



TECHNICAL MEMORANDUM

TO: Ron Phillips
Jordanelle Special Service District

COPIES: File

FROM: Keith Larson, P.E. and Justin Dietrich E.I.T.
Bowen Collins & Associates
154 East 14000 South
Draper, UT 84020

DATE: June 11, 2018

SUBJECT: July 2018 Water Impact Fee Facilities Plan Amendment

INTRODUCTION

In order to prepare for future growth and provide water and sewer service to its residents, Jordanelle Special Service District (JSSD) retained Bowen Collins & Associates (BC&A) to prepare Impact Fee Facilities Plans for its water and sewer systems. The Water Impact Fee Facilities Plan (IFFP) was completed in June 2015. By March of 2017, several changes were observed in predicted development patterns that required additional projects to be constructed within the 10-year planning window. Therefore, BC&A assisted the District at that time in amending the District's water impact fees by creating an amendment to the District's IFFP.

Since the time of the 2017 amendment's adoption, one of the District's sources has sold out, and the District learned that another source would not be available. Additionally, more detailed engineering lowered the projected cost of the next available water source. The purpose of this memorandum is to document these circumstances and amend the IFFP again accordingly.

CHANGES SINCE ADOPTION OF MOST RECENT IMPACT FEE AMENDMENT

Since the completion of the most recent impact fee amendment (March 2017), growth in the District has continued, additional analysis has been conducted, and additional information has become known. This has led to a change in the outlook for source capacity within the District. The following three sections describe the process by which this change has come about.

Source Block 1 (Keetley WTP Expansion)

Since the completion of the most recent impact fee amendment (March 2017), new unbonded development has continued to purchase capacity in the Keetley Water Treatment Plant (WTP), which was identified in the last amendment as Source Block 1. Since that time, the District has either sold, or is under commitment to sell, all the capacity previously available. Therefore, the previously available capacity in the Keetley WTP is now exhausted.

Source Block 2 (Utilize Victory Ranch Wells-Phase 1)

Preliminary analysis at the time of the last IFFP amendment identified excess capacity in the Victory Ranch wells as its next potential source. Almost immediately, more detailed investigation of the identified projects was begun and it revealed some difficulties in being able to complete these projects in a timely manner. The most significant of these is the apparent difficulty in being able to obtain an easement for Project SP-8 across privately owned land. After this became clear, the District investigated the possibility of conveying Project SP-8 across some adjacent public lands (wildlife refuge) and found this to likely be feasible. However, because of the nature of the lands, the permitting process will be quite time consuming. Both of these difficulties have the end result of significantly increasing the estimated cost and the required time of completion for Source Block 2.

Source Block 3 (New Water Treatment Plant)

As the difficulty in executing Source Block 2 improvements became clear, the District also began investigating in more detail the feasibility of constructing a new treatment plant below Jordanelle Reservoir (which was identified as Source Block 3 in the most recent impact fee amendment). This research revealed several previously unknown benefits of pursuing Source Block 3. These are as follows:

- New, updated cost estimates by Jackson Engineering showed an expected cost of constructing a new WTP below the preliminary planning estimates. The newest cost estimate is a total constructed cost of \$4,340,660 for a 2.0 MGD plant.
- The plant would have easy access to some District-owned water rights in Jordanelle Reservoir.
- There is a planned sewer improvement project for this year that will utilize the same alignment needed for a water transmission line to a new WTP. Installing both projects simultaneously is expected to save some costs. Furthermore, the alignment in question is across federal lands, which means that significant permitting time will be saved if the water transmission line is permitted simultaneously with the sewer line.

RECOMMENDED ACTIONS

Because of the changes outlined above, the District will now begin fully pursuing the New Treatment Plant as the District's next source. To do so, the following actions should be taken with regard to the administration and assessment of impact fees:

1. Recognize that no additional capacity can be sold in the Keetley Treatment Plant Expansion Project (Source Block 1).
2. Remove the Victory Ranch Wells Utilization Projects Phase 1 (Source Block 2) from the list of active upcoming source projects and do not sell capacity in those projects.
 - a. Note: This does not necessarily mean that these projects will not be a viable source for the District to pursue in the future, but it does mean that it should no longer be included in the District's current impact fee schedule as an upcoming source.
3. Identify the New Water Treatment Plant Project (Source Block 3) as the next District source and the only source available to purchase capacity in.
4. Amend the Source Block 3 water treatment/production cost component of the impact fee in accordance with the latest project cost estimate and project concept. The updated treatment/production cost component calculations are shown below in Table 1.

- a. Note: The execution of these actions will require an amendment to the District's IFFP (which is the purpose of this memo) and an amendment to the District's Impact Fee Analysis (IFA).

It should be noted that because Source Block 1 will no longer be sold and Source Block 2 will not yet be available for sale, the only remaining source is Source Block 3. Thus, the District can henceforth drop the "source block" designation from the impact fee.

**Table 1
Cost Per ERU by Water Treatment/Production**

Source	Cost	Capacity [ERUs]	Cost Per ERU
New 2 MGD Water Treatment Plant	\$4,340,660	1,111	\$3,906.98

- a. Note: This represents only the treatment/production portion of the water impact fee. The total impact fee also includes a component for transmission and storage.

IFFP AMENDMENTS

Based on the changes discussed above, this document hereby amends the September 2015 Water Impact Fee Facilities Plan (IFFP) as amended in March 2017 as follows:

1. Amend the description of the Victory Ranch Wells Utilization Projects project on page 6-4 of the IFFP (page 8 of the March 2017 IFFP amendment) as follows:
 - ~~SP-8, SP-9, SP-10: Phase 1 of the Victory Ranch Wells Utilization Projects – As of the time of this amendment to the IFFP, there are 257 ERUs remaining to be sold in the Keetley WTP Expansion. After these units are sold, new unbonded users will acquire Treatment/Production capacity by paying the new impact fees associated with the following three projects. The anticipated total cost of these projects is \$3,987,740 and these projects will provide capacity for 1,121 ERUs. While these projects are promising, the extended permitting process required will add critical time to the project (as well as additional potential costs) and therefore have not been considered as the next available option for source capacity.~~
2. Amend the description of the new water treatment plant project SP-11 on page 6-4 of the IFFP (page 8 of the March 2017 IFFP amendment) as follows:
 - **SP-11: New Water Treatment Plant – A new treatment plant could serve additional JSSD and NVSSD demands after capacity in both the Keetley WTP Expansion and Phase 1 of the Victory Ranch Well Utilization Projects is exhausted. It is currently contemplated to construct the new plant downstream of Jordanelle Reservoir and eventually build it to be approximately the same size as the existing Keetley WTP (8 MGD). This project is attributable only to unbonded users. The anticipated cost of this project is \$19,320,000 and will provide capacity for 4,444 ERUs. SP-11 will consist of the first phase of construction of the plant (it will be expandable by other future phases). The first phase will be a 2 MGD plant and have capacity for 1,111 ERUs. The expected cost of this first phase is \$4,340,660.**

This amendment does not propose any changes to level of service, the planning period, overall system growth projections, or general study methodology. As a result, all other components of the IFFP are unchanged.

