raising or lowering the valuation due to circumstances outside the norm or specifically mentioned above.

Building Permit Calculation Table

TOTAL VALUATION	FEE
$1 to $500	$24
$501 to $2,000	$24 for the first $500; plus $3 for each additional $100 or fraction thereof, to and including $2000
$2,001 to $40,000	$69 for the first $2,000; plus $11 for each additional $1,000 or fraction thereof, to and including $40,000
$40,001 to $100,000	$487 for the first $40,000; plus $9 for each additional $1,000 or fraction thereof, to and including $100,000
$100,001 to $500,000	$1,027 for the first $100,000; plus $7 for each additional $1,000 or fraction thereof, to and including $500,000
$500,001 to $1,000,000	$3,827 for the first $500,000; plus $5 for each additional $1,000 or fraction thereof, to and including $1,000,000
$1,000,001 and over	$6,387 for the first $1,000,000; plus $4 for each additional $1,000 or fraction thereof.

Plan Review & Other Applicable Fees Collected by Iron County

New Service Utility Deposit **$300.00**

Impact Fees

Water **$11,668.64** x Conversion Factor
Sewer **$2,437.58** x Conversion Factor

Public Safety **$153.00** x Conversion Factor

IMPACT FEE CONVERSION FACTOR

Single Family/Condo	**1 ERC**
All Others	**Per Actual Fixture Unit Calculations**

*One ERC (Equivalent Residential Connection) is equivalent to 24 water fixture units as calculated in Table 604.3 of the 2006 International Plumbing Code, and 20 drainage fixture units as calculated in Table 709.1 of the 2009 International Plumbing Code.

Connection Fees

Water

Residential: **$1,750**

Installation by contractor, vault and meter provided by town.

Commercial: $350 Inspection

Meter, vault and all associated materials to be provided by the contractor per Brian Head Public Works Standards. Payment is for town inspection only.

Inspection services by Town, Street opening & closing by separate permit.

Sewer $350

Utility Service Fees

Water	**Monthly Base Rate/Demand Charge**
Residential .5 ERC[1]	$38.00
Residential 1ERC[2]	$76.00
Commercial	$150.00
Commercial Business in a Multi-family complex[3]	$150.00

[1]*One Half (.5) ERC- A single unit (regardless of ownership) consisting of (1) room, intended for temporary living and sleeping purposes and including a separate, exclusive bathroom and food storage, preparation and serving accommodations consisting of not more than a single bowl sink, a refrigerator of not more than 5 cubic feet, and an electrical outlet which may be used for a microwave oven. Water consumption for this type of unit will be calculated at .5 of an ERC with a maximum calculated consumption of 2500 gallons per unit per month.*

[2]*Full ERC (1), Residential Unit, Dwelling Unit, or Condo Unit- A single unit providing complete independent living facilities for one or more persons, including permanent provisions for living, sleeping, eating, cooking and sanitation. Water consumption for this type of unit will be calculated at 1ERC with a maximum calculated consumption of 5000 gallons per unit per month.*

[3]*Where a commercial businesses shares a water meter within a multi-family residential or hotel project, and installing a separate commercial meter is not feasible, the Town shall calculate estimated monthly water consumption for the commercial business based on comparable businesses (in Brian Head or other communities) and bill that amount in addition to the base monthly charge.*

Residential (Single Family, Condo, Townhouses)

Base Rate includes 5,000 gallon allowance

Above 5,001 but less than 10,000 gallons	$3.70/K-gal
Above 10,001 gallons but less than 15,000 gallons	$4.46/K-gal
Above 15,001 gallons but less than 20,000 gallons	$5.17/K-gal
Above 20,001 gallons	$12.26/K-gal
Monthly rate for disconnected Service (5/8”, ¾”, 1”)	$59.00

Commercial Uses [4]

Base Rate includes 10,000 gallon allowance

10,001 to 150,000 gallons	$4.46/K-gal
Above 150,000 gallons	$5.17/K-gal
Monthly rate for disconnected Service	$118.00

Construction Water

$125.00 monthly meter charge, $1500.00 Deposit	$10.00/K-gal

Bulk Water	$100.00/K-gal	Non-Resident
	$75.00/K-gal	Resident

[4]Where a commercial business is located within a multi-family residential or hotel project, and installing a separate commercial meter is not feasible, the Town shall calculate estimated monthly water consumption for the commercial business based on comparable businesses (in Brian Head or other communities) and bill that amount in addition to the base monthly charge. The monthly utility bill shall be calculated by

adding the base allowance (5,000 gal for 1 ERC, 2,500 gal for .5 ERC) use for each unit in the building and subtracting that from the total water meter reading. The remainder (if there is any) shall be charged using the commercial water rate table.

Example #1: 50 unit condo with a shared meter commercial facility having 30,000 gallon and a meter reading of 300,000 gallons of water.
50 ERC X 5,000 gallons= 250,000 gallons
300,000 gallon meter read – 250,000= 50,000 gallon remainder.
50,000 remainder – 10,000 credit for commercial allowance = 40, 000 gallon excess use
40,000 gallon excess use x 4.46 per thousand gallons= $178.40.

Resulting Bill: 50 ERC x $76.00=	$3800.00
Commercial Base Fee=	$150.00
Excess Water Use=	$178.40
Total=	$4128.40

Example #2: 50 unit condo with a shared meter commercial facility having 30,000 gallon and a meter reading of 230,000 gallons of water.
50 ERC X 5,000 gallons= 250,000 gallons
230,000 gallon meter read – 250,000= -20,000 gallon remainder.
Where the remainder is a negative there is no overage charge

Resulting Bill: 50 ERC x $76.00=	$3800.00
Commercial Base Fee=	$150.00
Total=	$3,950.00

Sewer	**Monthly Base Rate/Demand Charge**
Residential .5 ERC	$16.00 per month
Residential 1ERC	$32.00 plus 60% of water overuse charge
Commercial	60% of water bill
Commercial Business in a Multi-family complex	60% of water bill after residential use is subtracted

Monthly rate for disconnected service for single family house $34.00
Monthly rate for disconnected commercial service $71.00

Trash	
Residential (.5 and 1 ERC)/Office	**$7.00**
Residential/Office Recycle Fee	$0
Retail	**$47.00**
Restaurant/Lounge	**$64.00**
Commercial Recycle Fee	$0

**	Late Penalty	5% / month
	Reconnect Fee	$100.00
	Disconnect Fee	$100.00
	Meter Re-read	$50.00

Special Events

**Special fees or exceptions may be granted by Administration for local non-profit organizations or civic functions. Additional fees may be charged if there are special needs or setup/takedown.*

Town Hall Rental

$100.00 p/day – Council Chambers
$50.00 for half day up to four hours
$50.00 p/day – Conference Room
$25.00 for half day up to four hours – Conference Room

	$25.00 p/day – Kitchen
	$15.00 for half day up to four hours - Kitchen
	$100.00 Refundable Deposit
Public Safety Building Rental	$150.00 p/day – Large Multi-Purpose Room
	$75.00 for half day up to four hours – Multi-Purpose Room
	$75.00 p/day – Small Conference Room
	$35.00 for half day up to four hours – Conference Room
	$25.00 p/day – Kitchen
	$15.00 for half day up to four hours - Kitchen
	$100.00 Refundable Deposit
Town Pavilion Rental	$25.00 per day
	$100.00 Refundable Deposit
Trail Restoration	Actual Costs to restore trail
Fire Station Tables	$5.00 per table
Police Officer	$50.00 p/hr.
Police Officer with Vehicle	$120.00 p/hr.
Traffic Cone rental	$0.50 per day per cone minimum $10.00
Traffic Warning sign rental	$15.00 per day per sign
Traffic Cone/Sign drop off	$120.00 after hours
Garbage Dumpster	$125.00 plus after hour costs if applicable
Motor Grader	$177.00 per hour w/operator
Dump Truck	$125.00 per hour w/operator
Dump Truck w/plow and sander	$175.00 per hour w/operator
Large Loader 938	$106.00 per hour w/operator
Large Loader 938 w/snow blower	$141.00 per hour w/operator
Small Loader 930	$98.00 per hour w/operator
P/W employee	$50.00 per hour
P/W employee w/pick up	$120.00 per hour

Miscellaneous Town Code Violations:

Alarm System Violation	$50.00
E.A.S.Y Program 2nd Violation	$250.00
E.A.S.Y. Program 3rd Violation	$500.00

BRIAN HEAD TOWN
CONSOLIDATED FEE SCHEDULE
July 01, 2016

Land Use Fees

General Plan Amendment	$1,000/Application
Zoning Amendment	$1,000/Application
Special Assessment Area (SAA)	$1,000/Application
Building Concept Review	$500/Application / $50.00 Small Bldg. Application
Conditional Use	$400
Variance	$400
Subdivision/PUD Infrastructure	1% of Engineer's infrastructure costs.
Subdivision/PUD Schematic	$750/Application
Subdivision/PUD Preliminary Plat	$750 application fee, plus $250/Lot or Dwelling Unit
Subdivision/PUD Final Plat	$750 application fee, plus $100/Lot or Dwelling Unit
Subdivision/PUD Plat Amendment	$750 application fee, plus $250/Lot or Dwelling Unit (effected lots or dwelling units only.)
Subdivision by Metes & Bounds	$750 application fee, plus $250/Lot or Dwelling Unit
Minor Subdivision (Parcel Split)	$750
Development Agreement	$5,000 Down payment to be applied to actual cost incurred by Town staff to prepare and/or present agreement. A positive balance must be maintained or work on agreement will cease.
Annexation Petition	$750, plus cost associated w/ feasibility impact, infrastructure & admin analysis
Planning Commission Special Meeting	$500
Trenching and Grading Permit	
For each address or single street cut*	$100

*Verification as licensed contractor, $5,000 bond and $1,000,000 insurance policy with Town as additional insured must be on file with Brian Head Town for any work in any public right-of-way or connection to Town sewer or water mains.

Logging/Tree Removal Permit	
Individual Trees for Safety	No Fee
Residential	No Fee
Construction	$25/Application
Commercial Logging	$500/Application
Burn Permit	$10 Residential / $100 Commercial
Sign Permit, Permanent	$50/Application
Sign Permit, Temporary *(Banner)*	No Charge

Building Code Violations

2 times the fee.

Fees accrue and are due from the date of notice following initial investigation. Fees will increase if violation is not abated according to the following:

1-30 Days	100% of fee
31-60 Days	150% of fee
61-90 Days	200% of fee

Licensing Fees

Business Licenses:	$80.00 / New Business Application
	$40.00 / Renewal of Business License

	$10.00 / Door-to-Door Solicitation Employee Permit
	$50.00 / Sexually Oriented Employee Permit
	$200.00 / Sexually Oriented Business
	$160.00 / New Application – Nightly Rentals
	$80.00 / Renewal Application – Nightly Rentals
	No Charge for Special Event Vendor
Dog License	$10 Neutered / $20 Non-neutered
Alcohol License, Initial	$100
Alcohol License, Renewal	$50

Publications

Land Management Code	$30.00 bound copy
General Plan	$20.00 bound copy
Public Works Construction Manual	$30.00 bound copy
Maps	$0.50 for 11”x17” black/white copy
	$1.00 for 11”x17” color copy
	$0.50 for photo copy
	$20.00 for Small Map
	$30.00 for Large Map

Administrative Fees

NSF Check	$25/Returned Check
Copies	$0.10 per B/W Copy
	$0.50 per Color Copy
Faxes	$1.00 per page for outgoing faxes
	$0.50 per page for incoming faxes
GRAMMA Request	determined on an individual basis per UCA 63-2-203.

Inspection Fees

One-time Building Inspection	$50.00
Re-inspection Fee	$50.00 p/hr.
Fire Inspection	$30.00

Bonds (Refundable)

Subdivision Completion Bonds	125% of Engineers Cost to Complete

Building Permit Fees

VALUATIONS

1. New Construction	$150/sq ft
2. Finished basements	$50/sq ft
3. Decks	$25/sq ft
4. Remodeling:	Value determined by the contractor and approved by the Building Official t reflect the cost of work for code related items.

5. Valuations may be modified by the Building Official when evidence supports raising or lowering the valuation due to circumstances outside the norm or specifically mentioned above.

Building Permit Calculation Table

TOTAL VALUATION	FEE
$1 to $500	$24
$501 to $2,000	$24 for the first $500; plus $3 for each additional $100 or fraction thereof, to and including $2000
$2,001 to $40,000	$69 for the first $2,000; plus $11 for each additional $1,000 or fraction thereof, to and including $40,000
$40,001 to $100,000	$487 for the first $40,000; plus $9 for each additional $1,000 or fraction thereof, to and including $100,000
$100,001 to $500,000	$1,027 for the first $100,000; plus $7 for each additional $1,000 or fraction thereof, to and including $500,000
$500,001 to $1,000,000	$3,827 for the first $500,000; plus $5 for each additional $1,000 or fraction thereof, to and including $1,000,000
$1,000,001 and over	$6,387 for the first $1,000,000; plus $4 for each additional $1,000 or fraction thereof.

Other Building Permit Fees

1. Plan review	50% of Building Permit
2. State Surcharge	1% of Permit Fee
3. Plan review – Repeat	10% of Building Permit
4. Outside Consultants	Actual Cost
5. Completion/Cleanup Deposit	$1000 per Single Family Dwelling or 1% of Valuation for Multi-Family Dwellings and Commercial buildings with a $1000 minimum and $20,000 maximum.

New Service Utility Deposit **$300.00**

Impact Fees

Water	**$11,668.64** x Conversion Factor
Sewer	**$2,437.58** x Conversion Factor
Public Safety	**$153.00** x Conversion Factor

IMPACT FEE CONVERSION FACTOR

Single Family/Condo	**1 ERC**
All Others	**Per Actual Fixture Unit Calculations**

*One ERC (Equivalent Residential Connection) is equivalent to 24 water fixture units as calculated in Table 604.3 of the 2006 International Plumbing Code, and 20 drainage fixture units as calculated in Table 709.1 of the 2009 International Plumbing Code.

Connection Fees

Water

Residential: $1,500

Installation by contractor, vault and meter provided by town.

Commercial: $350 Inspection

Meter, vault and all associated materials to be provided by the contractor per Brian Head Public Works Standards. Payment is for town inspection only.

Inspection services by Town, Street opening & closing by separate permit.

Sewer $350

Utility Service Fees

Water	**Monthly Base Rate/Demand Charge**
Residential .5 ERC[1]	$38.00
Residential 1ERC[2]	$76.00
Commercial	$150.00
Commercial Business in a Multi-family complex[3]	$150.00

[1]One Half (.5) ERC- A single unit (regardless of ownership) consisting of (1) room, intended for temporary living and sleeping purposes and including a separate, exclusive bathroom and food storage, preparation and serving accommodations consisting of not more than a single bowl sink, a refrigerator of not more than 5 cubic foot, and an electrical outlet which may be used for a microwave oven. Water consumption for this type of unit will be calculated at .5 of an ERC with a maximum calculated consumption of 2500 gallons per unit per month.

[2]Full ERC (1), Residential Unit, Dwelling Unit, or Condo Unit- A single unit providing complete independent living facilities for one or more persons, including permanent provisions for living, sleeping, eating, cooking and sanitation. Water consumption for this type of unit will be calculated at 1ERC with a maximum calculated consumption of 5000 gallons per unit per month.

[3]Where a commercial businesses shares a water meter within a multi-family residential or hotel project, and installing a separate commercial meter is not feasible, the Town shall calculate estimated monthly water consumption for the commercial business based on comparable businesses (in Brian Head or other communities) and bill that amount in addition to the base monthly charge.

Residential (Single Family, Condo, Townhouses)

Base Rate includes 5,000 gallon allowance

Above 5,001 but less than 10,000 gallons	$3.70/K-gal
Above 10,001 gallons but less than 15,000 gallons	$4.46/K-gal

Above 15,001 gallons but less than 20,000 gallons	$5.17/K-gal
Above 20,001 gallons	$12.26/K-gal
Monthly rate for disconnected Service (5/8", ¾", 1")	$59.00

Commercial Uses [4]

Base Rate includes 10,000 gallon allowance

10,001 to 150,000 gallons	$4.46/K-gal
Above 150,000 gallons	$5.17/K-gal
Monthly rate for disconnected Service	$118.00

Construction Water

$125.00 monthly meter charge, $1500.00 Deposit	$10.00/K-gal

Bulk Water	$100.00/K-gal	Non-Resident
	$75.00/K-gal	Resident

[4]Where a commercial business is located within a multi-family residential or hotel project, and installing a separate commercial meter is not feasible, the Town shall calculate estimated monthly water consumption for the commercial business based on comparable businesses (in Brian Head or other communities) and bill that amount in addition to the base monthly charge. The monthly utility bill shall be calculated by adding the base allowance (5,000 gal for 1 ERC, 2,500 gal for .5 ERC) use for each unit in the building and subtracting that from the total water meter reading. The remainder (if there is any) shall be charged using the commercial water rate table.

Example #1: 50 unit condo with a shared meter commercial facility having 30,000 gallon and a meter reading of 300,000 gallons of water.
50 ERC X 5,000 gallons= 250,000 gallons
300,000 gallon meter read – 250,000= 50,000 gallon remainder.
50,000 remainder – 10,000 credit for commercial allowance = 40, 000 gallon excess use
40,000 gallon excess use x 4.46 per thousand gallons= $178.40.

