BRWCD

BEAR RIVER WATER CONSERVANCY DISTRICT

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BEAVER DAM WATER SYSTEM IMPACT FEE FACILITY PLAN AND IMPACT FEE ANALYSIS

(Hal Project No.: 091.34.100)

April 2012
(Revised)

HANSEN ALLEN & LUCE inc
ENGINEERS

BEAR RIVER WATER CONSERVANCY DISTRICT

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AND IMPACT FEE ANALYSIS

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CERTIFICATION OF IMPACT FEE FACILITY PLAN

I certify that, to the best of my knowledge, the attached impact fee facilities plan:

1. includes only the costs of public facilities that are:
    a. allowed under the Impact Fees Act; and
    b. actually incurred; or
    c. projected to be incurred or encumbered within six years after the day on which each impact fee is paid;
2. does not include:
    a. costs of operation and maintenance of public facilities;
    b. costs for qualifying public facilities that will raise the level of service for the facilities, through impact fees, above the level of service that is supported by existing residents;
    c. an expense for overhead, unless the expense is calculated pursuant to a methodology that is consistent with generally accepted cost accounting practices and the methodological standards set forth by the federal Office of Management and Budget for federal grant reimbursement; and
3. complies in each and every relevant respect with the Impact Fees Act.

Prepared by: _____
J. Lance Nielsen, P.E.

CERTIFICATION OF IMPACT FEE ANALYSIS

I certify that, to the best of my knowledge, the attached impact fee analysis:

1. includes only the costs of public facilities that are:
    a. allowed under the Impact Fees Act; and
    b. actually incurred; or
    c. projected to be incurred or encumbered within six years after the day on which each impact fee is paid;
2. does not include:
    a. costs of operation and maintenance of public facilities;
    b. costs for qualifying public facilities that will raise the level of service for the facilities, through impact fees, above the level of service that is supported by existing residents;
    c. an expense for overhead, unless the expense is calculated pursuant to a methodology that is consistent with generally accepted cost accounting practices and the methodological standards set forth by the federal Office of Management and Budget for federal grant reimbursement;
3. offsets costs with grants or other alternate sources of payment; and
4. complies in each and every relevant respect with the Impact Fees Act.

Prepared by: _____
J. Lance Nielsen, P.E.

EXECUTIVE SUMMARY

The Beaver Dam Water Company recently transferred ownership of a small water system serving 22 existing connections in the Beaver Dam community to Bear River Water Conservancy District (District). The existing system has extensive deficiencies that prevent the system from meeting minimum Utah Division of Drinking Water requirements for a public drinking water system. Funding was obtained from the Utah Drinking Water Board ($685,000 loan with principal forgiveness of $445,000) and the U.S. Army Corps of Engineers ($1,000,000 grant) to pay for the construction of a new drinking water system that would correct all of the deficiencies in the existing system and provide capacity for 30 additional connections.

The proposed new water system includes re-development of two existing springs, construction of a new pump station, a new water treatment building, a new water storage tank, new pipelines, new fire hydrants, and a new pressure reducing valve station. The total cost of the project was determined to be $1,690,000. It was determined that about 43% of this cost is attributable to existing connections with the remaining 57% of the cost for future connections.

A significant portion of the project ($1,445,000) will be paid for through funding that does not have to be repaid by either existing or future connections. Therefore, impact fees were calculated based on the remaining $245,000 of the project that will be paid for by existing and future connections. The portion of this amount that is attributable to future connections is $139,650 (57% of $245,000). Dividing this by the number of future connections (30) results in a final recommended impact fee of $4,655 per equivalent residential connection (ERC).