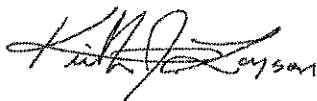
CERTIFICATION

This Amendment has been prepared in accordance with Utah Code Title 11 Chapter 36a (the "Impact Fees Act"), which prescribes the laws pertaining to Utah municipal impact fee facilities plans and impact fee analyses. The accuracy of this Amendment relies upon planning and other source data, which was provided by the District and its designees.

In accordance with Utah Code Annotated, 11-36a-306(1), Bowen Collins & Associates makes the following certification:

I certify that 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;
3. Does not include:
 - a. costs of operation and maintenance of public facilities;
 - b. cost 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; or
 - 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
4. Complies in each and every relevant respect with the Impact Fees Act.



Keith J. Larson, P.E.



TECHNICAL MEMORANDUM

TO: Ron Phillips
Jordanelle Special Service District

COPIES: File

FROM: Keith Larson, P.E. and Justin Dietrich E.I.T.
Bowen Collins & Associates
154 East 14000 South
Draper, UT 84020

DATE: June 11, 2018

SUBJECT: JSSD July 2018 Sewer Impact Fee Facilities Plan Amendment

INTRODUCTION

In order to prepare for future growth and provide water and sewer service to its residents, Jordanelle Special Service District (JSSD) retained Bowen Collins & Associates (BC&A) to prepare Impact Fee Facilities Plans for its water and sewer systems. The Sewer Impact Fee Facilities Plan (IFFP) was completed in June 2015. Since the time of the plan's adoption, JSSD has seen changes in predicted development patterns. Specifically, these changes require that an impact fee be developed for unbonded Area C development to allow new users, who do not own capacity in the existing Improvements through participation in previous bonds, to buy capacity into the current system.

The purpose of this memorandum is to amend the IFFP to reflect and accommodate these changes so that the original Impact Fee Analysis (IFA) can likewise be amended.

CHANGES SINCE ADOPTION OF IFFP

Proposed Unbonded Development In Area C

Since the completion of the IFFP, several property owners with in Area C have proposed developments for which they do not own (or have enough) sewer system capacity through participation in previous bonds. This type of development is referred to as "unbonded" development (as opposed to "bonded" development) and there is not currently an impact fee for Area C that would allow this unbonded development to acquire capacity within the current system.

The reason for not having an impact fee for unbonded development in Area C is that the capacity in the Area C sewer system is already fully committed to bonded development. The expectation at the time of the IFFP was that essentially all development within Area C within the planning window would be bonded development.

This left unbonded development with essentially only one undesirable alternative, which is to construct an independent sewer transmission system. We are not aware of any development choosing either of these options; instead, developers appear to be waiting for the District to develop a means for them to acquire capacity, either in the current Improvements (if available) or provide an alternative source for sewer capacity.

Availability of Bonded Capacity in Area C

Also, since the adoption of the IFFP, the bondholders who funded the construction of the Improvements in Area C entered into an agreement with JSSD, as part of a negotiated settlement agreement ("Agreement"), for the option to release to the District bonded capacity in exchange for reimbursement in the event the District is able to liquidate the released bonded capacity. The cost of the released bonded capacity unit (aka "Released Connection") is dependent on the location of the property. If the property being developed is located within Area C then the price per Released Connection is between \$9,036.00 and \$16,052.00. However, all proceeds from the sale of any Released Connections shall be paid over to the bondholders and/or their assigns.

Hence, in the event the bondholders and/or their assigns elect to release any Released Connections, the District will be in a position to make this capacity available to bonded and unbonded development. Property owners may be able to purchase the Released Connections by payment of appropriate reimbursement rate set forth in the Agreement, and reaffirmed herein. The reimbursement rate is equivalent to the pro-rata cost borne by the District to construct the Improvements.

IFFP AMENDMENTS

Based on the changes discussed above, this memorandum hereby adjusts the June 2015 Sewer Impact Fee Facilities Plan for Jordanelle Special Service District (IFFP) as follows:

1. Append the Executive Summary with one additional paragraph on page ES-2 as follows:

In the case of Area C, capacity to serve future growth may not be based on new infrastructure, but due to the surrender of Released Connections, if any, in existing infrastructure (both conveyance and treatment). The cost to acquire a Released Connection will be between \$9,036.00 and \$16,052.00 per ERU depending on the location of the property within Area C.

2. Amend the third sub-bullet of the fourth bullet item under the first paragraph on page 1-2 as follows:

- o Area C is also unique in that all conveyance infrastructure required to serve projected growth for bonded properties has been completed and all sewer capacity is committed. This means that no impact fee will be required of any future growth for bonded properties. Although at the present time there is no opportunity for unbonded properties to acquire Released Connections to the current conveyance infrastructure, to the extent the Released Connections are surrendered to the District, it will make the Released Connections available any property owners within Area C interested in purchasing sewer capacity units. Otherwise, no development of unbonded properties can be undertaken without their own independent conveyance infrastructure. ~~This also means that there is no opportunity for unbonded properties to buy into the system. Thus, no development of unbonded properties will be permitted unless the unbonded properties develop their own independent conveyance facilities.~~

3. Add an additional subsection to Section 4 on page 4-2 as follows:

Excess Conveyance and Treatment Capacity in Area C Special Consideration

Area C conveyance infrastructure was completed using bond funds and, with no other system level improvements required, capacity in that conveyance infrastructure is sold out and currently allocated to bonded properties. However, pursuant to that certain

reimbursement agreement (“Agreement”) with the bondholders and/or their assigns, the District may acquire access to the capacity committed to bond participants (“Released Connections”). In the Agreement, the bondholders may surrender capacity to the District in exchange for the District reimbursing the bondholders upon the sale of the Released Connections.

