ORDINANCE 23-06

AN ORDINANCE OF THE CITY COUNCIL OF MORGAN CITY, MORGAN COUNTY, UTAH, ACTING AS THE GOVERNING BODY OF MORGAN CITY ENACTING A CULINARY WATER IMPACT FEE FACILITIES PLAN, PROVIDING FOR THE CALCULATION AND COLLECTION OF SUCH FEES, PROVIDING FOR APPEAL, ACCOUNTING, AND SEVERABILITY OF THE SAME, AND OTHER RELATED MATTERS; PROVIDING FOR REPEALER; PROVIDING FOR SEVERABILITY; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, Morgan City (hereinafter the "City") is a public subdivision of the State of Utah, authorized and organized under the provisions of Utah law; and

WHEREAS, the City is authorized pursuant to the Impact Fee Act, Utah Code Ann. § 11-36a-101 et seq. to adopt and impose impact fees as a condition of development approval; and

WHEREAS, the City posted notice of the public hearing with respect to the proposed Culinary Water Impact Fee Facilities Plan (hereinafter "Facilities Plan") and Water Impact Fee Analysis (hereinafter "Analysis") on June 16, 2023; and

WHEREAS, the City adopted the Facilities Plan and approved the Analysis on June 27, 2023; and

WHEREAS, the City made this Impact Fee Ordinance (hereinafter the "Ordinance") available to the public on or before June 27, 2023; and

WHEREAS, the City posted notice of the public hearing with respect to the proposed Ordinance in the Morgan City Office on or before June 16, 2023; and

WHEREAS, the City posted the notice of such public hearing on the Public Notice Website, the City Website, at the Morgan City Offices, County Library, and post office on June 16, 2023; and

WHEREAS, the City, having previously made this Ordinance available to the public, posted notice of its intent to adopt this Ordinance on the Utah Public Notice Website on or before June 23, 2023; and

WHEREAS, the Morgan City Council (hereinafter the "Council") held a public hearing on June 27, 2023 regarding the enactment of the Culinary Water Impact Fee; and

WHEREAS, after careful consideration and review of the comments at the public hearing, the Council has determined that it is in the best interest of the health, safety, and welfare of the inhabitants of the City to enact new culinary water impact fees.

NOW, THEREFORE, BE IT RESOLVED by the City Council of Morgan City, Morgan County, acting as the Governing Board of Morgan City, as follows:

SECTION 1: FINDINGS.

The Council finds and determines as follows:

1.1. All required notices have been given and public hearings conducted as required by the Impact Fee Act with respect to the Impact Fee Analysis and this Ordinance.

1.2. Growth and development activities in the City will create additional demands on its culinary water facilities. The capital facility improvement requirements which are analyzed in the Facilities Plan and the Impact Fee Analysis are the direct result of additional facility needs caused by future development activities. The persons responsible for growth and development activities should pay a proportionate share of the costs of the culinary water facilities needed to serve the growth and development activity.

1.3. Impact fees are necessary to achieve an equitable allocation of the costs borne in the past and to be borne in the future, in comparison with the benefits already received and yet to be received.

1.4. In enacting and approving the Impact Fee Analysis and this Ordinance, the Council has taken into consideration, and in certain situations will consider on a case-by-case basis in the future, the future capital facilities and culinary water needs of the City, the capital financial needs of the City which are the result of the City's future facility needs, the distribution of the burden of costs to different properties within the City based on the use of culinary water facilities of the City by such properties, the financial contribution of those properties and other properties similarly situated in the City at the time of computation of the required fee and prior to the enactment of this Ordinance, all revenue sources available to the City, and the impact on future culinary water facilities that will be required by growth and new development activities in the City.

1.5. The provisions of this Ordinance shall be liberally construed in order to carry out the purpose and intent of the City Council in establishing a program of impact fees in compliance with the Utah Impact Fees Act.

SECTION 2: DEFINITIONS.

2.1. Except as provided below, words and phrases that are defined in the Impact Fee Act shall have the same meaning in this Ordinance.

2.2. "City" means the City of Morgan.

2.3. "Council" means the City Council of Morgan City, Morgan County, Utah.

2.4. "Facilities Plan" means the plan prepared for the City as required by Utah Code Ann. § 11-36a-301.

2.5. "Impact Fee Analysis" means the analysis prepared for the City as required by Utah Code Ann. § 11-36a-303.

2.6. "Project Improvements" does not mean system improvements.

2.7. "Request for Information" means a written request submitted to the City for information regarding the impact fee.

2.8. "Resolution" means this Impact Fee Resolution.

2.9. "Service Area" means all areas within the City.

2.10. "Summary" means the summary of the Impact Fee Analysis.

SECTION 3: ADOPTION OF IMPACT FEES.

3.1. Impact Fee Analysis. The City Council hereby approves and adopts the Impact Fee Analysis attached as Exhibit "A."

3.2. Impact Fees. Impact fees are hereby imposed in Morgan City as a condition of any development activity that impacts public facilities in order to mitigate the impact of such development on public facilities. Impact fees shall be paid in cash to the City at the time of the building permit application to Morgan City, and it is the policy of Morgan City that no building permit shall be issued unless and until the impact fees required by this Ordinance have been paid in full.

