

**SALINA CITY CORPORATION
WORK MEETING
April 14, 2021**

COUNCIL AND STAFF PRESENT:

Mayor Jed Maxwell
Newell Hales
Jon Maxwell
Earl Taylor
Cade Hunter
Daniel Viers

Ashlee Larsen, City Recorder
Kathy Maxwell, City Treasurer

VISITORS PRESENT FOR WORK MEETING:

Sunrise Engineering:
Trent Brown
Jesse Ralphs
Mario Gonzalez,

Mayor Jed Maxwell called the work meeting to order at 8:52 p.m. at the Salina City Hall.

AGENDA TOPICS: Sunrise Engineering Salina City sewer update

Mayor Maxwell welcomed Sunrise Engineering. **Mario Gonzalez** spoke about the purpose of the Master Plan Update and asked if Council has any questions. The purpose of the Master Plan is to -Update population projections

- Update connection and ERC estimates (current and future)
- Document post-project system capacity using current system demands and DDW capacity requirements.

Mario Gonzalez went over the current year capacity and a 20-year capacity.

- Water Rights
- Source Capacity
- Storage Capacity
- Distribution System
- Treatment
- Serve as the basis (reasonable Plan) for the Impact Fee Analysis
- Water Master Plan Update-Summary
- Water Right
- Current Water Rights 1,452 ac-ft
- Current Requirement 1,078 ac-ft (373 ac-ft surplus)
- 20 Year Requirement 1,579 ac-ft (128 ac-ft deficit)

Gonzalez spoke about the Source and Storage Capacity

- Current Source 1,610 gpm
- Current Requirement 1,392 gpm (217 gpm surplus)

20 Year Requirement 2,141 gmp (531 gpm deficit)

Current Storage 4,250,000 gal

Current Requirement 1,199,852 gal (3,050,148-gal surplus)

20 Year Requirement 1,782,268 gal (2,467,732-gal surplus)

Gonzalez spoke about the distribution system he had some concerns about inadequate fire flows that were identified one was around Sunset South Subdivision due to smaller than optimal pipe. The State code is 8 inches. **Jesse Ralphs** stated unless smaller communities have 6-inch pipes that are well looped. New construction should have 8-inch pipes. **Ralphs** stated Sunrise will look at these specific areas and let Salina City know what their best option with the sewer project would be. 300 East (mouth of canyon) Treatment/Disinfection

Gonzalez spoke about the well headworks building that contains a 2-tank chlorination system Spring headworks building running on 1 tank but has 2 tank scale

Considerations:

- Water Rights Consider 40-year plan and water rights strategy
- Source-start considering options for additional well or upgrade existing
- Distribution-upsize pipe and create loop connections for increase in pressure
- Treatment-Include additional chlorination tank

Mayor Maxwell spoke about Salina City upgraded their water source and asked if this was added in the Sewer Study. **Brad Allen** stated in June 2019 Salina City had to use their second water source due to the Balloon Festival and Million Dollar Barrell Race, overnight because the tanks were low. **Mayor Maxwell** asked if Salina City water source is limited.

Jesse Ralphs stated Salina City has plenty of water source, and the way the State looks at it is very different than Salina City sees it operationally. Salina City might have to turn on the secondary water source once or twice a year as a backup. What is the required source capacity. **Mayor Maxwell** asked Jesse Ralphs what the best option is for Salina City if someone would like to annex in their property. **Maxwell** stated how hard it is to find water shares and if Salina City should do in lieu of cash.

Jesse Ralphs stated Salina City could buy water upfront and then do in lieu of cash rights and place the cash in a holding and purchase water shares.

Kathy Maxwell spoke about the Salina City Water Ordinance and when it was being written Richard Chamberlain advised Salina City only allowing water shares when a property is being annexed in, due to the water shares tripling in price over the years. But than it can be hard for people to find water shares so its hard to grow you City.

Jesse Ralphs stated the master plan will state how many new homes or businesses will be able to come into Salina City and have enough water source.

Newell Hales asked if Salina City could go through the legislative to receive more water rights.

Mayor Maxwell stated Salina City is holding up on annexations due to there not being any water shares.

Jesse Ralphs stated Salina City could project around 750 new homes with the water shares they have right now. But this doesn't include commercial development.

Gonzales spoke about the Impact Fee Purpose is to proportionally allocate to new development the cost of new public facilities and the cost of excess capacity in existing systems that is consumed by new development.

The Impact fee analysis:

- (1) Identified the anticipated impact on existing facilities by new development,

- (2) Identified the anticipated impact on system improvements by anticipated development,
- (3) Demonstrated how those impacts are reasonably related to the anticipated development,
- (4) Estimated the proportionate share of costs to be recouped by the impact fee, and
- (5) Identified how the impact fee was calculated.