CHAPTER I

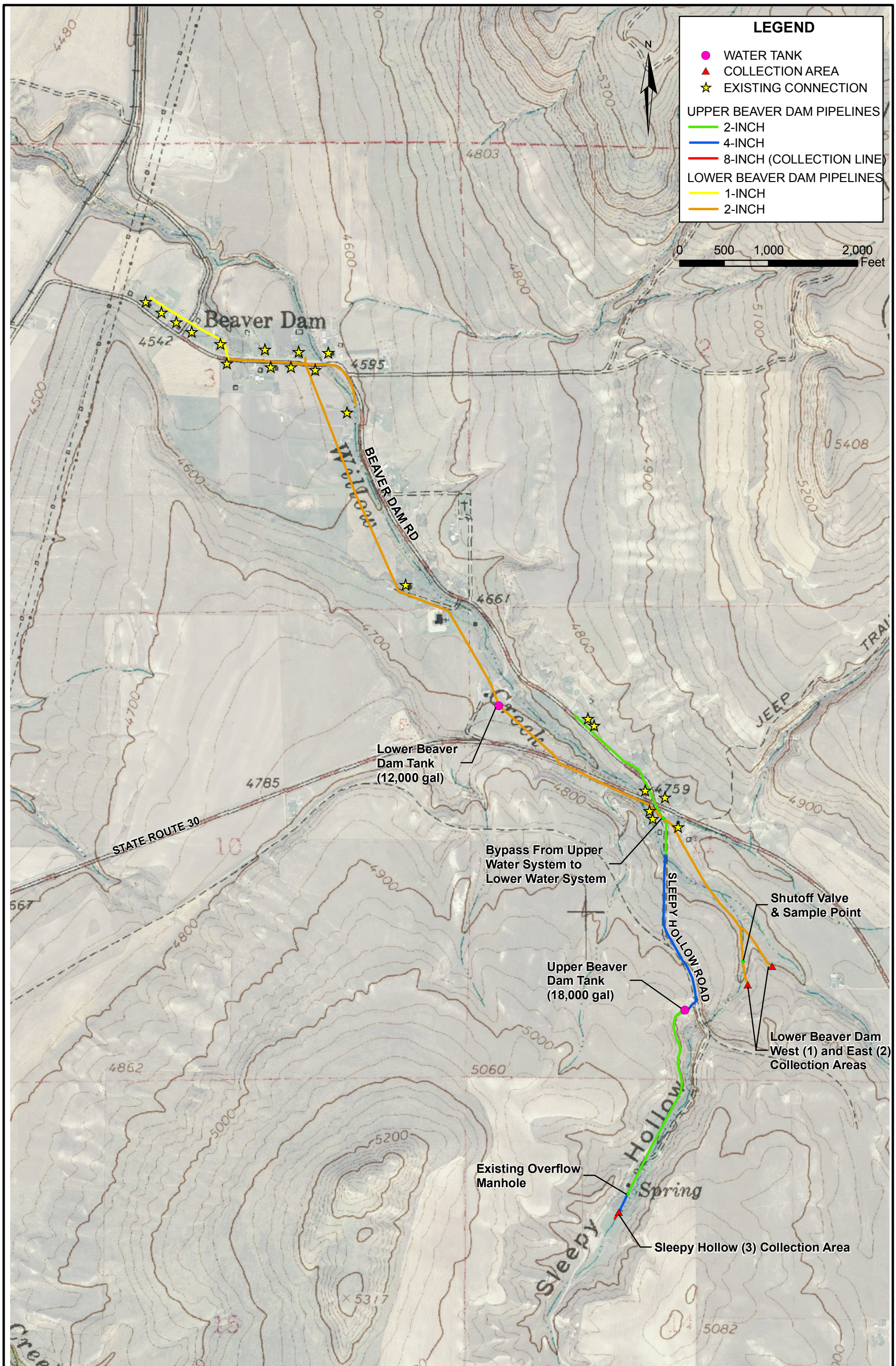
INTRODUCTION

In 1998, two private water systems joined to form the Beaver Dam Water Company (Company) in the Beaver Dam area of Box Elder County. The Company serves 22 existing shareholders with 21 existing connections along Beaver Dam Road and near the intersection of this road with Highway 30 (Hwy 30). Figure 1 shows the locations of the homes served by the Company along with the existing water system infrastructure.

