



## DRAFT Sanitary Sewer Impact Fee Analysis



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## EXECUTIVE SUMMARY

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Santaquin City (“City”) commissioned J-U-B to update the City Sanitary Sewer Master Plan, Impact Fee Facilities Plan (“IFFP”) and Zions Public Finance, Inc. (ZPFI) to draft a Sanitary Sewer Impact Fee Analysis (“IFA”) in accordance with Utah law. An impact fee is a payment of money imposed upon new development activity to mitigate the impact of new development on public infrastructure.

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 that the City may assess. The City will be required to use revenue sources other than impact fees to fund any projects identified in the IFFP that constitute repair and replacement, cure any existing deficiencies, or increase the level of service for existing users.

### Sewer System Overview

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#### Level of Service – Equivalent Residential Unit

Level of service (LOS) defines the sewer demands that a new residential user, expressed as an Equivalent Residential Unit (ERU), will typically require and should pay for through impact fees. Impact fee law prohibits the use of impact fees to increase the LOS above the current service levels. At times, a sewer system may need to increase the LOS to cure an existing deficiency, but projects that fix deficiencies must be paid for through non-impact fee revenues and a credit must be provided to the impact fee payer. The City intends to maintain existing service levels as described in more detail in the body of this analysis and as taken from the IFFP.

In 2022 the City served 4,745 ERUs and is anticipated to grow to approximately 8,208 ERUs by 2032, for an increase of 3,463 ERUs over the 10-year period. A residential unit is equated to one ERU and non-residential properties are charged based on meter size.

### Sewer Service Area

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The Service Area covers the entire City of Santaquin for the purpose of calculating impact fees.

### Existing Excess Capacity

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The IFFP identifies total excess capacity of \$3,932,129 that will be consumed by the added capacity from new development over the next 10 years. These are costs of existing improvements based on actual costs at the time the improvements were acquired.

### New Construction Costs

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The IFFP identifies a total of \$17,726,095 in new construction costs over the next 10 years in 2023 dollars, which adjusts to \$20,381,905 based on construction year costs.

### Wastewater Impact Fee Calculation

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The impact fee calculation shown in Table 1 below results in a gross fee of \$5,403.46 per ERU before credits are made for the City’s three outstanding sewer bonds.

TABLE 1: PROPORTIONATE SHARE ANALYSIS

Summary	Amount
Existing Excess Capacity	\$1,135.47
Interest Cost on Existing Capacity	\$54.63
New Construction	\$4,192.26
Consultant Costs	\$21.09
Subtotal Gross Fee per ERU	\$5,403.46

The City has three outstanding sewer bonds and new development cannot be expected to pay a full impact fee and then pay for these same facilities again through outstanding bonds. Impact fees are calculated to pay for new development's share of the outstanding bonds but do not cover the cost attributable to existing development. Because sewer rates will need to cover the portion of the bond attributable to existing development, new development will pay the full impact fee and increased sewer rates unless credits are made. **The average maximum fee from 2023 to 2027 is \$5,096.30 per ERU. While Table 2 shows maximum fees per year, the City has chosen to average fees over the 5-year period from 2023-2027. This results in a maximum fee of \$5,096.30 per ERU.**