3.3. Impact Fee Schedule. The impact fees imposed are as set forth in the Impact Fee Schedule attached hereto as Exhibit "B" and incorporated herein by reference. Unless the City is otherwise bound by a contractual requirement or the impact fees have been prepaid according to a prior agreement with the City, the impact fee shall be determined from the impact fee schedule in effect at the time of payment.

3.4. Adjustments. The Council may adjust the impact fee imposed on a particular project or development at the time the impact fee is charged as necessary:

(a) to respond to unusual circumstances in specific cases;

(b) to respond to a request for a prompt and individualized impact fee review for the development activity of an agency of the State of Utah, a school district, or charter school;

(c) to respond to a request for a prompt and individualized impact fee review for an offset or credit for a public facility for which an impact fee has been or will be collected;

(d) to ensure that impact fees are imposed fairly; or

(e) based upon studies and data submitted by the developer.

3.5. Credits and Reimbursements.

(a) A developer may be allowed a credit against or proportionate reimbursement of impact fees if the developer:

(i) dedicates land for a system improvement;

(ii) builds and dedicates some or all of a system improvement; or

(c) dedicates a public facility that the City and the developer agree will reduce the need for a system improvement.

(b) A credit against impact fees shall be granted for any dedication of land for, improvement to, or new construction of, any system improvements provided by the developer if the facilities:

(i) are system improvements, or

(ii) are dedicated to the public and offset the need for an identified system improvement.

3.6. Waiver for Public Purpose. The Council may, on a project-by-project basis, authorize exemptions or adjustments to the impact fee in effect for those projects the Council determines to be of such benefit to the community as a whole to justify the exemption or adjustment. Such projects may include low income housing.

3.7. Additional Fees and Costs. The impact fees imposed hereby are separate from and in addition to user fees and other charges lawfully imposed by the City for new development, such as engineering and inspection fees, building permit fees, review fees, hookup fees, connection fees, fees for project improvements, and other fees and costs that may not be included as itemized component parts of any impact fee.

SECTION 4: IMPACT FEE ACCOUNTING.

4.1. Impact Fee Accounts. The City shall establish a separate interest-bearing ledger account for each type of public facility for which an impact fee is collected and deposit impact fee receipts in the appropriate ledger account. Interest earned on each such account shall be retained in that account.

4.2. Reporting. At the end of each fiscal year, the City shall prepare a report on each impact fee ledger account established as required herein generally showing the source and amount of all monies collected, earned, and received by the account and each expenditure from the account. The report shall also identify impact fee funds by the year in which they were received, the project from which the funds were collected, the capital projects for which the funds were budgeted, and the projected schedule for expenditure. The report shall be in a format approved by the State Auditor, certified by the City's chief financial officer, and transmitted to the State Auditor annually.

4.3. Impact Fee Expenditures. The City may expend impact fees only for system improvements for the specific public facility type for which the fee was collected.

4.4. Time of Expenditure. Impact fees collected are to be expended, dedicated or encumbered for a permissible use within six years of receipt by the City, unless the Council directs otherwise. For purposes of this calculation, first funds received shall be deemed to be the first funds expended.

4.5. Extension of Time. The City may hold previously dedicated or unencumbered fees for longer than six years if it identifies in writing, before the expiration of the six-year period, (i) an extraordinary and compelling reason why the fees should be held longer than six years; and (ii) an absolute date by which the fees will be expended.

4.6. Refunds. the City shall refund any impact fees paid by a developer, plus interest actually earned, when (i) the developer does not proceed with the development activity and has filed a written request for a refund; (ii) the fees have not been spent or encumbered; and (iii) no impact has resulted.

SECTION 5: APPEAL PROCEDURES.

5.1. Application. The appeal procedures set forth herein apply both to challenges to the legality of impact fees of the City and to the interpretation and/or application of those fees.

5.2. Exhaustion of Administrative Remedies Required. Any person or entity residing in or owning property within the City, and any organization, association, corporation, or other entity representing the interests of persons or entities owning property within the City, may file a declaratory judgment action in district court challenging the validity of an impact fee after having first exhausted administrative remedies as provided in this Section 5.

5.3. Request for Information Concerning the Fee. Any person or entity required to pay or who has paid an impact fee under this Ordinance may file a written request for information concerning the fee (the "Request for Information") with the City. The City will provide the person or entity with the City's Impact Fee Analysis and other relevant information relating to the impact fee within fourteen (14) days after receipt of the written Request for Information.

5.4. Appeal to the City before Payment of the Impact Fee. Any affected or potentially affected person or entity who wishes to challenge an impact fee under this Ordinance prior to payment thereof shall file a written Request for Information concerning the fee and proceed under the City's appeal procedures as set forth in Section 5.6 herein.

5.5. Appeal to the City after Payment of the Impact Fee; Statute of Limitations for Failure to File.

(a) Any person or entity that has paid an impact fee under this Ordinance and wishes to challenge the impact fee shall file a notice of appeal with the City Recorder that contains

(i) the appellant's name, mailing address and daytime phone number;

(ii) a copy of the written Request for Information and a brief summary of the grounds for appeal; and

(iii) the relief sought.