Jesse Ralphs stated if Salina City has had past improvements they have already built and paid for and have excess capacity they would be eligible. If Salina City has future improvements that they plan to do in the next six (6) years and you estimate how much that would cost and it will support new growth, it would also be eligible. If Salina City is doing a project with upgrade and repairs, it would not be eligible.

Newell Hales asked questions regarding the ERC.

Jesse Ralphs explained this plan will be written as an ERC equivalent bases.

Gonzalez spoke about Salina Water System Improvements, Wastewater Impact fee eligible projects, both past and future projects may be eligible for impact fees. However, only projects which have excess capacity are impact fee eligible. Projects that increase the level of service for current residents are not impact fee eligible. Also, the portion of the cost funded by grant is not impact fee eligible.

Jon Maxwell asked what the impact fees are right now. **Kathy Maxwell** stated Culinary Impact fee is \$1550 and the Sewer is \$1000.

Jesse Ralphs suggested reaching out to Salina City Attorney regarding the notice of adopting the impact fees, it must be posted (10) tens prior to the Public Hearing.

Jesse Ralphs spoke about the new RV Park coming into Salina City and suggested using the current impact fees but doing the ERC equivalent.

Mayor Maxwell spoke of the different size of lines and what Salina City will allow for the hook-ups. **Cade Hunter** suggested meeting with Loves RV and giving them a proposal for the hook-up fees and the size of lines that can be placed.

Jesse Ralphs asked Salina City if they are ready to proceed with the Master Plan Impact Fees. Council agreed to proceed with the Public Hearing.

Jesse Ralphs went over funding for the Salina City Sewer Project he spoke about meeting with Water Quality, CIB, and Covid funding. Ralphs suggested having the sewer project shovel ready. **Mayor Maxwell** asked about the reimbursement funds.

Trent Brown stated the sewer clean-out with Twin D, cost was \$110,000 for the sewer lines and Sunrise Engineer fees cost was \$67,000. Salina City received a grant/loan of \$99,000

Daniel Viers stated Salina City needs to update their sewer system or they could have more issues in the future.

Gonzalez went over the existing and future system components with excess capacity. Credits for monthly culinary water user rates, because a portion of monthly usage rates may be used to service debt payments for current infrastructure, a reasonable impact fee may account for the portion paid by new users to past debt service payments. To calculate the ERC credit requires a calculation of average contribution per ERC to the debt service payments or project cost over the course of the project life or payment term for the system. New infrastructure estimated annual debt service payments equal \$204,966.08 for 30 years. \$163,519.48 of that annual debt service is impact fee eligible. New ERC's will contribute to those payments via a portion of their monthly service fee for an average of 12.67 years. On average \$63.16 per year per ERC will contribute to this debt service payment. The credit is calculated by multiplying the average time by the average cost per year. Thus, a credit of \$800.27 is reasonable to reduce the impact fee required for new

ERC's. Gonzalez spoke about credits for monthly wastewater user rates because a portion of monthly usage rates may be used to service debt payments for current infrastructure, a reasonable impact fee may account for the portion paid by new users to past debt service payments. To calculate the per ERC credit requires a calculation of average contribution per ERC to the debt service payments or project cost over the course of the project life or payment term for the system.

New Infrastructure estimated annual debt service payments equal \$284,837.38 for 30 years, the following two years having additional \$39,100.00 payment toward existing loans. \$93,628.71 of that annual debt service is impact fee eligible and the \$39,100.00 is also impact fee eligible. New ERC's will contribute to those payments via a portion of their monthly service fee for an average of 9.01 years. On average \$61.69 per year per ERC will contribute to this debt service payment. The credit is calculated by multiplying the average time by the average cost per year. Thus, a credit of \$555.83 is reasonable to reduce the impact fee required for new ERC's. Mario Gonzalez stated the recommended impact fee for culinary water calculation planned improvements impact fee \$6,547.73 user rate credit (\$800.27) Total culinary water impact fee per ERC \$5,747.46 Wastewater impact fee calculation, impact fee subtotal \$3,370.56, user rate credit (555.83), Total wastewater impact fee per ERC \$2,814.73. Gonzalez spoke about the next steps he recommended Salina City consulting with legal counsel on impact fee implementation, placing a notice of preparation of Impact fee analysis, notice of intent to adopt impact fee, post Impact Fee Analysis on city website and make available at The Public library, Public Hearing, City Council passes an impact fee enactment. The enactment cannot take effect until 90 days following the enactment.

Mayor Maxwell thanked Sunrise Engineer for coming to Council.

Maintenance Supervisor Rate: Earl Taylor spoke about listing the Maintenance Supervisor Position in the newspaper and on Salina Facebook page again. Taylor asked Council their thoughts on what they should pay the new Maintenance Supervisor.

Earl Taylor motioned to adjourn the City Council at 10:15pm **Newell Hales** seconded. Motion carried 5 to 0.

Date 6/9/2021 Mayor *John Maxwell*

Date 6/9/2021 Recorder *Shelley Lays*