In 2008, a Preliminary Engineering Report was completed to address alternatives for correcting extensive deficiencies in the water system to meet Utah Division of Drinking Water (DDW) standards. It was determined that the existing water systems are inadequate and that replacement of almost all the existing infrastructure was necessary. Subsequent to the 2008 report, the water system refined the selected alternatives and applied for funding from the Drinking Water Board (DWB) and the Army Corps of Engineers (ACE) to help pay for the identified improvements.

In 2010, the Company was awarded $1,000,000 in grant money from ACE and a $685,000 loan from DWB ($445,000 of this amount with principal forgiveness). However, due to federal requirements for the grant money awarded to the project, a public entity had to take financial responsibility for the project. Since the Company was privately owned, they asked Bear River Water Conservancy District (BRWCD) to take ownership of the water system in order to get the necessary funds to build the project.

The Company has completed the transfer of ownership of the water system and BRWCD recently completed the design of the new water system. The purpose of this report is to formally document the needed capital facilities for the project including the costs of these facilities, establish an impact fee for new connections to the water system after the project is completed, and establish water rates to maintain the on-going financial viability of the water system.



HANSEN ALLEN & LUCE inc ENGINEERS	BEAR RIVER WATER CONSERVANCY DISTRICT BEAVER DAM WATER SYSTEM IMPACT FEE FACILITY PLAN AND ANALYSIS	EXISTING DRINKING WATER SYSTEM	FIGURE 1

CHAPTER II

IMPACT FEE FACILITY PLAN

EXISTING SYSTEM DEFICIENCIES

Inspections of the existing water system revealed deficiencies in the existing sources, storage tanks, and distribution system. Source concerns include the lack of spring development drawings, deep rooted vegetation in the spring collection areas, ponding, lack of impervious soil cover, lack of spring boxes, and arsenic concentrations above the current maximum contaminant level (MCL) of 10 parts per billion (ppb) during most of the year. During spring runoff, the arsenic concentrations drop below 10 ppb. The storage tanks were found to show signs of leakage and had insufficient volume for the number of connections. Distribution system piping is too small for the number of connections, is very old, and is located across private land with no easements.

EXISTING SOURCES

Lower Beaver Dam Springs consists of two spring locations as shown on Figure 1. Both of these points of diversion are currently being used by the water system. The flow rates of the Lower Beaver Dam springs were monitored monthly during 2007 and 2008. The flow in these springs stayed fairly consistent with a mean flow of 42 gpm and a range of 34 gpm to 46 gpm.

Sleepy Hollow Springs consists of four spring locations within or near the LDS Church's Earley Park Camp. Currently, only one of the spring locations is being used in the water system. Flow in this spring was also monitored on a monthly basis during 2007 and 2008. The mean flow in this spring was 22 gpm with a range of 13 gpm to 36 gpm.

Because 2007 was a low precipitation water year, it is believed that the flows measured during this time period for the Lower Beaver Dam and Sleepy Hollow springs may be on the low end of the long term flow range. In better water years, these springs likely produce significantly higher flow rates. For the purposes of this report, the recommended combined yield of these springs is 60 gpm.

Micro-particulate analysis (MPA) tests were performed on the Sleepy Hollow Springs and the Lower Beaver Dam East and West Springs to determine their potential for influence by surface water. The Sleepy Hollow Spring showed a very low potential for surface water influence. However, the Lower Beaver Dam Springs showed a moderate potential for surface water influence. This is likely a result of inadequate development of the springs. In order to correct this problem, the Lower Beaver Dam Springs will need to be redeveloped.

WATER RIGHTS SUMMARY

Table II-1 summarizes the water rights for the Beaver Dam water system which have been transferred to Bear River Water Conservancy District. The listed water right uses represent the evaluated sole supply assigned to these rights based on individual meetings with each of the owners of supplemental water rights. The District has submitted a change application that converts the water rights listed in Table II-1 to municipal use with flow limitations of 0.654 cfs and 37.222 ac-ft/yr. Based on a typical municipal pattern of use, the peak day demand for an annual volume usage of 37.222 ac-ft/yr is between 50 and 60 gpm.