The Area C bond participation entitles the holder to treatment capacity within the conveyance infrastructure. This entitled treatment capacity is tied to the corresponding Released Connections that may be surrendered to the District as part of the Agreement.

Therefore, the District may have excess capacity that can accommodate future growth in Area C, if it receives Released Connections in accordance with the Agreement. The cost to obtain that capacity will be at the Agreement Reimbursement Rate, which is dependent on the location of the property to benefit from the Released Connections.

4. Add an additional subsection to Section 6 on page 6-5 as follows:

Cost of Capacity in Area C Special Considerations

Instead of the construction of new facilities, capacity for growth in Area C may be obtained from the bondholders and/or their assigns surrendering capacity in existing facilities in exchange for reimbursement. (See page 4-2 for additional information.) The Agreement allowing for released capacity may allow for growth in Area C for properties that do not have bonded capacity through current conveyance infrastructure.

This cost is defined in the Agreement between the bondholders and the District and is dependent upon the relevant location of the point of connection to the conveyance infrastructure system. Because the cost is dependent on the location of connection, Area C is divided into four service areas. These areas will be known as Area C1, Area C2, Area C3, and Area C4. See Table 6-2 for a breakdown of the costs associated with each service area and Figure 6-1 to see the extents of each service area. *(Note: A Released Connection is also known in the District as a Sewer Capacity Unit.)*

5. Add Table 6-2 to Section 6 on page 6-5 as follows:

**Table 6-2
Area C Service Area District Costs**

Service Area — Point of Connection	Cost per Released Connection
Service Area C1	\$9,036.00
Service Area C2	\$10,588.00
Service Area C3	\$11,988.00
Service Area C4	\$16,052.00

6. Add Figure 6-1 to Section 6 after page 6-5. Figure 6-1 is appended to this memo.

This amendment does not propose any changes to level of service, the planning period, overall system growth projections, or general study methodology. As a result, all other components of the IFFP are unchanged.

CERTIFICATION

This Amendment has been prepared in accordance with Utah Code Title 11 Chapter 36a (the "Impact Fees Act"), which prescribes the laws pertaining to Utah municipal impact fee facilities plans and impact fee analyses. The accuracy of this Amendment relies upon planning and other source data, which was provided by the District and its designees.

In accordance with Utah Code Annotated, 11-36a-306(1), Bowen Collins & Associates makes the following certification:

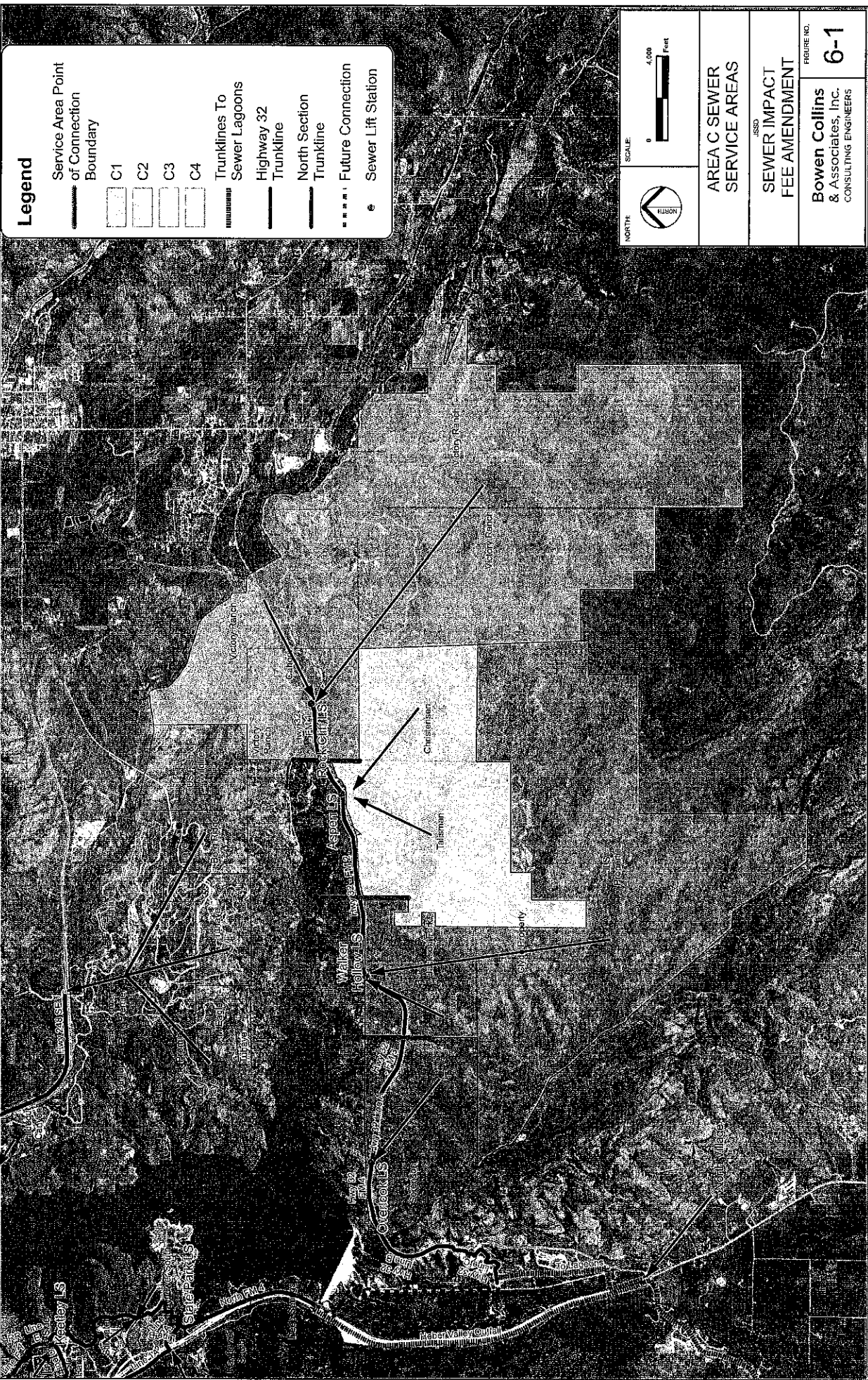
I certify that the attached impact fee facilities plan:

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. cost 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; or
 - 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
 - d. complies in each and every relevant respect with the Impact Fees Act.