Resulting Bill: 50 ERC x $76.00=	$3800.00
Commercial Base Fee=	$150.00
Excess Water Use=	$178.40
Total=	$4128.40

Example #2: 50 unit condo with a shared meter commercial facility having 30,000 gallon and a meter reading of 230,000 gallons of water.
50 ERC X 5,000 gallons= 250,000 gallons
230,000 gallon meter read – 250,000= -20,000 gallon remainder.
Where the remainder is a negative there is no overage charge

Resulting Bill: 50 ERC x $76.00=	$3800.00
Commercial Base Fee=	$150.00
Total=	$3,950.00

Sewer	**Monthly Base Rate/Demand Charge**
Residential .5 ERC	$16.00 per month
Residential 1ERC	$32.00 plus 60% of water overuse charge
Commercial	60% of water bill
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Residential/Office	$0

Recycle Fee	
Retail	**$47.00**
Restaurant/Lounge	**$64.00**
Commercial Recycle Fee	$0

**	Late Penalty	5% / month
	Reconnect Fee	$100.00
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Traffic Warning sign rental	$15.00 per day per sign
Traffic Cone/Sign drop off	$120.00 after hours
Garbage Dumpster	$125.00 plus after hour costs if applicable
Motor Grader	$177.00 per hour w/operator
Dump Truck	$125.00 per hour w/operator
Dump Truck w/plow and sander	$175.00 per hour w/operator
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Large Loader 938 w/snow blower	$141.00 per hour w/operator
Small Loader 930	$98.00 per hour w/operator
P/W employee	$50.00 per hour
P/W employee w/pick up	$120.00 per hour

Miscellaneous Town Code Violations:

Alarm System Violation	$50.00
E.A.S.Y Program 2nd Violation	$250.00
E.A.S.Y. Program 3rd Violation	$500.00

Town Council
Staff Report

Subject: Impact Fees
Author: Bret Howser
Department: Administration
Date: 8-9-16
Type of Item: Discussion

SUMMARY:

The Town Council will discuss the Town's impact fees, including the necessity of the fee, its usefulness as a project funding mechanism, the rationale behind the fee, and it's role in creating fairness in funding public projects. While no official action will be taken, the Council may give direction to staff to proceed with an impact fee study or to return with an official ordinance modifying or eliminating the fee.

PREVIOUS COUNCIL ACTION:

Previous Town Councils have adopted impact fees by ordinance

BACKGROUND:

The Town currently charges three different impact fees:

Water - $11,668.64 per ERU
Sewer - $2,437.58 per ERU
Public Safety - $153 per ERU

Section 2-10A of the Town Code also sets forth a Transportation, Parks & Recreation Impact Fee, but the Town does not currently levy this fee.

It should be noted that the maximum water impact fee allowable in the Town Code is $13,593. At the time of imposition of the ordinance, the Council opted not to impose the maximum fee. Staff could try to find documentation on the reasoning behind this decision if Council requires it.

Fiscal Year	Water Impact Fees Collected	Series 2009 Debt Svc Pmt	
2010	$11,669	$0	
2011	46,675	261,292	18%
2012	5,295	261,960	2%
2013	0	320,053	0%
2014	23,337	259,894	9%
2015	11,669	261,151	4%
2016	49,441	305,620	16%
Total	**$148,086**	**$1,669,969**	**9%**

The 2009 Water Impact Fee Analysis (attached) was used to set the current water impact fee. The analysis basically sets the fee at a rate that would collect $20M (the project principal and interest on the Series 2009 USDA Bonds) from 1,686 ERC's (the amount of Equivalent

Residential Units expected to be serviced by the projects financed with the bond proceeds). In theory, 87% of the debt service on the bonds were to be paid by impact fees. To date, the Town has paid $1.67M in debt service on the Series 2009 bonds while collecting only $148k in impact fees (9%).

ANALYSIS:

The Town's 2017 Strategic Plan contains (as it has from its inception) the stated goal to "Establish a business climate that is attractive to resort-complementary commercial establishments." Put simply, the Town wishes to attract a Village Core commercial development. While it's not likely that the existence of the Town's impact fees has dissuaded potential commercial development, it may be possible that a reduction or elimination of these impact fees would attract commercial development. It may also attract new residential construction, which would hopefully result in a larger permanent population that could help support a commercial development.

The American Planning Association has argued that there is no link between impact fees and building activity: "As a general matter, impact fees are capitalized into land values, and thus represent an exaction on the incremental value of the land attributable to the higher and better use made possible by the new public facilities. Some commentators have argued that, under certain circumstances, others may instead bear the incidence of the fee (these may include the original landowner, the developer, or the consumer). There has been little to demonstrate that the imposition of a fee system has stifled development." [www.planning.org/policy/guides/adopted/impactfees.htm]

The Connecticut Office of Legislative Research summarized finding of various studies on the effect of impact fees on residential development, concluding that impact fees lead to higher prices for both newly constructed *and* existing homes encouraging developers to focus on building higher priced homes [www.cga.ct.gov/2002/olrdata/pd/rpt/2002-R-0903.htm]. This may be a factor leading to lack of affordable housing.

If there does exist an inversely proportional relationship between impact fees and development activity, it would stand to reason that the Town's impact fees would only influence potential growth if it was significantly different from the fees in alternative building locations. The table at right shows a comparison of impact fees for municipalities within the region as well as in resort towns, which are the most likely alternatives for someone considering building in Brian Head.

Location	Residential Impact Fee *3000 ft²*	Commercial Impact Fee *7500 ft² Retail*
Parowan	$6,463	$15,659
Cedar	6,176	35,593
St George	waiting for response …	
Iron County	waiting for response …	
Park City	21,801	42,028
Mammoth Lakes*	7,438	40,422
Telluride	31,056	12,927
Flagstaff	13,882	51,567
Brian Head	**$14,259**	

**Temporarily waived for 1-4 unit developments, and 50% break for all other developments*

The counterpoint argument to lowering or eliminating the fee in hopes of spurring development centers on fairness. The reason

the fee exists in the first place is to ensure that developers (or buyers of new development) are paying their fair share for system improvements that are required to provide sufficient capacity for the new users. The existing water system has sufficient water rights, tank capacity, distribution lines, etc. for existing users. These users pay for the operating costs, outstanding debt payments, and contributions to savings for future capital replacement/improvement in their monthly user fees. However, if a new water tank needs to be added or an old one replaced with greater capacity in order to meet the anticipated or pending demands of new growth, it is reasonable to expect that those creating that expansion need (ie: developers and their customers) should pick up the tab. This is in fact the purpose of an impact fee.

However, State statute constricts the Town's ability to use impact fees as a mechanism for fairly distributing the cost of system expansion to its driving force. The following excerpt from the Town Code mirrors statute:

> *2. Impact Fee Expenditures: The town may expend impact fees covered by the impact fees policy only for system improvements that are: a) public facilities identified in the town capital facilities plan; and b) of the specific public facility type for which the fee was collected. Impact fees will be expended on a first in, first out ("FIFO") basis.*
>
> *3. Time Of Expenditure: Impact fees collected pursuant to the requirements of this impact fees article are to be expended, dedicated or encumbered for a permissible use within six (6) years of the receipt of those funds by the town, unless the town council directs otherwise. For purposes of this calculation, the first funds received shall be deemed to be the first funds expended.*

Impact fees may only be used for specific projects anticipated in the Capital Facilities Plan (now referred to in statute as the Impact Fee Facilities Plan) which are scheduled within a six year time frame. Technically, any fees not spent within six years must be returned to the developer.

In a small, low growth community such as Brian Head, the amount of development necessary to require a new water tank is likely to happen over a much longer period of time than six years. So it may take 20 years of development before we need a new water tank, and only those that develop in years 14-20 will pay. But even if all the development did happen within a six year span, what are the odds that we would be so prescient to anticipate such a boom and include the project and appropriate fee calculation in an IFFP and impact fee update beforehand.

For a small town with unpredictable expansion needs, the best way to use impact fees is to complete the project using debt financing and then apply impact fees collected to the debt service payment (effectively requiring development to pay us back, not pay in advance). Indeed, this has been the methodology employed by Brian Head for both the Water and Public Safety impact fees. But, as can be seen in the data included in the Background section of this report, the fees collected so far have not been steady enough or great enough to pay for the portion of the debt service payments that was anticipated.

The take home point – In a Town with a low and unsteady rate of development, the only way to really utilize an impact fee within statute is to encumber the existing system

users in debt without a guarantee that the impact fees will show up when needed to retire that debt.

Speaking purely from a finance tool perspective, the six year requirement renders the impact fee clunky and ineffective.

That said, staff has already been forced to take a more pragmatic approach by including the full projected cost of capital projects without any offsetting impact fee revenue in the Utility Fund Financial Model. Put another way, the user fees that the Council has adopted over the past few years have already been raised sufficiently to cover all capital costs as if there were no impact fees, because quite frankly we can't count on impact fees.

So the monthly utility user fee is, financially speaking, a more desirable revenue source for the Town. And if there is a chance that reducing or eliminating the impact fee spurs development and adds monthly user fees, staff believes this is a wiser course of action. For this reasoning, staff recommends that Council strongly consider reducing or eliminating the water and sewer impact fees.

DEPARTMENT REVIEW:

Administration & Public Works

FINANCIAL IMPLICATIONS:

The annual financial implications of reducing or eliminating impact fees would vary.

BOARD/COMMISSION RECOMMENDATION:

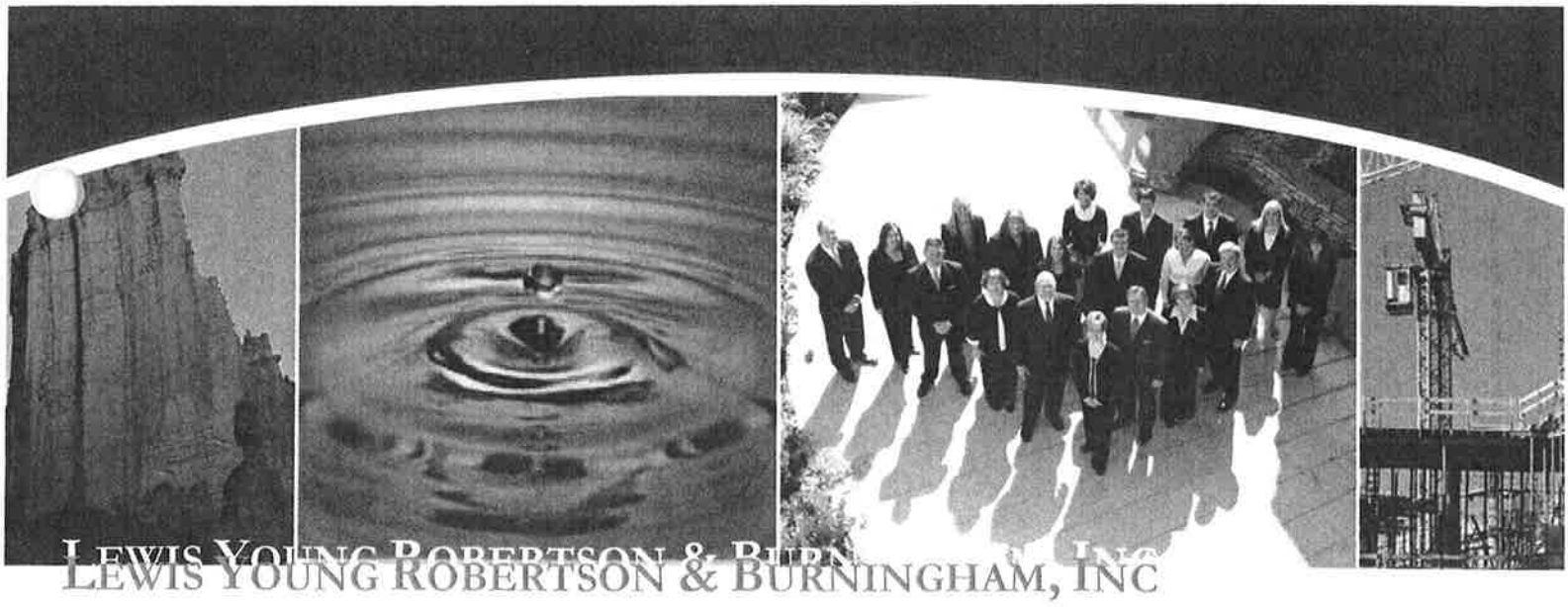
N/A

RECOMMENDATION:

Staff recommends that Council strongly consider a substantial reduction of or even elimination of the Water and Sewer Impact Fees for the foreseeable future. Staff recommends leaving the Public Safety Impact Fee as is, considering it is small and dedicated to retiring existing bonds.

ATTACHMENTS:

A – 2009 Water Impact Fee Analysis
B – A brief history of Impact Fees from *Making Sense of Dollars: A Guide to Local Government Finance in Utah*, produced by the Utah League of Cities and Towns



WATER IMPACT FEE ANALYSIS

TOWN OF BRIAN HEAD, IRON COUNTY, UTAH

FEBRUARY 10, 2009

FEBRUARY 10, 2009
PREPARED BY:
LEWIS YOUNG ROBERTSON &
BURNINGHAM, INC

TABLE OF CONTENTS

EXECUTIVE SUMMARY 4
REQUIRED BY (11-36-201(5)(C)) 4
IMPACT FEE SERVICE AREA 4
WATER IMPACT FEES 5
CHAPTER 1: OVERVIEW OF IMPACT FEES 7
REQUIRED ELEMENTS FOR THE ADOPTION OF IMPACT FEES 7
(1) CAPITAL FACILITIES PLAN 7
(2) WRITTEN IMPACT FEE ANALYSIS 7
(3) IMPACT FEE ENACTMENT 7
ACCOUNTING FOR, EXPENDITURE OF, AND REFUND OF IMPACT FEES 8
ACCOUNTING FOR IMPACT FEES 8
EXPENDITURE OF IMPACT FEES 8
REFUNDS OF IMPACT FEES 8
CHALLENGING IMPACT FEES – 11-36-401-402 8
CHAPTER 2: GROWTH RELATED IMPACT UPON TOWN FACILITIES REQUIRED BY: (11-36-201(5)(A)(I-II)) 9
PROJECTED ERC GROWTH 9
PROFESSIONAL SERVICES EXPENSES 9
CHAPTER 3: WATER IMPACT FEE CALCULATION 10
WATER SYSTEM 10
LEVEL OF SERVICE STANDARDS 10
EXISTING WATER SOURCES 10
EXISTING WATER STORAGE 10
FUTURE WATER CAPITAL PROJECTS 11
EQUITY BUY-IN 12
CALCULATION OF THE WATER IMPACT FEE 12
CHAPTER 4: PROPORTIONATE SHARE ANALYSIS REQUIRED BY (11-36-201(5)(B)) 14
MANNER OF FINANCING EXISTING PUBLIC FACILITIES – 201(5)(b)(ii-iii) 14
CONSIDERATION OF ALL REVENUE SOURCES – 201(5)(b)(iv) 14
Property Tax Revenues or General Fund Revenues 14
User Fees 14
Special Assessment Area Bonds 14
Impact Fees 15
PROPOSED CREDITS OWED TO DEVELOPMENT – 201(5)(b)(v) 15
SUMMARY OF TIME PRICE DIFFERENTIAL – 201(5)(b)(vii) 15
CHAPTER 5: IMPACT FEE CASHFLOWS 16
CALCULATION OF THE IMPACT FEES 16
PROPOSED CULINARY WATER IMPACT FEES 16
Appendix A – Capital Facility Plan 17
Appendix B – Impact Fee Calculations 18

LEWIS YOUNG ROBERTSON & BURNINGHAM, INC. SALT LAKE CITY, UTAH 84101 OFFICE 801.596.0700 FAX 801.596.2800

LIST OF TABLES

FIGURE 1: CURRENT PROJECTED ERC GROWTH WITHIN THE SERVICE AREA THROUGH BUILDOUT 4

FIGURE 2: RECOMMENDED CULINARY WATER IMPACT FEE PER ERU / USDA 55% Loan/45% Grant Scenario 5

FIGURE 3: RECOMMENDED CULINARY WATER IMPACT FEE PER ERU / USDA 100% Loan Scenario 5

FIGURE 2.1: PROJECTED ERC GROWTH 9

FIGURE 2.2: PROFESSIONAL EXPENSES THROUGH BUILDOUT 9

FIGURE 3.1: EXISTING CULINARY WATER SOURCES 10

FIGURE 3.3 FUTURE CULINARY CAPITAL PROJECTS 11

FIGURE 3.4: CULINARY WATER IMPACT FEE PER ERC / SCENARIO ONE: 55% USDA LOAN/45% USDA GRANT 12

FIGURE 3.5: CULINARY WATER IMPACT FEE PER ERC / SCENARIO TWO: 100% USDA LOAN 13

FIGURE 3.6: CULINARY WATER IMPACT FEES CONVERSION FACTORS 13

EXECUTIVE SUMMARY
REQUIRED BY (11-36-201(5)(C))

Brian Head Town (the "Town") is facing the potential of significant growth throughout the Town as its current water infrastructure reaches capacity. In order to keep up with the additional demands on the Town's water system, it has become necessary for the Town to update its existing impact fee analysis for water to ensure that the Town is recovering an equitable amount of revenue through impact fees, and to ensure that neither existing nor future development is subsidizing the other. The indoor and outdoor water in the Town is provided by the culinary water system.

In order to complete this task, the Town has commissioned this update to satisfy requirements predicated by the Utah Impact Fees Act (Utah State Code Title 11, Chapter 36, Sections 1-5). This analysis will calculate the proposed impact fees which can be implemented to fund necessary infrastructure that will accommodate future growth within the Town. This analysis is specifically for the culinary water system. The impact fees proposed in this analysis are calculated based upon the cost of constructing new capital infrastructure and the related costs of bond financing said improvements where applicable. Note: the capital improvement costs included in the Capital Facility Plan (the "CFP") and the Impact Fee Analysis exclude all developer contributions and include only the portions of system improvements that will serve future development.