(b) The notice of appeal shall be filed as provided below:

(i) if the appellant is challenging compliance with the notice requirements of Title 11, Chapter 36a of the Utah Code Annotated (the Impact Fee Act) with respect to the imposition of the impact fee, the notice of appeal must be filed within thirty (30) days after payment of the impact fee;

(ii) if the appellant is challenging compliance with other, non-notice, procedural requirements of Title 11, Chapter 36a of the Utah Code Annotated (the Impact Fee Act) with respect to the imposition of the impact fee, the notice of appeal must be filed within one hundred and eighty (180) days after payment of the impact fee; and

(iii) if the appellant is challenging the impact fee, the notice of appeal must be filed within one year after payment of the impact fee.

5.6. Appeals to the City. Any developer, landowner or affected party desiring to challenge the legality of any impact fee under this Ordinance shall appeal directly to the City by filing a notice of appeal with the City Recorder either prior to payment of the impact fee but within thirty (30) days of

the decision or action to which the appeal relates or after payment of the impact fee and within the applicable time period set forth in Section 5.5 herein. If a notice of appeal is not filed with the City Recorder within the applicable time period set forth above, the person or entity is barred from proceeding with an administrative appeal to the City.

5.7. Hearing. An informal hearing will be held not sooner than five (5) days nor more than twenty-five (25) days after the written notice of appeal is filed. The Council shall sit as the hearing officer.

5.8. Decision. After the conclusion of the informal hearing, the hearing officer shall affirm, reverse, or take action with respect to the challenge or appeal as appropriate. The decision of the hearing officer will be issued within thirty (30) days after the date the written notice of appeal was filed. In light of the statutorily mandated time restriction, the City shall not be required to provide more than three (3) working days' prior notice of the time, date, and location of the informal hearing and the inconvenience of the hearing to the challenging party shall not serve as a basis of appeal of the City's final determination.

5.9. Denial Due to Passage of Time. Should the City, for any reason, fail to issue a final decision on a written challenge to an impact fee, its calculation or application, within thirty (30) days after the filing of the notice of appeal, the challenge shall be deemed to have been denied and any affected party to the proceedings may seek appropriate judicial relief from such denial.

5.10. Judicial Review. Any party to the administrative action who is adversely affected by the City's final decision may petition the district court for a review of the decision within thirty (30) days of the hearing officer's final decision. After having been served with a copy of the pleadings initiating the court review, the City shall submit to the court the record of the proceedings before the City, including minutes, and if available, a true and correct transcript of any proceedings.

SECTION 6: SEVERABILITY.

If any section, subsection, paragraph, clause, or phrase of this Ordinance shall be declared invalid for any reason, such decision shall not affect the remaining provisions of this Ordinance, which shall remain in full force and effect, and for this purpose, the provisions of this Ordinance are declared to be severable. In the event any section, subsection, paragraph, clause, or phrase of this Ordinance conflicts with the Utah Impact Fee Act, the relevant provision of the Utah Impact Fee Act shall control.

SECTION 7: EXHIBITS.

All exhibits to this Ordinance are hereby incorporated herein by reference and are made a part hereof as though fully set forth herein.

SECTION 8: EFFECTIVE.

This Ordinance shall become effective ninety (90) days after the adoption of this Ordinance.

NOW, THEREFORE, be it resolved by the City Council of Morgan City, Morgan County, Utah, as **APPROVED AND ADOPTED** this 27th day of June, 2023.

SGale
STEVE GALE, Mayor

ATTEST:

Denise Woods
DENISE WOODS, City Recorder

MORGAN CITY, UTAH
CORPORATE SEAL

CITY COUNCIL VOTE AS RECORDED:

	Aye	Nay	Excused
Councilmember London	X	___	___
Councilmember Wardell	X	___	___
Councilmember Turner	X	___	___
Councilmember Richins	X	___	___
Councilmember Alexander	X	___	___