TABLE II-1
WATER RIGHTS SUMMARY

WATER SYSTEM AND SOURCE	WATER RIGHT #	WATER RIGHT USES			ANNUAL VOLUME (AC-FT)	WATER RIGHT FLOW (CFS)
		DOMESTIC (EDUs)	IRRIGATION (ACRES)	STOCKWATERING (ELUs)		
Lower Beaver Dam Springs	29-693	13	3.7	30	21.49	0.5
Sleepy Hollow Springs	29-1518 29-1519 29-1520 29-1521 29-1522 29-1665 29-4491	6	2.6	94	15.732	0.154
TOTALS:		**19**	**6.3**	**124**	**37.222**	**0.654**

Note: EDU=equivalent domestic unit; ELU=equivalent livestock unit; AC-FT=acre-feet; CFS=cubic feet per second

EXISTING AND POTENTIAL FUTURE CONNECTIONS

An equivalent residential connection (ERC) is the amount of water used by a typical residential connection to the water system. For the Beaver Dam water system, all existing connections are residential. However, if non-residential connections are added to the system in the future, each non-residential connection would be assigned a number of ERCs based on the quantity of water used compared to a typical residence. Currently, there are 21 ERCs connected to the water system. One of the existing 22 shareholders does not currently have a connection but will be provided a connection with the construction of the new water system. This connection is considered to be an existing connection in terms of calculation of impact fees because the shareholder has been paying shareholder fees into the system. This results in a total of 22 existing ERCs

There are about 15 homes and a church building in the vicinity that could easily connect to the new water system. The 15 homes and the church building currently receive drinking water from individual private wells. There is also an LDS Church camp (Earley Park Camp) adjacent to the Sleepy Hollow Springs that could be served by the new water system if the water were boosted from the proposed new tank. The church building is estimated to use about the same amount of water as 1 ERC and the camp is estimated to use about the same amount of water as 3.5 ERCs. This results in a total of about 41-42 ERCs that could immediately be connected to the new water system.

Based on the available water rights, the maximum number of connections that can be served by the drinking water system is limited to about 52 connections. For the purposes of this study, unless additional water is acquired by the District, build-out is assumed to be 52 ERCs.

WATER DEMANDS AND SOURCE CAPACITY

The existing water system is not metered. Consequently, there are no water use records available for calculation of existing demands. Division of Drinking Water standards for design of culinary water systems were used to estimate the annual volume, peak day, peak instantaneous, and storage demands for the new water system. The annual volume is typically used to determine the necessary water rights. Peak day is used to determine the required flow

from water sources. The peak instantaneous demand is used to determine the size of distribution system pipelines. These requirements are summarized in Table II-2.

TABLE II-2
SUMMARY OF DEMAND REQUIREMENTS

CRITERIA	INDOOR USE REQUIREMENT	OUTDOOR USE REQUIREMENT
ANNUAL VOLUME	146,000 gal/ERC (0.45 ac-ft/ERC)	1.87 ac-ft/irrigated acre
PEAK DAY SOURCE SUPPLY	800 gal/day/ERC	3.96 gpm/irrigated acre
STORAGE	400 gal/ERC	2,848 gal/irrigated acre
PEAK INSTANTANEOUS DEMAND - DISTRIBUTION SYSTEM CAPACITY	$Q\ (gpm) = 10.8 * N^{0.64}$ where N = # of connections	7.92 gpm/irrigated acre

Indoor demands can be calculated with relative confidence from the criteria listed in Table II-2 because they are fairly consistent from one community to another. Outdoor demands for the culinary water system in the Beaver Dam area are difficult to calculate because it is unknown how much outdoor use is occurring from the culinary water system due to residents using supplemental sources for irrigation. Based on aerial mapping, the average lawn and garden area around a typical home in the Beaver Dam community is approximately 0.16 acres. The portion of this land irrigated with supplemental sources is unknown. For the purposes of calculating water demands for this evaluation, it was assumed that about 10% of the existing lawn and garden areas are irrigated from supplemental sources resulting in an average of 0.14 irrigated acres per ERC using the drinking water system.

Demands on the proposed new water system were calculated for the following conditions:

Current Connections (22 ERCs) - Existing ERCs on the drinking water systems.
Future Connections (52 ERCs) - Projected future number of ERCs in the 20 year planning period.