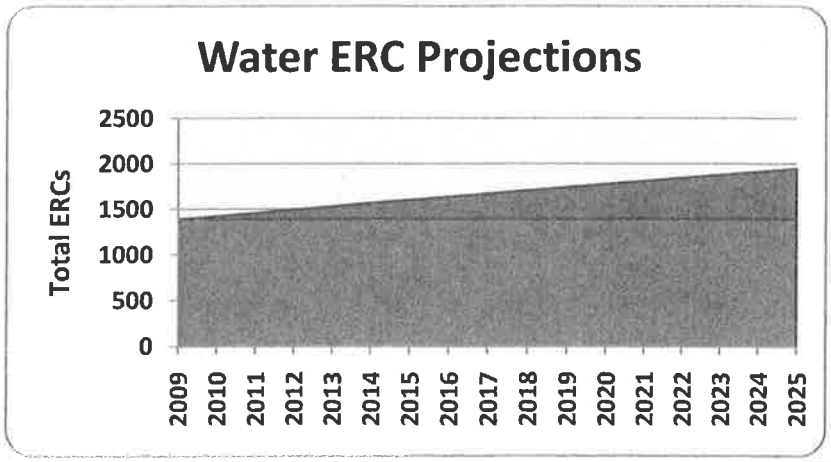
To ensure sufficient and proper funding, the Town has retained Lewis Young Robertson & Burningham, Inc. ("LYRB") to complete this analysis and calculate the maximum equitable water impact fees that the Town may legally assess under the requirements of the Impact Fees Act to development activity. LYRB has drawn upon the CFP prepared by Advanced Environmental Engineering (aka AE^2) to perform this analysis. The CFP is included in the Appendix A.

The recommended impact fee structure presented in this analysis has been prepared to satisfy the Utah Impact Fees Act. Although the impact fees are structured to provide impact fee revenue sufficient to fund the portion of public capital improvements necessitated by new growth, the Town will be required to use other revenue sources to fund projects for the same systems that constitute repair and replacement, cure existing deficiencies, or maintain the existing level of service for current users.

IMPACT FEE SERVICE AREA

All of the proposed impact fees will be assessed throughout the Town-Wide Impact Fee Service Area (the "service area"), which includes all areas within the Town's current boundaries. All projections include the Town as currently defined. The anticipated growth as related in equivalent residential connections (ERC) is shown below in Figures 1. It is estimated that by build-out in 2049, the town will be serving an additional 2,100 ERCs. It is recommended that the impact fees be updated as changes are made to the Town's Master Plan and/or Capital Facilities Plan ("CFP"). Each component of the CFP will provide varying numbers of new ERCs as outlined in the CFP.

FIGURE 1: CURRENT PROJECTED ERC GROWTH WITHIN THE SERVICE AREA THROUGH BUILDOUT



WATER IMPACT FEES

The water impact fee is based on what is referred to as a plan-based impact fee methodology. This methodology calculates the impact fee based on the current Capital Facilities Plan (CFP). In this case, the water usage for development within the service area is based on state standards and translated to an equivalent residential connection ("ERC") which equates to the demand or impact a specific user will place on the system, as determined by the Town Engineers. The Town's Engineers (AE^2) has prepared a CFP, which considers culinary water improvements, including additional water rights, source, storage, and distribution projects, and the proposed secondary water system.

The Town is currently seeking funding from USDA Rural Development which may include both a low-interest loan and grant monies. Although the CFP will not change depending on the exact mix of loan to grant, the source of funds will change the impact fee as the town will not need to recoup grant monies used to fund growth through the impact fee but will recoup loan funds. Figure 2 depicts the recommended culinary impact fee per ERC assuming the USDA provides 55% loan and 45% grant. Figure 3 depicts the recommended fee if the USDA provides a 100% loan and 0% grant. The actual impact fee will be fixed upon the loan/grant mix at the time the USDA makes its determination but will be between the amount depicted in figures 2 and 3.

FIGURE 2: RECOMMENDED CULINARY WATER IMPACT FEE PER ERU / USDA 55% LOAN/45% GRANT SCENARIO

Water Projects	Total Costs	% Related to Growth	Growth Related Costs	Growth Related ERCs	Cost per ERC
Water Projects					
Storage Capacity Projects (1.5MG Tank)	$ 2,920,300	80.00%	$ 2,336,240	3,000	$ 778.75
Source Capacity Projects (Water Rights)	1,802,000	100.00%	1,802,000	965	1,867.36
Source Capacity Projects (Well)	2,048,110	50.00%	1,024,055	900	1,137.84
Source Capacity Projects (Spring Development)	573,310	100.00%	573,310	444	1,291.24
Transmission Capacity Projects (Lines, etc)	946,287	0.00%	-	-	-
Series 2009 Bond Proceeds	(3,000,000)	87.63%	(2,628,956)	1,686	(1,559.44)
Series 2009 Bond Debt Service	12,029,247	87.63%	10,541,455	1,686	6,252.95
Buy-in (Current Debt)	2,681,854	25.00%	670,463	1,686	397.70
Impact Fee Funds on Hand Dedicated to Water Rights	(595,000)	100.00%	(595,000)	965	(616.58)
Grant Proceeds	(2,400,000)	66.50%	(1,596,000)	1,686	(946.71)
TOTALS:	**$ 17,006,108**		**$ 12,127,567**		**$ 8,603.11**
Miscellaneous Fee					
Engineering and Impact Fee Analysis Update	$ 92,130	100.00%	$ 92,130	1,686	$ 54.60
TOTALS:	**$ 17,098,238**		**$ 12,219,698**		**$ 8,657.71**

Net Impact Fee per ERU $ 8,657.71

FIGURE 3: RECOMMENDED CULINARY WATER IMPACT FEE PER ERU / USDA 100% LOAN SCENARIO

Water Projects	Total Costs	% Related to Growth	Growth Related Costs	Growth Related ERCs	Cost per ERC
Water Projects					
Storage Capacity Projects (1.5MG Tank)	$ 2,920,300	80.00%	$ 2,336,240	3,000	$ 778.75
Source Capacity Projects (Water Rights)	1,802,000	100.00%	1,802,000	965	1,867.36
Source Capacity Projects (Well)	2,048,110	50.00%	1,024,055	900	1,137.84

Source Capacity Projects (Spring Development)	573,310	100.00%	573,310	444	1,291.24
Transmission Capacity Projects (Lines, etc)	946,287	0.00%	-	-	-
Series 2009 Bond Proceeds	(5,550,000)	87.63%	(4,863,569)	1,686	(2,884.96)
Series 2009 Bond Debt Service	22,254,108	87.63%	19,501,692	1,686	11,567.95
Buy-in (Current Debt)	2,681,854	25.00%	670,463	1,686	397.70
Impact Fee Funds on Hand Dedicated to Water Rights	(595,000)	100.00%	(595,000)	965	(616.58)
Grant Proceeds	-	66.50%		1,686	-
TOTALS:	**$ 27,080,968**		**$ 20,449,191**		**$ 13,539.30**
Miscellaneous Fee					
Engineering and Impact Fee Analysis Update	$ 92,130	100.00%	$ 92,130	1,686	$ 54.64
TOTALS:	**$ 27,173,098**		**$ 20,541,321**		**$ 13,593.94**

Net Impact Fee per ERU $ 13,593.94

CHAPTER 1: OVERVIEW OF IMPACT FEES

An impact fee is different from a tax, special assessment, building permit fee, hook-up fee, or other reasonable permit or application fee such as a conditional use or subdivision application fee. Impact fees serve three main purposes: (1) proportionally allocate the cost of future projects to the new development that they will be constructed to serve, (2) allow new customers to purchase equity in the existing system, and (3) perpetuate the historic level of service paid to growth related facilities. The basic impact fee methodology is essentially a blending of future project costs and the unused value of the existing systems.

Current legislation regarding the implementation of impact fees is set forth in the Impact Fees Act found in Utah State Code Title 11, Chapter 36, Sections 1-5. With the passage of the Impact Fee Act, Utah became one of twenty-seven states to adopt legislation regulating the imposition of impact fees. This legislation gives certainty to the ability of the Town and other local governments to impose equitable and "fair" impact fees on new development. The Act has been interpreted over time by various court cases. Of all the court cases, Banberry Development Corp. vs. City of South Jordan[1] has likely been the most influential. This case established the requirements of the proportionate share tests and identification of a rational nexus between fees, project costs and capacities.

REQUIRED ELEMENTS FOR THE ADOPTION OF IMPACT FEES

(1) CAPITAL FACILITIES PLAN

The Impact Fees Act requires that an entity serving a population of 5,000 or more must prepare a Capital Facilities Plan that identifies the demands that will be placed upon existing and future facilities by new development and the means that the Town will use to accommodate the additional demand.[2] A Capital Facilities Plan (CFP), completed in compliance with Utah State legislation, is not required by the Town but a reasonable plan similar to a CFP is required. The Town engineer has prepared a plan that complies with the town's statutory requirement under the Act which plan will be called the CFP in the text of this document. The CFP prepared by AE[2] is found in Appendix A.

(2) WRITTEN IMPACT FEE ANALYSIS

The written impact fee analysis is required under the Impact Fees Act and must clearly detail the calculation of the impact fees and explain all assumptions and key issues related to the calculation of the impact fees. The written impact fee analysis must include a proportionate share analysis and an Executive Summary of the analysis. This requirement has been fulfilled with this written document.

(3) IMPACT FEE ENACTMENT

The Impact Fee Enactment or Ordinance must be adopted by the Town Council to enact the proposed fees. The Ordinance must include a provision establishing one or more service area(s); a schedule of impact fees or the formula by which the impact fee was derived, and provisions allowing the Town to adjust or modify the impact fee to take into account any unusual circumstances, as they may arise from time to time.

Prior to adoption, the Town must hold a public hearing to receive comment from the public and allow for discussion among the Council. The public hearing must be noticed at least fourteen (14) days before the hearing. The Town must have copies of the analysis and ordinance posted in three public places, including the Town Hall and any Town libraries.

[1] 631 P. 2d 899, 903-4 (Utah 1981.)
[2] 11-36-201(2)(e)

ACCOUNTING FOR, EXPENDITURE OF, AND REFUND OF IMPACT FEES

ACCOUNTING FOR IMPACT FEES

The Impact Fees Act requires any entity imposing impact fees to establish an interest-bearing ledger account for each type of public facility for which an impact fee is collected. Any interest earned in each account must remain in that account. At the end of each fiscal year, the Town must prepare a report on each fund or account showing the source and amount of all monies collected, earned and received by each account and each expenditure made from each account.

EXPENDITURE OF IMPACT FEES

The Town may only expend impact fees for system improvements identified in the Capital Facilities Plan or reasonable capital facility plan as the case may be.[3] All funds collected must be spent or encumbered within six years of collection or the Town must provide an extraordinary or compelling reason why the fees must be held longer and provide an ultimate date by which the impact fees collected will be expended.[4] The improvements that are financed through impact fees must be owned and operated by or on behalf of the Town.

REFUNDS OF IMPACT FEES

The Town is required to refund any impact fees collected plus interest earned since their collection if 1) a developer who has paid impact fees does not proceed with the development activity and has filed a written request for a refund, 2) the fees have not been spent or encumbered within the six year period, or 3) the new development which has paid impact fees has not created an impact upon the system.[5]

CHALLENGING IMPACT FEES – 11-36-401-402

The Impact Fee Act allows any person, entity, or property owner within the service area, or any organization, association, or corporation owning property within the service area to challenge the accuracy of the calculated fee or procedure by which the fee was adopted. Any person or entity challenging the impact fees may file a written request for information including the written analysis, Capital Facilities Plan or similar reasonable plan (as the case may be), Ordinance and other information related to the fee calculation from the Town. This information must be provided within two weeks of receipt of the request.

An individual has the right to challenge the noticing or procedures of enacting any impact fee adopted on or after July 1, 2000. To remedy any adoption procedure found to be faulty, the Town must repeat the noticing and adoption process. If the fees are found to be inaccurate, the Town must revise the fee structure to correct any miscalculation and repeat the adoption process. If the fees are found to be incorrect and have already been collected, the Town must refund the difference between what was collected and what should have been collected plus interest earned since the time of collection on these funds. If the fees are found to be too low, the Town is not able to retroactively recover the difference in the fee collected and what should have been collected. The parties may settle any impact fee dispute through arbitration.

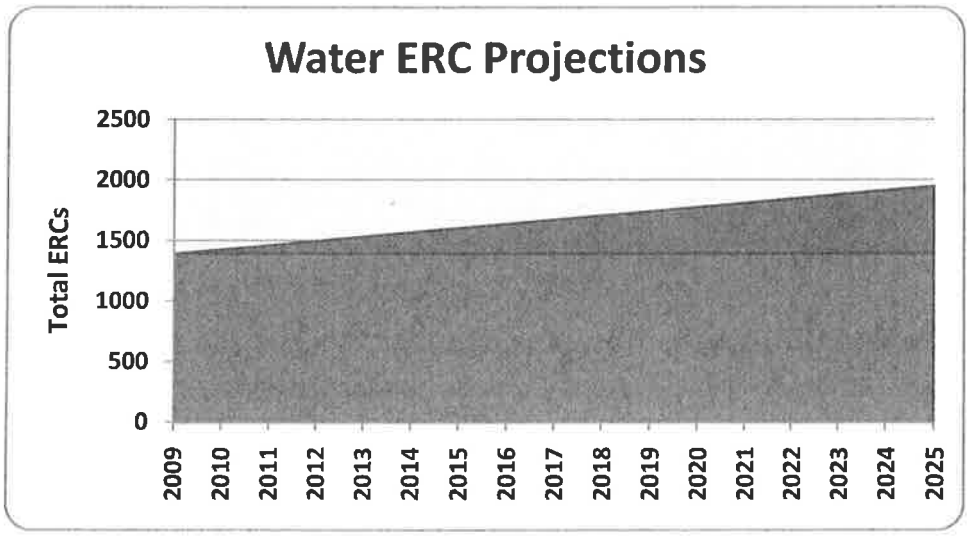
[3] 11-36-302(1a)
[4] 11-36-302(2b)
[5] 11-36-303(1-3)

CHAPTER 2: GROWTH RELATED IMPACT UPON TOWN FACILITIES REQUIRED BY: (11-36-201(5)(A)(I-II))

PROJECTED ERC GROWTH

The growth rates included in this analysis are based upon projections provided by the Town's Engineer AE[2] (the "Engineers"). The Town currently (2008) has 1,371 equivalent residential connections (ERCs) which are estimated to increase by 577 ERCs to 1,948 ERCs by 2025 and will further increase at build-out by another 2,100 ERCs in approximately 2049. Each specific capital facility outlined in the CFP is projected to serve various levels of ERCs as outlined in the attached CFP.

FIGURE 2.1: PROJECTED ERC GROWTH



PROFESSIONAL SERVICES EXPENSES

The Impact Fee Act allows for impact fees to legally recover the costs of professional expenses relating to the preparation of the Capital Facilities Plans or reasonable plan (as the case may be) and Impact Fee Analysis. As development occurs and capital project planning is periodically revised, the future needs of the Town may change. The Town has expressed a desire to complete minor annual updates to the study, with a more comprehensive review being done approximately every five years. The costs of future updates have been estimated and include a 3% annual inflation factor. The costs shown vary for the comprehensive future updates, which will be spurred by significant changes to the capital facilities plans or other material changes which will necessitate major revisions to the analysis. The annual updates will be routine and less intensive.

FIGURE 2.2: PROFESSIONAL EXPENSES THROUGH BUILDOUT

PROFESSIONAL EXPENSES AND IMPACT FEE ANALYSIS UPDATES FUTURE VALUE			
2009	$ 6,190	2018	2,512
2010	1,295	2019	9,397
2011	1,405	2020	2,850
2012	16,102	2021	3,031
2013	1,716	2022	11,937
2014	1,922	2023	3,216
2015	2,060	2024	12,664
2016	8,353	2025	5,127
2017	2,354	**Total**	**$ 92,130**

CHAPTER 3: WATER IMPACT FEE CALCULATION

WATER SYSTEM

The Town's water system is serviced by four springs and two wells. The system is currently functioning near its capacity, and able to provide adequate service to all users connected to the system. Since the system is nearing capacity it will soon need additional facilities to maintain the current level of service. The capacity-based methodology assumes a specific amount of water needed to serve each user of the system, and the associated cost with that amount of capacity in the existing system. The calculation is summarized below.

LEVEL OF SERVICE STANDARDS

The following typical unit consumption parameters per equivalent residential connection ("ERC") are provided by the Town Water Department and are set to meet applicable Utah State requirements with the exception of water rights. The Utah State requirements for water rights are .45 Acre feet/ERC; however, the Town Engineer has metered the system and found that actual usage for the town is .10 Acre feet/ERC owing to the large number of second home owners and low levels of outdoor use.

- Source Development: 800 gpd/ERC
- Storage: 400 gallons/ERC
- Water Rights: 0.10 Acre feet/ERC
- Transmission: 800 gpd/ERC
- Distribution: 800 gpd/ERC

EXISTING WATER SOURCES

The springs and wells currently operated by the Town provide approximately 1,000 gpm of peak flow, as shown in figure 3.1.

FIGURE 3.1: EXISTING CULINARY WATER SOURCES

Source	Description	Reliable Flows (gpm)	Condition[1]
Well 1	Town Hall	460	1
Well 2	Crystal Mountain	140	3
Spring 1	Salt Pile	80	3
Spring 2	Brian Head Seeps	120	3
Spring 3	Decker	100	3
Spring 4	Mammoth	100	3
	Total	1000	

Condition[1]: 1=New, 2=Good Condition, 3=Questionable, 4=Consider Replacement

EXISTING WATER STORAGE

Figure 3.2 shows the Town's total water storage capacity, which is currently approximately 2.2 MG.

