

# ORDINANCE 11-02-2013

## AN ORDINANCE ADOPTING AN AMENDED AND UPDATED CULINARY WATER IMPACT FEE FACILITIES PLAN AND A CULINARY WATER IMPACT FEE ANALYSIS; ADOPTING AMENDED AND UPDATED CULINARY WATER IMPACT FEES; ADOPTING CERTAIN POLICIES RELATED TO IMPACT FEES; AND ESTABLISHING A SERVICE AREA FOR PURPOSES OF IMPACT FEES.

**WHEREAS**, Santaquin City (the “City”) is a political subdivision of the State of Utah, authorized and organized under applicable provisions of Utah law; and

**WHEREAS**, the City has legal authority, pursuant to Title 11, Chapter 36a of the Utah Code Annotated, as amended (“*Impact Fees Act*” or “*Act*”), to impose development impact fees as a condition of development approval, which impact fees are used to defray capital infrastructure costs attributable to new development activity; and

**WHEREAS**, the City has previously enacted and imposed impact fees for water facilities, known and referred to as the Water Impact Fees, as more particularly set forth in the Santaquin City Fee Schedule; and

**WHEREAS**, the City desires to update and amend such fees to be referred to hereafter as “Culinary Water Impact Fees” and “Irrigation Water Impact Fees” in accordance with applicable provisions of the Impact Fees Act in order to appropriately assign capital infrastructure costs to development in an equitable and proportionate manner as more particularly provided herein; and

**WHEREAS**, the City properly noticed its intent to prepare the Culinary Water Impact Fee Facilities Plan and the Culinary Water Impact Fee Analysis as required by law and the City has, through its consultants, completed the Culinary Water Impact Fee Facilities Plan and Impact Fee Analysis in accordance with applicable provisions of the Impact Fees Act, which Culinary Water Impact Fee Facilities Plan and Impact Fee Analysis are more particularly described and adopted herein; and

**WHEREAS**, the City has provided the required notice and held a public hearing before the City Council regarding the proposed Culinary Water Impact Fees, Culinary Water Impact Fee Facilities Plan and Culinary Water Impact Fee Analysis in accordance with applicable provisions of the Impact Fees Act; and

**NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF Santaquin CITY, STATE OF UTAH, AS FOLLOWS:**

### **SECTION I. PURPOSE**

This Culinary Water Impact Fees Ordinance establishes the City’s Culinary Water Impact Fees policies and procedures and is promulgated pursuant to Title 11, Chapter 36a, Part 4, Enactment of Impact Fees, and other requirements of the Impact Fees Act. This Ordinance amends Water Impact fees by adopting Culinary Water Impact Fees for culinary water facilities within the City Service Area as defined herein, provides a schedule of Culinary Water Impact Fees for development activity, and sets forth direction for challenging, modifying and appealing Culinary Water Impact Fees. This Ordinance does not replace, supersede, or modify any ordinance regarding impact fees unrelated to culinary water facilities and improvements. This Ordinance may be referred to and cited as the “Culinary Water Impact Fees Ordinance.”

## SECTION II. STATUTORY AUTHORITY AND RESTRICTIONS

1. *Impact Fees Act Authority.* The City is authorized to impose impact fees subject to and in accordance with applicable provisions of the Impact Fees Act. Impact fees may only be established for public facilities as defined in Section 11-36a-102 that have a life expectancy of 10 or more years and are owned or operated by or on behalf of a local political subdivision. Public facilities for which impact fees may be imposed includes public facilities for culinary water.
2. *Impact Fees Act Restrictions.* Pursuant to Section 11-36a-202 of the Impact Fees Act, the City may not impose an impact fee to: (1) cure deficiencies in public facilities serving existing development; (2) raise the established level of service of a public facility serving existing development; (3) recoup more than the local political subdivision's costs actually incurred for excess capacity in an existing system improvement; or (4) include 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.

## SECTION III. SERVICE AREA

The Impact Fees Act requires the City to establish one or more service areas within which the City will calculate and impose a particular impact fee. The service area within which the proposed Culinary Water Impact Fees will be imposed is described in Santaquin City Code (S.C.C.) §9-2-4.

## SECTION IV. IMPACT FEE FACILITIES PLAN (IFFP)

1. *Impact Fee Facilities Plan Required.* Pursuant to Section 11-36a-301 of the Impact Fees Act, before imposing or amending an impact fee, the City is required to prepare an impact fee facilities plan to determine the public facilities required to serve development resulting from new development activity. The impact fee facilities plan shall identify the demands placed upon existing public facilities by new development activity and the proposed means by which the City will meet those demands.
2. *Culinary Water Impact Fee Facilities Plan.* The City has, through its consultants, researched and analyzed the factors set forth in Section 11-36a-302 of the Impact Fees Act and has caused to be prepared a Culinary Water Impact Fee Facilities Plan ("IFFP"), as more particularly set forth in **Exhibit A**, attached hereto and incorporated herein by this reference. The Culinary Water IFFP has been prepared based on reasonable growth assumptions for the City and general demand characteristics of current and future users of Culinary Water facilities. The Culinary Water IFFP identifies the impact on system improvements created by development activity and estimates the proportionate share of the costs of impacts on system improvements that are reasonably related to new development activity. As shown in the Culinary Water IFFP, the City has considered all revenue sources to finance the impacts on system improvements, including grants, bonds, interfund loans, impact fees, and anticipated or accepted dedications of system improvements. The Culinary Water IFFP establishes that impact fees are necessary to maintain a proposed level of service that complies with applicable provisions of Section 11-36a-302 of the Impact Fees Act.
3. *Plan Certification.* The Culinary Water IFFP includes a written certification in accordance with Section 11-36a-306 of the Impact Fees Act.
4. *Adoption of Culinary Water Impact Fee Facilities Plan.* The Culinary Water IFFP as set forth in **Exhibit A**, is hereby adopted in its entirety by the City in accordance with applicable provisions of the Impact Fees Act.

