

Impact Fees Analysis Rate Analysis

Clearfield City

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Utah Code Requirements

- Impact Fees Act is found in Utah Code §11-36a
- Impact Fee Facilities Plan
 - Must identify existing and proposed service levels
 - Must identify any excess capacity in system (“system” improvements only)
 - Show demand created by new development and how demand will be met (i.e., consumption of excess capacity and facilities needed)
 - Identify facilities and cost for 6 to 10-year time period (funds must be spent within 6 years)
 - Discuss funding options
- Impact Fee Analysis
 - Proportionate share analysis
 - “Buy-In” excess capacity component
 - New facilities required
 - Other costs – engineering, financial, fund balances
 - Financing and credits

Current and Proposed Impact Fees

	Current	Proposed Maximum
(per ERU/ESU)		
Culinary Water	\$3,822	\$254.13
Sewer	\$2,072	\$613.13
Storm Water	\$1,432	\$64.81

Growth Projections – ERUs and ESUs

Water/Sewer Growth

Growth in ERCs

1-6 Years

1,394

7-12 Years

2,352

13+ Years

1,118

Storm Water Growth

Growth in ESUs

1-6 Years

1,716

7-12 Years

3,082

13+ Years

1,365

Culinary Water – Excess Capacity

Buy-In Costs	Amount
Water Storage	\$163,183
Cost per ERC	\$32.67
Water Rights	\$5,034,356
Cost per ERC	\$319.04

Culinary Water – Excess Capacity

Water New Construction Projects	Amount
Cost of new projects 2016-2022, impact fee eligible	\$335,460
ERC Growth 1-6 Years	1,394
Cost per ERC	\$240.65

Culinary Water – Summary of Gross Fee

Category	Amount
Water Storage - Buy-In	\$32.67
Water Rights Buy-In	\$319.04
Water New Construction Projects	\$240.65
Consultant Costs – Water	\$14.42
Impact Fee Fund Balance	(\$318.48)
TOTAL Fee per ERC	\$288.30

Culinary Water – Summary

Year	ERCs	Total Bond Payments	Credit per ERC	Maximum Impact Fee
2016	16,195	\$553,446	\$34.17	\$254.13
2017	16,427	\$552,446	\$33.63	\$254.67
2018	16,659	\$551,046	\$33.08	\$255.22
2019	16,891	\$549,246	\$32.52	\$255.78
2020	17,123	\$552,046	\$32.24	\$256.06
2021	17,355	\$219,246	\$12.63	\$275.67
2022	17,747	\$74,818	\$4.22	\$284.08
2023	18,139	\$74,818	\$4.12	\$284.18
2024	18,531	\$74,818	\$4.04	\$284.26
2025	18,923	\$74,818	\$3.95	\$284.35

Sewer – Maximum Gross Fee

Description	Amount
Buy-In Cost	\$495.93
New Construction	\$113.65
Consultant Costs	\$14.42
Impact Fee Fund Balance Credit	(\$0.00)
TOTAL	\$624.00

Sewer – Summary

Year	ERCs	Bond Payments	Credit per ERC	Maximum Impact Fee
2016	16,195	\$176,012	\$10.87	\$613.13
2017	16,427	\$176,012	\$10.71	\$613.28
2018	16,659	\$176,012	\$10.57	\$613.43
2019	16,891	\$176,012	\$10.42	\$613.58
2020	17,123	\$176,012	\$10.28	\$613.72
2021	17,355	\$176,012	\$10.14	\$613.86
2022	17,747	\$67,691	\$3.81	\$620.18
2023	18,139	\$67,691	\$3.73	\$620.27
2024	18,531	\$67,691	\$3.65	\$620.35
2025	18,923	\$67,691	\$3.58	\$620.42

Storm Water – Gross Fee

Description	Amount
New Construction	\$90.99
Consultant costs	\$11.71
Impact Fee Fund Balance Credit	(\$36.38)
TOTAL	\$66.32