Keith J. Larson, P.E.

APPENDIX



TECHNICAL MEMORANDUM

TO: Ron Phillips
Jordanelle Special Service District

COPIES: File

FROM: Megan Weber
Zions Public Finance, Inc.

DATE: June 11, 2018

SUBJECT: JSSD July 2018 Sewer Impact Fee Analysis Amendment

INTRODUCTION

Jordanelle Special Service District, Utah (the District, JSSD) commissioned Zions Public Finance, Inc. (Zions) to calculate the District's sewer impact fees in accordance with Utah State Law, which resulted in an Impact Fee Analysis (IFA) in September 2015. An impact fee is a one-time charge to new development to reimburse the District for the cost of developing new sewer system capacity that will allow development to occur. In conjunction with this project, Bowen Collins & Associates (BC&A) prepared the JSSD Impact Fee Facilities Plan (IFFP) dated June 2015.

Since that time, BC&A has amended the IFFP in a technical memorandum dated June 2018. In response to this amendment, the District has commissioned Zions to similarly amend the original September 2015 IFA, which is the purpose of this memo.

IFA AMENDMENTS

Based on the changes to the IFFP by BC&A, this memorandum hereby amends the September 2015 Sewer Impact Fee Analysis (IFA) as follows:

1. Replace Figure ES.1 with the figure of the same name that is appended to this memo.
2. Replace Figure ES.1 with the figure of the same name that is appended to this memo.
3. Add Figure 4.6b to Chapter 4 and adjust any relative verbiage in the text accordingly. Figure 4.6B is appended to this memo.
4. Add Figure 4.6c to Chapter 4 and adjust any relative verbiage in the text accordingly. Figure 4.6B is appended to this memo.
5. Add Figure 4.6d to Chapter 4 and adjust any relative verbiage in the text accordingly. Figure 4.6B is appended to this memo.
6. Add Figure 4.6e to Chapter 4 and adjust any relative verbiage in the text accordingly. Figure 4.6B is appended to this memo.
7. Replace Figure 4.7 with the figure of the same name that is appended to this memo.
8. Replace Figure 4.8 with the figure of the same name that is appended to this memo.

This amendment does not propose any changes to level of service, the planning period, overall system growth projections, or general analysis methodology. As a result, all other components of the IFA are unchanged.

CERTIFICATION

In accordance with Utah Code Annotated, 11-36a-306(2), Zions Public Finance, Inc., makes the following certification:

I certify that the attached impact fee analysis:

1. includes only the cost 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. cost of 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. offset costs with grants or other alternate sources of payment; and
4. complies in each and every relevant respect with the Impact Fees Act.

Zions Public Finance, Inc. makes this certification with the following caveats:

1. All of the recommendations for implementations of the Impact Fee Facilities Plan (IFFP) made in the IFFP or in the impact fee analysis are followed in their entirety by District staff and Board in accordance to the specific policies established for the Service Area.
2. If all or a portion of the IFFP or impact fee analysis are modified or amended, this certification is no longer valid.
3. All information provided to Zions Public Finance, Inc., its contractors or suppliers is assumed to be correct, complete and accurate. This includes information provided by Jordanelle Special Service District and outside sources. Copies of letters requesting data are included as appendices to the IFFP and the impact fee analysis.

Dated: June 11, 2018

ZIONS PUBLIC FINANCE, INC.

APPENDIX

Figure ES.1: Fee Per Sewer ERU Demand

	Bonded A	Unbonded A	Bonded B-North	Unbonded B-North	Bonded B-South	Unbonded B-South	Unbonded C1	Unbonded C2	Unbonded C3	Unbonded C4
Collection Facilities	\$ 875	\$ 2,726	\$ 1,565	\$ 3,713	\$ 2,679	\$ 5,135	\$ 4,345	\$ 5,897	\$ 7,297	\$ 11,361
Treatment Plant	4,691	4,691	4,691	4,691	4,691	4,691	4,691	4,691	4,691	4,691
Credit	(1,208)	(1,208)	(1,208)	(1,208)	(1,208)	(1,208)	-	-	-	-
Professional Services	35	35	35	35	35	35	35	35	35	35
Cost per ERU	\$ 4,392	\$ 6,244	\$ 5,083	\$ 7,231	\$ 6,196	\$ 8,653	\$ 9,071	\$ 10,623	\$ 12,023	\$ 16,087

Figure ES.2: Calculation of Non-Standard Sewer Impact Fee

NON-STANDARD IMPACT FEE CALCULATIONS	
Bonded A	
Step 1:	Identify the Average Daily Demand (Gallons) of the Proposed Development
Step 2:	Multiply the Demand by \$12.92 per Gallon
Unbonded A	
Step 1:	Identify the Average Daily Demand (Gallons) of the Proposed Development
Step 2:	Multiply the Demand by \$18.36 per Gallon
Bonded B-North	
Step 1:	Identify the Average Daily Demand (Gallons) of the Proposed Development
Step 2:	Multiply the Demand by \$14.95 per Gallon
Unbonded B-North	
Step 1:	Identify the Average Daily Demand (Gallons) of the Proposed Development
Step 2:	Multiply the Demand by \$21.27 per Gallon
Bonded B-South	
Step 1:	Identify the Average Daily Demand (Gallons) of the Proposed Development
Step 2:	Multiply the Demand by \$18.22 per Gallon
Unbonded B-South	
Step 1:	Identify the Average Daily Demand (Gallons) of the Proposed Development
Step 2:	Multiply the Demand by \$25.45 per Gallon
Unbonded C1	
Step 1:	Identify the Average Daily Demand (Gallons) of the Proposed Development
Step 2:	Multiply the Demand by \$26.68 per Gallon
Unbonded C2	
Step 1:	Identify the Average Daily Demand (Gallons) of the Proposed Development
Step 2:	Multiply the Demand by \$31.24 per Gallon
Unbonded C3	
Step 1:	Identify the Average Daily Demand (Gallons) of the Proposed Development
Step 2:	Multiply the Demand by \$35.36 per Gallon
Unbonded C4	
Step 1:	Identify the Average Daily Demand (Gallons) of the Proposed Development
Step 2:	Multiply the Demand by \$47.31 per Gallon