## SECTION V. WRITTEN IMPACT FEE ANALYSIS (IFA)

1. *Written Impact Fee Analysis Required.* Pursuant to Section 11-36a-303 of the Impact Fees Act, each local political subdivision intending to impose an impact fee shall prepare a written analysis of each impact fee to be imposed and a summary of the impact fee analysis designed to be understood by a lay person. The impact fee analysis shall identify the anticipated impact on or consumption of any existing capacity of a public facility by the anticipated development activity; identify the anticipated impact on system improvements required by the anticipated development activity to maintain the established level of service for each public facility; demonstrate how the anticipated impacts are reasonably related to the anticipated development activity; estimate the proportionate share of the costs for existing capacity that will be recouped and the costs of impacts on system improvements that are reasonably related to the new development activity; and identify how the impact fee is calculated.
2. *Culinary Water Impact Fee Analysis.* The City has, through its consultants, researched and analyzed the factors set forth in Section 11-36a-304 of the Impact Fees Act, including the proportionate share analysis required therein, and has caused to be prepared a Culinary Water Impact Fee Analysis (“IFA”), as more particularly set forth in **Exhibit B**, attached hereto and incorporated herein by this reference. The Culinary Water IFA identifies the impacts upon public facilities required by the development activity and demonstrates how those impacts on system improvements are reasonably related to the development activity, estimates the proportionate share of the costs of impacts on system improvements that are reasonably related to the development activity, and identify how the Culinary Water Impact Fees are calculated.
3. *Analysis Certification.* The Culinary Water IFA includes a written certification in accordance with Section 11-36a-306 of the Impact Fees Act.
4. *Adoption of Culinary Water Impact Fee Analysis.* The Culinary Water IFA as set forth in **Exhibit B**, is hereby adopted in its entirety by the City in accordance with applicable provisions of the Impact Fees Act.

## SECTION VI. IMPACT FEE SCHEDULE AND FORMULA

1. *Impact Fee Schedule or Formula Required.* Pursuant to Section 11-36a-402 of the Impact Fees Act, the City is required to provide a schedule of impact fees for each type of development activity that specifies the amount of the impact fee to be imposed for each type of system improvement or the formula that the City will use to calculate each impact fee.
2. *Maximum Culinary Water Impact Fee Schedule.* Based on the Culinary Water IFA, the maximum Culinary Water Impact Fees which the City may impose on development activity within the defined Service Area is set forth in Appendix F of the Culinary Water IFA.
3. *Developer Credits.* In accordance with Section 11-36a-402 of the Impact Fees Act, a developer may be allowed a credit against Culinary Water Impact Fees or proportionate reimbursement of Culinary Water Impact Fees if the developer dedicates land for a system improvement, builds and dedicates some or all of a system improvement; or dedicates a public facility that the City and the developer agree will reduce the need for a system improvement; *provided* that the system improvement is: (i) identified in the City’s Culinary Water IFFP; and (ii) is required by the City as a condition of approving the development activity. To the extent required in Section 11-36a-402, the City shall provide a credit against Culinary Water Impact Fees for any dedication of land for, improvement to, or new construction of, any system improvements provided by the

developer if the facilities are system improvements, as defined herein and included in the Culinary Water IFFP; or are dedicated to the public and offset the need for an identified system improvement.

4. *Waiver for "Public Purpose"*. The City Council may, on a project by project basis, authorize exceptions or adjustments to the Culinary Water Impact Fees for those projects the City Council determines to be of such benefit to the community as a whole to justify the exception or adjustment. Such projects may include affordable housing and other development activities with broad public purposes. The City Council may elect to waive or adjust Culinary Water Impact Fees for such projects. Applications for exceptions are to be filed with the City at the time the applicant first requests the extension of service to the applicant's development or property.

## **SECTION VII. CALCULATION OF IMPACT FEES**

1. *Impact Fee Calculations*. Pursuant to Section 11-36a-305, in calculating the proposed Culinary Water Impact Fees, the City has based such amounts calculated on realistic estimates and the assumptions underlying such estimates are more particularly disclosed in the Culinary Water IFA set forth in **Exhibit B**.
2. *Previously Incurred Costs*. To the extent that new growth and development will be served by previously constructed improvements, the City's Culinary Water Impact Fees may include public facility costs and outstanding bond costs related to the Culinary Water improvements previously incurred by the City. These costs may include all projects included in the Culinary Water IFFP which are under construction or completed but have not been utilized to their capacity, as evidenced by outstanding debt obligations. Any future debt obligations determined to be necessitated by growth activity will also be included to offset the costs of future capital projects.