The calculated demands for these conditions are shown in Table II-3. This table also includes the existing source capacity and water rights flow for comparison.

TABLE II-3
ESTIMATED WATER SYSTEM DEMANDS

PARAMETER		FLOW CONDITION	
		CURRENT CONNECTIONS (22 ERCs)	FUTURE CONNECTIONS (52 ERCs)
Annual Volume	Demand (ac-ft/yr)	16	37
	Water Rights (ac-ft/yr)	37	
Peak Day	Demand (gpm)	24	58
	Physical Capacity (gpm)	60	
	Water Right Flow (gpm)	234	
Peak Instantaneous Demand (gpm)		102	193

Based on the information provided in Table II-3, the District will need to acquire additional water rights and an additional source of water to serve more than 52 connections. It appears that the existing residents of the community could be served by the existing sources and water rights.

STORAGE REQUIREMENTS

The total required storage capacity for the water system consists of equalization storage for the indoor and outdoor use on the system during peak day, fire flow storage, and emergency storage. Equalization storage is calculated based on the requirements included in Table II-2. Fire storage was calculated based on a fire flow of 1,000 gpm and a duration of 2 hours for a total of 120,000 gallons. Emergency storage is typically about 10% to 20% of the total required storage. The calculated storage requirements for the three flow conditions described above are summarized in Table II-4. To serve the total future 52 connections, the new water system will require a new 200,000 gallon storage tank. Location of the tank near the existing tank on the upper system will adequately meet the pressure needs of the existing connections.

TABLE II-4
ESTIMATED REQUIRED STORAGE

PARAMETER	FLOW CONDITION	
	CURRENT CONNECTIONS (22 ERCs)	FUTURE CONNECTIONS (52 ERCs)
Equalization Storage	20,000 gal	40,000 gal
Fire Storage	120,000 gal	
Emergency Storage	30,000 gal	
TOTALS:	**170,000 gal**	**190,000 gal**

ARSENIC REMOVAL

The arsenic concentrations in the Lower Beaver Dam and Sleepy Hollow Springs were monitored periodically during 2007 and 2008. Both springs showed similar arsenic concentrations with a range in values from 6 to 13 ppb. Generally, based on the limited data available, arsenic concentrations were slightly below 10 ppb during the spring runoff months of April through June and slightly above 10 ppb during the remainder of the year. The maximum contaminant level (MCL) for arsenic is 10 parts per billion (ppb) or 0.01 mg/L.

In order to meet this MCL, an arsenic treatment facility will be required. A preliminary investigation of arsenic removal alternatives resulted in the selection of a filtration facility to be located near the proposed new tank. All spring sources would flow or be pumped to the new treatment building where 50% of the incoming flow would be run through the filtration system and blended with the untreated flow in the tank. This will result in a blended arsenic concentration in the tank of less than 10 ppb at the highest recorded arsenic concentration for the springs. A chlorination system will be installed in the arsenic treatment building to assist with arsenic removal efficiency and provide the necessary disinfection for the water system.

PUMPING REQUIREMENTS

The Lower Beaver Dam Springs are lower in elevation than the proposed new tank location and will need to be pumped to the tank. Placement of a pumping station with a wet well to the north and west of the West and East Lower Beaver Dam Springs will allow both springs to flow by gravity to the pumping station with pressures equalizing in the wet well. A new pumping line will be required from the pump station to the arsenic treatment building next to the tank.

DISTRIBUTION SYSTEM

The proposed distribution system was analyzed using EPANET 2.0, a computer program that models the hydraulic behavior of piping networks. The proposed system, as shown in Figure 2,

was analyzed under low flow and peak flow conditions and is described in the following sections. Appendix A includes results from the computer model analysis.

In order to meet fire protection requirements, the distribution pipelines will need to be 8 inches in diameter to provide the 1,000 gpm plus peak day flows while maintaining a minimum of 20 psi throughout the system.

In order to maintain pressures in the system between 50 psi and 120 psi during normal operation, a pressure reducing valve (PRV) station will need to be installed within the system. The proposed location of the new PRV station is shown on Figure 2.