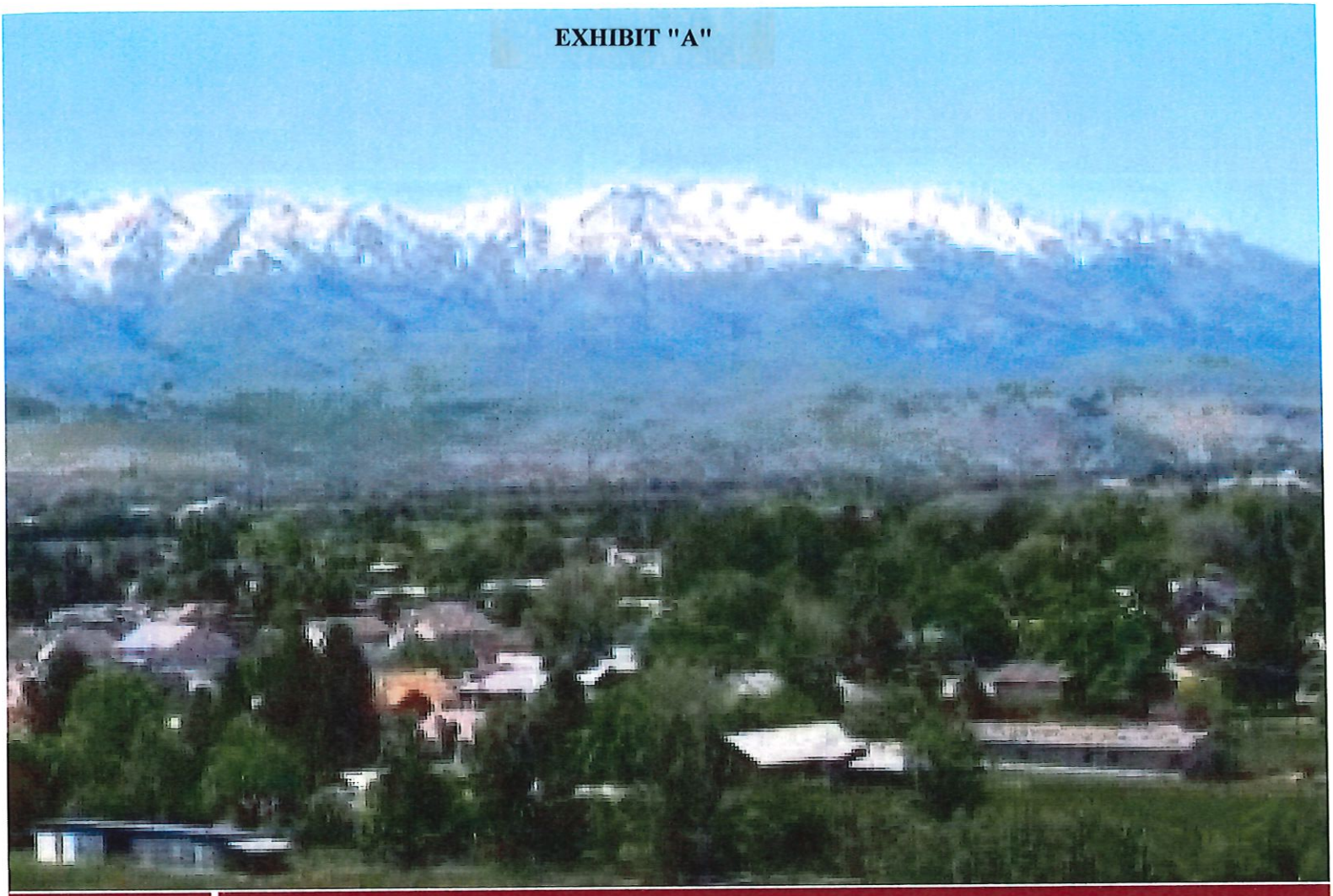
(In the event of a tie vote of the Council):

Mayor Gale	___	___

EXHIBIT "A"

WATER IMPACT FEE ANALYSIS

EXHIBIT "A"



Morgan City

DRAFT Water Impact Fee Analysis
May 2023

ZIONS PUBLIC FINANCE, INC.

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EXECUTIVE SUMMARY

An impact fee is a one-time fee imposed on new development activity to mitigate the impact of new development on capital facilities. In conjunction with this Impact Fee Analysis ("IFA"), Jones & Associates Consulting Engineers prepared the *Morgan City Corporation Culinary Water Capital Facilities Plan and Impact Fee Facilities Plan* (IFFP) dated September 2022. The IFFP forms the basis for this Impact Fee Analysis.

The recommended impact fee structure presented in this analysis has been prepared to satisfy the Impact Fees Act, Utah Code Ann. § 11-36a-101 et. seq., and represents the maximum impact fees Morgan City Corporation ("City") may assess. The City will be required to use revenue sources other than impact fees to fund any projects that constitute repair and replacement, cure any existing deficiencies, or increase the level of service for existing users.

Water Service Levels

Level of service (LOS) defines the water capital facility demands that a typical Equivalent Residential Connection (ERC), will require and should pay for with impact fees. The IFFP defines existing and proposed service levels as the minimum standards established by the Utah Division of Drinking Water and set forth in more detail in Table 7 of this IFA.

Water Service Area

There is one service area for culinary water that encompasses the boundaries of Morgan City.

Excess Capacity

Three facilities have existing excess capacity: the 700 East Booster, Landmark Tank and the Mahogany Ridge Booster. The actual cost of these facilities at the time of purchase was $1,144,293. New growth will consume the remaining capacity and is responsible for $446,550 of total costs; new development by 2030 will consume over 84 percent of the total remaining capacity and is therefore responsible for $377,051 of the actual costs. [1]

New Improvements

Seven new water projects, at a total cost of $9,219,230, are required to be constructed by 2030 in order to meet the demands of new growth. Growth within the next 10 years is responsible for $1,961,100 of these costs.[2]

Water System Impact Fee Calculation

The gross impact fee, before credits, is $7,361.68 per ERC. However, credits must be made to this amount so that double payment does not occur for new development.