## **SECTION VIII. NOTICE AND HEARING**

1. *Notice*. All noticing requirements set forth in the Impact Fees Act, including, but not limited to, provisions of Title 11, Chapter 36a, Part 501-504, have been provided. Copies of the Culinary Water IFFP and Culinary Water IFA, together with a summary designed to be understood by a lay person, and this Impact Fee Ordinance, have been made available to the public by placing said materials, in the Santaquin City Library and the Community Development Offices located in Santaquin City Hall at least ten (10) days before the public hearing. Notice has also been provided in accordance with applicable provisions of *Utah Code Ann.* § 10-9a-205.
2. *Hearing*. The City Council held a public hearing regarding the Culinary Water IFFP, the Culinary Water IFA, and this Culinary Water Impact Fee Ordinance, on November 20, 2013, and a copy of the Ordinance was available in its substantially final form at the City Recorder's Office in the Santaquin City Hall before the date of the hearing, all in conformity with the requirements of *Utah Code Ann.* § 10-9a-205 and applicable noticing provisions of the Impact Fees Act.

## **SECTION IX. AMENDMENTS TO SANTAQUIN CITY CODE**

1. Santaquin City Code (S.C.C.), Title 9-2-2, definitions is amended to include and modify the following words and phrases as defined in the Impact Fees Act. (stricken text is deleted, underlined text is added)

Development Activity - Any construction or expansion of a building, structure or use, any change in use of a building or structure, or any changes in the use of land within the Service Area that creates additional demand and need for public facilities.

Impact Fee - Payment of money imposed upon new development activity as a condition of development approval to mitigate the impact of the new development on public infrastructure. “Impact fee” does not include a tax, special assessment, building permit fee, hookup fee, fee for project improvements, or other reasonable permit or application fee.

Impact Fee Analysis - The written analysis of each impact fee required by Section 11-36a-303 of the Impact Fees Act.

Impact Fee Facilities Plan - The plan required by Section 11-36a-301 of the Impact Fees Act.

Project Improvements - Site improvements and facilities that are: planned and designed to provide service for development resulting from a Development Activity; necessary for the use and convenience of the occupants or users of development resulting from a Development Activity; and not identified or reimbursed as a system improvement. “Project Improvements” does not mean system improvements as more particularly defined herein.

Proportionate Share - The cost of public facility improvements that are roughly proportionate and reasonably related to the service demands and needs of any Development Activity.

Public Facilities - Impact fee facilities as defined in the Impact Fees Act that have a life expectancy of 10 or more years and are owned or operated by or on behalf of a local political subdivision or private entity. For purposes of this Ordinance, and as defined in the Impact Fees Act, impact fee facilities include “water rights and water supply, treatment, storage, and distribution facilities” of the City for the Service Area.

Service Area - A geographic area designated by the City on the basis of sound planning or engineering principles in which a public facility, or a defined set of public facilities, provides service within the area.

System Improvements- Existing public facilities that are: identified in the impact fee analysis under Section 11-36a-304 of the Impact Fees Act; and designed to provide services to service areas within the community at large and future public facilities identified in the impact fee analysis under Section 11-36a-304 that are intended to provide service to service areas within the community at large. “System improvements” do not include project improvements as defined herein.

2. The body of Santaquin City Code, §9-2-7: Administrative Challenges and Appeals Procedure, is stricken and amended to read as follows:
  - A. *Request for Information.* Pursuant to Section 11-36a-701, a person or entity required to pay an Impact Fee who believes the impact fee does not meet the requirements of law may file a written request for information with the City Manager. As required by law, the City Manager shall, within two (2) weeks after the receipt of the request for information provide the person or entity with the appropriate IFFP, IFA, and/or any other relevant information relating to the Impact Fee in question.

- B. *Advisory Opinion.* A potentially aggrieved person may request an advisory opinion from a neutral third party regarding compliance of the Culinary Water Impact Fees with the Impact Fees Act by filing such request with the Office of the Property Rights Ombudsman in accordance with the procedures and provisions of Title 13, Chapter 43, known as the Property Rights Ombudsman Act. The aggrieved party requesting an advisory opinion is not required to exhaust the administrative appeals procedures set forth in Subsection 4 before requesting an advisory opinion.
- C. *Appeal.* A person or entity that has paid Culinary Water Impact Fees under the provisions of this Ordinance may challenge such impact fees pursuant to the provisions set forth in Title 11, Chapter 36a, Part 7 of the Impact Fees Act regarding Challenges.
1. *Grounds for Challenge.* Pursuant to Section 11-36a-701, a person or entity that has paid Culinary Water Impact Fees under the provisions of this Ordinance may challenge: (1) the impact fees; (2) whether the City complied with the notice requirements of the Impact Fees Act with respect to the imposition of the impact fees; and/or (3) whether the City complied with other procedural requirements of the Impact Fees Act for imposing the impact fee.
  2. *Sole Remedy.* The sole remedy for challenging the notice requirements is the equitable remedy of requiring the City to correct the defective notice and repeat the process. The sole remedy for challenging the impact fee is a refund of the difference between what the person or entity paid as an impact fee and the amount the impact fee should have been if it had been correctly calculated. Reasonable attorneys' fees may be awarded to the substantially prevailing party to the extent provided in the Impact Fees Act.
  3. *Initiation.* A challenge to an impact fee is initiated by filing:
    - a. An appeal to the City Council pursuant to the administrative appeal procedures set forth herein;
    - b. A request for arbitration as provided in Section 11-36a-705 of the Impact Fees Act; or
    - c. An action in district court.
  4. *Time Restrictions.* The time for filing a challenge to the impact fees shall be filed in accordance with the time limitations set forth in Section 11-36a-702, depending upon the type of challenge. The deadline to file an action in district court is tolled from the date that a challenge is filed using the administrative procedures set forth in Subsection D until thirty (30) days on which a final decision is rendered in the administrative appeals procedure.
- D. *Administrative Appeal Procedure.* The City hereby adopts an administrative appeal procedure to consider and decide challenges to the city's Impact Fees. Any person or entity that has paid an Impact Fee may challenge or appeal the impact fee by filing written notice of administrative appeal with the City Manager within thirty (30) days after the day on which the person or entity paid the impact fee. The notice of appeal shall set forth the grounds for the appeal and shall include any applicable filing fees as set forth in the City's Fee Schedule. Upon receiving the written notice of appeal, the City Council shall set a hearing date to consider the merits of the challenge or appeal. The person or entity challenging or appealing the fee may appear at the hearing and present any written or oral evidence deemed relevant to