Storm Water - Summary

Year	ERCs	Bond Payment	Credit per ERC	Maximum Impact Fee
2016	16,195	\$25,275	\$1.51	\$64.81
2017	16,427	\$25,275	\$1.48	\$64.84
2018	16,659	\$25,275	\$1.46	\$64.86
2019	16,891	\$25,275	\$1.43	\$64.89
2020	17,123	\$25,275	\$1.41	\$64.91
2021	17,355	\$25,275	\$1.39	\$64.93
2022	17,747			\$64.93
2023	18,139			\$64.93
2024	18,531			\$64.93
2025	18,923			\$64.93

RATES

- Increased operating costs by 2-3% per year
- Budgeted \$100,000 per year for repair and replacement
- Goal for cash balances: 275 days (lower than 150 days will negatively impact bond ratings)

Sewer Rates – Current Structure

Category	Fee per Month
Residential Base - SF	\$11.66
Commercial Base	\$13.92
Residential Base - MF	\$8.17
Consumption per 1,000 gallons (commercial only)	\$0.65

Sewer Rates – Proposed Changes

- Increase single-family residential and commercial base rates by two percent per year
- Increase multi-family residential by five percent the first year; by three percent per year thereafter
 - Multi-family base rate is currently 70 percent of single-family rate
 - Multi-family average household size is 88 percent of average single-family size
 - Rate changes brings multi-family rate to 78 percent of single-family rate by 2025
- No changes to consumption rate
- No bonds proposed

Sewer Rates – Proposed Structure

	FY 17	FY 18	FY 19	FY 20	FY 21	FY 22	FY 23	FY 24	FY 25
Residential Base - SF	\$11.89	\$12.13	\$12.37	\$12.62	\$12.87	\$13.13	\$13.39	\$13.66	\$13.93
Commercial Base	\$14.20	\$14.48	\$14.77	\$15.07	\$15.37	\$15.68	\$15.99	\$16.31	\$16.64
Residential Base - MF	\$8.58	\$9.01	\$9.28	\$9.56	\$9.84	\$10.14	\$10.44	\$10.76	\$11.08
Consumption per 1,000 gallons	\$0.65	\$0.65	\$0.65	\$0.65	\$0.65	\$0.65	\$0.65	\$0.65	\$0.65

Storm Water Rates – Current Structure

Fee per Residential ESU: \$4.89

Retention Percent	Monthly Fee per Commercial ESU
0%	\$4.89
20%	\$3.91
30%	\$3.42
50%	\$2.45

Storm Water Rates – Proposed Changes

- If NO bonds are issued, rates will need to increase significantly:
 - Rate needs to increase by 15 percent per year (i.e., increase from \$4.89 to \$14.96 by 2025)
- 2 scenarios presented:
 - Increase rates by 3% per year and issue a \$3.6M bond in 2021
 - Increase rates by 5% per year and issue a \$2.5M bond in 2021
- MOC Phase III construction in 2022 of \$1.2M; Freeport Industrial Parkway Pond Outfall of \$670,000; also 400 South and 100 N projects in that timeframe

Storm Water Rates – 3% Increase

	FY 17	FY 18	FY 19	FY 20	FY 21	FY 22	FY 23	FY 24	FY 25
Single-Family Fee per ESU	\$5.04	\$5.19	\$5.34	\$5.50	\$5.67	\$5.84	\$6.01	\$6.19	\$6.38
Commercial									
Retention Percent									
0%	\$5.04	\$5.19	\$5.34	\$5.50	\$5.67	\$5.84	\$6.01	\$6.19	\$6.38
20%	\$4.03	\$4.15	\$4.27	\$4.40	\$4.54	\$4.67	\$4.81	\$4.96	\$5.10
30%	\$3.53	\$3.63	\$3.74	\$3.85	\$3.97	\$4.09	\$4.21	\$4.34	\$4.47
50%	\$2.52	\$2.59	\$2.67	\$2.75	\$2.83	\$2.92	\$3.01	\$3.10	\$3.19

