

# SPRINGVILLE CITY WASTEWATER IMPACT FEE ANALYSIS (IFA)



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## IMPACT FEE CERTIFICATION

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### IFA Certification

Lewis Young Robertson & Burningham, Inc. certifies that the Impact Fee Analysis ("IFA") prepared for wastewater facilities:

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;
  - d. offsets costs with grants or other alternate sources of payment; and
3. complies in each and every relevant respect with the Impact Fees Act.

Lewis Young Robertson & Burningham, Inc. makes this certification with the following caveats:

1. All of the recommendations made in the IFFP documents or in the IFA documents are followed by City Staff and elected officials.
2. If all or a portion of the IFFP or IFA are modified or amended, this certification is no longer valid.
3. All information provided to LYRB is assumed to be correct, complete, and accurate. This includes information provided by the City as well as outside sources.

LEWIS YOUNG ROBERTSON & BURNINGHAM, INC.

## SECTION 1: EXECUTIVE SUMMARY

The purpose of the Wastewater Impact Fee Analysis (“IFA”) is to fulfill the requirements established in Utah Code Title 11 Chapter 36a, the “Impact Fees Act,” and help Springville City (the “City”) plan necessary capital improvements for future growth. This document will address the future wastewater infrastructure needed to serve the City through the next six to ten years, as well as calculate the appropriate impact fees the City may charge to new growth to maintain the level of service (“LOS”). The **Springville City Wastewater Collection System Master Plan (including Chapter 8: Impact Fee Facilities Plan (“IFFP”))**, along with updated information from the City, provides the information utilized in the analysis for the purposes of calculating impact fees.

- ☐ **Service Area:** The service area for the wastewater system consists of the Springville municipal boundary shown in Figure 2-1 of the Wastewater Collection System Master Plan.
- ☐ **Demand Analysis:** There are currently 12,219 Equivalent Residential Connections (ERCs) within the service area, with 4,632 additional ERCs anticipated within the next ten years (See Wastewater Collection System Master Plan p.16).
- ☐ **Level of Service:** According to the Master Plan, the proposed and existing level of service (LOS) is **230 gpd/ERC**.<sup>1</sup>
- ☐ **Excess Capacity:** Excess capacity exists related to the existing system. Approximately 35.0 percent of the **collection** system was included within the IFFP analyzed area as serving new development. According to the City, 14.8 percent is attributed to development in the next ten years, or \$611,935 (including debt related expense). The total buy-in capacity for **treatment** is 3.26 million gallons per day (MGD). A total of 1.07 MGD, or 32.7 percent of the proportional value, is necessary for new development within the next ten years. This equals \$4,847,645 in value of the original system, including debt related expense.
- ☐ **Debt Expense Related to Buy-In:** The total interest cost for the 2008 bonds by year 2028 will be \$3,008,034. Interest costs are an eligible cost that can be paid for with impact fees. A total of 61.8 percent of the 2008 Bonds were used for treatment facilities, with 23.2 percent used for the collection system. The remaining 15 percent was used for culinary water improvements. The interest cost associated with these bonds is applied to the original value of the respective system improvements.
- ☐ **Capital Facilities Analysis:** The impact fee analysis considers a total of \$3,490,558 in **collection system** improvements related to the service area. A total of \$783,380 is considered growth related infrastructure necessary within the IFFP planning horizon, or 22.4 percent of the total. The impact fee analysis also considers \$654,319 in **treatment system** improvements necessary for new development activity, assumed to serve the same demand as the treatment expansion. Based on the LOS, approximately 54.4 percent of treatment future facilities will be served by the ERCs anticipated in the next ten years, or \$355,645 of the total cost.
- ☐ **Funding of Future Facilities:** This analysis assumes future growth related facilities will be funded through a combination of utility revenues and impact fee revenues. Future debt to fund facilities is not included in this analysis.
- ☐ **Impact Fee Fund Balance:** As of the date of this analysis, there is no outstanding impact fee fund balance.

## PROPOSED WASTEWATER IMPACT FEE

The wastewater impact fees proposed in this analysis will be assessed within the entire service area. The table below illustrates the maximum allowable impact fee per ERC.