[1] Source: Morgan City Impact Fee Facilities Plan, p. 27

[2] Total impact-fee eligible costs of $1,657,061 have been adjusted to inflation year costs of $1,961,100 using an annual construction cost inflator of 3 percent.

TABLE 1: GROSS IMPACT FEE PER ERC BEFORE CREDITS

SUMMARY OF IMPACT FEE COSTS	Amount
Existing Excess Capacity	$1,169.24
New Construction	$6,081.42
Consultant Costs	$111.02
Subtotal before Credits	$7,361.68

The IFFP identifies that a portion of the new construction projects are needed to benefit existing residents. Therefore, new development cannot be expected to pay the entire impact fee and then also contribute over time, through increased water rates, to projects that benefit existing residents. The IFFP allocates $558,804 of new construction costs as benefits to existing development. This is adjusted to $633,617 in construction year costs. Therefore, credits against the gross impact fee have been made as follows, spread over an 8-year period through 2030.

TABLE 2: CREDIT CALCULATIONS – NEW PROJECTS BENEFITTING EXISTING DEVELOPMENT

Year	Payment per Year	ERCs	Payment per ERC	NPV*
2023	$79,202.12	1,806	$43.86	$265.14
2024	$79,202.12	1,844	$42.95	$234.54
2025	$79,202.12	1,883	$42.06	$203.32
2026	$79,202.12	1,923	$41.19	$171.43
2027	$79,202.12	1,964	$40.33	$138.81
2028	$79,202.12	2,005	$39.50	$105.42
2029	$79,202.12	2,048	$38.68	$71.19
2030	$79,202.12	2,091	$37.88	$36.07
TOTAL	$633,616.99			

*NPV = net present value discounted at 5 percent

Credits must also be made for the City's water outstanding debt which will be paid off in 2028.

TABLE 3: CREDIT CALCULATIONS – OUTSTANDING DEBT

Year	Principal	Interest	Total P&I	Amount Benefitting Existing Development	ERCs	Payment per ERC	NPV*
2022	$73,250	$7,345	$80,595	$49,144	1,769	$27.79	$148.85
2023	$74,357	$6,238	$80,595	$49,144	1,806	$27.21	$128.50
2024	$75,480	$5,115	$80,595	$49,144	1,844	$26.65	$107.72
2025	$76,620	$3,975	$80,595	$49,144	1,883	$26.10	$86.45
2026	$77,777	$2,818	$80,595	$49,144	1,923	$25.56	$64.68
2027	$78,952	$1,643	$80,595	$49,144	1,964	$25.03	$42.36
2028	$66,702	$460	$67,162	$40,953	2,005	$20.42	$20.42

*NPV = net present value discounted at 5 percent

Residential fees will be charged on a per door basis, with single-family homes charged the equivalent of a 3/4" meter size. The City may choose to average maximum fees over a 3-5 year period for ease of collection.

TABLE 4: MAXIMUM IMPACT FEES, 2023-2028

Water Fees by Meter Size	AWWA Ratio	Adjusted AWWA Ratio	Max Fee 2023	Max Fee 2024	Max Fee 2025	Max Fee 2026	Max Fee 2027	Max Fee 2028
3/4"	1.00	0.60	$4,172.48	$4,203.25	$4,234.68	$4,266.81	$4,299.71	$4,332.84
1"	1.67	1.00	$6,968.04	$7,019.43	$7,071.91	$7,125.58	$7,180.51	$7,235.84
1.5"	3.33	1.99	$13,853.79	$13,996.82	$14,101.48	$14,208.49	$14,318.03	$14,428.35
2"	5.33	3.19	$22,174.39	$22,403.33	$22,570.83	$22,742.11	$22,917.45	$23,094.03
3"	10.00	5.99	$41,602.97	$42,032.51	$42,346.78	$42,668.13	$42,997.09	$43,328.39
4"	16.67	9.98	$69,352.16	$70,068.19	$70,592.08	$71,127.77	$71,676.14	$72,228.43

CHAPTER 1: OVERVIEW OF THE WATER IMPACT FEES

Summary

An impact fee is intended to recover the City's costs of building water system capacity to serve new residential and non-residential development rather than passing these growth-related costs on to existing users through rates. The Utah Impact Fees Act allows only certain costs to be included in an impact fee so that only the fair cost of expansionary projects or existing unused capacity paid for by the City is assessed through an impact fee.

Costs to be Included in the Impact Fee

The impact fees proposed in this analysis are calculated based upon:

- Excess capacity in the City's water system;
- New capital infrastructure that will serve new development; and
- Professional and planning expenses related to the construction of system improvements that will serve new development.

The costs that cannot be included in the impact fee are as follows:

- Costs for projects that cure system deficiencies;
- Costs for projects that increase the LOS above that which is currently provided;
- Operations and maintenance costs;
- Costs of facilities funded by grants or other funds that the City does not have to repay; and
- Costs of reconstruction of facilities that do not have capacity to serve new growth.

Utah Code Legal Requirements

Utah law requires that communities and special districts prepare an Impact Fee Analysis (IFA) before enacting an impact fee. Utah law also requires that communities/districts give notice of their intent to prepare and adopt an IFA. This IFA follows all legal requirements as outlined below. The City has retained Zions Public Finance, Inc. (ZPFI) to prepare this Impact Fee Analysis in accordance with legal requirements.