TABLE 2: MAXIMUM FEE PER ERU BY YEAR

Credits for Outstanding Bond	TOTAL Bond Payments	Amount to be Credited	ERUs	Payment per ERU	NPV*	Maximum Amt per ERU
2023	\$511,722	\$245,151	4,898	\$50.05	\$368.58	\$5,034.87
2024	\$511,272	\$244,935	5,159	\$47.48	\$336.96	\$5,066.50
2025	\$511,792	\$245,184	5,430	\$45.15	\$306.33	\$5,097.13
2026	\$511,272	\$244,935	5,712	\$42.88	\$276.49	\$5,126.96
2027	\$511,722	\$245,151	6,079	\$40.33	\$247.44	\$5,156.02
2028	\$511,132	\$244,868	6,464	\$37.88	\$219.48	\$5,183.98
2029	\$511,512	\$245,050	6,869	\$35.67	\$192.57	\$5,210.88
2030	\$652,852	\$312,762	7,294	\$42.88	\$166.53	\$5,236.93
2031	\$744,742	\$356,784	7,739	\$46.10	\$131.97	\$5,271.48
2032	\$511,662	\$245,122	8,208	\$29.86	\$92.47	\$5,310.99
2033	\$126,852	\$60,771	8,527	\$7.13	\$67.23	\$5,336.23
2034	\$126,852	\$60,771	8,857	\$6.86	\$63.46	\$5,339.99
2035	\$126,852	\$60,771	9,198	\$6.61	\$59.78	\$5,343.68
2036	\$126,852	\$60,771	9,550	\$6.36	\$56.16	\$5,347.30
2037	\$126,852	\$60,771	9,913	\$6.13	\$52.60	\$5,350.85
2038	\$126,852	\$60,771	10,288	\$5.91	\$49.10	\$5,354.35
2039	\$126,852	\$60,771	10,675	\$5.69	\$45.65	\$5,357.81
2040	\$126,852	\$60,771	11,075	\$5.49	\$42.24	\$5,361.22
2041	\$126,852	\$60,771	11,488	\$5.29	\$38.86	\$5,364.59
2042	\$126,852	\$60,771	11,914	\$5.10	\$35.52	\$5,367.94
2043	\$126,852	\$60,771	12,354	\$4.92	\$32.19	\$5,371.26
2044	\$126,852	\$60,771	12,808	\$4.74	\$28.88	\$5,374.57
2045	\$126,852	\$60,771	13,277	\$4.58	\$25.58	\$5,377.87

Credits for Outstanding Bond	TOTAL Bond Payments	Amount to be Credited	ERUs	Payment per ERU	NPV*	Maximum Amt per ERU
2046	\$126,852	\$60,771	13,761	\$4.42	\$22.29	\$5,381.17
2047	\$126,852	\$60,771	14,261	\$4.26	\$18.98	\$5,384.47
2048	\$126,852	\$60,771	14,778	\$4.11	\$15.67	\$5,387.78
2049	\$126,852	\$60,771	15,311	\$3.97	\$12.34	\$5,391.11
2050	\$126,852	\$60,771	15,862	\$3.83	\$8.99	\$5,394.47
2051	\$126,852	\$60,771	16,211	\$3.75	\$5.61	\$5,397.85
2052	\$77,726	\$37,236	16,568	\$2.25	\$2.14	\$5,401.32

\*NPV = net present value discounted at 5 percent

All single-family and multi-family residential sewer fees will be charged based on one ERU (shown in Table 2 above). All non-residential development will be charged based on the meter sizes shown in Table 3 below.

TABLE 3: MAXIMUM IMPACT FEE PER METER SIZE

Meter Size	AWWA Ratio	Maximum Fee
3/4"	1.00	\$5,096.30
1"	1.67	\$8,510.81
1 1/2"	3.33	\$16,970.67
2"	5.33	\$27,163.26
3"	10	\$50,962.96
4"	16.67	\$84,955.26
6"	33.33	\$169,859.55
8"	53.33	\$271,785.47

Santaquin City recognizes the need for and is desirous of encouraging affordable housing. Therefore, in conformance with Utah Code, the City will not charge any impact fees on *internal* accessory dwelling units (ADUs). Further, the City will apply a ten percent reduction to *external* ADUs based on one ERU. The calculation for an external ADU is as follows:

$$\$5,096.30 \times (1-0.1) = \$4,586.67 \text{ per external dwelling unit}$$

### Summary of Fees

Single-Family and Multi-Family Residential (per ERU)	\$5,096.30
External Accessory Dwelling Unit (ADU)	\$4,586.67
Non-Residential – Based on Meter Size	

### Non-Standard Demand Adjustments

The City reserves the right under the Impact Fees Act (Utah Code Ann. § 11-36a-402(1)(c, d)) to assess an adjusted fee to respond to unusual circumstances and to ensure that the impact fees are assessed fairly. The impact fee ordinance should include a provision that permits adjustment of the fee for a development based upon studies and data submitted by the developer that indicate a more realistic and accurate impact upon the City's infrastructure.

## CHAPTER 1: OVERVIEW OF THE SANITARY SEWER IMPACT FEES

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### Summary

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An impact fee is intended to recover the City's costs of building excess wastewater capacity from new residential or 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 by the City is assessed through an impact fee. Eligible costs include future projects, historic costs of existing assets that still have capacity available to serve growth, future or outstanding debt related to these eligible projects, and certain professional expenses related to planning for growth. Project improvements that only serve a specific development or subdivision cannot be included. System improvements that cure a deficiency or enhance the Level of Service (LOS) cannot be included without an appropriate credit.

The impact fee analysis provides documentation of a fair comparison, or rational nexus, between the impact fee charged to new development and the demands that new growth will have on the system.