TABLE 1.1: IMPACT FEE PER ERC

IMPACT FEE CALCULATION	ESTIMATED IFFP COST	PERCENT TO GROWTH	COST TO GROWTH	ERCs SERVED	COST PER ERC
Collection: Buy-In (Including Debt Related Expense)	\$4,147,448	14.8%	\$611,935	4,632	\$132
Collection: Future Facilities	\$3,490,558	22.4%	\$783,380	4,632	\$169
Treatment: Buy-In (Including Debt Related Expense)	\$14,812,918	32.7%	\$4,847,645	4,632	\$1,047
Treatment: Future Facilities	\$654,319	54.4%	\$355,645	4,632	\$77
Impact Fee Fund Balance	-	-	-	4,632	-
Professional Expense	\$6,723	100.0%	\$6,723	4,632	\$1
<b>Total</b>	<b>\$23,111,965</b>		<b>\$6,605,328</b>		<b>\$1,426</b>

<sup>1</sup> Gallons per day (gpd) per Equivalent Residential Connection (ERC).



TABLE 1.2: IMPACT FEE BY METER SIZE

CONNECTION SIZE	NOMINAL MULTIPLIER	IMPACT FEE PER METER SIZE	EXISTING FEE	CHANGE
1	1.0	\$1,426	\$1,619	-12%
1 1/2	3.3	\$4,749	\$5,391	-12%
2	5.3	\$7,601	\$8,629	-12%

For turbine type meters & sizes not listed, the fee per meter size will be calculated on a case by case basis using the fee per ERC of \$1,426.

**NON-STANDARD IMPACT FEES**

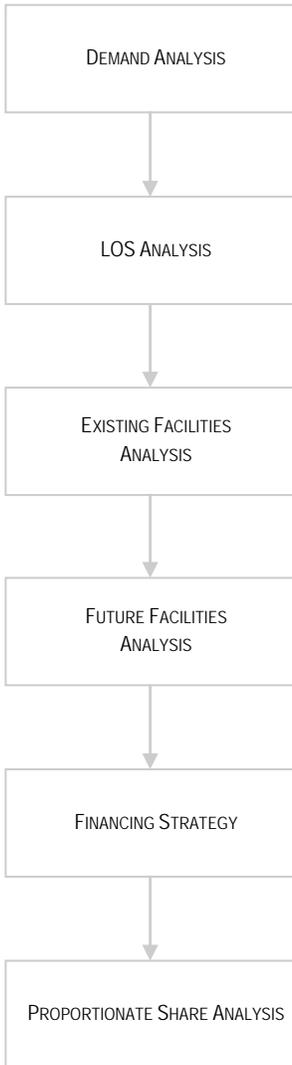
The City reserves the right under the Impact Fees Act to assess an adjusted fee that more closely matches the true impact that the land use will have upon public facilities.<sup>2</sup> This adjustment could result in a different impact fee if the City determines that a particular user may create a different impact than what is standard for its land use.

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<sup>2</sup> 11-36a-402(1)(c)

**SECTION 2: GENERAL IMPACT FEE METHODOLOGY**

FIGURE 2.1: IMPACT FEE METHODOLOGY



The purpose of this study is to fulfill the requirements of the Impact Fees Act regarding the establishment of an IFA. The City has completed the Impact Fee Facilities Plan (IFFP), as part of the Master Plan, which is designed to identify the demands placed upon the City's existing facilities by future development and evaluate how these demands will be met by the City. The IFFP is also intended to outline the improvements which are intended to be funded by impact fees. The IFA is designed to proportionately allocate the cost of the new facilities and any excess capacity to new development, while ensuring that all methods of financing are considered. Each component must consider the historic level of service provided to existing development and ensure that impact fees are not used to raise that level of service. The following elements are important considerations when completing an IFFP and IFA.

**DEMAND ANALYSIS**

The demand analysis serves as the foundation for the IFFP. This element focuses on a specific demand unit related to each public service – the existing demand on public facilities and the future demand as a result of new development that will impact public facilities.

**LEVEL OF SERVICE ANALYSIS**

The demand placed upon existing public facilities by existing development is known as the existing "Level of Service" ("LOS"). The IFFP must establish a proposed level of service. Through the inventory of existing facilities, combined with the growth assumptions, this analysis identifies the level of service which is provided to a community's existing residents and ensures that future facilities maintain these standards. Any excess capacity identified within existing facilities can be apportioned to new development. Any demand generated from new development that overburdens the existing system beyond the existing capacity justifies the construction of new facilities.