the challenge or appeal. Representatives of the City may also appear and present evidence to support the imposition of the fee. The City Council shall hold a hearing and make a decision within thirty (30) days after the date the challenge or appeal is filed.

E. *Mediation.* In addition to the methods of challenging an impact fee as provided herein, a specified public agency may require the City to participate in mediation of any applicable impact fee in accordance with the provisions of Section 11-36a-704 of the Impact Fees Act. A written request for mediation must be filed in accordance with Section 11-36a-704 no later than thirty (30) days after the day on which the impact fee is paid.

F. *Declaratory Judgment Action.* Pursuant to Section 11-36a-701, a person or entity residing in or owning property within the Service Area, or an organization, association, or a corporation representing the interests of persons or entities owning property within the Service Area, are deemed to have standing to file a declaratory judgment action challenging the validity of an impact fee.

3. Santaquin City Code, §9-2-8: Accounting, Expenditure and Refund, is amended to read as follows: (underlined text is added, stricken text is deleted)

~~The impact fees collected pursuant to this enactment shall be deposited into a separate interest bearing ledger account and may only be used for capital improvements for which the fees were collected. The accounting, expenditure and refund of all such impact fees collected shall be handled in accordance with the provisions of the plan.~~

A. *Impact Fees Accounting.* Pursuant to Section 11-36a-601 of the Impact Fees Act, the City will establish a separate interest bearing ledger account for each type of public facility for which an impact fee is collected, deposit a receipt for an impact fee in the appropriate ledger account established herein, and retain the interest earned on each fund or ledger account in the fund or ledger account.

B. *Reporting.* At the end of each fiscal year, the City shall prepare a report on each fund or ledger account showing the source and expenditures as required by law. Annually, the City shall produce and transmit to the State Auditor a certified report in accordance with Section 11-36a-601 in a format developed by the State Auditor.

C. *Impact Fee Expenditures.* Pursuant to Section 11-36a-602 of the Impact Fees Act, the City may expend Impact Fees only for a system improvement: (i) identified in an adopted Impact Fee Facility Plan; and (ii) for the specific public facility type for which the fee was collected. Impact fees will be expended on a First-In First-Out basis.

D. *Time of Expenditure.* Except as otherwise provided by law, the City shall expend or encumber Impact Fees for a permissible use within six (6) years of their receipt. For purposes of this calculation, the first funds received shall be deemed to be the first funds expended.

E. *Extension of Time.* Pursuant to Section 11-36a-602 of the Impact Fees Act, the City may hold the impact fees for longer than six (6) years if it identifies in writing: (i) an extraordinary and compelling reason why the fees should be held longer than six (6) years; and (ii) an absolute date by which the fees will be expended.

F. *Refunds.* Pursuant to Section 11-36a-603 of the Impact Fees Act, the City shall refund any Impact Fees paid by a developer, plus interest earned, when: (i) the developer does not proceed with the development activity and files a written request for a refund; (ii) the fees

have not been spent or encumbered; and (iii) no impact has resulted. An impact that would preclude a developer from a refund from the City may include any impact reasonably identified by the City, including, but not limited to, the City having sized facilities and/or paid for, installed and/or caused the installation of facilities based in whole or in part upon the developer's planned development activity even though that capacity may, at some future time, be utilized by another development.

G. *Other Impact Fees.* To the extent allowed by law, the Mayor may negotiate or otherwise impose impact fees and other fees different from those currently charged. Those charges may, at the discretion of the Mayor, include but not be limited to reductions or increases in impact fees, all or part of which may be reimbursed to the developer who installed improvements that service the land to be connected with the City's system. Any adjustment of fees by the Mayor must be reported to the City Council in its next regular session.

H. *Additional Fees and Costs.* The Impact Fees authorized herein are separate from and in addition to user fees and other charges lawfully imposed by the City and other fees and costs that may not be included as itemized component parts of the City Fee Schedule. In charging any such fees as a condition of development approval, the City recognizes that the fees must be a reasonable charge for the service provided.

I. *Imposition of Additional Fee or Refund after Development.* Should any developer undertake development activities such that the ultimate density or other impact of the development activity is not revealed to the City, either through inadvertence, neglect, a change in plans, or any other cause whatsoever, and/or an Impact Fee is not initially charged against all units or the total density within the development, the City shall be entitled to charge an additional Impact Fee to the developer or other appropriate person covering the density for which an impact fee was not previously paid.