### Costs to be Included in the Impact Fee

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

- Buy-in to existing excess capacity;
- 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:

- Projects that cure system deficiencies for existing users;
- Projects that increase the level of service 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;
- Interest costs related to outstanding or future bonds that have been issued to fund non-impact fee eligible projects such as repair and replacement and curing deficiency; and
- Costs of reconstruction of facilities that do not have capacity to serve new growth.

### Utah Code Legal Requirements

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Utah law requires that entities prepare an Impact Fee Analysis (IFA) before enacting an impact fee. Utah law also requires that entities 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.



### 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:

- (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.

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

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

### Service Area

The service area includes all areas within the Santaquin City's boundaries.

### Sewer Demands

The table below shows Equivalent Residential Unit (ERU) growth projections as obtained from the City's IFFP.

TABLE 4: GROWTH IN DEMAND

Year	ERUs
2022	4,745
2023	4,898
2024	5,159
2025	5,430
2026	5,712
2027	6,079
2028	6,464
2029	6,869
2030	7,294
2031	7,739
2032	8,208
<b>Growth in ERUs, 2022-2032</b>	<b>3,463</b>

### Existing and Proposed LOS Analysis

Level of service defines how much of the sewer system a typical residential user, defined as an ERU, will require and can fairly fund through impact fee revenue. LOS is based upon historic observed sewer demands per ERU. Impact fee law prohibits the use of impact fees to increase the LOS above the current demands. At times, a wastewater system may need to increase a LOS to cure an existing deficiency, but projects that fix deficiencies must be paid for by non-impact fee revenues and a credit must be provided to the impact fee payer.

Proposed levels of service are to at least maintain existing service levels as set forth in the IFFP as follows:

1. Collection/Transmission  
Santaquin City has chosen the following LOS: peak hour flow (or "q") divided by full flow (or "Qfull") of less than or equal to 85%, which corresponds to a flow depth of about 78%, and the pipe is not surcharged due to downstream capacity deficiencies. That depth is desirable because it provides a degree of protection against surcharging which causes overflows and lateral backups and contributes to odors and hydrogen sulfide generation.

If a pipe is located in an area without basements, then a peak hour flow level of service of up to 95% may be acceptable. For pipes where buildout modeling indicates existing infrastructure will not meet the level of service, but there are no sewer laterals connected to the pipe or expected to connect to the pipe in the future, or the specific situation is not expected to create any operational or maintenance problems, the pipes will be placed on a watch list. As time passes, if it appears the pipes may become an operational or maintenance problem, improvements may be planned.

2. Lift Station Facilities

The sewer lift station LOS related to pump capacity and operation:

- Pumps must have a capacity to pump at least 100% of peak hour flow rate while maintaining a standby pump.
- The lift stations (excluding temporary ones) must have flow metering backup power, variable frequency drive (VFD) motors if beneficial, and SCADA.

3. Treatment

The LOS for treatment is for each component of the Water Reclamation Facility to have capacity to provide at least 100% of peak day or average day flow, as applicable.

4. Storage

The LOS for storage is to maintain sufficient storage capacity to store Type 1 water discharged from the Water Reclamation Facility until it can be pumped into the City's pressure irrigation system. The storage facilities shall have capacity to provide at least 100% of the total demand during the non-irrigation season. This could be accomplished through above-ground storage ponds or through infiltration for later reuse.

### Excess Capacity

The City has the right to increase the established LOS in the future by constructing facilities that will provide greater capacity per ERU, but such LOS increases cannot be funded through impact fees. If the proposed LOS is higher than the existing LOS, then a deficiency exists and will be cured through sources of funding other than impact fees.

With growth of 3,463 ERUs over the 10-year time frame of this study (2022-2032), the IFFP identifies \$3,932,129 of costs related to existing, excess capacity in the system that will be consumed by the added capacity demands of new development over the next 10 years.

TABLE 5: EXISTING EXCESS CAPACITY—COLLECTION SYSTEM

Existing Excess Capacity	Impact-Fee Eligible Actual Cost
Transmission/Distribution Lines with Modeled Flow	\$601,356
Transmission/Distribution Lines without Modeled Flow	\$472,652
Wastewater Reclamation Facility	\$2,344,461
Water Storage Pond #2	\$367,121
Public Works Building	\$146,539
<b>TOTAL</b>	<b>\$3,932,129</b>

Source: Santaquin City Sanitary Sewer Impact Fee Facilities Plan, March 2023

## CHAPTER 4: SYSTEM IMPROVEMENTS REQUIRED FROM DEVELOPMENT ACTIVITY

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

### Future 10-Year Wastewater Capital Projects

The City intends to build the following projects within the impact fee planning horizon to serve the demands of new growth.