**EXISTING FACILITY INVENTORY**

In order to quantify the demands placed upon existing public facilities by new development activity, the Impact Fee Facilities Plan provides an inventory of the City's existing system facilities. To the extent possible, the inventory valuation should consist of the following information:

- ▣ Original construction cost of each facility; and,
- ▣ Estimated useful life of each facility.

The inventory of existing facilities is important to properly determine the excess capacity of existing facilities and the utilization of excess capacity by new development.

**FUTURE CAPITAL FACILITIES ANALYSIS**

The demand analysis, existing facility inventory and LOS analysis allow for the development of a list of capital projects necessary to serve new growth and to maintain the existing system. This list includes any excess capacity of existing facilities as well as future system improvements necessary to maintain the level of service. Any demand generated from new development that overburdens the existing system beyond the existing capacity justifies the construction of new facilities.

**FINANCING STRATEGY – CONSIDERATION OF ALL REVENUE SOURCES**

This analysis must also include a consideration of all revenue sources, including impact fees, future debt costs, alternative funding sources and the dedication of system improvements, which may be used to finance system improvements.<sup>3</sup> In conjunction with this revenue analysis, there must be a determination that impact fees are necessary to achieve an equitable allocation of the costs of the new facilities between the new and existing users.<sup>4</sup>

<sup>3</sup> 11-36a-302(2)  
<sup>4</sup> 11-36a-302(3)



**PROPORTIONATE SHARE ANALYSIS**

The written impact fee analysis is required under the Impact Fees Act and must identify the impacts placed on the facilities by development activity and how these impacts are reasonably related to the new development. The written impact fee analysis must include a proportionate share analysis, clearly detailing each cost component and the methodology used to calculate each impact fee. A local political subdivision or private entity may only impose impact fees on development activities when its plan for financing system improvements establishes that impact fees are necessary to achieve an equitable allocation to the costs borne in the past and to be borne in the future (UCA 11-36a-302).

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## SECTION 3: OVERVIEW OF SERVICE AREA, DEMAND, AND LOS

### SERVICE AREAS

Utah Code requires the impact fee enactment to establish one or more service areas within which impact fees will be imposed.<sup>5</sup> The impact fees identified in this document will be assessed to a single, city-wide service area. It is anticipated that the growth projected over the next six years and through build-out, will impact the City's existing services. Wastewater infrastructure will need to be expanded in order to maintain the existing level of service. Impact fees have become an ideal mechanism for funding growth-related infrastructure. This analysis is designed to accurately assess the true impact of a particular user upon the City's infrastructure and prevent existing users from subsidizing new growth. This analysis also ensures that new growth isn't paying for existing system deficiencies.

TABLE 3.1: CITY-WIDE ERC GROWTH PROJECTIONS

YEAR	TOTAL ERCs
End of Year 2012	12,219
New ERCs in IFFP Horizon	4,632
2022 ERCs	16,851
Buildout ERCs	27,349

*Source: Wastewater Collection System Master Plan 2013, pg 16, Table 4-2 "Sewer System Analysis Summary"*

### DEMAND UNITS

As shown in Table 3.1, the growth in ERCs is expected to reach 16,851 by end of year 2022. This represents an increase of 4,632 ERCs from end of year 2012.

### LEVEL OF SERVICE STANDARDS

Impact fees cannot be used to finance an increase in the level of service to current or future users of capital improvements. Therefore, it is important to identify the existing and proposed culinary water level of service to ensure that the new capacities of projects financed through impact fees do not exceed the established standard.

### TREATMENT AND COLLECTION

The existing and proposed LOS for both treatment and collection is 230 gallons per day per ERC, as shown in the table below (see Wastewater Collection System Master Plan, p.16).

