

December 5, 2024

Ms. Monica Chenault  
Clerk and Treasurer  
Town of Alpine, WY  
Alpine, WY 83128

**Subject: Impact Fee Proposal Information Request**

Dear Ms. Chenault-

I would like to thank you, the Town Council, and staff for the opportunity to present our qualifications for this important project. This letter responds to the items outlined in your email from November 22, 2024. Additionally, I have provided further context for a few of the questions raised during the regular Council meeting on November 19.

1. *Example reports.* Included at the end of this letter are three reports from studies we conducted for the City of Sheridan<sup>1</sup>, Town of Jackson<sup>2</sup>, and the City of Casper. Additionally, I have attached a recent financial plan report from a study completed for the Town of Pinedale. I anticipate the financial plan task outlined in this impact fee proposal will require a similar level of effort as the Pinedale report. The impact fee analyses for the Town of Jackson and the City of Casper were components of broader water and wastewater financial plan and rate studies.
2. *Data Management.*
  - a. *Unavailable information.* This is a common challenge we encounter with most studies and is often resolved by relying on other data sources or the expert knowledge of staff to 'fill in the blanks'.
  - b. *Town engineer involvement.* Our studies are built on collaboration, but we understand that Town staff have limited time. Having served as the Rates Manager at Denver Water, I am familiar with the time pressures your team faces. To address this, we implement regular project check-in meetings—typically 30 minutes or less—on most projects. These meetings, held weekly, biweekly, or as needed, help keep the project on track while providing an ongoing review of deliverables and milestones.
  - c. *Typical data collection issues.* We don't anticipate many data collection issues. Our data requests are for readily available information. A list of typical data items is at the end of this letter along with a response to a question raised at the Town Council meeting regarding the need for water and wastewater system asset data.
3. *Communications/ meetings.* Effective communication is critical to the success of any study. Our scope includes virtual meetings at key milestones, beginning with a kick-off meeting, as well as one on-site Board meeting to present findings. Additional in-person meetings can also be arranged if needed. Over the past four years, the shift to virtual meetings, accelerated by the Covid-19 pandemic, has proven to be highly beneficial for both us and our clients. While in-person meetings have their merits, virtual meetings provide greater flexibility and accessibility, are more cost-effective, and help maximize efficiency. By focusing on clear agendas and concise discussions, we can make the most of staffs' valuable time.

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<sup>1</sup> Plant investment fee (impact fee) chapter begins on page 17 of the pdf document.

<sup>2</sup> The capacity fee (impact fee) chapter begins on page 59 of the pdf file. The appendices have been excluded to reduce file size.

4. *Final report.* As demonstrated in the examples provided, we create tailored, comprehensive reports for our studies. Each report includes detailed assumptions, calculations, findings, and recommendations. Serving as our final touchpoint with the client, these reports act as reference documents, outlining the basis for the fees and offering analytical support in case of challenges or inquiries from community members seeking further understanding of the fees.
5. *Financial plan.* The financial plan task in our scope of work is listed as optional, as it was not specifically required in the RFP. However, we believe a cash flow analysis is essential for two key reasons: it demonstrates the fees' ability to fund future capital projects and highlights how fee increases may help mitigate the need for future rate increases. Our financial plan analysis, as outlined in the scope of work, will cover both the water and wastewater utilities. Since the fees will partially rely on projects identified in the master plan, we will incorporate that information into the cash flow development.

We frequently collaborate with engineering firms during the master planning process to create financial plans that illustrate how rates, fees, and other funding sources can support the projects outlined in the plan. The final deliverables will include a multi-year financial plan for the water and wastewater utilities, featuring a capital program with project costs and timelines for design and construction, proposed loans and grants, and projected user rate revenue increases to meet annual revenue requirements.

Once again, thank you for the opportunity to submit on this project. As you conclude your deliberations, I want to emphasize our deep commitment to supporting communities like the Town in achieving their financial and community goals. With our vast experience from thousands of studies, we bring valuable expertise to this engagement and are confident that the outcomes of this study will provide long-lasting benefits. We take great pride in building trust with our clients and fostering long-term relationships with our clients.

Sincerely,



Todd Cristiano  
Vice President

## ADDITIONAL INFORMATION

The list below is an example of the data needed for this study. Most of this information is contained in your budget and/or financial documents as well engineering data.

- Financial Data
  - Most recent budget detail and prior years actuals
  - Water and wastewater beginning fund balances for FY25
  - Copies of the most recent annual reports (FY24 and FY25)
  - Outstanding water and/or wastewater loans
  - Summary water and wastewater billing data
  - 10-year capital improvement program
    - Identify those projects that are growth-related vs repair and replacement or regulatory
  - Detailed asset listing\*
- Engineering/operational data
  - Capacity of current system (i.e. capacity of WTP or wells, and WWTP)
  - Capacity added with expansion facilities projected over the study period
  - Demand requirement for a single family  $\frac{3}{4}$ " customer (this can also be determined from billing data)

\*There are different methods to calculate impact fees. Fees can be based on the addition of future capacity or the fee can incorporate the value of existing facilities should there be available capacity to serve new development. We would examine this option during the kickoff meeting. Should there be capacity available in the existing system, we can use detailed asset data to determine a valuation of those assets to calculate a fee.

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