FIGURE 3.2: CURRENT CULINARY WATER STORAGE CAPACITY

EXISTING STORAGE FACILITIES					
Tank	Description	Capacity (gal)	Material	Elevation (ft)	Condition[1]
1	Redwood Tank	300,000	Redwood	10,330	4*
2	0.5 MG Storage Tank	500,000	Concrete	10,235	2
3	1.0 MG Storage Tank	1,000,000	Concrete	10,062	2
4	Salt Pile Tank	400,000	Concrete	10,600	2
	Total Storage Capacity	2,200,000			

Condition[1]: 1=New, 2=Good Condition, 3=Questionable, 4=Consider Replacement

* 20% for Repair and Replacement related to existing Level of Service and 80% for new growth.

FUTURE WATER CAPITAL PROJECTS

In order to properly calculate the water impact fee, the future capital projects that would be built due to new development were included in the analysis as outlined in the CFP as found in Appendix A. The costs for the projects were inflated by an annual inflation rate of 3 percent based on the projected rate that the projects are to be developed. The Engineers provided the Water System Master Plan and updated Capital Facilities Plan which provided a detailed list and year that the needed projects will be developed. The projects and their related costs are depicted in figure 3.3.

FIGURE 3.3 FUTURE CULINARY CAPITAL PROJECTS

PROJECT #	ITEM	PRIORITY	2009	2010	2011	2012	2013	SUBTOTAL	% TO NEW GROWTH	AMOUNT TO NEW GROWTH
1	Water Rights Acquisition	1	**1,802,000**					1,802,000	100%	1,802,000
2	Development of Well with Transmission Line	1			**2,048,110**			2,048,110	50%	1,024,055
3	Replace Redwood Tank with 1.5 MG Tank	1		**2,920,300**				2,920,300	80%	2,336,240
4	Residential Flow Meters	1	**30,000**	**50,000**				80,000	0%	-
5	New Spring Development	3				**573,310**		573,310	100%	573,310
6	Pipeline from Town Hall to Snowshoe	3						-	0%	-
7	SCADA Upgrade	3			**55,165**			55,165	0%	-
8	Rue Jolley Tie in at Town Hall	3					**146,452**	146,452	0%	-
9	Dedicated 6" Line from Town Hall Well to 1M gal tank	4				**257,909**		257,909	0%	-
10	Chlorination Stations	5					**329,254**	329,254	0%	-
11	Highway 143 Improvements Christy to Town Shop	5					**123,088**	123,088	0%	-
12	Pinetree Water Improvements	5					**283,674**	283,674	0%	-
		Total	**1,832,000**	**2,970,300**	**2,103,275**	**831,219**	**882,468**	**8,619,261**		**5,735,605**

Of the total $8,619,261 identified in the CFP, $5,735,605 is directly allocated to new growth.

EQUITY BUY-IN

An equity buy-in can be calculated to recover the value of existing capital projects that still have significant capacity to serve new growth. Those capital facilities that were identified in previous impact fee studies that continue to have outstanding debt, net of previously allocated impact fee funds can continue to be allocated to new growth. The Town current has $2,681,854 of water debt including interest. Of this, 25% (as identified in the 2004 impact fee study) was allocated to growth. Thus $670,463 of the Town's existing debt can be allocated to future growth.

Therefore, the Town's existing level of service standards have been funded by the Town's existing residents. Funding the future improvements through impact fees places a similar burden upon future users to that which has been placed upon existing users through impact fees, user fees and other revenue sources.

CALCULATION OF THE WATER IMPACT FEE

The water impact fees proposed in this analysis will be assessed throughout the service area. The impact fees are based upon the capacity of the system needed to serve each ERC. Costs per ERC are found in Figure 3.4 and Figure 3.5 and are the basis for the maximum impact fee that can be charged per ERC. The two scenarios represent the maximum impact fee based upon the USDA Rural Development funding mix. Impact fees cannot be used to recoup grant monies; therefore, the culinary water impact fee will be between the two scenarios presented based upon the actual grant/loan mix.

FIGURE 3.4: CULINARY WATER IMPACT FEE PER ERC / SCENARIO ONE: 55% USDA LOAN/45% USDA GRANT

Water Facility	Total Costs	% Attrib. to Growth	Growth Portion Costs	Growth Related ERCs	Cost/ERC
Water Projects					
Storage Capacity Projects (1.5MG Tank)	$ 2,920,300	80.00%	$ 2,336,240	3,000	$ 778.75
Source Capacity Projects (Water Rights)	1,802,000	100.00%	1,802,000	965	1,867.36
Source Capacity Projects (Well)	2,048,110	50.00%	1,024,055	900	1,137.84
Source Capacity Projects (Spring Development)	573,310	100.00%	573,310	444	1,291.24
Transmission Capacity Projects (Lines, etc)	946,287	0.00%	-	-	-
Series 2009 Bond Proceeds	(3,000,000)	87.63%	(2,628,956)	1,686	(1,559.44)
Series 2009 Bond Debt Service	12,029,247	87.63%	10,541,455	1,686	6,252.95
Buy-in (Current Debt)	2,681,854	25.00%	670,463	1,686	397.70
Impact Fee Funds on Hand Dedicated to Water Rights	(595,000)	100.00%	(595,000)	965	(616.58)
Grant Proceeds	(2,400,000)	66.50%	(1,596,000)	1,686	(946.71)
TOTALS:	**$ 17,006,108**		**$ 12,127,567**		**$ 8,603.11**
Miscellaneous Fee					
Engineering and Impact Fee Analysis Update	$ 92,130	100.00%	$ 92,130	1,686	$ 54.60
TOTALS:	**$ 17,098,238**		**$ 12,219,698**		**$ 8,657.71**

Net Impact Fee per ERU $ 8,657.71

FIGURE 3.5: CULINARY WATER IMPACT FEE PER ERC / SCENARIO TWO: 100% USDA LOAN

Water Projects	Total Costs	% Related to Growth	Growth Related Costs	Growth Related ERCs	Cost per ERC
Water Projects					
Storage Capacity Projects (1.5MG Tank)	$ 2,920,300	80.00%	$ 2,336,240	3,000	$ 778.75
Source Capacity Projects (Water Rights)	1,802,000	100.00%	1,802,000	965	1,867.36
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Transmission Capacity Projects (Lines, etc)	946,287	0.00%	-	-	-
Series 2009 Bond Proceeds	(5,550,000)	87.63%	(4,863,569)	1,686	(2,884.96)
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Buy-in (Current Debt)	2,681,854	25.00%	670,463	1,686	397.70
Impact Fee Funds on Hand Dedicated to Water Rights	(595,000)	100.00%	(595,000)	965	(616.58)
Grant Proceeds	-	66.50%		1,686	-
TOTALS:	**$ 27,080,968**		**$ 20,449,191**		**$ 13,539.30**
Miscellaneous Fee					
Engineering and Impact Fee Analysis Update	$ 92,130	100.00%	$ 92,130	1,686	$ 54.64
TOTALS:	**$ 27,173,098**		**$ 20,541,321**		**$ 13,593.94**

Net Impact Fee per ERU $ 13,593.94

As was mentioned in Chapter 2, an amount has been factored into the impact fee calculation for professional expenses. This figure is calculated per ERC. The projected professional expenses that relate to the water impact fee totals $92,130 through build-out of the service area. This cost was spread over the projected 2,162 total future culinary water ERCs for the total cost of $54.65/ERU. The impact fee that is assessed to users will be based upon the number of ERCs for each unit type. Figure 3.6 represents the conversion factor for each type of unit based upon the Utah State Division of Drinking Water: Water Source Standards and the International Plumbing Code.

FIGURE 3.6: CULINARY WATER IMPACT FEES CONVERSION FACTORS

Type of Unit	Conversion Factor
Single Family	1 ERC
Condo Unit	1 ERC
Hotel Room	0.3 ERC x # hotel rooms
All Other	Per Actual Fixture Unit Calculations[6]

[6] One ERC is equivalent to 24 water fixture units as calculated in Table 604.3 of the 2006 International Plumbing Code, and 20 drainage fixture units as calculated in Table 709.1 of the 2006 International Plumbing Code.

CHAPTER 4: PROPORTIONATE SHARE ANALYSIS REQUIRED BY (11-36-201(5)(B))

The Proportionate Share Analysis requirement was established by the case of Banberry Development Corp. v. City of South Jordan[7] to ensure that municipalities do not collect impact fees that place an inequitable burden on new development relative to the impact that the development would place on the system. Banberry has set the precedent that a municipality must "reasonably" provide evidence that supports the imposition of impact fees. The Utah Supreme Court has reinforced this idea through subsequent cases including The Home Builders Association of the State of Utah v. North Logan City.[8] Because of the ruling mentioned above, a City or Town must prepare its written proportionate share analysis as accurately as possible and within the confines of the law. If such requirement is met, the burden of proof that the impact fees are inequitable lies with the challenger and not with the Town.

MANNER OF FINANCING EXISTING PUBLIC FACILITIES – 201(5)(B)(II-III)

The Town has funded its existing capital infrastructure through a combination of different revenue sources, including general fund revenues, property taxes, bond proceeds, developer exactions, including impact fees, and grant monies. This analysis has removed all projects funded from federal grants and donations from non-resident citizens to ensure that none of those infrastructure items are included in the level of service and to show that the Town's existing level of service standards have been funded by the Town's existing residents. Funding the future improvements through impact fees places a similar burden upon future users as that which has been placed upon existing users through impact fees, property taxes, user fees and other revenue sources.

CONSIDERATION OF ALL REVENUE SOURCES – 201(5)(B)(IV)

The Impact Fee Act requires the Proportionate Share Analysis to demonstrate that impact fees paid by new development are the most equitable method of funding growth-related infrastructure. This statement may be supported by demonstrating through the Capital Facilities Plan or similar reasonable plan (as the case may be) that the project costs included in each impact fee will serve only future growth within the Town. The following explains the pros and cons of funding mechanisms that are available to the Town to pay for new infrastructure.

PROPERTY TAX REVENUES OR GENERAL FUND REVENUES

Ad valorem taxes such as property taxes are a stable source of revenue. However, ad valorem taxes allocate new system costs to new development based upon property valuation rather than true impact. The use of property taxes to fund capital projects places an unfair burden on existing users as the existing users have already paid their proportional share of capital projects and would therefore be subsidizing future growth and its infrastructure needs.

USER FEES

The same argument applies with user fees as with property tax revenues since existing users have already contributed to infrastructure and would be subsidizing new growth through user fees if this funding mechanism were used.

SPECIAL ASSESSMENT AREA BONDS

SAA Bonds are an acceptable mechanism to recover the costs of growth-related infrastructure from new users by means of placing an assessment upon benefited development property. SAA bonds are a stable funding mechanism; however, the ability to impose a Special Assessment Area solely upon new growth areas and create a marketable bond is very challenging for system wide growth construction.

[7] 631 P. 2d 899, 903-4 (Utah 1981.)
[8] 983 P. 2d 561, 565 (Utah 1999.)

IMPACT FEES

Impact fees have become a reasonable mechanism for funding growth-related infrastructure. Analysis is required to accurately assess the true impact of a particular user upon the Town infrastructure and prevent existing users from subsidizing new growth and new growth from subsidizing existing users.

Therefore, impact fees should be used to fund the growth-related costs of future capital infrastructure based upon the historic funding of the existing infrastructure and the intent of the Town to equitably allocate the costs of growth-related infrastructure in accordance with the true impact that a user will place on that infrastructure.

PROPOSED CREDITS OWED TO DEVELOPMENT – 201(5)(B)(V)

The Impact Fees Act requires that credits be paid back to development for future fees that will pay for growth-driven projects included in the Capital Facilities Plan or reasonable plan (as the case may be) that would otherwise be paid for through user fees. Credits may also be paid to developers who have constructed and donated facilities that are included in the Capital Facilities Plan or reasonable plan (as the case may be) to the Town in-lieu of impact fees. This situation does not apply to developer exactions or improvements required to offset density or as a condition of development. Any project that a developer funds must be included in the CFP if a credit is to be issued.

SUMMARY OF TIME PRICE DIFFERENTIAL – 201(5)(B)(VII)

The Impact Fee Act allows for the inclusion of a time price differential to ensure that the future value of costs incurred at a later date are accurately calculated to include the costs of construction inflation. An inflation component is included in all capital project costs that are to be constructed in fiscal year 2008 and beyond. A time price differential is not contemplated in this analysis.

CHAPTER 5: IMPACT FEE CASHFLOWS

The impact fee fund must be interest bearing, according to the Impact Fees Act and the majority of entities that impose impact fees establish accounts in the Utah Public Treasurer's Investment Fund ("UPTIF") for their impact fee funds. The estimated interest earnings for the fund in this analysis are based upon the historical UPTIF yields. The impact fees proposed in this analysis have been calculated net of interest earnings to ensure that the impact fee funds have zero balances at build-out.

The objective of an impact fee fund is to maintain a positive balance which can be achieved with debt financing, inter-fund loans, or by deferring projects until sufficient funds are amassed. The timings and amounts of proposed financings shown in this analysis are based on the projected growth rates for the Town. A number of factors outside the control of the Town, its Engineers or its consultants are likely to affect the actual rates of growth and they may vary significantly from the projections presented in this analysis. Such variations will affect the impact fees through changes in the timings of project construction, the years that bonds will be issued, or the need for bonds.

The Town's beginning fund balance has been factored into the impact fee to ensure that the Town does not end up with a balance in its impact fee fund at the end of planning period. The cash flow for the Culinary Water Utility Fund is shown in Appendix B.

CALCULATION OF THE IMPACT FEES

The impact fees proposed in this analysis have been calculated based upon the Capital Facilities Plan prepared by the Engineers for the Town and the demand units as determined by the Town staff. The accuracy and correctness of this report is contingent upon the accuracy of the data provided to LYRB. Any deviations or changes in the capital projects or other relevant information provided by the Town may cause this analysis to be outdated and require modifications. This Impact Fee Analysis accurately evaluates the capital project needs of the Town by calculating the appropriate impact fees required to adequately fund growth-related capital needs.

PROPOSED CULINARY WATER IMPACT FEES

The methodology used to calculate the impact fees takes into account the specific situation of the Town. The fee will take into account the current replacement value (less depreciation) of the existing system, including outstanding debt incurred by the Town to fund the facility, and will also include the future capital facilities that will expand the capacities.

The total costs of all collection improvements included in this impact fee analysis will be spread across an additional ERCs, which allows for the cost of serving existing development to be excluded from the cash flows and will ensure that future users are paying their fair share of the system expenses.

APPENDIX A – CAPITAL FACILITY PLAN

RATE STRUCTURE - Water

Capital Facilities Plan

Water System Improvements - Project Cost Summary

			Inflation increase since 2008															
			0%	3%	6%	9%	12%	15%	18%	21%	24%	27%	30%	33%	36%	39%	42%	45%
Project #	Item	Priority	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2121	2022	2023
1	Water Rights Acquisition	1	$ 2,941,000	$ 3,029,230	$ 3,117,460	$ 3,205,690	$ 3,293,920	$ 3,382,150	$ 3,470,380	$ 3,558,610	$ 3,646,840	$ 3,735,070	$ 3,823,300	$ 3,911,530	$ 3,999,760	$ 4,087,990	$ 4,176,220	$ 4,264,450
2	Development of Well with Transmission Line	1	$ 1,879,000	$ 1,935,370	$ 1,991,740	$ 2,048,110	$ 2,104,480	$ 2,160,850	$ 2,217,220	$ 2,273,590	$ 2,329,960	$ 2,386,330	$ 2,442,700	$ 2,499,070	$ 2,555,440	$ 2,611,810	$ 2,668,180	$ 2,724,550
3	Replace Redwood Tank with 1.5 MG Tank	1	$ 2,755,000	$ 2,837,650	$ 2,920,300	$ 3,002,950	$ 3,085,600	$ 3,168,250	$ 3,250,900	$ 3,333,550	$ 3,416,200	$ 3,498,850	$ 3,581,500	$ 3,664,150	$ 3,746,800	$ 3,829,450	$ 3,912,100	$ 3,994,750
4	Residential Flow Meters	1	$ 809,760	$ 834,053	$ 858,346	$ 882,638	$ 906,931	$ 931,224	$ 955,517	$ 979,810	$ 1,004,102	$ 1,028,395	$ 1,052,688	$ 1,076,981	$ 1,101,274	$ 1,125,566	$ 1,149,859	$ 1,174,152
5	New Spring Development	2	$ 511,884	$ 527,241	$ 542,597	$ 557,954	$ 573,310	$ 588,667	$ 604,023	$ 619,380	$ 634,736	$ 650,093	$ 665,449	$ 680,806	$ 696,162	$ 711,519	$ 726,875	$ 742,232
6	Pipeline from Town Hall to Snowshoe	3	$ 148,287	$ 152,736	$ 157,185	$ 161,633	$ 166,082	$ 170,530	$ 174,979	$ 179,428	$ 183,876	$ 188,325	$ 192,773	$ 197,222	$ 201,671	$ 206,119	$ 210,568	$ 215,017
7	SCADA Upgrade	3	$ 50,610	$ 52,128	$ 53,647	$ 55,165	$ 56,683	$ 58,202	$ 59,720	$ 61,238	$ 62,756	$ 64,275	$ 65,793	$ 67,311	$ 68,830	$ 70,348	$ 71,866	$ 73,385
8	Rue Jolley Tie in at Town Hall	3	$ 127,349	$ 131,170	$ 134,990	$ 138,811	$ 142,631	$ 146,452	$ 150,272	$ 154,093	$ 157,913	$ 161,734	$ 165,554	$ 169,374	$ 173,195	$ 177,015	$ 180,836	$ 184,656
9	Dedicated 6" Line from Town Hall Well to 1M gal tank	4	$ 230,276	$ 237,184	$ 244,092	$ 251,000	$ 257,909	$ 264,817	$ 271,725	$ 278,633	$ 285,542	$ 292,450	$ 299,358	$ 306,266	$ 313,175	$ 320,083	$ 326,991	$ 333,899
10	Chlorination Stations	5	$ 286,308	$ 294,897	$ 303,486	$ 312,076	$ 320,665	$ 329,254	$ 337,843	$ 346,433	$ 355,022	$ 363,611	$ 372,200	$ 380,790	$ 389,379	$ 397,968	$ 406,557	$ 415,147
11	Highway 143 Improvements Christy to Town Shop	5	$ 107,033	$ 110,244	$ 113,455	$ 116,666	$ 119,877	$ 123,088	$ 126,299	$ 129,510	$ 132,721	$ 135,932	$ 139,143	$ 142,354	$ 145,565	$ 148,776	$ 151,987	$ 155,198
12	Pinetree Water Improvements	5	$ 246,673	$ 254,073	$ 261,474	$ 268,874	$ 276,274	$ 283,674	$ 291,074	$ 298,474	$ 305,875	$ 313,275	$ 320,675	$ 328,075	$ 335,475	$ 342,876	$ 350,276	$ 357,676
		Totals	$ 2,518,180	$ 2,593,725	$ 2,669,271	$ 2,744,816	$ 2,820,362	$ 2,895,907	$ 2,971,452	$ 3,046,998	$ 3,122,543	$ 3,198,089	$ 3,273,634	$ 3,349,180	$ 3,424,725	$ 3,500,270	$ 3,575,816	$ 3,651,361