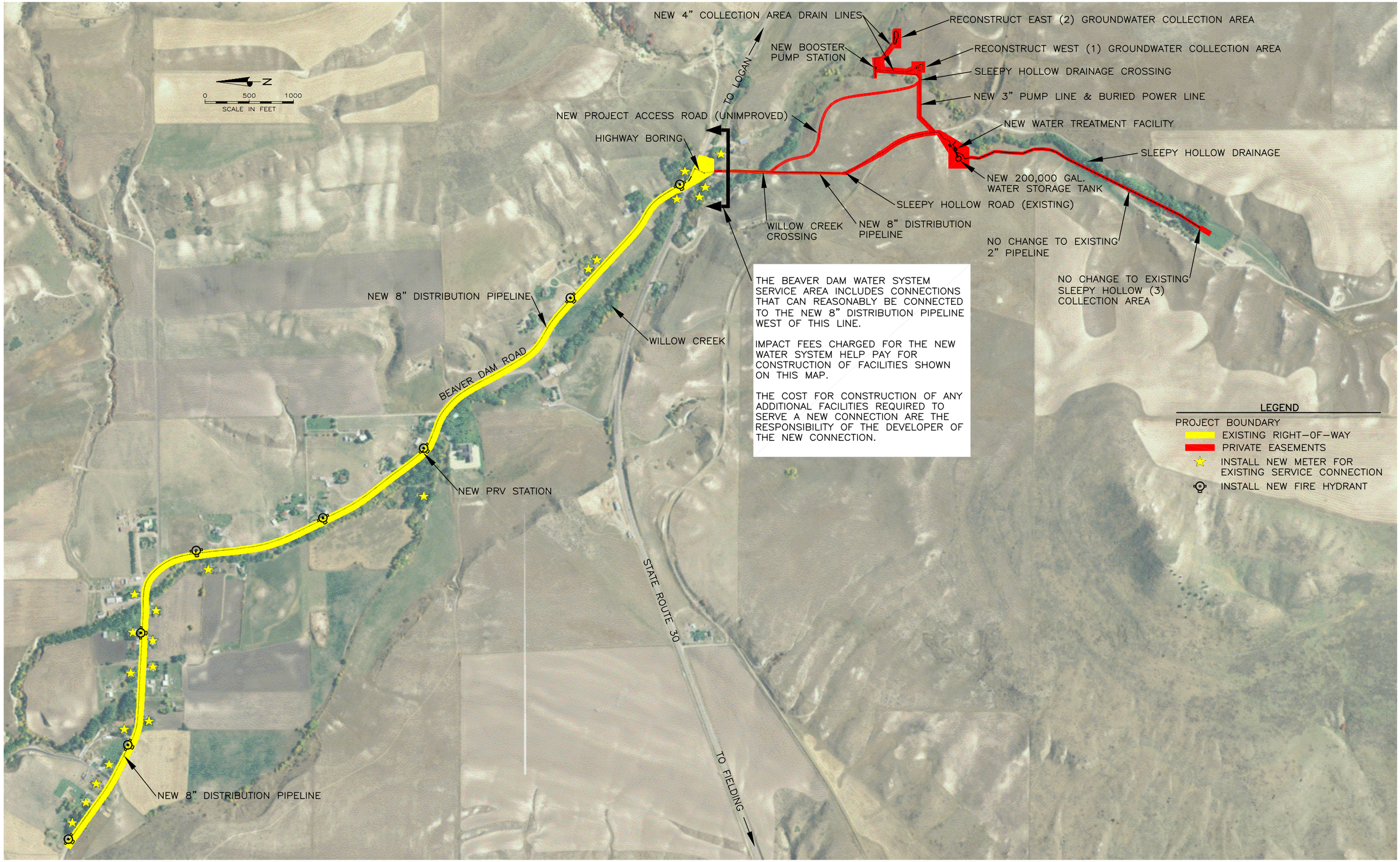
Currently there are no residential meters on the system. However, when the new distribution system is constructed, a meter and meter box should be installed at each current connection. New connections to the system would be responsible for the cost of connecting to the system and for an impact fee to cover the per-unit cost of system improvements.