Notice of Intent to Prepare Impact Fee Analysis

A local political subdivision must provide written notice of its intent to prepare an IFA before preparing the Plan (Utah Code §11-36a-503). This notice must be posted on the Utah Public Notice website. The City has complied with this noticing requirement for the IFA by posting notice.

Preparation of Impact Fee Analysis

Utah Code requires that each local political subdivision, before imposing an impact fee, prepare an impact fee analysis. (Utah Code 11-36a-304).

Section 11-36a-304 of the Utah Code outlines the requirements of an impact fee analysis which is required to:

(1) An impact fee analysis shall:

(a) identify the anticipated impact on or consumption of any existing capacity of a public facility by the anticipated development activity;

(b) identify the anticipated impact on system improvements required by the anticipated development activity to maintain the established level of service for each public facility;

(c) demonstrate how the anticipated impacts described in Subsections (1)(a) and (b) are reasonably related to the anticipated development activity;

(d) estimate the proportionate share of:
  (i) the costs for existing capacity that will be recouped; and
  (ii) the costs of impacts on system improvements that are reasonably related to the new development activity; and

(e) identify how the impact fee was calculated.

(2) In analyzing whether or not the proportionate share of the costs of public facilities are reasonably related to the new development activity, the local political subdivision or private entity, as the case may be, shall identify, if applicable:

(a) the cost of each existing public facility that has excess capacity to serve the anticipated development resulting from the new development activity;

(b) the cost of system improvements for each public facility;

(c) other than impact fees, the manner of financing for each public facility, such as user charges, special assessments, bonded indebtedness, general taxes, or federal grants;

(d) the relative extent to which development activity will contribute to financing the excess capacity of and system improvements for each existing public facility, by such means as user charges, special assessments, or payment from the proceeds of general taxes;

(e) the relative extent to which development activity will contribute to the cost of existing public facilities and system improvements in the future;

(f) the extent to which the development activity is entitled to a credit against impact fees because the development activity will dedicate system improvements or public facilities that will offset the demand for system improvements, inside or outside the proposed development;

(g) extraordinary costs, if any, in servicing the newly-developed properties; and

(h) the time-price differential inherent in fair comparisons of amounts paid at different times.

Certification of Impact Fee Analysis

Utah Code states that an Impact Fee Analysis shall include a written certification from the person or entity that prepares the Impact Fee Analysis. This certification is included at the conclusion of this analysis.

CHAPTER 2: IMPACT FROM GROWTH UPON THE CITY'S FACILITIES AND LEVEL OF SERVICE

Utah Code 11-36a-304(1)(a)

Projected Water Demands

The table below shows ERC growth projections which will place additional demand on the City's water system. The City's water system served 1,769 ERCs equivalent residential connections (ERCs) in 2022. These ERCS are projected to grow to 2,091 ERCs by 2030; therefore, the growth between 2022 and 2030 is expected to be 322 ERCs.

TABLE5: GROWTH IN DEMAND

Year	ERCs
2022	1,769
2023	1,806
2024	1,844
2025	1,883
2026	1,923
2027	1,964
2028	2,005
2029	2,048
2030	2,091
Growth in ERCs, 2022-2030	322

Source: Morgan City Culinary Water Impact Fee Facilities Plan, p. 10

Existing and Proposed LOS Analysis

Level of service (LOS) defines the capital facility demands that a typical Equivalent Residential Connection (ERC) will require and should pay for with impact fees. The IFFP defines existing and proposed service levels as follows per ERC based on minimum standards from the Utah Division of Drinking Water.

TABLE 6: SERVICE LEVELS

Component	Measurement	Minimum Indoor Requirement	Minimum Outdoor Requirement
Source	Peak Day	800 gpd/ERC for Peak Day Demand	2.80 gpm/irrigated acre
	Annually	146,000 gallons/ERC for Average Yearly Demand (0.45 ac-ft/ERC)	1.23 ac-ft/irrigated acre
Storage Facilities	Volume	400 gallons/ERC + emergency storage + fire storage	1,873 gal/irrigated acre
Distribution System	Pressures	20 psi during conditions of fire flow and peak day demand, 30 psi during peak instantaneous demand, 40 psi during peak day demand	

Source: Morgan City Culinary Water Capital Facilities Plan, p. 8

CHAPTER 3: IMPACT ON CAPACITY FROM DEVELOPMENT ACTIVITY

Utah Code 11-36a-304(1)(b)(c)

Excess Capacity and Deficiency

There is excess capacity in the City's existing water sources. New development can be charged a buy-in fee, as part of the overall impact fee, for the capacity it consumes. The cost of the three facilities with excess capacity is $1,144,293, based on actual cost at time of purchase. Approximately 61 percent of existing capacity ($697,743) is consumed by existing development. That leaves 39 percent ($446,550) of capacity for new growth. All of the excess capacity for the Landmark Tank and the Mahogany Ridge Booster will be consumed by new development by 2030. However, new development of 322 ERCs by 2030 will consume 9.6 percent of the additional capacity of 3,357 ERCs by 2030, or $7,385.59 of the cost allocated to growth.