Figure 4.6b: Sewer Impact Fee Calculation- Service Area C1 Unbonded

SERVICE AREA C1 UNBONDED	Total Cost to Component	% that will Serve Ten Year Demand	Dollar Amount that will Serve Ten Year Demand	Impact Fee Cost	ERUs to be Served	Cost per ERU
Collection Facilities						
Future 10 Year Capital Projects	\$ 4,345	100.00%	\$ 4,345	\$ 4,345	1	\$ 4,345
Future Collection Related Debt to be Issued	-	0.00%	-	-	1	-
Existing Collection Projects	-	0.00%	-	-	1	-
Existing Collection Related Debt - OUTSTANDING (Interest)	-	0.00%	-	-	1	-
Credit for Existing Users' and Non-Qualifying Capital Expense						
Subtotal	\$ 4,345		\$ 4,345	\$ 4,345		\$ 4,345
Treatment Plant						
Future 10 Year Capital Projects	\$ 16,560,000	0.03%	\$ 4,691	\$ 4,691	1	\$ 4,691
Future Treatment Related Bonds	-	0.00%	-	-	1	-
Existing Treatment Projects	-	0.00%	-	-	1	-
Existing Treatment Related Debt - OUTSTANDING (Interest)	-	0.00%	-	-	1	-
Credit for Existing Users' and Non-Qualifying Capital Expense						
Subtotal	\$ 16,560,000		\$ 4,691	\$ 4,691		\$ 4,691
Miscellaneous						
Unspent Impact Fee Funds	-	0.00%	\$ -	\$ -	-	\$ -
Professional Expenses	40,000	0.09%	35	35	1	35
Subtotal	\$ 40,000		\$ 35	\$ 35		\$ 35
Total Impact Fee Per ERU	\$ 16,804,345		\$ 9,071	\$ 9,071		\$ 9,071

Figure 4.6c: Sewer Impact Fee Calculation- Service Area C2 Unbonded

SERVICE AREA C2 UNBONDED	Total Cost to Component	% that will Serve Ten Year Demand	Dollar Amount that will Serve Ten Year Demand	Impact Fee Cost	ERUs to be Served	Cost per ERU
Collection Facilities						
Future 10 Year Capital Projects	\$ 5,897	100.00%	\$ 5,897	\$ 5,897	1	\$ 5,897
Future Collection Related Debt to be Issued	-	0.00%	-	-	1	-
Existing Collection Projects	-	0.00%	-	-	1	-
Existing Collection Related Debt - OUTSTANDING (Interest)	-	0.00%	-	-	1	-
Credit for Existing Users' and Non-Qualifying Capital Expense						
Subtotal	\$ 5,897		\$ 5,897	\$ 5,897		\$ 5,897
Treatment Plant						
Future 10 Year Capital Projects	\$ 16,560,000	0.03%	\$ 4,691	\$ 4,691	1	\$ 4,691
Future Treatment Related Bonds	-	0.00%	-	-	1	-
Existing Treatment Projects	-	0.00%	-	-	1	-
Existing Treatment Related Debt - OUTSTANDING (Interest)	-	0.00%	-	-	1	-
Credit for Existing Users' and Non-Qualifying Capital Expense						
Subtotal	\$ 16,560,000		\$ 4,691	\$ 4,691		\$ 4,691
Miscellaneous						
Unspent Impact Fee Funds	-	0.00%	\$ -	\$ -	-	\$ -
Professional Expenses	40,000	0.09%	35	35	1	35
Subtotal	\$ 40,000		\$ 35	\$ 35		\$ 35
Total Impact Fee Per ERU	\$ 16,605,897		\$ 10,623	\$ 10,623		\$ 10,623

Figure 4.6d: Sewer Impact Fee Calculation- Service Area C3 Unbonded

SERVICE AREA C3 UNBONDED	Total Cost to Component	% that will Serve Ten Year Demand	Dollar Amount that will Serve Ten Year Demand	Impact Fee Cost	ERUs to be Served	Cost per ERU
Collection Facilities						
Future 10 Year Capital Projects	\$ 7,297	100.00%	\$ 7,297	\$ 7,297	1	\$ 7,297
Future Collection Related Debt to be Issued	-	0.00%	-	-	1	-
Existing Collection Projects	-	0.00%	-	-	1	-
Existing Collection Related Debt - OUTSTANDING (Interest)	-	0.00%	-	-	1	-
Credit for Existing Users' and Non-Qualifying Capital Expense						
Subtotal	\$ 7,297		\$ 7,297	\$ 7,297		\$ 7,297
Treatment Plant						
Future 10 Year Capital Projects	\$ 16,560,000	0.03%	\$ 4,691	\$ 4,691	1	\$ 4,691
Future Treatment Related Bonds	-	0.00%	-	-	1	-
Existing Treatment Projects	-	0.00%	-	-	1	-
Existing Treatment Related Debt - OUTSTANDING (Interest)	-	0.00%	-	-	1	-
Credit for Existing Users' and Non-Qualifying Capital Expense						
Subtotal	\$ 16,560,000		\$ 4,691	\$ 4,691		\$ 4,691
Miscellaneous						
Unspent Impact Fee Funds	-	0.00%	\$ -	\$ -	-	\$ -
Professional Expenses	40,000	0.09%	35	35	1	35
Subtotal	\$ 40,000		\$ 35	\$ 35		\$ 35
Total Impact Fee Per ERU	\$ 16,607,297		\$ 12,023	\$ 12,023		\$ 12,023