TABLE 3.2: TREATMENT LEVEL OF SERVICE (LOS)

	EXISTING	10-YR IFFP	BUILDOUT	NEW DEMAND IN IFFP
Residential	2,095,760	2,944,000	4,698,900	848,240
Non-residential	353,487	570,651	1,230,309	217,164
Large User	361,094	361,094	361,094	-
Infiltration	724,111	1,075,694	1,748,770	351,583
<b>Total</b>	<b>3,534,452</b>	<b>4,951,439</b>	<b>8,039,073</b>	<b>1,416,987</b>
Total (less infiltration)	2,810,341	3,875,745	6,290,303	1,065,404
<i>Existing &amp; Proposed LOS (gpd/ERC)</i>	<i>230</i>	<i>230</i>	<i>230</i>	<i>230</i>

<sup>5</sup> UC 11-36a-402(a)

## SECTION 4: EXISTING CAPACITY ANALYSIS

### EXISTING SYSTEM VALUE

Based on information provided by the City, the existing system is valued as shown below. These values represent amounts that can be included in any excess capacity calculations.

TABLE 4.1: EXISTING SYSTEM VALUE

SUMMARY OF EXISTING ASSETS	
Original Treatment Plant	\$9,546,786
Treatment Plant Expansion	\$10,704,310
Collection	\$11,151,524
Interest Related to Treatment	\$1,859,822
Interest Related to Collection	\$698,328
Developer Improvements	\$2,468,739
<b>Total</b>	<b>\$36,429,509</b>

### MANNER OF FINANCING EXISTING PUBLIC FACILITIES

The City has funded its existing capital infrastructure through a combination of different revenue sources, including general utility fund revenues and the issuance of debt. This analysis has removed all known funding related to project improvements that cannot be included in the calculation of the impact fee.

The analysis includes one piece of outstanding debt related to the system's capacity: the 2008 Amended Water and Sewer Revenue Bonds. This outstanding debt was issued for the purpose of constructing the treatment facility expansion and other sewer system improvements.

#### 2008 AMENDED SEWER REVENUE BONDS

In 2008, the City issued \$15,135,000 in Water and Sewer Revenue Bonds. These bonds were amended in 2013 to capitalize on interest savings. Approximately 61.8 percent of the proceeds were used to fund the expansion to the sewer treatment facility, with 23.2 percent used to fund collection improvements. The remaining 15 percent of the bond proceeds were used for water projects. The principal and interest payments for the Amended 2008 bonds are shown in the table below. The total interest cost for the 2008 bonds is \$3,008,034. The interest costs are an eligible cost that can be paid for with impact fees, as included below.

TABLE 4.4: OUTSTANDING DEBT INCLUDED IN ANALYSIS

\$12,440,000 WATER & SEWER REVENUE BONDS SERIES 2008 (AMENDED) (RE-DATED: MAY 23, 2013)					
	PRINCIPAL	COUPON	INTEREST	TOTAL P+I	FISCAL TOTAL
<b>Total</b>	<b>\$12,440,000.00</b>	<b>2.80%</b>	<b>\$3,008,033.78</b>	<b>\$15,448,033.78</b>	<b>\$15,448,033.78</b>

### IMPACT ON OR CONSUMPTION OF EXCESS CAPACITY

The total original construction cost for all wastewater collection facilities totals approximately \$11.85 million, including debt related expense and excluding developer improvements. Approximately 35 percent of the collection system was included within the IFFP analyzed area as serving new development, or \$4,147,448. Of this portion, modeling data suggests 14.8 percent is attributed to development in the next ten years, or \$611,935 (as shown in Table 4.2).

TABLE 4.2: COLLECTION EXCESS CAPACITY CALCULATION

COLLECTION	
Original Value of Existing Distribution Impr.	11,151,524
Debt Related Expense (2008 Bonds)	698,328
<b>Total Value of Existing Collection</b>	<b>\$11,849,852</b>
System Analyzed to Serve New Development	35%
Cost to Serve IFFP Area	\$4,147,448
% Attributed to Excess Capacity	14.8%
<b>Value Attributed to Excess Capacity</b>	<b>\$611,935</b>

*Source: Wastewater Collection System Master Plan Appendix, p.51*

Treatment facilities also have excess capacity to serve new development. Based on the proposed LOS, the total existing demand equals 4.2 MGD (3.53 MGD for Springville City and 0.67 MGD for the Nestles Plant), leaving 1.3 MGD for new development activity (see table 4.3).