## **Section X. Miscellaneous Provisions**

1. Contrary Provisions Repealed. Any and all other provisions of the Santaquin City Code that are contrary to the provisions of this Ordinance are hereby repealed.
2. Codification, Inclusion in the Code, and Scrivener's Errors. It is the intent of the City Council that the provisions of this ordinance be made part of the Santaquin City Code as adopted, that sections of this ordinance may be re-numbered or re-lettered, that the word ordinance may be changed to section, chapter, or other such appropriate word or phrase in order to accomplish such intent regardless of whether such inclusion in a code is accomplished. Sections of the ordinance may be re-numbered or re-lettered. Typographical errors which do not affect the intent of this ordinance may be authorized by the City without need of public hearing by its filing a corrected or re-codified copy of the same with the City Recorder.
3. Severability. If any section, phrase, sentence, or portion of this ordinance is for any reason held invalid or unconstitutional by any court of competent jurisdiction, such portion shall be deemed a separate, distinct, and independent provision, and such holding shall not affect the validity of the remaining portions thereof.




4. Other Impact Fees Not Repealed. Except as otherwise specifically provided herein, this Culinary Water Impact Fee Ordinance shall not repeal, modify or affect any impact fee of the City in existence as of the effective date of this Ordinance.

**Section XI. Effective Date.**

The City Recorder/designee shall deposit a copy of this ordinance in the official records of the City on November 21, 2013, and before 5:00 p.m. on that day, shall place a copy of this ordinance in three places within the City. This ordinance shall become effective at 5:00 p.m. on November 21, 2013.

**PASSED AND APPROVED** this 20<sup>th</sup> day of November, 2013.

By:   
Mayor James E. DeGraffenried

**ATTEST:**  
By   
Dennis Marker, Community Development Director



**Voting**

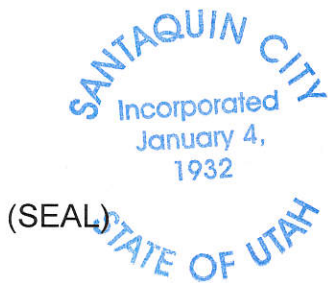
Council Member Keith Broadhead	<u>Y</u>
Council Member Matt Carr	<u>Y</u>
Council Member Kirk Hunsaker	<u>Y</u>
Council Member James Linford	<u>Y</u>
Council Member Rick Steele	<u>Y</u>

STATE OF UTAH                    )  
  ) ss.  
COUNTY OF UTAH                )

I, DENNIS MARKER, Community Development Director of Santaquin City, Utah, do hereby certify and declare that the above and foregoing is a true, full, and correct copy of an ordinance passed by the City Council of Santaquin City, Utah, on the 20<sup>th</sup> day of November, 2013, entitled

***“An Ordinance Approving the Culinary Impact Fee Facility Plan and Impact Fee Analysis”***

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the Corporate Seal of Santaquin City Utah this 6<sup>th</sup> day of November, 2013.



  
\_\_\_\_\_  
DENNIS MARKER  
Community Development Director

AFFIDAVIT OF POSTING

STATE OF UTAH )  
 ) ss.  
COUNTY OF UTAH )

I, DENNIS MARKER, Community Development Director of Santaquin City, Utah, do hereby certify and declare that I posted in three (3) public places the ordinance which is attached hereto on the 21<sup>st</sup> day of November, 2013.

The three places are as follows:

- 1. Zions Bank
- 2. Post Office
- 3. City Office

I further certify that copies of the ordinance so posted were true and correct copies of said ordinance.

  
DENNIS MARKER  
Community Development Director

The foregoing instrument was acknowledged before me this 21 day of November 2013, by DENNIS MARKER.

My Commission Expires: 10-1-17

  
Notary Public

Residing at: Utah County



# SANTAQUIN CITY

## CULINARY WATER SYSTEM IMPACT FEE FACILITIES PLAN



November 2013

Prepared by:

**J-U-B ENGINEERS, INC.**  
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(801) 226-0393  
[www.jub.com](http://www.jub.com)



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*Adopted by Santaquin City Council*  
*on \_\_\_\_\_*

**CULINARY WATER IMPACT FEE FACILITIES PLAN**  
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## I. INTRODUCTION

### A. Purpose

The purpose of the Culinary Water Impact Fee Facilities Plan (IFFP) is to fulfill the requirements established in Utah Code Title 11 Chapter 36a, the “Impact Fees Act” relative to impact fee facilities plans. Appendix A contains the Impact Fee Act (Enacted by Chapter 47, 2011 General Session).

### B. Background

The Culinary Water Master Plan and Capital Facilities Plan (MP & CFP) is a document that establishes long term plans for culinary water infrastructure for Santaquin City. It also performs the following functions pertinent to the Impact Fee Facilities Plan:

1. Identifies the level of service
2. Distinguishes between system improvements and project improvements
3. Identifies excess capacity available in system improvements for future growth and associated costs
4. Identifies system improvements that will be required in the future to accommodate future growth and associated costs
5. Evaluates available funding sources
6. Predicts a schedule of project construction based on projected growth rates and prioritizes projects

This IFFP document extracts information from the Culinary Water MP & CFP to provide the information that becomes the foundation for the Culinary Water Impact Fee Analysis (IFA).

Appendix B contains the Culinary Water MP & CFP by reference.

### C. Scope

The Culinary Water IFFP takes results and documentation from the MP & CFP and supplements it to provide the basis needed to complete the Culinary Water Impact Fee Analysis. It is the intent that this document comply with the Utah Impact Fee Act as it currently exists.

## **II. LEVEL OF SERVICE**

### **A. Level of Service from Culinary Water Master Plan and Capital Facilities Plan**

The Culinary Water MP & CFP in Appendix B contains the culinary water system level of service established for Santaquin City.