Figure 4.6e: Sewer Impact Fee Calculation- Service Area C4 Unbonded

SERVICE AREA C4 UNBONDED	Total Cost to Component	% that will Serve Ten Year Demand	Dollar Amount that will Serve Ten Year Demand	Impact Fee Cost	ERUs to be Served	Cost per ERU
Collection Facilities						
Future 10 Year Capital Projects	\$ 11,361	100.00%	\$ 11,361	\$ 11,361	1	\$ 11,361
Future Collection Related Debt to be Issued	-	0.00%	-	-	1	-
Existing Collection Projects	-	0.00%	-	-	1	-
Existing Collection Related Debt - OUTSTANDING (Interest)	-	0.00%	-	-	1	-
Credit for Existing Users' and Non-Qualifying Capital Expense						
Subtotal	\$ 11,361		\$ 11,361	\$ 11,361		\$ 11,361
Treatment Plant						
Future 10 Year Capital Projects	\$ 16,560,000	0.03%	\$ 4,691	\$ 4,691	1	\$ 4,691
Future Treatment Related Bonds	-	0.00%	-	-	1	-
Existing Treatment Projects	-	0.00%	-	-	1	-
Existing Treatment Related Debt - OUTSTANDING (Interest)	-	0.00%	-	-	1	-
Credit for Existing Users' and Non-Qualifying Capital Expense						
Subtotal	\$ 16,560,000		\$ 4,691	\$ 4,691		\$ 4,691
Miscellaneous						
Unspent Impact Fee Funds	-	0.00%	\$ -	\$ -	-	\$ -
Professional Expenses	40,000	0.09%	35	35	1	35
Subtotal	\$ 40,000		\$ 35	\$ 35		\$ 35
Total Impact Fee Per ERU	\$ 16,611,361		\$ 16,087	\$ 16,087		\$ 16,087

Figure 4.7: Maximum Indoor Impact Fee Schedule

	Bonded A	Unbonded A	Bonded B-North	Unbonded B-North	Bonded B-South	Unbonded B-South	Unbonded C1	Unbonded C2	Unbonded C3	Unbonded C4
Collection Facilities	\$ 875	\$ 2,726	\$ 1,565	\$ 3,713	\$ 2,679	\$ 5,135	\$ 4,345	\$ 5,897	\$ 7,297	\$ 11,361
Treatment Plant	4,691	4,691	4,691	4,691	4,691	4,691	4,691	4,691	4,691	4,691
Credit	(1,208)	(1,208)	(1,208)	(1,208)	(1,208)	(1,208)	-	-	-	-
Professional Services	35	35	35	35	35	35	35	35	35	35
Cost per ERU	\$ 4,392	\$ 6,244	\$ 5,083	\$ 7,231	\$ 6,196	\$ 8,653	\$ 9,071	\$ 10,623	\$ 12,023	\$ 16,087

Figure 4.8: Calculation of the Non-Standard Impact Fee

NON-STANDARD IMPACT FEE CALCULATIONS	
Bonded A	
Step 1:	Identify the Average Daily Demand (Gallons) of the Proposed Development
Step 2:	Multiply the Demand by \$12.92 per Gallon
Unbonded A	
Step 1:	Identify the Average Daily Demand (Gallons) of the Proposed Development
Step 2:	Multiply the Demand by \$18.36 per Gallon
Bonded B-North	
Step 1:	Identify the Average Daily Demand (Gallons) of the Proposed Development
Step 2:	Multiply the Demand by \$14.95 per Gallon
Unbonded B-North	
Step 1:	Identify the Average Daily Demand (Gallons) of the Proposed Development
Step 2:	Multiply the Demand by \$21.27 per Gallon
Bonded B-South	
Step 1:	Identify the Average Daily Demand (Gallons) of the Proposed Development
Step 2:	Multiply the Demand by \$18.22 per Gallon
Unbonded B-South	
Step 1:	Identify the Average Daily Demand (Gallons) of the Proposed Development
Step 2:	Multiply the Demand by \$25.45 per Gallon
Unbonded C1	
Step 1:	Identify the Average Daily Demand (Gallons) of the Proposed Development
Step 2:	Multiply the Demand by \$26.68 per Gallon
Unbonded C2	
Step 1:	Identify the Average Daily Demand (Gallons) of the Proposed Development
Step 2:	Multiply the Demand by \$31.24 per Gallon
Unbonded C3	
Step 1:	Identify the Average Daily Demand (Gallons) of the Proposed Development
Step 2:	Multiply the Demand by \$35.36 per Gallon
Unbonded C4	
Step 1:	Identify the Average Daily Demand (Gallons) of the Proposed Development
Step 2:	Multiply the Demand by \$47.31 per Gallon

TECHNICAL MEMORANDUM

TO: Ron Phillips
Jordanelle Special Service District

COPIES: File

FROM: Megan Weber
Zions Public Finance, Inc.

DATE: June 11, 2018

SUBJECT: JSSD July 2018 Water Impact Fee Analysis Amendment

INTRODUCTION

Jordanelle Special Service District, Utah (the District, JSSD) commissioned Zions Public Finance, Inc. (Zions) to calculate the District's culinary water impact fees in accordance with Utah State Law, which resulted in an Impact Fee Analysis (IFA) in September 2015. An impact fee is a one-time charge to new development to reimburse the District for the cost of developing new culinary water system capacity that will allow development to occur. In conjunction with this project, Bowen Collins & Associates (BC&A) prepared the JSSD Impact Fee Facilities Plan (IFFP) dated June 2015. In March 2017 BC&A and Zions amended the IFFP and IFA, respectively, to accommodate some changes within the District.

Since that time, BC&A has again amended the IFFP in a technical memorandum dated May 2018 to keep it up-to-date with District growth patterns and the latest planning efforts. In response to this amendment, the District has commissioned Zions to similarly amend the IFA, which is the purpose of this memo.

IFA AMENDMENTS

Based on the changes to the IFFP by BC&A, this memorandum hereby amends the March 2017 JSSD Water Impact Fee Analysis (IFA) as follows:

1. Delete Figures ES.1, ES.2, and ES.3 from page 3 and replace them with Figure ES.1 that is appended to this memo. Figure names ES.2 and ES.3 shall go unused.
2. Amend the second and third paragraphs in the Production/Treatment Costs and Capacities section of Chapter 3 on page 9 as follows:

New development that does not have dedicated capacity, known as unbonded users, will need to pay an impact fee towards the Keetley Water Treatment Plant expansion, Victory Wells Phase I or the new water treatment plant. The cost for each production source varies. Therefore, the production/treatment component of the impact fee calculation will vary according to which source capacity is available at the time of impact fee assessment. Keetley WTP capacity will be utilized first, followed by Victory Wells Phase I, and finally capacity in the new water treatment plant followed by the new water treatment plant, and finally followed by Victory Wells Phase I.

The cost per ERU of each of the production sources is shown in the figure below.

3. Replace Figure 3.1 on page 9 with the figure of the same name that is appended to this memo.

4. Replace Figure 3.2 on page 10 with the figure of the same name that is appended to this memo.
5. Replace Figure 4.1 on page 13 with the figure of the same name that is appended to this memo.
6. Delete the second paragraph on page 13 in its entirety.