			Construction Year - Water						
Project #	Item	Priority	2008	2009	2010	2011	2012	2013	SUBTOTAL
1	Water Rights Acquisition	1		$ 3,029,230					$ 3,029,230
2	Development of Well with Transmission Line	1			$ 1,991,740				$ 1,991,740
3	Replace Redwood Tank with 1.5 MG Tank	1				$ 3,002,950			$ 3,002,950
4	Residential Flow Meters	1			$ 858,346				$ 858,346
5	New Spring Development	2					$ 573,310		$ 573,310
6	Pipeline from Town Hall to Snowshoe	3					$ 166,082		$ 166,082
7	SCADA Upgrade	3					$ 56,683		$ 56,683
8	Rue Jolley Tie in at Town Hall	3					$ 142,631		$ 142,631
9	Dedicated 6" Line from Town Hall Well to 1M gal tank	4						$ 264,817	$ 264,817
10	Chlorination Stations	5						$ 329,254	$ 329,254
11	Highway 143 Improvements (Snowflake Lane to Town Shop)	5						$ 123,088	$ 123,088
12	Pinetree Water Improvements	5						$ 283,674	$ 283,674
		Total	$ -	$ 3,029,230	$ 2,850,086	$ 3,002,950	$ 938,706	$ 1,000,833	$ 10,821,805

						Allocation - Water			
Project #	Item	Priority	YEAR	SUBTOTAL	ADDITIONAL SERVICEABLE ERC'S	New Growth %	New Growth	Existing %	Existing
1	Water Rights Acquisition	1	2009	$ 3,262,010	965	50%	$ 1,631,005	50%	$ 1,631,005
2	Development of Well with Transmission Line	1	2010	$ 1,991,740	900	50%	$ 995,870	50%	$ 995,870
3	Replace Redwood Tank with 1.5 MG Tank	1	2011	$ 3,002,950	3,000	80%	$ 2,402,360	20%	$ 600,590
4	Residential Flow Meters	1	2010	$ 858,346	255	20%	$ 171,669	80%	$ 686,676
5	New Spring Development	2	2012	$ 573,310	444	100%	$ 573,310	0%	$ -
6	Pipeline from Town Hall to Snowshoe	3	2012	$ 166,082	0	0%	$ -	100%	$ 166,082
7	SCADA Upgrade	3	2012	$ 56,683	0	0%	$ -	100%	$ 56,683
8	Rue Jolley Tie in at Town Hall	3	2012	$ 142,631	0	0%	$ -	100%	$ 142,631
9	Dedicated 6" Line from Town Hall Well to 1M gal tank	4	2013	$ 264,817	1,277	50%	$ 132,408	50%	$ 132,408
10	Chlorination Stations	5	2013	$ 329,254	319	25%	$ 82,314	75%	$ 246,941
11	Highway 143 Improvements (Snowflake Lane to Town Shop)	5	2013	$ 123,088	2,181	100%	$ 123,088	0%	$ -
12	Pinetree Water Improvements	5	2013	$ 225,473	0	0%	$ -	100%	$ 225,473
			Total	$ 10,996,383	-	39.6%	$ 6,112,024	60.4%	$ 4,884,359

Water Capital Improvement Project
Water Rights Acquisition

Project Summary:
It is the Town's goal is to supplement and eventually replace it's current Water Rights leases. It is projected that the Town will need to acquire 450 acre/feet of water rights to satisfy the water consumption needs of the residents and businesses. There is a need of 450 acre/feet of Water Rights is because it is split 50/50 between Future Growth and Replacement of Existing Water Rights. The Department of Environmental Quality and the Utah Division of Water Rights also have requested that the Town rid itself of the current leases and own its own water rights.

Project #1

#	Item	Quantity	Units	Unit Price	Totals
1	Water Rights Acquisition	400	ac/ft	$ 3,700	$ 1,480,000
2	Water Rights Contingency	1	LS	$ 935,000	$ 935,000
	Subtotal				$ 2,415,000
3	Contingency (8.5%)				$ 205,000
4	Engineering (7.0%)				$ 183,000
5	Administrative				$ 92,000
6	Legal				$ 46,000
	TOTAL				$ 2,941,000

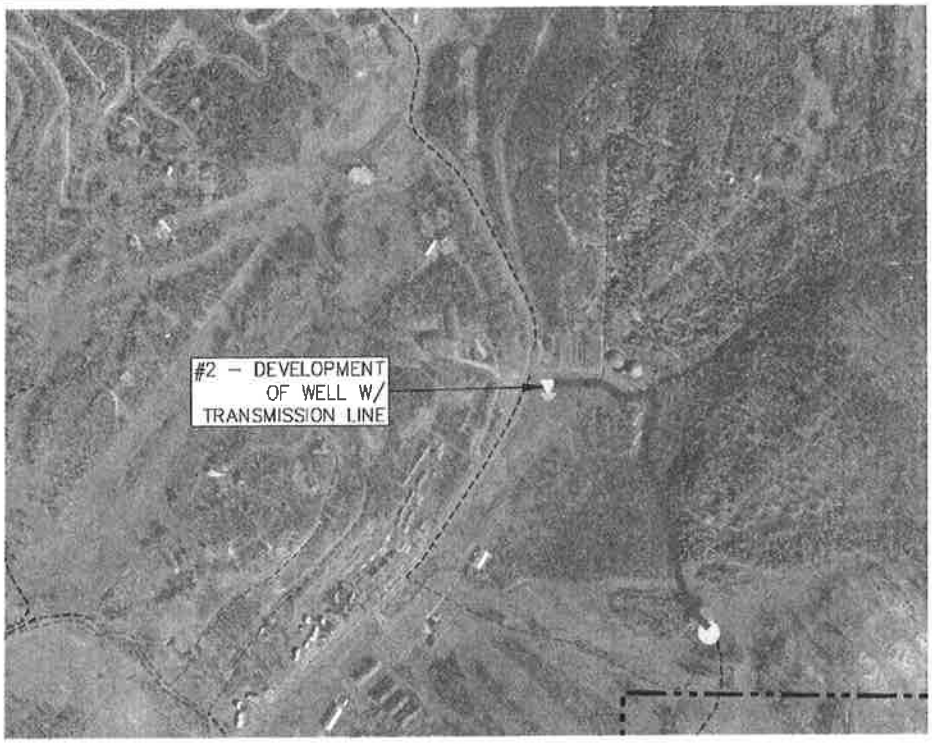
Note: Supplement/Replace leased water right 75-1514 and 75-1515. The idea is to replace all leased water rights with water rights owned by the Town of Brian Head. This also includes purchase of water rights for future growth.

Water Capital Improvement Project
Development of Well with Transmission Line

Project Summary:
In order to provide the Town with the needed water supply and to comply with State Regulations a new well with transmission line is proposed near the Town Hall Building. An exact location has not been identified at this time.

Project #2

#	Item	Quantity	Units	Unit Price	Totals
1	Property Acquisition	1	ls	$ 250,000.00	$ 250,000
2	Drill & Case Well (12" dia. X700 ft.)	700	lf	$ 450.00	$ 315,000
3	Pump, Pumphouse, & Assoc.	1	ls	$ 520,000.00	$ 520,000
4	12" Transmission Line	3800	lf	$ 55.00	$ 209,000
5	Telemetry System	1	ls	$ 40,000.00	$ 40,000
	Subtotal				$ 1,334,000
6	Contingency (8.7%)				$ 116,000
7	Engineering				$ 276,000
8	Administrative				$ 102,000
9	Legal				$ 51,000
	TOTAL				$ 1,879,000

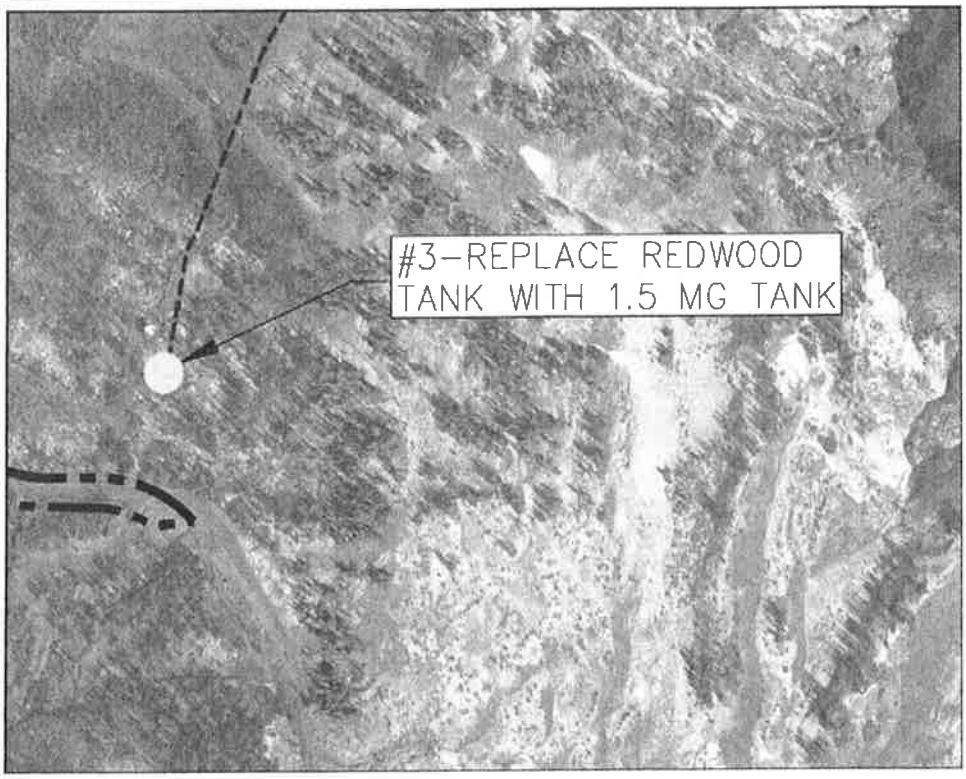


Water Capital Improvement Project
Replace Redwood Tank with 1.5 MG Tank

Project Summary:
This is an ongoing project where much of the design has been completed. Currently the Town is waiting for funding through the USDA to go through before submitting the project for bidding and construction.

Project #3

#	Item	Quantity	Units	Unit Price	Totals
1	Demolition of Redwood Tank	1	ls	$ 55,000.00	$ 55,000
2	Construction of 1.5 MG Tank	1500000	gal	$ 1.20	$ 1,800,000
3	Earthwork	10000	yd3	$ 8.00	$ 80,000
4	Site Piping	1	ls	$ 44,000.00	$ 44,000
	Subtotal				$ 1,979,000
5	Contingency (7.5%)				$ 148,000
6	Engineering				$ 404,000
7	Administrative				$ 149,000
8	Legal				$ 75,000
	TOTAL				$ 2,755,000



Water Capital Improvement Project
Residential Flow Meters

Project Summary:
Residential Flow meters are to be installed for each connection to better monitor the amount of water that is being used by the residents.

Project #4

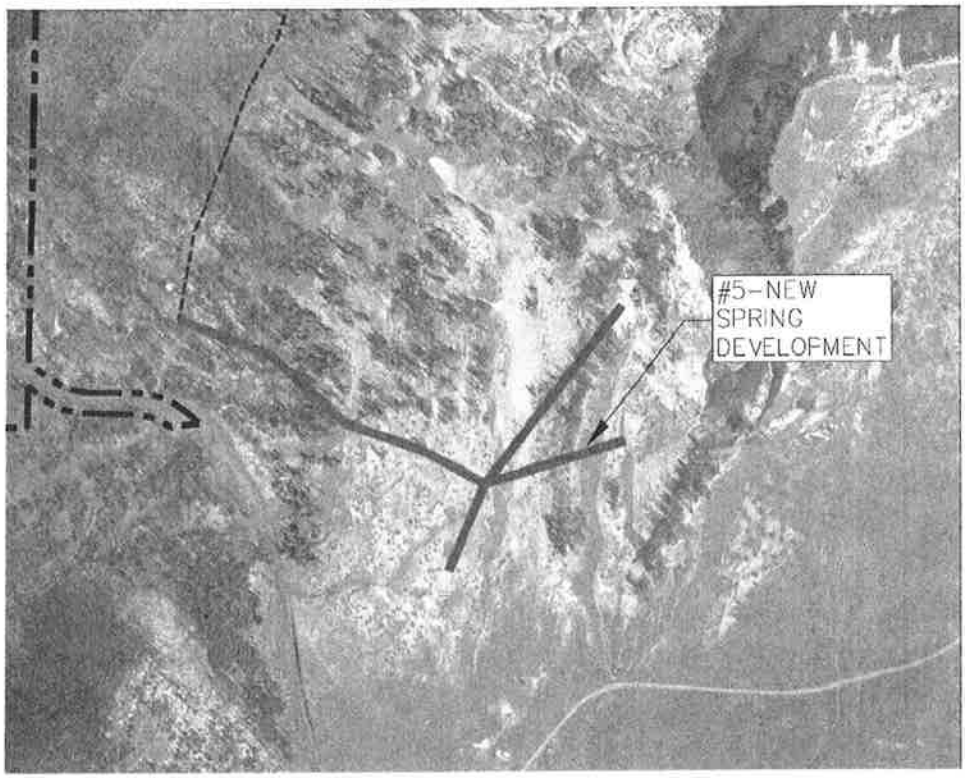
#	Item	Quantity	Units	Unit Price	Totals
1	Residential Flow Meters	1400	ea	$ 400.00	$ 560,000
	Subtotal				$ 560,000
2	Contingency (20%)				$ 112,000
3	Engineering				$ 67,200
4	Administrative				$ 47,040
5	Legal				$ 23,520
	TOTAL				$ 809,760

Water Capital Improvement Project
New Spring Development

Project Summary:
Additional spring water is available for development which would offset pump costs from wells.

Project #5

#	Item	Quantity	Units	Unit Price	Totals
1	Install New Perforated Pipe	3	ea	$ 31,500	$ 94,500
2	Install New Drain Rock	3	ea	$ 4,500	$ 13,500
3	Install Impervious Membrane	3	ea	$ 13,500	$ 40,500
4	Install New Fence	3	ea	$ 7,500	$ 22,500
5	Construct Perimeter Drainage	3	ea	$ 9,000	$ 27,000
6	12" Transmission Line	3	ea	$ 52,000	$ 156,000
	Subtotal				$ 354,000
7	Contingency (20%)				$ 70,800
8	Engineering				$ 42,480
9	Administrative				$ 29,736
10	Legal				$ 14,868
	TOTAL				$ 511,884

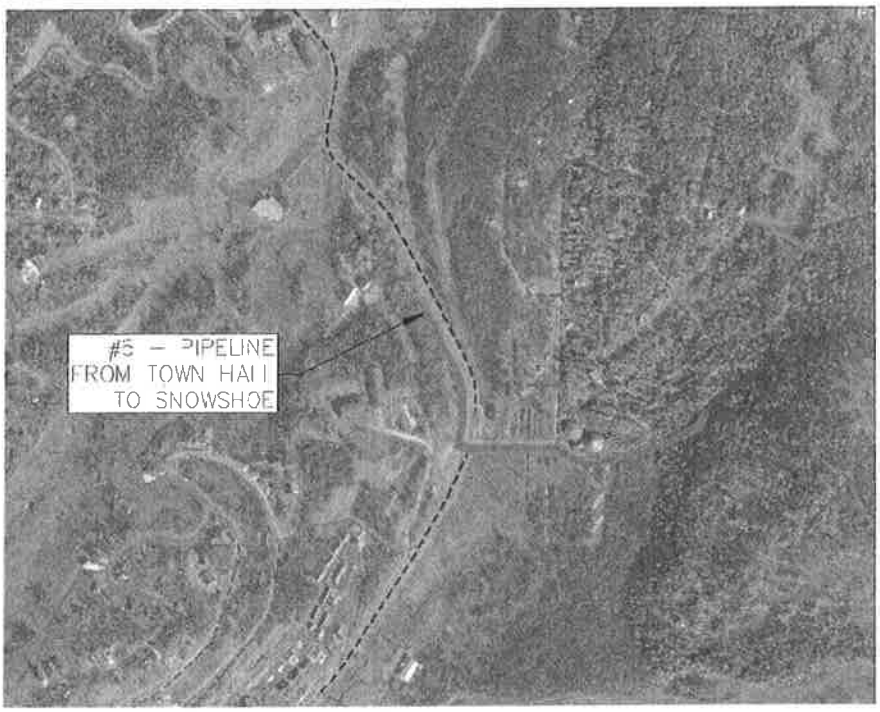


Water Capital Improvement Project
Pipeline from Town Hall to Snowshoe

Project Summary:
A new pipeline from the Town Hall to Snowshoe is to be constructed to loop the system to increase available fire flow and pressure through the system along with operational flexibility.