TABLE 6: IMPACT-FEE ELIGIBLE CAPITAL PROJECTS

	New Construction	Estimated Total Cost	Construction Year	Impact Fee Eligible	Impact-Fee Eligible Cost 10 Year	Construction Year Expense 10 Years
C-01	Install 18" sewer main along Strawberry Canal Road from 400 East to 100 East	\$634,200	2027	\$294,750	\$110,683	\$124,574.69
C-02	Install 10" and 15" pipe along 400 East from 530 North to Strawberry Canal Road and remove pipe on 530 North	\$843,900	2027	\$235,680	\$103,799	\$116,826.69
C-03	Install 8" sewer main from west to 14400 South (county) and Summit Ridge Pkwy	\$1,720,500	2027		\$0	\$0.00
C-04	Install 8" sewer main along Center Street from 100 South to manhole at 70 South	\$50,000	2030	\$50,000	\$19,417	\$23,880.46
T-01	Upgrade Permeate pumps	\$75,000	2024	\$41,269	\$22,709	\$23,390.27
T-02	Process train #3 and new biosolids holding tank - convert train 3 to BNR process and replace solids holding tank and pumps	\$4,221,000	2024	\$3,632,308	\$1,695,117	\$1,745,970.51
T-03	Reclaimed water system add 4th pump	\$245,000	2024	\$210,109	\$161,679	\$166,529.37
T-04	Outfit membrane tank 5 and flow channel	\$2,463,000	2024	\$2,126,662	\$1,375,952	\$1,417,230.56
T-05	Center Street lift station & FM - add third pump and add parallel force main	\$1,589,000	2024	\$1,544,709	\$675,200	\$695,456.00
T-06	Add conveyors and loadout facility for biosolids	\$600,000	2024	\$600,000	\$276,988	\$285,297.64
T-07	Convert backpulse tank and outfit membrane train 6	\$2,496,000	2025	\$2,496,000	\$1,065,406	\$1,130,289.23
T-08	Reclaimed water system add parallel FM	\$2,581,000	2027	\$2,581,000	\$459,969	\$517,699.16
T-09	UV system upgrades - populate first channel	\$479,000	2027	\$415,473	\$191,824	\$215,899.60
T-10	Add grit removal system	\$2,025,000	2027	\$2,025,000	\$526,733	\$592,842.63
T-11	New 1.5 MGD AADF WRF	\$37,500,000	2031	\$37,500,000	\$3,552,426	\$4,500,106.97
S-01	Water storage pond - convert existing treatment lagoons	\$3,675,000	2027	\$3,675,000	\$3,675,000	\$4,136,244.88
S-02	Water storage pond - new water storage near existing	\$31,633,000	2030	\$31,633,000	\$3,813,193	\$4,689,746.41
	<b>TOTAL</b>	<b>\$92,830,600</b>			<b>\$17,726,095</b>	<b>\$20,381,985</b>

Source: Santaquin City Sanitary Sewer Impact Fee Facilities Plan, March 2023; ZPFI

The IFFP shows that \$1,101,470 of new project costs are needed to benefit existing users. A credit for this amount has been made later in the calculation of impact fees.

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## CHAPTER 5: PROPORTIONATE SHARE ANALYSIS

The Impact Fees Act requires the Impact Fee Analysis to estimate the proportionate share of the future and historic cost of existing system improvements that benefit new growth and can be recouped through impact fees. The impact fee for existing assets must be based on the actual costs while the fees for construction of new facilities must be based on reasonable future costs of the system. This chapter will show that the proposed impact fee for system improvements is reasonably related to the impact on the wastewater system from future development activity.

### Maximum Legal Wastewater Impact Fee per ERU

#### Existing Projects with Excess Capacity

The existing excess capacity to be consumed over the next ten years is \$3,932,129 as shown in detail in Table 5. With projected growth of 3,463 ERUs over the next 10 years, the cost per ERU is \$1,135.47 for buy-in to the existing system.