### **B. Service Areas**

Utah Code requires the impact fee enactment to establish one or more service areas within which impact fees will be imposed. The impact fee related costs identified in this document will be assessed to a single service area encompassing the entire service area of the Santaquin culinary water system.

## **III. EXISTING AND FUTURE CULINARY WATER SYSTEM DEMANDS**

The Culinary Water MP & CFP contains a detailed description of existing and future demands on the culinary water system. It illustrates the impact of future development on the system. See Appendix B for more information.

## **IV. EXISTING SYSTEM IMPROVEMENTS WITH RESERVE CAPACITY**

Shown on the following pages are system facilities that have reserve capacity available to accommodate future growth, as well as the proportion of the facility capacity that is available for future growth. This existing capacity will gradually be consumed as development occurs.

### **A. Reserve Source Capacity**

Table 1 shows the culinary water reserve source capacity.

The Center Street Well was disconnected from the culinary system in 2012 and connected into the City's pressure irrigation system in order to meet high demand periods on the pressure irrigation system. With a minimal amount of work, the Center Street Well could be reconnected to the culinary system, should the City find it necessary to use the well as a culinary source.

Currently 1.27 mgd of source capacity is being "loaned", from the culinary system, to the pressure irrigation system. This source capacity is not included in Table 1. At some point in the future, this capacity will be available to meet the needs of culinary water demand resulting from future growth. Even with current source capacity being used to support the pressure irrigation system, there remains excess source capacity of 2.26 mgd in the culinary system. Without the pressure irrigation system borrowing source capacity from the culinary system the existing reserve source capacity is 3.53 mgd. We consider this amount, 3.53 mgd, to be the reserve source capacity in the culinary water system.



**Table 1. Reserve Culinary Water Source Capacity**

Total Existing Source Demand (MGD)	2.50
Total Existing Source Capacity (MGD)	6.03
Total Existing Source Reserve Capacity (MGD)	3.53
<b>Percent of Total Existing Source Capacity Available for Future Growth:</b>	<b>59%</b>
Existing ERUs Served by Existing Sources	3,123
Total ERUs to be Served by Existing Sources when at Capacity	7,538
<b>Number of Additional ERUs to be Served by Reserve Source Capacity</b>	<b>4,415</b>
<b>Estimated Years before Reserve will be Used:</b>	<b>17</b>

**B. Reserve Treatment Facility Capacity**

Theoretically the culinary system treatment facilities could continue to treat ever increasing amounts of water that passes through these facilities. This would be accomplished by continuing to add additional amounts of chlorine as water flows increase. The limiting factor is more the size of the pipes and how much water can be conveyed without exceeding maximum design velocities in the pipelines at these facilities.

For this reason and because the original treatment facilities were constructed in conjunction with a deep well or had a relatively low original cost, this report does not address credit for reserve capacity in the treatment facilities even though there is enough reserve capacity to reach buildout for additional future water flows that will pass through these existing treatment facilities.

**C. Reserve Storage Capacity**

Under normal conditions, each culinary tank supplies one or more zones, with each tank operating independent of the other existing tanks as much as is practical. During an emergency situation; the Zone 12E Tank can supplement Zone 11E; the Zone 11E Tank can supplement Zone 10; and the Zone 11W Tank can also supplement Zone 10, all, as needed. Because of this possible supplementation, the totals for existing storage and required storage for these individual tanks are totaled to calculate a system-wide reserve capacity

We expect the pressure irrigation system to provide sufficient storage to meet its own needs before total tank capacity is exceeded by the sum of total storage demand on the culinary water system and that being supplied to the pressure

irrigation system. We consider the storage capacity being consumed by pressure irrigation needs right now to be available for future use for culinary water storage needs resulting from future growth. We therefore include the storage capacity currently being “loaned” to the pressure irrigation system to be reserve capacity in the culinary water storage tanks. Table 2 summarizes the reserve storage capacity.

**Table 2. Existing Culinary Water Reserve Storage Capacity**

Total Existing Storage Demand (MG)	1.86
Total Existing Storage Capacity (MG)	3.76
Total Existing Storage Reserve Capacity (MG)	1.90
<b>Percent of Total Existing Storage Capacity Available for Future Growth:</b>	<b>51%</b>
Existing ERUs Served by Existing Storage	3,123
Total ERUs to be Served by Existing Storage when at Capacity	6,769
<b>Number of Additional ERUs to be Served by Reserve Storage Capacity</b>	<b>3,646</b>
<b>Percent of Total ERUs to be Served by Existing Storage Capacity that are Future Growth:</b>	<b>54%</b>
<b>Estimated Years before Reserve will be Used:</b>	<b>14</b>

D. Reserve Transmission/Distribution System Capacity

We have evaluated the capacity of all transmission and distribution system pipelines that are larger than 8” in diameter, which we consider pipes to be system improvements. We do not consider those 8” in diameter and smaller to be system improvements, since they are the minimum size to be installed as project improvements. The process of determining reserve capacity in the transmission/distribution system improvements is as follows:

1. Identify existing demand (flow in gallons per minute) in each existing pipe segment larger than 8" in diameter.
2. Identify buildout demand (flow in gallons per minute) in the same existing pipe segments. In most cases the pipe would still have the ability to carry more flow at buildout, but we are only counting that portion of capacity that will actually get consumed for reserve capacity calculations.
3. Calculate the weighted average existing flow and the weighted average buildout flow for all pipes of a given size (weighted based on the length of the segment).
4. Calculate the reserve capacity as the difference between the weighted average of existing flow and the weighted average of buildout flow.