TABLE 4.3: TREATMENT EXCESS CAPACITY CALCULATION

	MGD	% OF TOTAL	PROPORTIONATE VALUE
Original Treatment Capacity	5.50	100.0%	9,546,786
Less Existing Demand (including infiltration)	3.53	64.3%	6,135,028
Less Existing Nestles Demand	0.67	12.2%	1,162,972
<b>Buy-in Capacity of Original Treatment Plant</b>	<b>1.30</b>	<b>23.6%</b>	<b>\$2,248,785</b>
Treatment Expansion	1.96		10,704,310
<b>Total Buy-in Capacity</b>	<b>3.26</b>		<b>\$12,953,095</b>
Debt Related Expense (2008 Bonds)			\$1,859,822
<b>Total Buy-in Value</b>			<b>\$14,812,918</b>
	MGD	% OF BUY-IN CAPACITY	PROPORTIONATE VALUE
Capacity Needed in IFFP	1.42	43.5%	\$6,447,367
Less Infiltration	(0.35)	(10.8%)	(\$1,599,721)
<b>Needed Capacity in IFFP (Excluding Infiltration)</b>	<b>1.07</b>	<b>32.7%</b>	<b>\$4,847,645</b>

The City completed an expansion to the treatment facility in 2008 and 2009, which added 1.96 MGD of capacity, for a total buy-in capacity of 3.26 MGD. The demand in the next ten years will require 1.42 MGD, including infiltration. The 1.42 MGD of capacity reserved for the next ten years represent 43.5 percent of the latent capacity. The City has chosen to exclude the infiltration component in the IFA, thus reducing the allocation to new development by 10.8 percent. Thus, a total of 1.07 MGD, or 32.7 percent of the proportional value is applied in this analysis. This equals \$4,847,645 in value of the original system, including debt related expense.

## SECTION 5: CAPITAL FACILITY ANALYSIS

This document will address the future wastewater infrastructure needed to serve the City through the next six to ten years, as well as calculate the appropriate impact fees the City may charge to new growth to maintain the level of service (“LOS”). The **Springville City Wastewater Collection System Master Plan (including Chapter 8: Impact Fee Facilities Plan (“IFFP”))**, along with information from the City, provides much of the information utilized in the analysis for the purposes of calculating impact fees.

TABLE 5.1: SUMMARY OF IFFP CAPITAL IMPROVEMENTS

COMPONENT	COST
Total Collection	\$3,490,558
Total Treatment	\$654,319
<b>Total Needs</b>	<b>\$4,144,877</b>

Source: Master Plan, p.26; Springville City

### FUTURE COLLECTION SYSTEM IMPROVEMENTS

The impact fee analysis considers a total of **\$3,490,558** in collection system improvements related to the service area. A total of **\$783,380** is considered growth related infrastructure necessary within the IFFP planning horizon. A summary of the collection system improvements included in this analysis is shown below.

TABLE 5.2: SUMMARY OF COLLECTION CAPITAL IMPROVEMENTS

ID	LOCATION	COST*	PROJECT TIMING	% EXIST.	% 10-YR GROWTH	% BEYOND 10-YR GROWTH	10-YR COST
<b>EXISTING SYSTEM DEFICIENCIES</b>							
1	City Wide (\$100,000 Annually)	\$1,000,000	ON GOING	100%	0%	0%	\$0
2	400 W: 300 S to 400 S	\$110,036	< 5 YEARS	100%	0%	0%	\$0
3	800 S:Main St to 100 E	\$12,600	< 5 YEARS	100%	0%	0%	\$0
4	1750 W: Center St. to 400 S and 1750 W	See Project 16	< 5 YEARS	N/A	N/A	N/A	N/A
<b>BUILD-OUT SYSTEM DEFICIENCIES</b>							
7	1500 W 1000 N Pump Station - Phase II	\$151,200	< 10 YEARS	17%	28%	55%	\$42,336
14	1750 W: Center St. to 400 S and 1750 W	\$1,013,462	< 10 YEARS	44%	47%	9%	\$476,327
<b>NEW FACILITIES FOR BUILD-OUT</b>							
16	1500 W from Center to 900 S	\$1,203,260	< 10 YEARS	15%	22%	63%	\$264,717
Total 10 Year CIP		<b>\$3,490,558</b>			<b>22%</b>		<b>\$783,380</b>