TABLE 7: PROPORTIONATE SHARE ANALYSIS-EXCESS CAPACITY BUY-IN

Existing Excess Capacity	Amount
Actual Cost to Development 10 Years	\$3,932,129
Growth in ERUs, 2022-2032	3,463
<b>Cost per ERU</b>	<b>\$1,135.47</b>

The City currently has three outstanding sewer bonds, Series 2011A, Series 2011A2, and Series 2011B. Because there is excess capacity in the sewer system, and new development is buying into that excess capacity, it can also be charged for its fair share of interest costs.

TABLE 8: PRINCIPAL AND INTEREST COSTS ON REMAINING BOND PAYMENTS

Summary - 2023 - Expiration	Principal	Interest
Principal 2011A	\$3,087,000	\$150,770
Principal 2011A2	\$2,487,240	\$119,900
Principal 2011B	\$519,000	\$92,480
<b>TOTAL</b>	<b>\$6,093,240</b>	<b>\$363,150</b>

New development is responsible for 52 percent of the remaining interest costs<sup>1</sup> which results in total interest costs of \$54.63 per ERU.

TABLE 9: INTEREST COST ON OUTSTANDING BONDS

Interest Cost	Amount
Total Interest, 2023-2032	\$363,150
% to New Development, 10 Yrs	52%
Amount to New Development, 10 Yrs	\$189,176

<sup>1</sup> Calculated by dividing the cost of the two impact-fee eligible facilities that were paid for by the bond (Wastewater Reclamation Facility at a cost of \$2,344,461; and the Water Storage Pond #2 at a cost of \$367,121,) at a total cost of \$2,711,582 and dividing by the remaining principal payments on the bond (\$6,093,240) less the prior utility fund payment of \$887,965.11.

Interest Cost	Amount
Growth in ERUs, 2022-2032	3,463
<b>Interest Cost per ERU</b>	<b>\$54.63</b>

### New Construction

Table 6 summarizes the cost of future system improvements to be constructed within the next 10 years and what portion of these costs are attributable to 10-year growth. While total costs in Table 6 are shown as \$20,381,985, the City has a fund balance of \$5,864,172<sup>2</sup> that will be used for future construction costs, thereby reducing the new construction costs used in the calculation of impact fees to \$14,517,813.

TABLE 10: PROPORTIONATE SHARE ANALYSIS- NEW CONSTRUCTION

New Construction	
New Construction Costs	\$14,517,813
Growth in ERUs, 2022-2032	3,463
<b>Cost per ERU</b>	<b>\$4,192.26</b>

### Consultant Fees

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

TABLE 11: PROPORTIONATE SHARE ANALYSIS – CONSULTANT FEES

Description	Amount
Consultant Costs	\$73,050
Growth in ERUs, 2022-2032	3,463
<b>Cost per ERU</b>	<b>\$21.09</b>

### Summary of Gross Impact Fee

The gross impact fee is the impact calculated before credits for the outstanding bonds are taken into account.

TABLE 12: PROPORTIONATE SHARE ANALYSIS- GROSS IMPACT FEE PER ERU

Summary	
Existing Excess Capacity	\$1,135.47
Interest Cost on Existing Capacity	\$54.63
New Construction	\$4,192.26
Consultant Costs	\$21.09
<b>Subtotal Gross Fee per ERU</b>	<b>\$5,403.46</b>

The City has three outstanding sewer bonds and new development cannot be expected to pay a full impact fee and then pay for these same facilities again through outstanding bonds. Impact fees are calculated to

<sup>2</sup> Total fund balance as of March 2023 is \$6,965,642. However, \$1,101,470 of that amount has been collected to pay for the new construction projects that benefit recent existing development.

pay for new development's share of the outstanding bonds but do not cover the cost attributable to existing development. Because sewer rates will need to cover the portion of the bond attributable to existing development, new development will pay the full impact fee and increased sewer rates unless credits are made. **The average maximum fee from 2023 to 2027 is \$5,096.30 per ERU. While Table 2 shows maximum fees per year, the City has chosen to average fees over the 5-year period from 2023-2027. This results in a maximum fee of \$5,096.30 per ERU.**