Table 3 summarizes the results of these calculations for existing pipes with reserve capacities that qualify as system improvements:

**Table 3. Existing Culinary Water Transmission/Distribution System Reserve Capacity**

	Pipe Size			
	10"	12"	14"	16"
<b>All Pipes with Reserve Capacity</b>				
Length (ft)	31,206	25,250	1,258	20,379
Percent of Existing Pipe Capacity Available for Future Growth:	67%	62%	64%	50%
<b>Pipes with Reserve Capacity in which Construction was City-Funded</b>				
Length (ft)	15,007	21,408	1,258	16,229
Percent of Existing Pipe Capacity Available for Future Growth:	53%	62%	64%	49%

For the purposes of the Culinary Water MP & IFFP, buildout populations and demands are estimated to occur in the year 2060. The master plan identifies 3,123 existing ERUs at present and 13,835 ERUs at buildout. We therefore anticipate that 10,742 ERUs will be added between now and buildout. We also anticipate that these ERUs of future growth will consume the portions of existing transmission/distribution system pipe capacity indicated in Table 3 over the next 47 years.

See Appendix C for a detailed tabulation of each pipe segment considered to be a transmission/distribution system facility and the data for each pipe segment that result in the numbers in Table 3.

E. Summary of System Facilities with Reserve Capacity

Table 4 summarizes the reserve capacity of the culinary water system facilities, with historic costs and the historic source of funding for each existing facility with reserve capacity.

**Table 4. Existing Culinary Water System Reserve Capacity**

Existing Facility	Percent of Existing Facility Capacity Available for Future Growth	Anticipated ERUs to Consume Reserve Capacity	Years from Present when Reserve Capacity is Estimated to be Consumed by Growth	Historic Cost Eligible for Impact Fee Reimbursement <sup>1</sup>	Source of Historic Project Funding <sup>1</sup>
<b>Sources</b>					
Summit Ridge Well	59%	4,415	17	\$326,793	Santaquin City
Cemetery Well	59%	4,415	17	\$249,001	Santaquin City
<b>Storage</b>					
Zone 11E Tank (1.09 MG)	51%	3,646	14	\$205,459	Santaquin City
Zone 11W Tank (1.14 MG)	51%	3,646	14	\$273,690	Santaquin City
Zone 12E Tank (1.04 MG)	51%	3,646	14	\$257,947	Santaquin City
<b>Transmission/Distribution</b>					
10" Pipes	53%	10,712	47	\$280,914	Santaquin City
12" Pipes	62%	10,712	47	\$634,239	Santaquin City
14" Pipes	64%	10,712	47	\$45,573	Santaquin City
16" Pipes	49%	10,712	47	\$1,186,849	Santaquin City
<sup>1</sup> In the case of the transmission and distribution pipes, the costs listed as Historic Costs Eligible for Impact Fee Reimbursement represent the portion of historic project costs incurred by Santaquin City associated with reserve pipe capacity that will be consumed as growth occurs.					

F. Historic Costs

We used actual historic costs where available. Where they were not available we estimated the year of construction of the facility, we then estimated what it would cost to construct the facility in 2013 (using the same method used to estimate the cost of future system improvements), and calculated an approximate historic cost of construction based on the ratio of the Engineering News Record construction cost index between the year of construction and 2013. Appendix D contains the historic costs and cost estimates and the ENR construction cost index.

## V. FUTURE PROJECTS TO ACCOMMODATE GROWTH

The Culinary Water MP & CFP identifies which projects will be needed to accommodate future growth and determines at what point they will be needed, based on the number of equivalent residential units (ERUs) served. Given the growth rate contained in the master plan, it also calculates what year (or range of years, for later projects) Santaquin expects the projects to be needed.

Projects expected to be needed in the next 10 years to accommodate growth are listed in Table 5. We have chosen the commonly accepted period of 10 years, which is supported by the following reasoning. Current legislation requires that impact fees collected must be spent within 6 years. Impact fees will be collected as calculated in an IFA based on this IFFP until the IFFP is updated, which should happen no less frequently than every 5 years. So impact fees based on this IFFP may be collected 4 years after its adoption. Those fees would need to be spent within 6 years thereafter, which would be 10 years from the date of IFFP adoption. Thus projects as far as 10 years into the future are included in this IFFP.

**Table 5. Culinary Water Projects Needed to Accommodate Future Growth**

CFP Project Number	Project Name	Estimated Cost to Accommodate Growth (Buildout)	Estimated Cost to Accommodate Growth (Next 10 Years)	Point at Which Project is Needed (ERUs)	Point at Which Project is Needed (Year)	Funding Source
	<b>Additional PRVs</b>	\$1,350,000	\$385,714			
7	3 Additional PRVs between Zones 10 & 9N	\$225,000		These costs are spread over the next 35 years as areas develop; the estimated annual cost is \$1,350,000/35, or \$38,571		Impact Fees
8	2 Additional PRVs between Zones 13E & 14E	\$150,000				
9	3 Additional PRVs between Zones 9N & 8N	\$225,000				
10	2 Additional PRVs between Zones 14E & 15E	\$150,000				
11	1 Additional PRV between Zones 11W & 10W	\$75,000				
12	3 Additional PRVs between Zones 10W & 9W	\$225,000				
13	4 Additional PRVs between Zones 8N & 7N	\$300,000				
18	<b>Construct 900 South &amp; Pole Canyon Road Parallel 8" Water Line</b>	\$195,480	\$51,028	3,123	2013	Impact Fees and Water Funds <sup>1</sup>
19	<b>Incremental Cost of Upsizing Beyond 8" Pipes</b>	\$628,745	\$179,641	These costs are spread over the next 35 years as areas develop; the estimated annual cost is \$628,745/35, or \$17,964		Impact Fees
	Incremental Cost from 8" to 10" Pipes	\$225,238				
	Incremental Cost from 8" to 12" Pipes	\$153,537				
	Incremental Cost from 8" to 14" Pipes	\$55,830				
	Incremental Cost from 8" to 16" Pipes	\$194,141				
<b>Total:</b>		\$2,174,225	\$616,384			