Storm Water Rates – 5% Increase

	FY 17	FY 18	FY 19	FY 20	FY 21	FY 22	FY 23	FY 24	FY 25
Single-Family Fee per ESU	\$5.13	\$5.39	\$5.66	\$5.94	\$6.24	\$6.55	\$6.88	\$7.22	\$7.59
Commercial									
Retention Percent									
0%	\$5.13	\$5.39	\$5.66	\$5.94	\$6.24	\$6.55	\$6.88	\$7.22	\$7.59
20%	\$4.11	\$4.31	\$4.53	\$4.76	\$4.99	\$5.24	\$5.50	\$5.78	\$6.07
30%	\$3.59	\$3.77	\$3.96	\$4.16	\$4.37	\$4.59	\$4.82	\$5.06	\$5.31
50%	\$2.57	\$2.70	\$2.83	\$2.97	\$3.12	\$3.28	\$3.44	\$3.61	\$3.79

Culinary Water Rates – Current Structure

Fee per Customer - Base per Month	Existing Base Rate	Existing Ratio Rates	Adjusted Ratio
SF Residential - 5/8"	\$11.89	1.00	1.00
Water - Commercial 3/4"	\$17.45	1.47	1.39
Water - Commercial 1" - 1 1/2"	\$81.64	6.87	2.78
Water - Commercial 2"	\$107.11	9.01	5.56
Water - Commercial 3"	\$272.77	22.94	17.78
Water - Commercial 4"	\$407.41	34.26	27.78
Water - Commercial 6"	\$536.31	45.11	55.56
MF Residential	\$12.86		

Culinary Water Rates – Current Structure

Yearly Total Usage - Residential		Usage (000's)	% of Total
1,000 to 10,000 gallons	\$0.91	471,326	56%
11,000 to 40,000 gallons	\$1.06	326,849	39%
41,000 to 60,000 gallons	\$1.21	33,212	4%
61,000 to 80,000 gallons	\$1.39	9,216	1%
81,000 or more gallons	\$1.54	8,139	1%
TOTAL		848,742	100%

Commercial rate is \$1.11 per 1,000 gallons

Multi-family residential does not pay for the first 7,000 gallons

Culinary Water Rates – Proposed Changes

- If NO bonds are issued, rate increases would have to be extremely high:
 - Rates increase between 4% per year and 18% per year depending on meter size
 - Residential base rate would increase 15% per year
- Therefore, proposed changes are for 3% per year for single-family residential, with issuance of a bond
- Percentage changes vary by water meter size
- No changes are recommended for water usage fees; tiers are appropriate
- Need to issue a \$5.5M bond in 2021 (Hill Air Force Tank and Transmission pipe has a cost of \$4.1M in 2021; MOC phase III in 2022 at a cost of \$1.2M)

Culinary Water Rates – Proposed Structure

	Adjusted Base Phased In	FY 16	FY 25
SF Residential - 5/8"	3.00%	\$11.89	\$15.51
Water - Commercial 3/4"	2.371%	\$17.45	\$21.55
Water - Commercial 1" - 1 1/2"	0.00%	\$81.64	\$81.64
Water - Commercial 2"	0.00%	\$107.11	\$107.11
Water - Commercial 3"	0.12282%	\$272.77	\$275.80
Water - Commercial 4"	0.62576%	\$407.41	\$430.94
Water - Commercial 6"	5.41%	\$536.31	\$861.88
MF Residential	3.00%	\$12.86	\$16.78

Summary of Rate Impacts

Single-Family Residential	Current	2017	2025	Increase per Month/Year. 2016-2025
Culinary Water Base Fee	\$11.89	\$12.25	\$15.51	\$3.62
Culinary Water Usage - 10,000 gals	\$9.10	\$9.10	\$9.10	\$0.00
Sewer	\$11.66	\$11.89	\$13.93	\$2.27
Storm Water*	\$4.89	\$5.04	\$6.38	\$1.49
TOTAL Monthly Bill	\$37.54	\$38.28	\$44.93	\$7.39
TOTAL Yearly Bill	\$450.48	\$459.32	\$539.15	\$88.67
*3% increase				