TABLE 13: MAXIMUM FEE PER ERU BY YEAR

Credits for Outstanding Bond	TOTAL Bond Payments	Amount to be Credited	ERUs	Payment per ERU	NPV*	Maximum Amt per ERU
2023	\$511,722	\$245,151	4,898	\$50.05	\$368.58	\$5,034.87
2024	\$511,272	\$244,935	5,159	\$47.48	\$336.96	\$5,066.50
2025	\$511,792	\$245,184	5,430	\$45.15	\$306.33	\$5,097.13
2026	\$511,272	\$244,935	5,712	\$42.88	\$276.49	\$5,126.96
2027	\$511,722	\$245,151	6,079	\$40.33	\$247.44	\$5,156.02
2028	\$511,132	\$244,868	6,464	\$37.88	\$219.48	\$5,183.98
2029	\$511,512	\$245,050	6,869	\$35.67	\$192.57	\$5,210.88
2030	\$652,852	\$312,762	7,294	\$42.88	\$166.53	\$5,236.93
2031	\$744,742	\$356,784	7,739	\$46.10	\$131.97	\$5,271.48
2032	\$511,662	\$245,122	8,208	\$29.86	\$92.47	\$5,310.99
2033	\$126,852	\$60,771	8,527	\$7.13	\$67.23	\$5,336.23
2034	\$126,852	\$60,771	8,857	\$6.86	\$63.46	\$5,339.99
2035	\$126,852	\$60,771	9,198	\$6.61	\$59.78	\$5,343.68
2036	\$126,852	\$60,771	9,550	\$6.36	\$56.16	\$5,347.30
2037	\$126,852	\$60,771	9,913	\$6.13	\$52.60	\$5,350.85
2038	\$126,852	\$60,771	10,288	\$5.91	\$49.10	\$5,354.35
2039	\$126,852	\$60,771	10,675	\$5.69	\$45.65	\$5,357.81
2040	\$126,852	\$60,771	11,075	\$5.49	\$42.24	\$5,361.22
2041	\$126,852	\$60,771	11,488	\$5.29	\$38.86	\$5,364.59
2042	\$126,852	\$60,771	11,914	\$5.10	\$35.52	\$5,367.94
2043	\$126,852	\$60,771	12,354	\$4.92	\$32.19	\$5,371.26
2044	\$126,852	\$60,771	12,808	\$4.74	\$28.88	\$5,374.57
2045	\$126,852	\$60,771	13,277	\$4.58	\$25.58	\$5,377.87
2046	\$126,852	\$60,771	13,761	\$4.42	\$22.29	\$5,381.17
2047	\$126,852	\$60,771	14,261	\$4.26	\$18.98	\$5,384.47
2048	\$126,852	\$60,771	14,778	\$4.11	\$15.67	\$5,387.78
2049	\$126,852	\$60,771	15,311	\$3.97	\$12.34	\$5,391.11
2050	\$126,852	\$60,771	15,862	\$3.83	\$8.99	\$5,394.47
2051	\$126,852	\$60,771	16,211	\$3.75	\$5.61	\$5,397.85
2052	\$77,726	\$37,236	16,568	\$2.25	\$2.14	\$5,401.32

Source: NPV = net present value discounted at 5 percent

All single-family and multi-family residential sewer fees will be charged based on one ERU (shown in Table 2 above). All non-residential development will be charged based on the meter sizes shown in Table 3 below.



TABLE 14: MAXIMUM IMPACT FEE PER METER SIZE, 2023-2027

Meter Size	AWWA Ratio	Maximum Fee
3/4"	1.00	\$5,096.30
1"	1.67	\$8,510.81
1 1/2"	3.33	\$16,970.67
2"	5.33	\$27,163.26
3"	10	\$50,962.96
4"	16.67	\$84,955.26
6"	33.33	\$169,859.55
8"	53.33	\$271,785.47

Santaquin City recognizes the need for and is desirous of encouraging affordable housing. Therefore, in conformance with Utah Code, the City will not charge any impact fees on *internal* accessory dwelling units (ADUs). Further, the City will apply a ten percent reduction to *external* ADUs based on one ERU. The calculation for an external ADU is as follows:

$$\$5,096.30 \times (1-0.1) = \$4,586.67$$

#### Summary of Fees

Single-Family and Multi-Family Residential (per ERU)	\$5,096.37
External Accessory Dwelling Unit (ADU)	\$4,586.67
Non-Residential – Based on Meter Size	

#### Non-Standard Demand Adjustments

The City reserves the right under the Impact Fees Act (Utah Code Ann. § 11-36a-402(1)(c, d)) to assess an adjusted fee to respond to unusual circumstances and to ensure that the impact fees are assessed fairly. The impact fee ordinance should include a provision that permits adjustment of the fee for a development based upon studies and data submitted by the developer that indicate a more realistic and accurate impact upon the City's infrastructure.

## 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.