IMPACT FEE FACILITIES

The proposed facilities necessary to correct the deficiencies in the existing drinking water system and to meet the needs of future connections are shown on Figure 2. The existing Sleepy Hollow Spring and the 2" pipelines from the spring to the tank are not included as impact fee facilities. These facilities were constructed in the 1970's and essentially have no real monetary value. The estimated costs for the new drinking water system are summarized in Table II-5. Construction of the projects listed in Table II-5 has already begun. Therefore, construction costs are based upon actual bids from contractors and upon estimates of potential engineering, administrative, and other costs incurred during construction of the project.

TABLE II-5
ESTIMATED PROJECT COSTS

ITEM	QUANTITY	UNIT	UNIT COST	COST
Mobilization	1	ls	45,000	45,000
Redevelop Lower Beaver Dam Springs	2	ea	59,000	118,000
200,000 gallon Buried Concrete Storage Tank	1	ls	210,900	210,900
3-inch HDPE Pump Line (pump station to treatment)	1,090	ft	8	8,720
4-inch PVC Pipelines (springs to pump station)	764	ft	12.60	9,626
Pump Station	1	ls	107,000	107,000
8-inch PVC Pipeline	11,346	ft	18.50	209,901
PRV Station	1	ea	28,950	28,950
Fire Hydrants	8	ea	3,200	25,600
Service Connections	22	ea	1,000	22,000
Boring under Hwy 30	1	ls	23,000	23,000
Treatment Facility Equipment	1	ls	72,450	72,450
Treatment Building	1	ls	218,000	218,000
SCADA and Telemetry	1	ls	35,000	35,000
Off-site Power Lines	1	ls	15,000	15,000
			SUBTOTAL (ROUNDED)	**$1,150,000**
Construction Contingency	5	%		50,000
Engineering				240,000
Legal, Administrative, Environmental, and Water Rights Services				250,000
			TOTAL	**$1,690,000**



THE BEAVER DAM WATER SYSTEM SERVICE AREA INCLUDES CONNECTIONS THAT CAN REASONABLY BE CONNECTED TO THE NEW 8" DISTRIBUTION PIPELINE WEST OF THIS LINE.

IMPACT FEES CHARGED FOR THE NEW WATER SYSTEM HELP PAY FOR CONSTRUCTION OF FACILITIES SHOWN ON THIS MAP.

THE COST FOR CONSTRUCTION OF ANY ADDITIONAL FACILITIES REQUIRED TO SERVE A NEW CONNECTION ARE THE RESPONSIBILITY OF THE DEVELOPER OF THE NEW CONNECTION.

FILE NAME: PROJECTS\091 - BRWCD\34.100 - BEAVER DAM ADMIN\ENG\IMPACT FEE AND RATE STUDY\CAD\IMPACT FEE FIG 2.DWG
FILE DATE: 4.5.2012 09:23:30 (SDM)

HANSEN ALLEN & LUCE inc. ENGINEERS

PROJECT ENGINEER

DESIGNED JLN	3				
DRAFTED JVH	2				
CHECKED WSB	1				
DATE MAY 2011	NO.	DATE	REVISIONS	BY	APVD.

SCALE AS SHOWN

BRWCD
BRIGHAM CITY, UTAH

BEAVER DAM WATER SYSTEM
IMPACT FEE FACILITY PLAN AND ANALYSIS
PROPOSED NEW DRINKING WATER SYSTEM

FIGURE 2
91.34.100

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The existing system is being completely replaced due to deficiencies in storage and distribution capacity, source development, and water quality. Because of this, both the existing connections and all future connections will received the same level of service from the newly constructed system. With the exception of the service connections ($22,000), all of the proposed facilities in Table II-5 will benefit both existing and future connections proportionally. Service connections are specifically for existing connections and future connections will be required to purchase their own new service connection.