~~The tables above and below show the base impact fee using the Keetley Water Treatment Expansion as the primary source at a cost of \$1,517 per ERU. The final fee tables shown in Figures 4.4 and 4.5 assumes a different source cost (Victory Well or the new water treatment plant) as was discussed in Chapter 3. Figures 4.3 through 4.5 show the final impact fee according to which production source is being utilized at the time the of impact fee assessment. The only difference between each impact fee shown is the production cost. Costs of all other infrastructure stay the same regardless of which impact fee is being assessed. JSSD will determine which capacity is available at the time of impact fee assessment. Keetley capacity will be used first, once no Keetley capacity remains then Victory Well Phase I will be used, and so forth.~~

7. Replace Figure 4.2 on page 14 with the figure of the same name that is appended to this memo.
8. Delete Figures 4.3, 4.4, and 4.5 from pages 14 and 15 and replace them with Figure 4.3 that is appended to this memo. Figure names 4.4 and 4.5 shall go unused.

This amendment does not propose any changes to level of service, the planning period, overall system growth projections, or general analysis methodology. As a result, all other components of the IFA are unchanged.

CERTIFICATION

In accordance with Utah Code Annotated, 11-36a-306(2), Zions Public Finance, Inc., makes the following certification:

Zions Public Finance, Inc. certifies that the attached impact fee analysis:

1. includes only the cost 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. cost of 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. offset costs with grants or other alternate sources of payment; and
4. complies in each and every relevant respect with the Impact Fees Act.

Zions Public Finance, Inc. makes this certification with the following caveats:

1. All of the recommendations for implementations of the Impact Fee Facilities Plan (IFFP) made in the IFFP or in the impact fee analysis are followed in their entirety by District staff and Board in accordance to the specific policies established for the Service Areas.
2. If all or a portion of the IFFP or impact fee analysis are modified or amended, this certification is no longer valid.
3. All information provided to Zions Public Finance, Inc., its contractors or suppliers is assumed to be correct, complete and accurate. This includes information provided by Jordanelle Special Service District and outside sources. Copies of letters requesting data are included as appendices to the IFFP and the impact fee analysis.

Dated: June 11, 2018

ZIONS PUBLIC FINANCE, INC.

APPENDIX

Figure ES.1: Maximum Impact Fee Schedule per ERU

	Unbonded Service Areas A, B South, B North	Unbonded Service Area C
Treatment/Production New Treatment Plant	\$ 3,907	\$ 3,907
Storage	1,580	1,682
Transmission	1,457	1,457
Credit	-	-
Professional Services	84	84
Cost per ERU	\$ 7,028	\$ 7,130

Figure 3.1: Cost per ERU for Water Treatment/Production

Supply	2016 Cost	FV Cost	% to Source	Source Cost	Supply Capacity	Cost per ERU
New Water Treatment Plant	\$ 4,340,660	\$ 4,340,660	100%	\$ 4,340,660	1,111	\$ 3,907

Figure 3.2: Future Capital Project Costs

Project Name	Year to be Constructed	Construction Cost with Inflation
Production Facilities		
New WTP SP-11 2 MGD	2025	\$ 4,340,660
Production Subtotal		\$ 4,340,660
Storage Facilities		
6800 Tank	2024	\$ 373,497
Lower East Park Tank #2 (New Unbonded)	2024	\$ 1,930,500
Storage Subtotal		\$ 2,303,997
Transmission		
6800 Pump Station	2023	\$ 1,204,239
All Areas		
6800 Transmission Pipeline (16-inch)	2023	456,516
All Areas		
Transmission Facilities Subtotal		\$ 1,660,755
IFFP and IFA Update	2015	\$ 40,000
All Areas		
IFFP and IFA Update Subtotal		\$ 40,000
Ten Year Culinary Water		\$ 8,345,412

Figure 4.1: Water Impact Fee Calculation Service Areas A, B North, B South Unbonded