TABLE 7: CONSUMPTION OF EXCESS CAPACITY

Capital Facility	Historical Cost	Amount Attributable to Growth	Allowable Cost	Current Usage	Additional Capacity	Total Capacity	Amount of Capacity Use by 2030
700 East Booster (2003)	$115,270	67%	$76,885	1,375	3,357	4,732	$7,385.59
Landmark Tank (2004)	$819,039	30%	$243,255	4,938	94	5,032	$243,255
Mahogany Ridge Booster (2012)	$209,984	60%	$126,410	142	215	357	$126,410
TOTAL	$1,144,293		$446,550				$377,051

CHAPTER 4: SYSTEM IMPROVEMENTS REQUIRED FROM DEVELOPMENT ACTIVITY

Utah Code 11-36a-304(1)(b)(c)

The means by which the City will meet growth demands include constructing the following projects as set forth in the Impact Fee Facilities Plan. This will occur through requiring new development to pay for its fair share of existing excess capacity consumed over the next 10 years as well as paying for its fair share of new construction projects.

Seven new capital facility construction projects are needed by 2030 in order to meet the demands of new growth. For the purpose of calculating impact fees, capital costs are allocated by the amount of capacity consumed by new development by 2030. Therefore, the total cost to be used in the calculation of impact fees is $1,961,100.

TABLE 8: NEW CONSTRUCTION IMPROVEMENTS

Project #	Description	ERCs Served	Cost to New Growth	Impact Fee Eligible within 10 Years	Proposed Budget Year	Cost in Construction Year
1	Purchase NMWUA system	3,357	$117,920	$17,598	2023	$18,126
2	Park well chlorination	3,357	$140,700	$20,998	2023	$21,628
3	North Morgan tank	3,357	$5,096,046	$760,536	2027	$881,670
4	Aquifer storage & recovery	3,357	$444,000	$66,263	2024	$70,298
5	Sunset Dr. waterline loop	72	$428,530	$428,530	2028	$511,687
6	Well siting study	3,357	$110,000	$16,416	2026	$18,476
7	New drinking water well 2	3,357	$2,323,230	$346,720	2030	$439,215
	TOTAL	20,214	$8,660,426	$1,657,061		$1,961,100

Source: Morgan City Culinary Water Impact Fee Facilities Plan, p. 31

CHAPTER 5: PROPORTIONATE SHARE ANALYSIS

Maximum Legal Water Impact Fee per ERC

The Impact Fees Act requires the Impact Fee Analysis to estimate the proportionate share of the future and actual cost of existing system improvements that benefit new growth that can be recouped through impact fees. The impact fee for existing assets must be based on actual costs while the fees for construction of new facilities can be based on reasonable future costs of the system.

The maximum impact fee includes buy-in costs for existing, excess capacity as well as the cost of construction of new facilities.

Buy-In to Existing, Excess Capacity

There is existing, excess capacity in the source system. New development should be required to pay a buy-in fee for its fair share of the excess capacity consumed over the next 10 years. Actual costs have been used in this analysis. Based on the ERCs served through 2030, the buy-in cost is $1,169.24 per ERC.

TABLE 9: PROPORTIONATE SHARE ANALYSIS, EXISTING EXCESS CAPACITY

Excess Capacity	Amount
Total Actual Cost	$1,144,293
Amount to New Growth	$446,550
Amt to new development, 2022-2030	$377,051
Growth in ERCs, 2022-2030	322
Cost per ERC	$1,169.24

New Construction

Total new improvement costs attributable to new development by 2030 (with inflationary costs added) will reach $1,961,100.

TABLE 10: PROPORTIONATE SHARE ANALYSIS, NEW IMPROVEMENTS

New Construction Costs	Amount
Impact-fee eligible costs	$1,961,100
Growth in ERCs, 2022-2030	322
Cost per ERC	$6,081.42

Consultant Costs

The Impact Fees Act allows for fees charged to include the reimbursement of consultant costs incurred in the preparation of the IFFP and IFA.

TABLE 11: PROPORTIONATE SHARE ANALYSIS – CONSULTANT COSTS

Consultant Costs	Amount
Jones	$30,000
ZPFI	$5,800
Total Consultant Costs	$35,800
Growth in ERCs, 2022-2030	322
Cost per ERC	$111.02

Impact Fee Fund Balance

Based on information provided by the City, there are no unspent funds remaining in the culinary water impact fees account and therefore no offsetting credit needs to be made.

Calculation of Gross Fee

The gross impact fee includes costs for buy-in to existing, excess capacity, new construction and consultant costs. Credits for the portion of new projects that benefit existing development, as well as outstanding debt, must still be made.

TABLE 12: PROPORTIONATE SHARE ANALYSIS – GROSS FEE

SUMMARY OF IMPACT FEE COSTS	Amount
Existing Excess Capacity	$1,169.24
New Construction	$6,081.42
Consultant Costs	$111.02
Subtotal before Credits	$7,361.68

Credits Against Impact Fees

Credits must be calculated for the portion of future improvements that will benefit existing development as well as for the City's outstanding culinary water debt. This is necessary so that new development does not pay twice – once through an impact fee and once through increased rates to pay for existing new capital projects that benefit existing development.