The value of the above project costs that are attributable to correcting existing deficiencies is calculated by subtracting the existing service connections from the total [$1,690,000 - $22,000 = $1,668,000], then multiplying by the ratio of the existing service connections to the future total connections [$1,668,000 x (22 existing connections / 52 total connections) = $705,700], and then adding back in the value of the service connections [$705,700 + $22,000 = $727,700]. Therefore, the percentage of the total costs that are attributable to correcting existing deficiencies is 43% [$727,700 / $1,690,000]. The remaining 57% of the cost is for creating additional system capacity for future connections.

CHAPTER III

IMPACT FEE ANALYSIS

The purpose of this chapter is to determine impact fees that Bear River Water Conservancy District may charge to new customers. An impact fee is a one-time charge on new development to pay for expansion of the public facilities required to meet the demands of new development.

Impact fees must be determined based on the State of Utah "Impact Fees Act" found in Title 11, Chapter 36a of the Utah Code. The Impact Fees Act mandates how impact fees may be established so that existing customers are not subsidizing infrastructure for new development, and vice versa. Impact fees can be charged to new connections for new and existing infrastructure that meets the demands of growth, but cannot be charged for improvements required to correct existing deficiencies based on the demands of existing customers. The Impact Fees Act requires that the impact fee analysis must:

1. Identify the impact that new development has on the existing system,
2. Identify the impact that new development has on system improvements to maintain the established level of service,
3. Demonstrate how anticipated impacts are reasonably related to the anticipated development activity,
4. Estimate the proportionate share of the costs attributable to new development, and
5. Identify how the impact fee is calculated.

Steps 1 through 4 were accomplished in the Impact Fee Facility Plan chapter of this report. Step 5 is accomplished below.

IMPACT FEE CALCULATION

Impact fee calculations are based on the Impact Fee Facilities Plan chapter of this report which identifies the required source, storage, and distribution capacity required to serve the Beaver Dam water system under both existing and future conditions.

The total cost of capital improvements to provide system capacity for buildout conditions was $1,690,000. However, the amount attributable solely to future growth was only about 57% of this cost. Funding for the project was obtained from the Utah Drinking Water Board and from the U.S. Army Corps of Engineers. A summary of the provided funding is presented below:

FUNDING SOURCE	TYPE OF FUNDING	AMOUNT
Drinking Water Board	Loan (0% interest for 30 yrs)	$240,000
Drinking Water Board	Grant (Loan with Principle Forgiveness)	$445,000
Army Corps	Grant	$1,000,000

Grant money received for the project cannot be charged for impact fees. Subtracting out the total grant money for the project ($445,000 + $1,000,000 = $1,445,000) results in a total cost to the water system of $245,000. The portion of this total attributable to creating system capacity for new connections is $139,650 (57% of $245,000). Dividing this total by the number of projected new ERCs (30) results in an impact fee of $4,655 per ERC.

We recommend that large user impact fees should be increased proportionally to their connection capacity relative to a "typical" residential connection.

ADMINISTRATION OF IMPACT FEES

Funding for the capital improvements outlined in the Capital Improvements Plan will come from impact fees collected from new connections and water system revenues generated from existing and future connections. Impact fees may only be used to fund capital improvements for which the impact fee was collected and should, therefore, be accounted for separately. The Impact Fees Act (Act) requires that the District:

1. *"Establish a separate interest bearing ledger account for each type of public facility for which an impact fee is collected;*
2. *Deposit a receipt for an impact fee in the appropriate ledger account…;*
3. *Retain the interest earned on each fund or ledger account in the fund or ledger account; and*
4. *At the end of each fiscal year, prepare a report on each fund or ledger account showing:*
   - *A. The source and amount of all money collected, earned, and received by the fund or ledger account; and*
   - B. *Each expenditure from the fund or ledger account."*

The Impact Fees Act also requires that the District annually produce a report identifying impact fees collected and the plan for expenditure of the collected funds. The District must also expend or encumber "impact fees for a permissible use within six years of their receipt." If a developer constructs a facility identified in the Impact Fee Facility Plan, the District should compensate the developer for the impact fees applicable to that portion of the facility constructed. If the District cannot spend the impact fees within 6 years, there are provisions in the Act to extend this time legally.