

FILLMORE CITY COUNCIL SPECIAL WORK MEETING

September 6, 2022

Minutes of the work meeting of the Fillmore City Council held September 6, 2022 in the Council Chambers of the Fillmore City Building. Notice of the time and place of the meeting was posted on the Utah State Public Notice website, the Fillmore City website, the Council Chambers, the City Office bulletin board, and the President Millard Fillmore Library. Notice was also provided to the Chronicle-Progress, radio station KMTI and each member of the governing body on September 2, 2022.

Those present were:

Mayor:	Michael D. Holt	Council:	Curt Hare
			Kyle Monroe
Recorder:	Kevin Orton		Eric R. Jenson
Attorney:	Elise Harris		Michael B. Winget
			Dennis W. Alldredge

Others present were:

Robert Worley

5:30 p.m. Welcome– Mayor Holt

COMMUNICATIONS AND REQUESTS

Presentation of a Recent Fillmore City Sewer Impact Fee study. Presented by Robert Worley of Sunrise Engineering

The city council recently requested a Sewer Impact Fee study. Sunrise Engineering has completed the study and has updated cost estimates on projected sewer system improvement projects that the city is considering. The biological capacity of the city's sewer system is approaching full capacity. At a growth rate of 1.5%, it would reach full capacity in the 2035. Growth in Fillmore has surpassed the 1.5% rate significantly over the last couple of years. The bottom line is that the city's sewer system is not in dire straits of reaching capacity, however, improvement planning is currently a need.

The city's sewer system is in better shape hydraulically speaking, however, there are several areas of sewer pipe that will need to be replaced. Much of this replacement will consist of enlarging some sections of pipe where capacity has been or will be exceeded. A significant impact fee increase will be needed to pay for the needed improvements. Construction of a new sewer lagoon has an estimated price tag of \$4.3 million. Sewer impact fees and rates will both need to increase to cover the costs of the needed sewer infrastructure improvements. Fillmore City will not be able to qualify for any grant monies as the current rates are relatively very low compared to other municipalities' rates, resulting in a low MAGI (median adjusted gross income) which is a significant determining factor for the CIB when considering extending grant money for such improvement projects.

46 A 30-year loan at 1.5% interest would mean that the city would pay over \$5 million over that
47 time for a project consisting of building a new lagoon. Sunrise Engineering is proposing that the
48 city move forward with improvements as they are necessary to accommodate future growth.

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50 An increased sewer impact fee of just under \$10,000 would need to be implemented to help pay
51 for a \$5 million improvement project. This would equate to \$2,700 per ERU (equivalent
52 residential unit). If the impact fee were not increased, then the funding burden would fall on the
53 rate payers, in that the monthly sewer rate for citizens would need to increase to \$25.00.

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55 Councilmember Jenson would support implementing the maximum allowable amount for the
56 sewer impact fee to ensure that only developers are paying for the impact that only they are
57 adding to the city's sewer system.

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59 Mr. Worley showed camera footage of maintenance and repair needs of the current sewer
60 system. There are several areas within the pipe system that have issues that need to eventually
61 be addressed. These issues should be placed on a maintenance schedule with a timeline to get
62 them all repaired. These maintenance costs will be a reason for increasing the sewer rate, as
63 maintenance costs are not impact fee eligible. Public Works Director Matt Haupt explained that
64 most of these repairs will need to be contracted because the city does not have the resources such
65 as adequate equipment to do the repairs "in-house."

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67 The city council directed Sunrise Engineering to move forward with the sewer fund impact fee
68 and sewer rate increase process.

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71 APPROVED September 20, 2022

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Michael D. Holt, Mayor