Source: Collection System Master Plan, Table 8-1

TABLE 5.3: ADDITIONAL TREATMENT CAPITAL IMPROVEMENTS

THICKENER (TREATMENT EXPANSION)	\$654,319
Treatment Capacity Expansion (ERCS)	8,522
ERCS within IFFP	4,632
Percent of Total	54.4%
<b>Total Cost to IFFP</b>	<b>\$355,645</b>

Source: 2012 Aqua Engineering Technical Memo (December 18, 2012), LYRB, Springville City

### FUTURE TREATMENT FACILITY IMPROVEMENTS

In a technical memorandum dated December 18, 2012 Aqua Engineering identified potential projects for the Water Reclamation Facility in the City to develop costs for anticipated projects over the next 5 years. Table 5.3 identifies the proposed costs for these improvements. These are considered system improvements related to the treatment facility expansion and necessary for new

development activity. Based on the LOS of 230 GPD, the treatment expansion added capacity to serve 8,522 ERCS.<sup>6</sup> Approximately **54.4 percent** of this capacity will be used by the ERCS anticipated in the next ten years, thus **\$355,645** is included in the impact fee analysis.

### SYSTEM VS. PROJECT IMPROVEMENTS

System improvements are defined as existing and future public facilities designed to provide services to service areas within the community at large.<sup>7</sup> Project improvements are improvements and facilities that are planned and designed to provide service for

<sup>6</sup> Calculation: 1.96 MGD (Treatment expansion capacity) x 1,000,000 / 230gpd

<sup>7</sup> UC 11-36a-102(20)

a specific development (resulting from a development activity) and considered necessary for the use and convenience of the occupants or users of that development.<sup>8</sup> To the extent possible, this analysis only includes the costs of system improvements related to new growth within the proportionate share analysis.

### FUNDING OF FUTURE FACILITIES

According to the Impact Fees Act<sup>9</sup>, the City has determined the portion of future projects that will be funded by impact fees as growth-related, system improvements.

#### GRANTS, DONATIONS AND DEVELOPER CONTRIBUTIONS

The City does not currently anticipate receiving grants or donations for the impact fee improvements included in this analysis.

#### UTILITY AND IMPACT FEE REVENUES

Future system improvements will be funded through a combination of impact fee and utility rate revenues. Utility rates are established to ensure appropriate coverage of all operations and maintenance expenses, debt service coverage, and repair and replacement capital project needs. Impact fee revenues are generally considered non-operating revenues and help offset future capital costs. At the time of this study, the City did not have a wastewater impact fee fund balance.

#### DEBT FINANCING

This analysis assumes the City will not issue new debt to finance future capital improvements.

### PROPOSED CREDITS OWED TO DEVELOPMENT

The Impact Fees Act requires a local political subdivision or private entity to ensure that the impact fee enactment allows a developer, including a school district or a charter school, to receive a credit against or proportionate reimbursement of an impact fee if the developer: (a) dedicates land for a system improvement; (b) builds and dedicates some or all of a system improvement; or (c) dedicates a public facility that the local political subdivision or private entity and the developer agree will reduce the need for a system improvement.<sup>10</sup>

The facilities must be considered system improvements or be dedicated to the public, and offset the need for an improvement identified in the IFFP.

### EQUITY OF IMPACT FEES

Impact fees are intended to recover the costs of capital infrastructure that relate to future growth. The impact fee calculations are structured for impact fees to fund 100 percent of the growth-related facilities identified in the proportionate share analysis as presented in the impact fee analysis. Even so, there may be years that impact fee revenues cannot cover the annual growth-related expenses. In those years, other revenues such as general fund revenues will be used to make up any annual deficits. Any borrowed funds are to be repaid in their entirety through impact fees.

### NECESSITY OF IMPACT FEES

An entity may only impose impact fees on development activity if the entity's plan for financing system improvements establishes that impact fees are necessary to achieve parity between existing and new development. This analysis has identified the improvements to public facilities and the funding mechanisms to complete the suggested improvements. Impact fees are identified as a necessary funding mechanism to help offset the costs of new capital improvements related to new growth. In addition, alternative funding mechanisms are identified to help offset the cost of future capital improvements.