Project #6

#	Item	Quantity	Units	Unit Price	Totals
1	Install New 8" Water Line	1000	lf	$ 42	$ 42,000
2	Tie into existing system	2	ea	$ 2,750	$ 5,500
3	8" Gate Valves	5	ea	$ 1,750	$ 8,750
4	Install Fire Hydrants	3	ea	$ 4,500	$ 13,500
5	Asphalt Patch with Cut	400	sf	$ 7	$ 2,800
6	Bore and Jack	75	lf	$ 400	$ 30,000
	Subtotal				$ 102,550
7	Contingency (20%)				$ 20,510
8	Engineering				$ 12,306
9	Administrative				$ 8,614
10	Legal				$ 4,307
	TOTAL				$ 148,287



Water Capital Improvement Project
SCADA Upgrade

Project Summary:
In an effort to automate the Town water system the current SCADA system is to be upgraded. This will allow the Town to better monitor the water system as well as supply and appurtenances.

Project #7

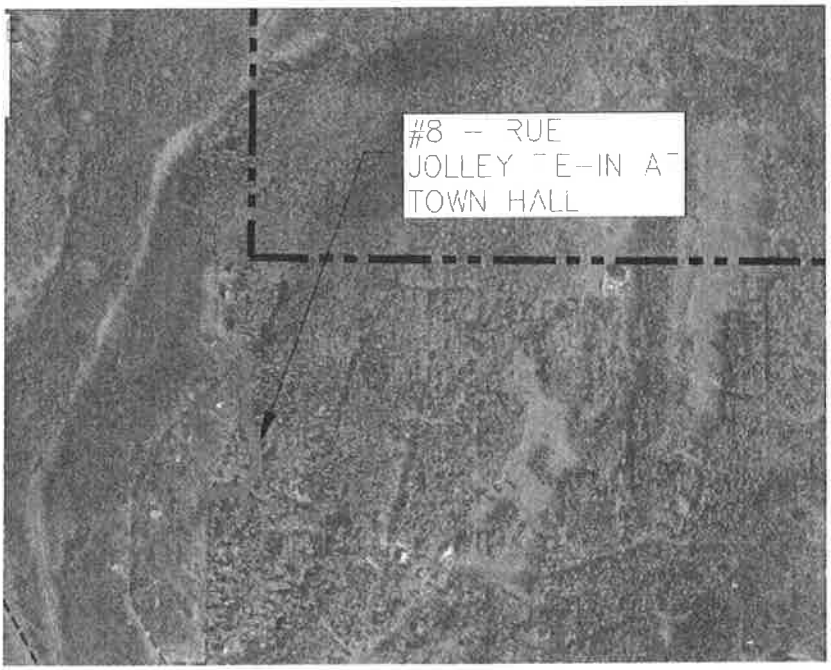
#	Item	Quantity	Units	Unit Price	Totals
1	SCADA Upgrades	1	LS	$ 35,000	$ 35,000
	Subtotal				$ 35,000
2	Contingency (20%)				$ 7,000
3	Engineering				$ 4,200
4	Administrative				$ 2,940
5	Legal				$ 1,470
	TOTAL				$ 50,610

Water Capital Improvement Project
Rue Jolley Tie-in at Town Hall

Project Summary:
It is proposed that the water line in Rue Jolley be connected to the existing piping at the Town Hall. This will connect long distribution lines by looping these lines to allow more consistent service pressures and increase fire flow capacity within this area along with operational flexibility.

Project #8

#	Item	Quantity	Units	Unit Price	Totals
1	Install New 8" Water Line	910	lf	$ 42	$ 38,220
2	Tie into existing system	2	ea	$ 2,750	$ 5,500
3	8" Gate Valves	2	ea	$ 1,750	$ 3,500
4	Install Fire Hydrants	2	ea	$ 4,500	$ 9,000
5	Asphalt Patch with Cut	4550	sf	$ 7	$ 31,850
	Subtotal				$ 88,070
6	Contingency (20%)				$ 17,614
7	Engineering				$ 10,568
8	Administrative				$ 7,398
9	Legal				$ 3,699
	TOTAL				$ 127,349

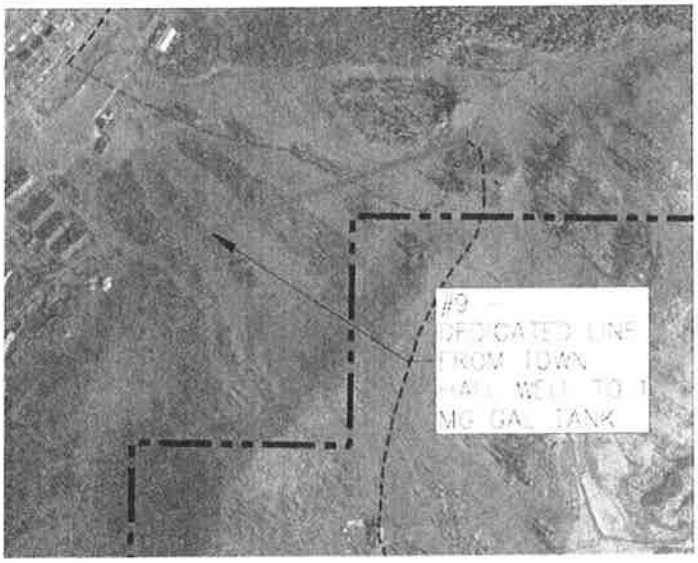


Water Capital Improvement Project
Dedicated line from Town Hall Well to 1M gal tank

Project Summary:
This 6" water line will allow water to be transported from Town Hall Well to the existing 1 MG tank for storage and distribution. This is very important if contact time for treatment (chlorine) is necessary in the future.

Project #9

#	Item	Quantity	Units	Unit Price	Totals
1	Install New 6" Water Line	3000	lf	$ 42	$ 126,000
2	Install Drains	2	ea	$ 3,250	$ 6,500
3	Tie into existing system	2	ea	$ 2,750	$ 5,500
4	6" Gate Valves	3	ea	$ 1,750	$ 5,250
5	Air Relief Valve Station	2	ea	$ 4,250	$ 8,500
6	Connect Fire Hydrants	3	ea	$ 2,500	$ 7,500
	Subtotal				$ 159,250
7	Contingency (20%)				$ 31,850
8	Engineering				$ 19,110
9	Administrative				$ 13,377
10	Legal				$ 6,689
	TOTAL				$ 230,276

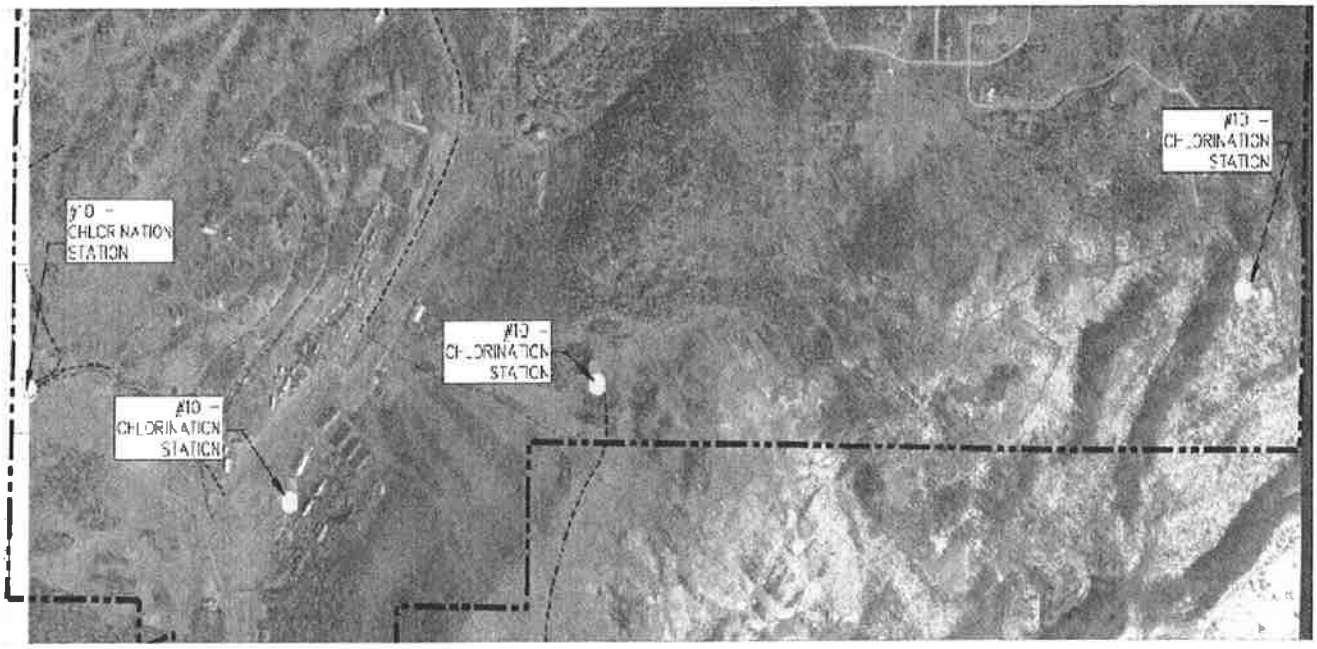


Water Capital Improvement Project
Chlorination Stations

Project Summary:
Four (4) Chlorination Stations are proposed so that the water system could be chlorinated if required to ensure safe drinking water.

Project #10

#	Item	Quantity	Units	Unit Price	Totals
1	Building	4	ls	$ 12,500	$ 50,000
2	Piping & Fittings Materials	4	ls	$ 9,500	$ 38,000
3	Building & Piping Erection	4	ls	$ 12,000	$ 48,000
4	Building Electrical	4	ls	$ 7,000	$ 28,000
5	Chlorination Equipment	4	ls	$ 8,500	$ 34,000
	Subtotal				$ 198,000
6	Contingency (20%)				$ 39,600
7	Engineering				$ 23,760
8	Administrative				$ 16,632
9	Legal				$ 8,316
	TOTAL				$ 286,308

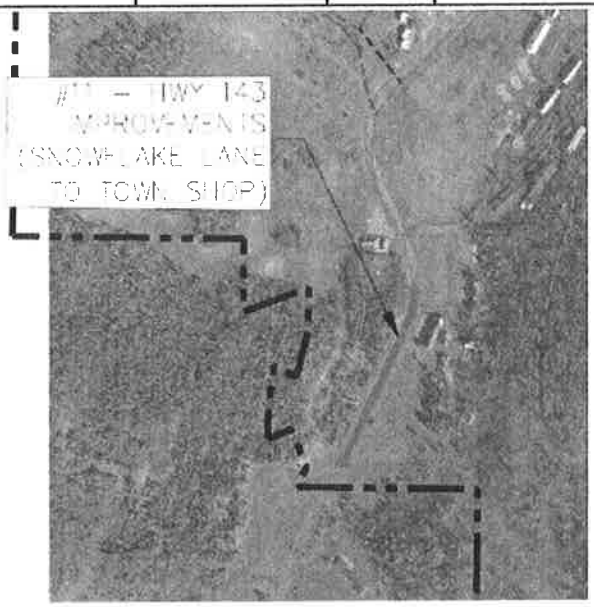


Water Capital Improvement Project
Highway 143 Improvements
Snowflake Lane to Town Shop

Project Summary:
It is proposed that the water line be improved from Snowflake Lane to the Town Shop. This will allow the system to be looped providing consistent system pressure and increase fire flow availability along with operational flexibility.

Project #11

#	Item	Quantity	Units	Unit Price	Totals
1	Install New 8" Water Line	1060	lf	$ 42	$ 44,520
2	Tie into existing system	2	ea	$ 2,750	$ 5,500
3	8" Gate Valves	2	ea	$ 1,750	$ 3,500
4	Install Fire Hydrants	3	ea	$ 4,500	$ 13,500
5	Asphalt Patch and Cut	1000	sf	$ 7	$ 7,000
	Subtotal				$ 74,020
6	Contingency (20%)				$ 14,804
7	Engineering				$ 8,882
8	Administrative				$ 6,218
9	Legal				$ 3,109
	TOTAL				$ 107,033



Water Capital Improvement Project
Pinetree Water Improvements

Project Summary:
It is proposed that the water line be improved in the Pinetree area and connected to the existing piping at Ridge View Drive. This will allow the system to be looped providing more consistent system pressure and increase fire flow availability along with operational flexibility.

Project #12

#	Item	Quantity	Units	Unit Price	Totals
1	Install New 8" Water Line	1520	lf	$ 42	$ 63,840
2	Tie into existing system	3	ea	$ 2,750	$ 8,250
3	8" Gate Valves	6	ea	$ 1,750	$ 10,500
4	Install Fire Hydrants	4	ea	$ 4,500	$ 18,000
5	Asphalt Patch and Cut	5000	sf	$ 7	$ 35,000
6	Pressure Reducing Station	1	ea	$ 35,000	$ 35,000
	Subtotal				$ 170,590
6	Contingency (20%)				$ 34,118
7	Engineering				$ 20,471
8	Administrative				$ 14,330
9	Legal				$ 7,165
	TOTAL				$ 246,673

APPENDIX B – IMPACT FEE CALCULATIONS

TABLE B.1: CASH FLOW ANALYSIS (SCENARIO ONE)
TABLE B.2: CASH FLOW ANALYSIS (SCENARIO TWO)
TABLE B.3: WATER SYSTEM IMPROVEMENTS – PROJECT COSTS
TABLE B.4: WATER ERC GROWTH PROJECTIONS
TABLE B.5: WATER IMPACT FEE CALCULATION (SCENARIO ONE)
TABLE B.6: WATER IMPACT FEE CALCULATION (SCENARIO TWO)