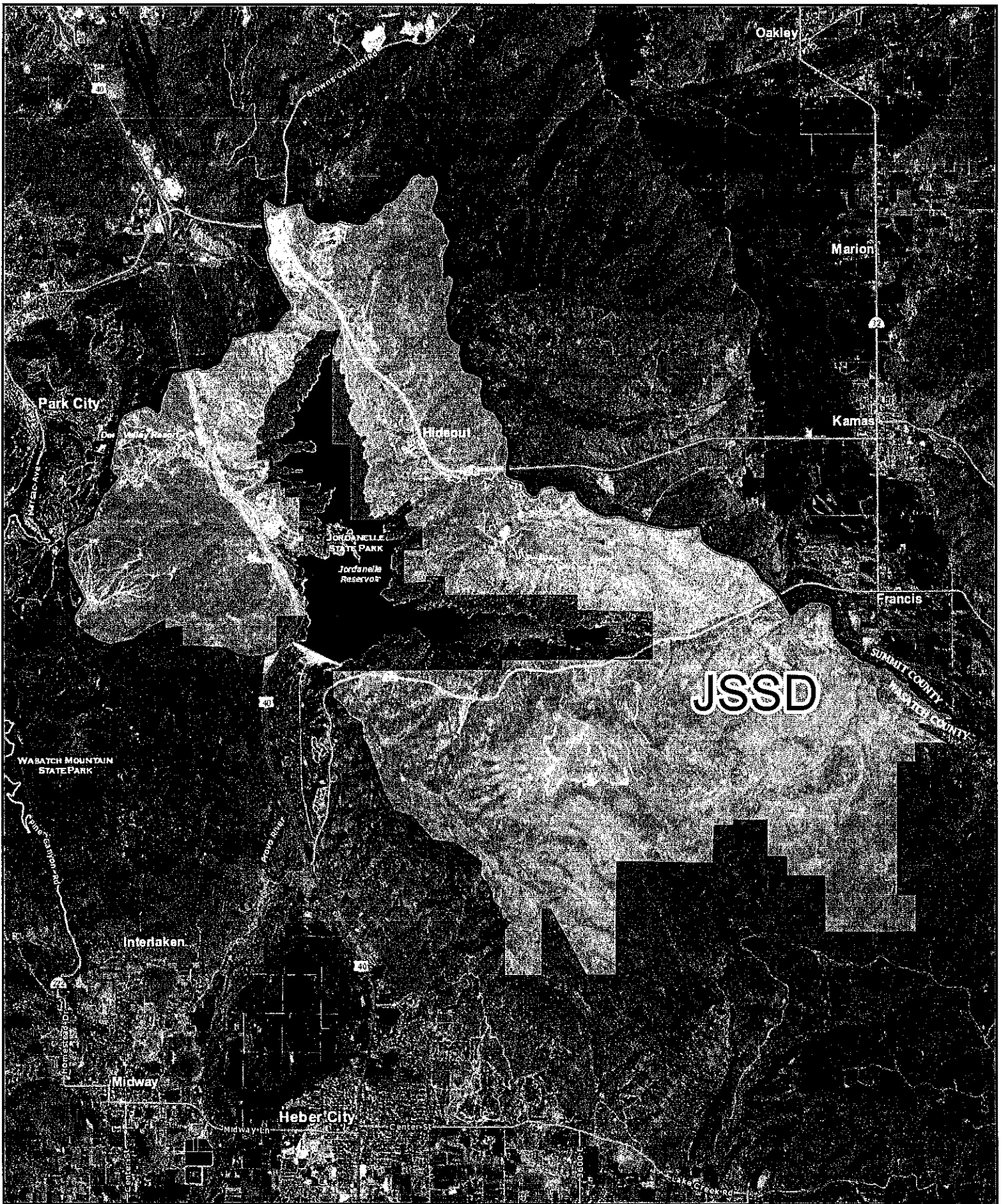
SERVICE AREA A, B NORTH, B SOUTH UNBONDED	Total Cost to Component	% that will Serve Ten Year Demand	Dollar Amount that will Serve Ten Year Demand	Impact Fee Cost	ERUs to be Served	Cost per ERU
Production Facilities						
Future 10 Year Capital Projects	\$ 4,340,660	23.13%	\$ 1,003,995	\$ 1,003,995	257	\$ 3,907
Future Production Related Debt to be Issued	-	0.00%	-	-	257	-
Existing Production Projects	-	0.00%	-	-	257	-
Existing Production Related Debt - (Includes Interest)	-	0.00%	-	-	257	-
Credit for Existing Users' and Non-Qualifying Capital Expense						-
Storage Facilities						
Future 10 Year Capital Projects	\$ 1,930,500	100.00%	\$ 1,930,500	\$ 1,930,500	1,222	\$ 1,580
Future Storage Related Bonds	-	0.00%	-	-	1,222	-
Existing Storage Projects	-	0.00%	-	-	1,222	-
Existing Storage Related Debt - (Includes Interest)	-	0.00%	-	-	1,222	-
Credit for Existing Users' and Non-Qualifying Capital Expense						-
Transmission and Distribution Facilities						
Future 10 Year Capital Projects	\$ 1,660,755	41.86%	\$ 695,218	\$ 695,218	477	\$ 1,457
Future Transmission Related Bonds	-	0.00%	-	-	477	-
Existing Transmission Projects	-	0.00%	-	-	477	-
Existing Transmission Related Debt - (Includes Interest)	-	0.00%	-	-	477	-
Credit for Existing Users' and Non-Qualifying Capital Expense						-
Miscellaneous						
Unspent Impact Fee Funds	-	0.00%	\$ -	-	477	\$ -
Credit for Existing Users' and Non-Qualifying Capital Expense						-
Professional Services	40,000	0%	40,000	40,000	477	84
Total Impact Fee Per ERU	\$ 7,971,915	0%	\$ 3,669,713	\$ 3,669,713		\$ 7,028


Figure 4.2: Water Impact Fee Calculation Service Area C Unbonded

SERVICE AREA C UNBONDED	Total Cost to Component	% that will Serve Ten Year Demand	Dollar Amount that will Serve Ten Year Demand	Impact Fee Cost	ERUs to be Served	Cost per ERU
Production Facilities						
Future 10 Year Capital Projects	\$ 4,340,660	23.13%	\$ 1,003,995	\$ 1,003,995	257	\$ 3,907
Future Production Related Debt to be Issued	-	0.00%	-	-	257	-
Existing Production Projects	-	0.00%	-	-	257	-
Existing Production Related Debt - (Includes Interest)	-	0.00%	-	-	257	-
Credit for Existing Users' and Non-Qualifying Capital Expense		0.00%				-
Storage Facilities						
Future 10 Year Capital Projects	\$ 373,497	100.00%	\$ 373,497	\$ 373,497	222	\$ 1,682
Future Storage Related Bonds	-	0.00%	-	-	222	-
Existing Storage Projects	-	0.00%	-	-	222	-
Existing Storage Related Debt - (Includes Interest)	-	0.00%	-	-	222	-
Credit for Existing Users' and Non-Qualifying Capital Expense						-
Transmission and Distribution Facilities						
Future 10 Year Capital Projects	\$ 1,660,755	41.86%	\$ 695,218	\$ 695,218	477	\$ 1,457
Future Transmission Related Bonds	-	0.00%	-	-	477	-
Existing Transmission Projects	-	0.00%	-	-	477	-
Existing Transmission Related Debt - (Includes Interest)	-	0.00%	-	-	477	-
Credit for Existing Users' and Non-Qualifying Capital Expense						-
Miscellaneous						
Unspent Impact Fee Funds	\$ -	0.00%	\$ -	\$ -	477	\$ -
Credit for Existing Users' and Non-Qualifying Capital Expense						-
Professional Services	40,000	0%	40,000	40,000	477	84
Total Impact Fee Per ERU	\$ 6,414,912		\$ 2,112,710	\$ 2,112,710		\$ 7,130

Figure 4.3: Impact Fee per ERU


	Unbonded Service Areas A, B South, B North	Unbonded Service Area C
Treatment/Production New Treatment Plant	\$ 3,907	\$ 3,907
Storage	1,580	1,682
Transmission	1,457	1,457
Credit	-	-
Professional Services	84	84
Cost per ERU	\$ 7,028	\$ 7,130

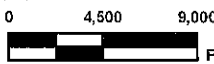



Bowen Collins & Associates, Inc.
 CONSULTING ENGINEERS

JSSD SERVICE BOUNDARY
 Jordanelle Special Service District
IMPACT FEE AMENDMENT

NORTH:



SCALE:
 0 4,500 9,000
 Feet
 FIGURE NO.
1