Based on the IFFP, $558,804 of the total new construction costs will benefit existing development. This number has been adjusted to construction year costs of $633,617. While impact fees should pay for new development's share of the new projects, rates will need to be raised in order to cover the costs associated with the projects that benefit existing development. Therefore, credits must be made so that new development does not pay twice.

The following credits are based on the assumption of increased rates over an 8-year period to pay for the portion of new construction projects that benefit existing development. Impact fees should be sufficient to cover the costs attributable to new development.

TABLE 13: CREDITS ON NEW CONSTRUCTION – PROJECTS BENEFITTING EXISTING DEVELOPMENT

Year	Payment per Year	ERCs	Payment per ERC	NPV*
2023	$79,202.12	1,806	$43.86	$265.14
2024	$79,202.12	1,844	$42.95	$234.54
2025	$79,202.12	1,883	$42.06	$203.32
2026	$79,202.12	1,923	$41.19	$171.43
2027	$79,202.12	1,964	$40.33	$138.81
2028	$79,202.12	2,005	$39.50	$105.42
2029	$79,202.12	2,048	$38.68	$71.19
2030	$79,202.12	2,091	$37.88	$36.07

*NPV = net present value discounted at 5 percent

Credits for outstanding debt are made as follows:

TABLE 14: CREDITS ON OUTSTANDING DEBT

Year	Total Principal & Interest	Amt Benefitting Existing	ERCs	Payment per ERC	NPV*
2022	$80,595	$49,144	1,769	$27.79	$148.85
2023	$80,595	$49,144	1,806	$27.21	$128.50
2024	$80,595	$49,144	1,844	$26.65	$107.72
2025	$80,595	$49,144	1,883	$26.10	$86.45
2026	$80,595	$49,144	1,923	$25.56	$64.68
2027	$80,595	$49,144	1,964	$25.03	$42.36
2028	$67,162	$40,953	2,005	$20.42	$20.42

*NPV = net present value discounted at 5 percent

The maximum impact fee per year is calculated by taking the gross fee and subtracting the appropriate credits, by year, for new projects that will benefit existing development and for any outstanding debt.

Residential fees will be charged on a per door basis, with single-family homes charged the equivalent of a 3/4" meter size. The City may choose to average maximum fees over a 3-5 year period for ease of collection.

TABLE 15: MAXIMUM IMPACT FEES, 2023-2028

Water Fees by Meter Size	AWWA Ratio	Adjusted AWWA Ratio	Max Fee 2023	Max Fee 2024	Max Fee 2025	Max Fee 2026	Max Fee 2027	Max Fee 2028
3/4"	1.00	0.60	$4,172.48	$4,203.25	$4,234.68	$4,266.81	$4,299.71	$4,332.84
1"	1.67	1.00	$6,968.04	$7,019.43	$7,071.91	$7,125.58	$7,180.51	$7,235.84
1.5"	3.33	1.99	$13,853.79	$13,996.82	$14,101.48	$14,208.49	$14,318.03	$14,428.35
2"	5.33	3.19	$22,174.39	$22,403.33	$22,570.83	$22,742.11	$22,917.45	$23,094.03
3"	10.00	5.99	$41,602.97	$42,032.51	$42,346.78	$42,668.13	$42,997.09	$43,328.39

Water Fees by Meter Size	AWWA Ratio	Adjusted AWWA Ratio	Max Fee 2023	Max Fee 2024	Max Fee 2025	Max Fee 2026	Max Fee 2027	Max Fee 2028
4"	16.67	9.98	$69,352.16	$70,068.19	$70,592.08	$71,127.77	$71,676.14	$72,228.43

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; or
    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;

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.

Exhibit "B"

Impact Fee Schedule – 2023 - 2028

The Culinary Water Impact Fee will be as outlined in the table below and defined in the Impact Fee Analysis. This amount will be charged on the building permit.

MAXIMUM IMPACT FEES – 2023 - 2028

Water Fees by Meter Size	AWWA Ratio	Adjusted AWWA Ratio	Mx Fee 2023	Max Fee 2024	Max Fee 2025	Max Fee 2026	Max Fee 2027	Max Fee 2028
¾"	1.00	0.60	$4,172.48	$4,203.25	$4,234.68	$4,266.81	$4,299.71	$4,332.84
1"	1.67	1.00	$6,968.04	$7,019.43	$7,071.91	$7,125.58	$7,180.51	$7,235.84
1.5"	3.33	1.99	$13,853.79	$13,996.82	$14,101.48	$14,208.49	$14,318.03	$14,428.35
2"	5.33	3.19	$22,174.39	$22,403.33	$22,570.83	$22,742.11	$22,917.45	$23,094.03
3"	10.00	5.99	$41,602.97	$42,032.51	$42,346.78	$42,668.13	$42,997.09	$43,328.39
4"	16.67	9.98	$69,352.16	$70,068.19	$70,592.08	$71,127.77	$71,676.14	$72,228.43