89,821	119,166	[illegible]	72,778	170,932	276,567	157,357	163,652	170,198	[illegible]	184,086	191,449	199,107	207,071	215,354	223,968	[illegible]	242,244
21,041	48,301	[illegible]	36,247	70,674	119,000	73,501	76,441	79,499	[illegible]	85,986	89,425	93,002	96,722	100,591	104,615	[illegible]	113,151
25,747	11,135	15,108	22,233	53,744	36,750	38,220	39,749	41,339	42,992	44,712	46,500	48,360	50,295	52,307	54,399	56,575	58,838
257	501	390	2,917	4,824	8,400	8,736	9,085	9,449	9,827	10,220	10,629	11,054	11,496	11,956	12,434	12,931	13,449
1,714	4,222	7,482	29,032	102,848	3,000	3,120	3,245	3,375	3,510	3,650	3,796	3,948	4,106	4,270	4,441	4,618	4,803
19,476	21,300	14,761	18,882	27,148	28,500	29,640	30,826	32,059	33,341	34,675	36,062	37,504	39,004	40,564	42,187	43,874	45,629
7,859	3,062	45,562	56,339	102,996	104,375	108,550	112,892	117,408	122,104	126,988	132,068	137,350	142,844	148,558	154,500	160,681	167,108
12,933	21,630	8,485	66,780	18,891	30,000	31,200	32,448	33,746	35,096	36,500	37,960	39,478	41,057	42,699	44,407	46,184	48,031
135,027	125,683	123,263	121,802	121,802	121,802	126,674	131,741	137,011	142,491	148,191	154,118	160,283	166,694	173,362	180,297	187,509	195,009
313,875	355,000	312,221	427,010	673,859	728,394	576,998	600,078	624,081	649,045	675,006	702,007	730,087	759,290	789,662	821,248	854,098	888,262
235,611	244,432	282,771	243,827	207,498	193,960	373,026	378,447	383,800	389,073	394,255	399,332	404,292	409,120	413,801	418,318	422,655	426,794
12,519	13,928	8,474	26,299	24,642	24,000	23,730	133,093	68,336	28,857	20,027	9,555	19,032	29,046	37,832	47,692	57,825	68,580
52,950	58,245	112,254	275,340	120,726	129,198	181,812	285,704	294,362	309,686	311,677	337,651	273,006	299,804	299,804	299,804	299,804	299,804
65,469	72,173	120,728	301,639	145,368	153,198	205,541	418,798	362,698	338,543	331,704	347,206	292,038	328,850	337,636	347,496	357,629	368,384
135,027	125,683	123,263	121,802	121,802	121,802	126,674	131,741	137,011	142,491	148,191	154,118	160,283	166,694	173,362	180,297	187,509	195,009
436,107	442,288	526,762	667,268	474,668	468,960	705,242	928,986	883,509	870,107	874,150	900,656	856,614	904,664	924,799	946,111	967,792	990,187
4,277	4,495	4,725	4,967	5,221	5,488	5,769	6,064	6,375	6,701	7,044	7,404	7,783	8,181	8,599	2,055		
4,723	4,505	4,275	4,033	3,779	3,511	3,231	2,936	2,625	2,299	1,956	1,596	1,217	819	400	38		
9,000	9,000	9,000	9,000	9,000	8,999	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000	8,999	2,093		
40,000	41,000	43,000	45,000	46,000	48,000	50,000	52,000	54,000	57,000								
19,040	17,440	15,800	14,080	12,280	10,440	8,520	6,520	4,440	2,280								
59,040	58,440	58,800	59,080	58,280	58,440	58,520	58,520	58,440	59,280								
		125,000	115,000	120,000	120,000	125,000	130,000	135,000	140,000	145,000	150,000	155,000	160,000	170,000	175,000	185,000	
		106,095	76,525	73,575	69,975	66,300	62,475	58,163	53,350	48,000	42,100	36,000	29,700	22,250	13,625	4,625	
		231,095	191,525	193,575	189,975	191,300	192,475	193,163	193,350	193,000	192,100	191,000	189,700	192,250	188,625	189,625	
							37,442	38,800	40,206	41,664	43,174	44,739	46,361	48,041	49,783	51,587	53,458
						66,410	107,440	106,083	104,676	103,219	101,709	100,144	98,522	96,841	95,100	93,295	91,425
						66,410	144,883	144,883	144,883	144,883	144,883	144,883	144,883	144,883	144,883	144,883	144,883
26,320								-	-	-	-	-	-	-	-	-	-
107,199								-	-	-	-	-	-	-	-	-	-
133,519								-	-	-	-	-	-	-	-	-	-
201,559	67,440	298,895	259,605	260,855	257,414	325,230	404,878	405,485	406,513	346,883	345,983	344,883	343,583	346,132	335,601	334,508	144,883
2.16	6.56	1.76	2.57	1.82	1.82	2.17	2.29	2.18	2.14	2.52	2.60	2.48	2.63	2.67	2.82	2.89	6.83
1.90	5.69	1.39	1.51	1.36	1.32	1.61	1.59	1.45	1.38	1.62	1.63	1.69	1.76	1.81	1.93	2.00	4.77
234,548	374,848	227,867	407,663	213,813	211,546	380,012	524,108	478,023	463,595	527,267	554,674	511,731	561,082	578,668	610,510	633,285	845,304
					3,000,000												
					2,400,000												
					595,000												
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	1,802,000	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	2,048,110	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	2,920,300	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	30,000	50,000	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	573,310	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	55,165	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	146,452	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	257,909	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	329,254	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	123,088	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	283,674	-	-	-	-	-	-	-	-
										148,191	154,118	160,283	166,694	173,362	180,297	187,509	195,009
434,161	559,688	-	-	-	1,832,000	2,970,300	2,103,275	831,219	882,468	148,191	154,118	160,283	166,694	173,362	180,297	187,509	195,009
(502,600)	(246,923)	(160,682)	54,992														
1,339,508	637,295	205,532	272,717	735,372	949,185	5,323,731	2,733,442	1,154,276	801,081	382,207	761,284	1,161,839	1,513,287	1,907,675	2,312,980	2,743,194	3,188,970
637,295	205,532	272,717	735,372	949,185	5,323,731	2,733,442	1,154,276	801,081	382,207	761,284	1,161,839	1,513,287	1,907,675	2,312,980	2,743,194	3,188,970	3,839,265
									36.8%	71.2%							
									10%	10%							

Assumptions

					0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.0
549,486	599,432	04,992	670,837	881,357	922,354	950,025	978,525	1,007,881	1,038	1,069,261	1,101,339	1,134,379	1,168,410	1,203,463	1,239,567	1,276,75	1,315,056	1,354,
89,821	119,166	61,923	72,778	170,932	276,567	157,357	163,652	170,198	177,006	184,086	191,449	199,107	207,071	215,354	223,968	232,927	242,244	251,
21,041	48,301	31,247	36,247	70,674	119,000	73,501	76,441	79,499	82,679	85,986	89,425	93,002	96,722	100,591	104,615	108,799	113,151	117,
25,747	11,135	19,108	22,233	53,744	36,750	38,220	39,749	41,339	42,992	44,712	46,500	48,360	50,295	52,307	54,399	56,575	58,838	61,
257	501	390	2,917	4,824	8,400	8,736	9,085	9,449	9,827	10,220	10,629	11,054	11,496	11,956	12,434	12,931	13,449	13,
1,714	4,222	7,482	29,032	102,848	3,000	3,120	3,245	3,375	3,510	3,650	3,796	3,948	4,106	4,270	4,441	4,618	4,803	4,
19,476	21,300	14,761	18,882	27,148	28,500	29,640	30,826	32,059	33,341	34,675	36,062	37,504	39,004	40,564	42,187	43,874	45,629	47,
7,859	3,062	45,562	56,339	102,996	104,375	108,550	112,892	117,408	122,104	126,988	132,068	137,350	142,844	148,558	154,500	160,681	167,108	173,
12,933	21,630	8,485	66,780	18,891	30,000	31,200	32,448	33,746	35,096	36,500	37,960	39,478	41,057	42,699	44,407	46,184	48,031	49,
135,027	125,683	123,263	121,802	121,802	121,802	126,674	131,741	137,011	142,491	148,191	154,118	160,283	166,694	173,362	180,297	187,509	195,009	202,
313,875	355,000	312,221	427,010	673,859	728,394	576,998	600,078	624,081	649,045	675,006	702,007	730,087	759,290	789,662	821,248	854,098	888,262	923,
235,611	244,432	282,771	243,827	207,498	193,960	373,026	378,447	383,800	389,073	394,255	399,332	404,292	409,120	413,801	418,318	422,655	426,794	430,
12,519	13,928	8,474	26,299	24,642	24,000	23,730	136,843	74,678	36,286	28,732	19,781	30,839	42,843	52,737	64,136	75,836	88,197	100,
52,950	58,245	112,254	275,340	120,726	129,198	285,473	448,600	462,194	486,255	489,382	530,164	428,662	470,739	470,739	470,739	470,739	470,739	470,
65,469	72,173	120,728	301,639	145,368	153,198	309,202	585,443	536,872	522,541	518,113	549,945	459,502	513,582	523,476	534,875	546,575	558,936	571,
135,027	125,683	123,263	121,802	121,802	121,802	126,674	131,741	137,011	142,491	148,191	154,118	160,283	166,694	173,362	180,297	187,509	195,009	202,
436,107	442,288	526,762	667,268	474,668	468,960	808,903	1,095,631	1,057,682	1,054,105	1,060,559	1,103,395	1,024,077	1,089,396	1,110,639	1,133,490	1,156,739	1,180,739	1,205,
4,277	4,495	4,725	4,967	5,221	5,488	5,769	6,064	6,375	6,701	7,044	7,404	7,783	8,181	8,599	2,055			
4,723	4,505	4,275	4,033	3,779	3,511	3,231	2,936	2,625	2,299	1,956	1,596	1,217	819	400	38			
9,000	9,000	9,000	9,000	9,000	8,999	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000	8,999	2,093			
40,000	41,000	43,000	45,000	46,000	48,000	50,000	52,000	54,000	57,000									
19,040	17,440	15,800	14,080	12,280	10,440	8,520	6,520	4,440	2,280									
59,040	58,440	58,800	59,080	58,280	58,440	58,520	58,520	58,440	59,280									
		125,000	115,000	120,000	120,000	125,000	130,000	135,000	140,000	145,000	150,000	155,000	160,000	170,000	175,000	185,000		
		106,095	76,525	73,575	69,975	66,300	62,475	58,163	53,350	48,000	42,100	36,000	29,700	22,250	13,625	4,625		
		231,095	191,525	193,575	189,975	191,300	192,475	193,163	193,350	193,000	192,100	191,000	189,700	192,250	188,625	189,625		
							69,268	71,779	74,381	77,078	79,872	82,767	85,767	88,877	92,098	95,437	98,896	102,
						66,410	198,764	196,253	193,651	190,955	188,161	185,266	182,265	179,156	175,934	172,596	169,136	165,
						66,410	268,033	268,033	268,033	268,033	268,033	268,033	268,033	268,033	268,033	268,033	268,033	268,
26,320								-	-	-	-	-	-	-	-	-	-	
107,199								-	-	-	-	-	-	-	-	-	-	
133,519								-	-	-	-	-	-	-	-	-	-	
201,559	67,440	298,895	259,605	260,855	257,414	325,230	528,028	528,635	529,663	470,033	469,133	468,033	466,733	469,282	458,751	457,658	268,033	268,
2.16	6.56	1.76	2.57	1.82	1.82	2.49	2.07	2.00	1.99	2.26	2.35	2.19	2.33	2.37	2.47	2.53	4.41	4
1.90	5.69	1.39	1.51	1.36	1.32	1.61	1.23	1.13	1.07	1.22	1.22	1.27	1.33	1.36	1.44	1.50	2.65	2
234,548	374,848	227,867	407,663	213,813	211,546	483,673	567,604	529,047	524,442	590,526	634,262	556,044	622,663	641,357	674,739	699,081	912,706	937,
					5,550,000													
					595,000													
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
-	-	-	-	-	1,802,000	-	-	-	-	-	-	-	-	-	-	-	-	
-	-	-	-	-	-	-	2,048,110	-	-	-	-	-	-	-	-	-	-	
-	-	-	-	-	-	2,920,300	-	-	-	-	-	-	-	-	-	-	-	
-	-	-	-	-	30,000	50,000	-	-	-	-	-	-	-	-	-	-	-	
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
-	-	-	-	-	-	-	-	573,310	-	-	-	-	-	-	-	-	-	
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
-	-	-	-	-	-	-	55,165	-	-	-	-	-	-	-	-	-	-	
-	-	-	-	-	-	-	-	-	146,452	-	-	-	-	-	-	-	-	
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
-	-	-	-	-	-	-	-	257,909	-	-	-	-	-	-	-	-	-	
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
-	-	-	-	-	-	-	-	-	329,254	-	-	-	-	-	-	-	-	
-	-	-	-	-	-	-	-	-	123,088	-	-	-	-	-	-	-	-	
-	-	-	-	-	-	-	-	-	283,674	-	-	-	-	-	-	-	-	
										148,191	154,118	160,283	166,694	173,362	180,297	187,509	195,009	202,
434,161	559,688	-	-	-	1,832,000	2,970,300	2,103,275	831,219	882,468	148,191	154,118	160,283	166,694	173,362	180,297	187,509	195,009	202,
(502,600)	(246,923)	(160,682)	54,992															
1,339,508	637,295	205,532	272,717	735,372	949,185	5,473,731	2,987,103	1,451,432	1,149,260	791,235	1,233,570	1,713,714	2,109,475	2,565,444	3,033,439	3,527,881	4,039,453	4,757,
637,295	205,532	272,717	735,372	949,185	5,473,731	2,987,103	1,451,432	1,149,260	791,235	1,233,570	1,713,714	2,109,475	2,565,444	3,033,439	3,527,881	4,039,453	4,757,150	5,491,
									76.2%	115.4%								
									10%	10%								
									66.2%	105.4%								

Assumptions	
Expenditure Growth (2009 on)	4.0%
Series 2009 Rate	3.625%

1	$ 1,802,000	$ 1,802,000	$ 1,910,120	$ 1,964,180	$ 2,018,240	$ 2,072,300	$ 2,126,360	$ 2,180,420	$ 2,234,480	$ 2,288,540	$ 2,342,600	$ 2,396,660	$ 2,450,720	$ 2,504,780	$ 2,558,840	$ 2,61
1	$ 3,000	$ 1,935,370	$ 1,991,740	$ 2,048,110	$ 2,104,480	$ 2,160,850	$ 2,217,220	2,273,590	$ 2,329,960	$ 2,386,330	$ 2,442,700	$ 2,499,070	$ 2,555,440	$ 2,611,	2,668,180	$ 2,72
1	$ [illegible],55,000	$ 2,837,650	$ 2,920,300	$ 3,002,950	$ 3,085,600	$ 3,168,250	$ 3,250,900	3,333,550	$ 3,416,200	$ 3,498,850	$ 3,581,500	$ 3,664,150	$ 3,746,800	$ 3,829,45[illegible]	$ 3,912,100	$ 3,99
1	$ 809,760	$ 834,053	$ 858,346	$ 882,638	$ 906,931	$ 931,224	$ 955,517	$ 979,810	$ 1,004,102	$ 1,028,395	$ 1,052,688	$ 1,076,981	$ 1,101,274	$ 1,125,566	$ 1,149,859	$ 1,17
3	$ 511,884	$ 527,241	$ 542,597	$ 557,954	$ 573,310	$ 588,667	$ 604,023	$ 619,380	$ 634,736	$ 650,093	$ 665,449	$ 680,806	$ 696,162	$ 711,519	$ 726,875	$ 74
3	$ 148,287	$ 152,736	$ 157,185	$ 161,633	$ 166,082	$ 170,530	$ 174,979	$ 179,428	$ 183,876	$ 188,325	$ 192,773	$ 197,222	$ 201,671	$ 206,119	$ 210,568	$ 21
3	$ 50,610	$ 52,128	$ 53,647	$ 55,165	$ 56,683	$ 58,202	$ 59,720	$ 61,238	$ 62,756	$ 64,275	$ 65,793	$ 67,311	$ 68,830	$ 70,348	$ 71,866	$ 7
3	$ 127,349	$ 131,170	$ 134,990	$ 138,811	$ 142,631	$ 146,452	$ 150,272	$ 154,093	$ 157,913	$ 161,734	$ 165,554	$ 169,374	$ 173,195	$ 177,015	$ 180,836	$ 18
4	$ 230,276	$ 237,184	$ 244,092	$ 251,000	$ 257,909	$ 264,817	$ 271,725	$ 278,633	$ 285,542	$ 292,450	$ 299,358	$ 306,266	$ 313,175	$ 320,083	$ 326,991	$ 33
5	$ 286,308	$ 294,897	$ 303,486	$ 312,076	$ 320,665	$ 329,254	$ 337,843	$ 346,433	$ 355,022	$ 363,611	$ 372,200	$ 380,790	$ 389,379	$ 397,968	$ 406,557	$ 41
5	$ 107,033	$ 110,244	$ 113,455	$ 116,666	$ 119,877	$ 123,088	$ 126,299	$ 129,510	$ 132,721	$ 135,932	$ 139,143	$ 142,354	$ 145,565	$ 148,776	$ 151,987	$ 15
5	$ 246,673	$ 254,073	$ 261,473	$ 268,874	$ 276,274	$ 283,674	$ 291,074	$ 298,474	$ 305,875	$ 313,275	$ 320,675	$ 328,075	$ 335,475	$ 342,875	$ 350,276	$ 35
	$ 8,954,180	**$ 9,168,745**	**$ 9,491,431**	**$ 9,760,056**	**$ 10,028,682**	**$ 10,297,307**	**$ 10,565,932**	**$ 10,834,558**	**$ 11,103,183**	**$ 11,371,809**	**$ 11,640,434**	**$ 11,909,059**	**$ 12,177,685**	**$ 12,446,310**	**$ 12,714,936**	**$ 12,98**

Construction Year

Priority	2008	2009	2010	2011	2012	2013	SUBTOTAL	New Growth	Existing	
1		**$ 1,802,000**					$ 1,802,000	100%	0%	Source
1				**$ 2,048,110**			$ 2,048,110	50%	50%	Source
1			**$ 2,920,300**				$ 2,920,300	80%	20%	Storage
1		**$ 30,000**	**$ 50,000**				$ 80,000	0%	100%	Transmission
3					**$ 573,310**		$ 573,310	100%	0%	Source
3							$ -	0%	100%	Transmission
3				$ 55,165			$ 55,165	0%	100%	Transmission
3						**$ 146,452**	$ 146,452	0%	100%	Transmission
4					**$ 257,909**		$ 257,909	0%	100%	Transmission
5						**$ 329,254**	$ 329,254	0%	100%	Source
5						**$ 123,088**	$ 123,088	0%	100%	Transmission
5						**$ 283,674**	$ 283,674	0%	100%	Transmission
Total	**$ -**	**$ 1,832,000**	**$ 2,970,300**	**$ 2,103,275**	**$ 831,219**	**$ 882,468**	**$ 8,619,261**			

Weighted Proportions

	New Growth	Existing		New Growth	Existing
Source	3,399,365.08	1,353,309.20	4,752,674.28	72%	
Storage	2,336,240.00	584,060.00	2,920,300.00	80%	
Transmission	-	946,286.87	946,286.87	0%	
	5,735,605.08	2,883,656.07	8,619,261.15		

Allocated to Growth

Priority	2008	2009	2010	2011	2012	2013	SUBTOTAL
1	$ -	$ 1,802,000	$ -	$ -	$ -	$ -	$ 1,802,000
1	$ -	$ -	$ -	$ 1,024,055	$ -	$ -	$ 1,024,055
1	$ -	$ -	$ 2,336,240	$ -	$ -	$ -	$ 2,336,240
1	$ -	$ -	$ -	$ -	$ -	$ -	$ -
3	$ -	$ -	$ -	$ -	$ 573,310	$ -	$ 573,310
3	$ -	$ -	$ -	$ -	$ -	$ -	$ -
3	$ -	$ -	$ -	$ -	$ -	$ -	$ -
3	$ -	$ -	$ -	$ -	$ -	$ -	$ -
4	$ -	$ -	$ -	$ -	$ -	$ -	$ -
5	$ -	$ -	$ -	$ -	$ -	$ -	$ -
5	$ -	$ -	$ -	$ -	$ -	$ -	$ -
5	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Total	**$ -**	**$ 1,802,000**	**$ 2,336,240**	**$ 1,024,055**	**$ 573,310**	**$ -**	**$ 5,735,605**