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<sup>8</sup> UC 11-36a102(13)

<sup>9</sup> 11-36a-302

<sup>10</sup> 11-36a-402

## SECTION 6: WASTEWATER IMPACT FEE CALCULATION

The calculation of impact fees relies upon the information contained in this analysis. Impact fees are calculated based on many variables centered on proportionality and level of service. As a result of new growth, the wastewater system will need additional expansion to provide the proposed level of service that the City will offer.

### PROPOSED WASTEWATER IMPACT FEE

#### PLAN BASED (FEE BASED ON DEFINED CIP)

Impact fees can be calculated based on a defined set of costs specified for future development. The improvements are identified in a capital plan as growth related projects. The total project costs are divided by the total demand units the projects are designed to serve. Under this methodology, it is important to identify the existing level of service and determine any excess capacity in existing facilities that could serve new growth. Impact fees are then calculated based on many variables centered on proportionality share and level of service.

#### WASTEWATER IMPACT FEE CALCULATION

The wastewater impact fees proposed in this analysis will be assessed within the entire service area. The table below illustrates the maximum allowable impact fee per ERC. A total of **\$6,605,328** is identified as the buy-in, future capital cost, and professional expense costs to maintain the level of service for new development activity. The professional expense includes the current cost to complete this analysis.

TABLE 6.1: CALCULATION OF PROPORTIONATE IMPACT FEE

IMPACT FEE CALCULATION	ESTIMATED COST	PERCENT TO GROWTH	COST TO GROWTH	ERCs SERVED	COST PER ERC*
Collection: Buy-In (Including Debt Related Expense)	\$4,147,448	14.8%	\$611,935	4,632	\$132
Collection: Future Facilities	\$3,490,558	22.4%	\$783,380	4,632	\$169
Treatment: Buy-In (Including Debt Related Expense)	\$14,812,918	32.7%	\$4,847,645	4,632	\$1,047
Treatment: Future Facilities	\$654,319	54.4%	\$355,645	4,632	\$77
Impact Fee Fund Balance	-	-	-	4,632	-
Professional Expense	\$6,723	100.0%	\$6,723	4,632	\$1
<b>Total</b>	<b>\$23,111,965</b>		<b>\$6,605,328</b>		<b>\$1,426</b>

\*Cost per ERC is rounded to the nearest whole dollar

TABLE 6.2: IMPACT FEE BY METER SIZE

CONNECTION SIZE	NOMINAL MULTIPLIER	IMPACT FEE PER METER SIZE	EXISTING FEE	CHANGE
1	1.0	\$1,426	\$1,619	-12%
1 1/2	3.3	\$4,749	\$5,391	-12%
2	5.3	\$7,601	\$8,629	-12%

For turbine type meters & sizes not listed, the fee per meter size will be calculated on a case by case basis using the fee per ERC of \$1,426.

#### NON-STANDARD IMPACT FEES

The City reserves the right under the Impact Fees Act<sup>11</sup> to assess an adjusted fee that more closely matches the true impact that the land use will have upon the wastewater system. This adjustment could result in a different impact fee if evidence suggests a particular user will create a different impact than what is standard for its category.

#### OTHER CONSIDERATIONS

- ☞ **Consideration of all Revenue Sources:** The Impact Fees Act requires the proportionate share analysis to demonstrate that impact fees paid by new development are the most equitable method of funding growth-related infrastructure. See Section 5 for further discussion regarding the consideration of revenue sources.

<sup>11</sup> UC 11-36a-402(1)(c)



- ☞ **Expenditure of Impact Fees:** Legislation requires that impact fees should be spent or encumbered within six years after each impact fee is paid. Impact fees collected in the next five to six years should be spent only on those projects outlined in the IFFP as growth related costs to maintain the LOS.
- ☞ **Growth-Driven Extraordinary Costs:** The City does not anticipate any extraordinary costs necessary to provide services to future development.
- ☞ **Summary of Time Price Differential:** The Impact Fees Act allows for the inclusion of a time price differential to ensure that the future value of costs incurred at a later date are accurately calculated to include the costs of construction inflation. While an inflation component may be included in the impact fee analysis to reflect the future cost of facilities, it is not considered in the cost estimates in this study.

DRAFT