66.5%

Allocated to Existing Users

Priority	2008	2009	2010	2011	2012	2013	SUBTOTAL
1	$ -	$ -	$ -	$ -	$ -	$ -	$ -
1	$ -	$ -	$ -	$ 1,024,055	$ -	$ -	$ 1,024,055
1	$ -	$ -	$ 584,060	$ -	$ -	$ -	$ 584,060
1	$ -	$ 30,000	$ 50,000	$ -	$ -	$ -	$ 80,000
3	$ -	$ -	$ -	$ -	$ -	$ -	$ -
3	$ -	$ -	$ -	$ -	$ -	$ -	$ -
3	$ -	$ -	$ -	$ 55,165	$ -	$ -	$ 55,165
3	$ -	$ -	$ -	$ -	$ -	$ 146,452	$ 146,452
4	$ -	$ -	$ -	$ -	$ 257,909	$ -	$ 257,909

TABLE B.4
BRIAN HEAD TOWN
' & Sewer Connections and Equivalent Residential Connections (ERCs)

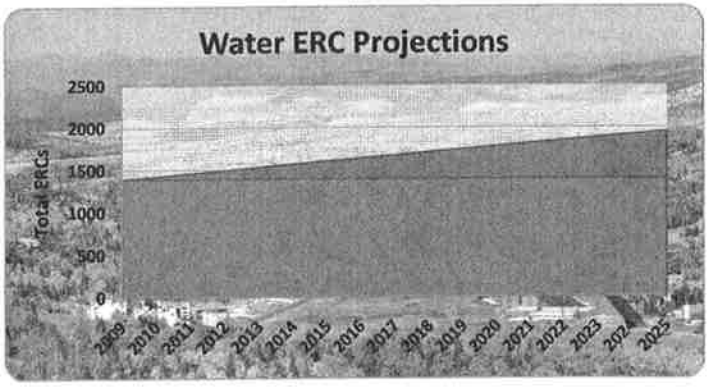
Water Connections	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Totals
Condo	1003	999	1031	1049	1061	1076	1093	1108	1125	1144	1159	1175	1192	1208	1225	1241	1258	1274	1291	1307	1324	
Hotels	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	
Restaurant	7	8	8	8	8	8	8	9	9	9	9	9	9	9	9	9	9	9	9	9	9	
Office	26	22	23	24	24	25	25	26	26	26	26	26	26	26	26	26	26	26	26	26	26	
Retail	19	21	21	20	21	21	21	21	21	21	21	21	21	21	21	21	21	21	21	21	21	
Cabin	155	182	199	213	221	238	255	273	292	312	329	347	365	383	401	419	438	456	474	492	510	
Construction			2	1																		
County																						
Total	1261	1283	1333	1365	1386	1419	1453	1488	1524	1563	1595	1629	1664	1698	1733	1768	1802	1837	1872	1906	1941	
Net New		22	50	32	21	33	34	35	36	39	32	35	35	35	35	35	35	35	35	35	35	576

Sewer Connections	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Totals
Condo	1003	999	1006	1049	1061	1076	1093	1108	1125	1144	1159	1175	1192	1208	1225	1241	1258	1274	1291	1307	1324	
Hotels	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	
Restaurant	7	8	8	8	8	8	8	9	9	9	9	9	9	9	9	9	9	9	9	9	9	
Office	26	22	23	24	24	25	25	26	26	26	26	26	26	26	26	26	26	26	26	26	26	
Retail	19	21	21	20	21	21	21	21	21	21	21	21	21	21	21	21	21	21	21	21	21	
Cabin	114	133	159	171	177	190	204	218	234	250	263	277	292	306	321	336	350	365	379	394	408	
County				5																		
Total	1220	1234	1268	1328	1342	1371	1402	1433	1466	1501	1529	1560	1591	1622	1653	1684	1715	1746	1777	1808	1839	
Net New		14	34	60	14	30	31	31	32	35	28	31	31	31	31	31	31	31	31	31	31	511

Water ERCs	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Totals
Condo	1003	999	1031	1049	1061	1076	1093	1108	1125	1144	1159	1175	1192	1208	1225	1241	1258	1274	1291	1307	1324	
Hotels	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	
Restaurant	12	14	14	14	14	14	14	16	16	16	16	16	16	16	16	16	16	16	16	16	16	
Office	26	22	23	24	24	25	25	26	26	26	26	26	26	26	26	26	26	26	26	26	26	
[illegible]	19	21	21	20	21	21	21	21	21	21	21	21	21	21	21	21	21	21	21	21	21	
[illegible]	155	182	199	213	221	238	255	273	292	312	329	347	365	383	401	419	438	456	474	492	510	
Construction	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
County	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Total	1266	1289	1339	1371	1392	1425	1459	1495	1531	1570	1601	1636	1671	1705	1740	1775	1809	1844	1878	1913	1948	
Net New		22.77	50	32	21	33	34	35.77	36	39	32	35	35	35	35	35	35	35	35	35	35	577
					1392	1392	1392	1392	1392	1392	1392	1392	1392	1392	1392	1392	1392	1392	1392	1392	1392	

Sewer ERCs	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Totals
Condo	1003	999	1006	1049	1061	1076	1093	1108	1125	1144	1159	1175	1192	1208	1225	1241	1258	1274	1291	1307	1324	
Hotels	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	51	
Restaurant	12	14	14	14	14	14	14	16	16	16	16	16	16	16	16	16	16	16	16	16	16	
Office	26	22	23	24	24	25	25	26	26	26	26	26	26	26	26	26	26	26	26	26	26	
Retail	19	21	21	20	21	21	21	21	21	21	21	21	21	21	21	21	21	21	21	21	21	
Cabin	114	133	159	171	177	190	204	218	234	250	263	277	292	306	321	336	350	365	379	394	408	
County	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Total	1225	1240	1274	1329	1348	1378	1408	1440	1473	1508	1536	1567	1598	1629	1660	1691	1722	1753	1784	1815	1846	
Net New		14.77	34	55	19	30	31	32	32	35	28	31	31	31	31	31	31	31	31	31	31	517

Assumptions	
ERC RATIOS	
Condo	1
Hotels	1
Restaurant	1.77
Office	1
Retail	1
Cabin	1



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LEWIS YOUNG ROBERTSON & BURNINGHAM, INC.
INVESTMENT BANKERS

Projectio
User Rate Calculation 1.27.(

BRIAN HEAD

BRIAN HEAD TC I
WATER IMPACT FEE CALCULATION
Scenario 1: USDA 55% Loan; 45% Grant

Water Projects	Total Costs	% Related to Growth	Growth Related Costs	Growth Related ERCs	Cost per ERC
Water Projects					
Storage Capacity Projects (1.5MG Tank)	$ 2,920,300	80.00%	$ 2,336,240	3,000	$ 778.75
Source Capacity Projects (Water Rights)	1,802,000	100.00%	1,802,000	965	1,867.36
Source Capacity Projects (Well)	2,048,110	50.00%	1,024,055	900	1,137.84
Source Capacity Projects (Spring Development)	573,310	100.00%	573,310	444	1,291.24
Transmission Capacity Projects (Lines, etc)	946,287	0.00%	-	0	-
Series 2009 Bond Proceeds	(3,000,000)	87.63%	(2,628,956)	1,686	(1,559.44)
Series 2009 Bond Debt Service	12,029,247	87.63%	10,541,455	1,686	6,252.95
Buy-in (Current Debt)	2,681,854	25.00%	670,463	1,686	397.70
Impact Fee Funds on Hand Dedicated to Water Rights	(595,000)	100.00%	(595,000)	965	(616.58)
Grant Proceeds	(2,400,000)	66.50%	(1,596,000)	1,686	(946.71)
TOTALS:	**$ 17,006,108**		**$ 12,127,567**		**$ 8,603.11**
Miscellaneous Fee					
Engineering and Impact Fee Analysis Update	$ 92,130	100.00%	$ 92,130	1,686	$ 54.60
TOTALS:	**$ 17,098,238**		**$ 12,219,698**		**$ 8,657.71**

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INVESTMENT BANKERS

Water Imp Fee
User Rate Calculation 1.27.09

BRIAN HEAD

charges that cities may impose in the land development process. Each jurisdiction may have a different name or slightly different connotation for a fee depending on the emphasis of review in the jurisdiction on new development. Does the jurisdiction have "greenfields" or "brownfields" available for development? Is "infill" development viable? Are there historic structures that require sensitivity from surrounding development? Has the jurisdiction been blessed with reputable developers or shoddy ones? What are the transportation opportunities and challenges for the jurisdiction? What are the utilities capacities and service constraints? Is a diversified tax base a concern?

Development fees include permit application fees in each service area (planning, building, utility service, engineering, etc.); inspection fees (building, utilities, subdivision infrastructure, and exaction construction); hook up or connection fees; and impact fees. Some jurisdictions charge fees "in lieu" of exactions. However, jurisdictions must be cautious that a fee "in lieu" of an exaction is not illegal:

1. An illegal impact fee is a fee that is a charge for infrastructure cost recovery that is not allowed under the impact fees act.
2. An illegal fee is a fee sought to evade the statutory process for enacting impact fees.
3. An illegal fee is a fee that violates the constitutional standards for exactions (essential nexus between the impact of the development on city services and the fee imposed, and it is roughly equivalent to the proportionate cost of the impact on the municipality).

The legislature has addressed building permit fees by adopting the International Building Code (IBC) fee structure and by prohibiting the IBC fee on essentially identical plans. For example, in a subdivision with 200 homes but only 10 varieties of home plans, the jurisdiction may charge 10 separate IBC building plan review fees for the 200 homes, with only a nominal charge to confirm that the remaining 190 plans comport to one of the 10 model plans.

The legislature has further limited a building's "plan review" fees from other city departments to "the lesser of" the actual cost of review or 65 percent of the building permit fee.

The remaining development or development review fees must not exceed cost recovery (direct and indirect) for the service. One concern for policy makers is that some development review processes may be redundant or repetitive, leading to excessive fee charges. The legislature has authorized and encouraged cities to streamline their planning processes, which should lead to a reduction in the cost of development.

Impact Fees

Impact fees are a one-time charge imposed to mitigate the cost of new growth. The fees are used to pay for the average cost of the public facilities infrastructure that is needed for a new development. And the new facilities should not compromise or enhance the existing level of service for current residents.

Impact fees have been used by many jurisdictions in Utah for over 30 years. In the early years, impact fees were regulated by federal and state case law, interpreting the "takings clause" of the federal and state constitutions. In 1995, legislation specifically governing impact fees was passed, partly in response to the following scenarios:

1. One jurisdiction attempted to impose impact fees for school facilities.
2. A widespread belief that jurisdictions had not adequately analyzed the specific impacts of growth in their specific jurisdiction.
3. The practice of concealing impact fees in "hookup," plan check, or building inspection fees that were actually revenue generating fees, rather than simple cost recovery fees.

In 1995 there was a highly contentious battle over impact fees between Utah's cities and the development community. The legislation ultimately passed was unacceptable to Utah's cities who then successfully convinced Governor Leavitt to veto the bill. In response the Governor convened a "blue ribbon" panel to develop a mutually acceptable impact fee bill. This compromise was adopted during a special session as the 1995 Impact Fees Act.

Since the passage of the 1995 Impact Fees Act, local jurisdictions in Utah have had the authority to impose impact fees for eight specific infrastructure types: water, wastewater,

storm water, public power, public safety (police and fire buildings and qualifying fire trucks), roads, parks, and endangered species habitat (desert tortoise). They have no authority to impose impact fees for any other type of infrastructure. To impose impact fees, a jurisdiction must adhere to a specific notice process, must develop an impact fee analysis that follows the specific statutory guidelines, and must certify that the analysis and the proposed fee conforms in all respects with the Impact Fees Act.

While most jurisdictions defer to professionals (engineers, financial analysts, planning firms) to prepare their impact fee analyses, the process that the professionals use is prescribed by state statute. The Impact Fees Act requires that each analysis include the following imperatives:

1. Estimate projected growth over the planning horizon for producing infrastructure (usually 6 to 10 years).
2. Assess the existing level of service for each applicable qualifying public facility.
3. Determine the excess capacity for each type of qualifying public facility for which an impact will be imposed, without raising or lowering the existing level of service, to existing residents for each facility
4. For each type of qualifying public facility, estimate the actual municipal cost incurred (if any) of all capital improvements needed to accommodate the projected growth (no more than 10 years). No municipality may include in the analysis the cost of public facilities that will be donated or financed by other revenue sources such as state or federal grants.
5. Explore potential dedicated and mitigating funding sources for the capital projects, and subtract the value of the dedicated funding from the infrastructure cost associated with growth.
6. Establish a gross impact fee for each type of public facility (actual unmitigated infrastructure-based cost of growth divided by the projected growth).
7. Adjust the gross fee to reflect the community's decision to impose the full cost of the growth on development, or adjust the gross fee to incentivize growth by imposing an impact fee that is somewhat less (50 percent, 60 percent, 70 percent, 80 percent, etc.) than full cost recovery.
8. Allow for fee adjustments for developer offsets.

Since the passage of the 1995 Impact Fees Act, local jurisdictions in Utah have had the authority to impose impact fees for eight specific infrastructure types: water, wastewater, storm water, public power, public safety, roads, parks, and endangered species habitat.

In high growth periods (over 3-4 percent annual growth) impact fees are an excellent method to finance infrastructure required to accommodate growth. They eliminate "free riders," ensure that the facilities are in place to accommodate growth, and, at least with respect to residential growth, are an important component of a strategy to accommodate growth, while keeping property taxes low for both existing and new-coming residents. Impact fees are less valuable during periods of slow growth because impact fees must be spent on the infrastructure within the impact fee analysis. Most of the infrastructure in an impact fee analysis constitutes "lumpy" projects that require a large sum of money to purchase. Without a steady stream of impact fees, the jurisdiction will be confronted with a *Hobson's* choice: 1) either supplement the impact fees with general fund revenues, or 2) refund unspent impact fees. Impact fees that are not spent (on forecast projects) within six years of collection must be refunded to the fee payer, with interest.

A community's reliance on impact fees varies significantly. Obviously, communities that are experiencing little new growth generate little impact-fee revenue. It isn't surprising that cities in the high-growth cluster (10 communities that grew by over 150 percent since 2000) generate the most impact-fee revenue. Impact-fee revenue for these cities is twice that of any other community as a percent of total city revenue. Other communities who rely on a higher percentage of impact-fee revenue in their budget are high income, residential transitioning, and traditional agriculture communities (see Figure 6.3). All of these cities and towns have experienced consistent growth since 2000.

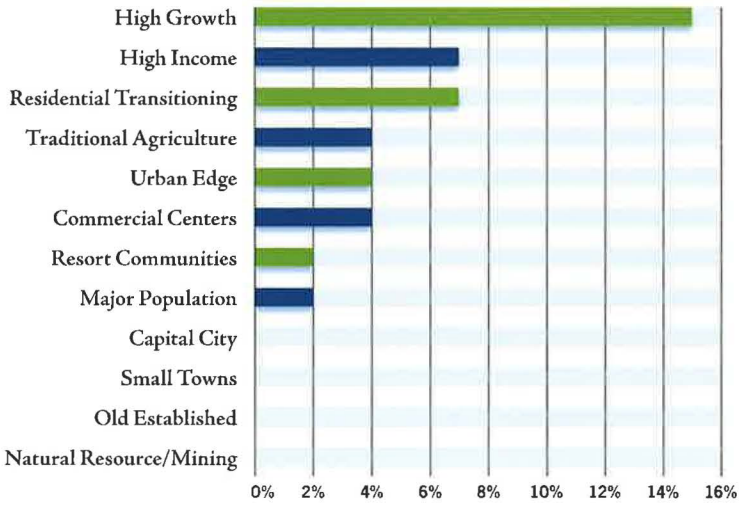
6-5 | Public Perception of Fees

Typically, fees have been a popular source of revenue for state and local governments. There is a strong sentiment that individuals directly benefiting from a specific service or those who create a demand for specific infrastructure should pay an associated fee. There are a number of survey examples that indicate the popularity of fees. In 2005, ULCT's Dan Jones & Associates (DJA) statewide survey asked "If another tax or fee [in addition to the gas tax] is used for road maintenance should it be..." Thirty-nine percent of respondents answered that the tax should be the vehicle registration fee, and 35 percent answered that it should be paid through an impact fee on new development. Seventy-four percent of Utahns answered that they would rather pay a fee than have to pay increased property, sales, or other taxes to fund road projects.

Another DJA survey asks residents to respond if they would approve or disapprove of paying a fee for [a list of services] provided by their local government. Of each service listed, including fire service and libraries, the majority of respondents said that they would approve of a fee (see Table 6.2). Most of these services are likely to never have a fee charge applied (imagine someone having to pay a fee before a firefighter responds to a fire in their home). However, this data specifically indicates the popularity of fees (see Table 6.2).

Impact fees, while often controversial and not popular with the development community, are one example of a popular public fee. Opponents of impact fees often argue that these fees increase the purchase price of a new home. However, if there were no impact fees to fund the infrastructure required to make vacant land developable, the cost to an individual

Figure 6.3 Impact Fee Revenue by City Cluster, as a Percent of Total Revenue



Source: ULCT Analysis, FY 2006

Table 6.2 Which Services Should Charge a Fee?

A number of services can be provided by charging a fee for service rather than using tax revenue. Please tell me whether you approve or disapprove of your city/town having a fee for service on each of the following:

Service	Approve	Disapprove
Sewer Service	71%	26%
Fire Service	68%	30%
Water Service	65%	31%
Ambulance	65%	32%
Libraries	64%	34%
Recreation Programs	60%	35%
Neighborhood Parks	56%	40%
Pedestrian/Bike Trails	51%	45%

Source: Dan Jones & Associates Statewide Survey, 2005, ±4% margin of error