<sup>1</sup>A very small portion (4%) of the capacity of this project is needed to satisfy an existing deficiency; the remainder (96%) is needed to meet the demands of future growth. Approximately 26% of the capacity is expected to be used by growth over the next 10 years.

## **VI. FUNDING FUTURE PROJECTS**

### **A. Consideration of Funding Sources**

Section 302 (2) of the Impact Fee Act requires the City to “generally consider all revenue sources, including impact fees and anticipated dedication of system improvements, to finance the impacts on system improvements.” By doing so, the City ensures fair and equitable treatment among users and concludes whether impact fees are the most appropriate method to fund the growth.

The Culinary Water MP & CFP considered multiple revenue sources, including impact fees and anticipated dedication of system improvements, to finance the impacts on system improvements. It 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, in comparison to the benefits already received and yet to be received.

### **B. Impact Fee Credit**

The Impact Fee Act allows a “...credit against impact fees for any dedication of land for, improvement to, or new construction of, any system improvements provided by the developer if the facilities: are system improvements; or are dedicated to the public; and offset the need for an identified system improvement.” The improvements do not necessarily need to be made in the proposed development. This plan does not contemplate a credit owed, and any credits given in the future would be negotiated between the developer and the City on a case by case basis as they arise.

**APPENDIX A - UTAH IMPACT FEE ACT**

**Utah Code**  
**Title 11 Cities, Counties, and Local Taxing Units**  
**Chapter 36a Impact Fees Act**

- Section 101 Title.**
- Section 102 Definitions.**
- Section 201 Impact fees.**
- Section 202 Prohibitions on impact fees.**
- Section 203 Private entity assessment of impact fees -- Charges for water rights, physical infrastructure -- Notice -- Audit.**
- Section 204 Other names for impact fees.**
- Section 205 Environmental mitigation impact fees.**
- Section 301 Impact fee facilities plan.**
- Section 302 Impact fee facilities plan requirements -- Limitations -- School district or charter school.**
- Section 303 Impact fee analysis.**
- Section 304 Impact fee analysis requirements.**
- Section 305 Calculating impact fees.**
- Section 306 Certification of impact fee analysis.**
- Section 401 Impact fee enactment.**
- Section 402 Required provisions of impact fee enactment.**
- Section 403 Other provisions of impact fee enactment.**
- Section 501 Notice of intent to prepare an impact fee facilities plan.**
- Section 502 Notice to adopt or amend an impact fee facilities plan.**
- Section 503 Notice of preparation of an impact fee analysis.**
- Section 504 Notice of intent to adopt impact fee enactment -- Hearing -- Protections.**
- Section 601 Accounting of impact fees.**
- Section 602 Expenditure of impact fees.**
- Section 603 Refunds.**
- Section 701 Impact fee challenge.**
- Section 702 Time limitations.**
- Section 703 Procedures for challenging an impact fee.**
- Section 704 Mediation.**
- Section 705 Arbitration.**



## **11-36a-101. Title.**

This chapter is known as the "Impact Fees Act."

## **11-36a-102. Definitions.**

As used in this chapter:

- (1) (a) "Affected entity" means each county, municipality, local district under Title 17B, Limited Purpose Local Government Entities - Local Districts, special service district under Title 17D, Chapter 1, Special Service District Act, school district, interlocal cooperation entity established under Chapter 13, Interlocal Cooperation Act, and specified public utility:
  - (i) whose services or facilities are likely to require expansion or significant modification because of the facilities proposed in the proposed impact fee facilities plan; or
  - (ii) that has filed with the local political subdivision or private entity a copy of the general or long-range plan of the county, municipality, local district, special service district, school district, interlocal cooperation entity, or specified public utility.
- (b) "Affected entity" does not include the local political subdivision or private entity that is required under Section 11-36a-501 to provide notice.
- (2) "Charter school" includes:
  - (a) an operating charter school;
  - (b) an applicant for a charter school whose application has been approved by a chartering entity as provided in Title 53A, Chapter 1a, Part 5, The Utah Charter Schools Act; and
  - (c) an entity that is working on behalf of a charter school or approved charter applicant to develop or construct a charter school building.
- (3) "Development activity" means any construction or expansion of a building, structure, or use, any change in use of a building or structure, or any changes in the use of land that creates additional demand and need for public facilities.
- (4) "Development approval" means:
  - (a) except as provided in Subsection (4)(b), any written authorization from a local political subdivision that authorizes the commencement of development activity;
  - (b) development activity, for a public entity that may develop without written authorization from a local political subdivision;
  - (c) a written authorization from a public water supplier, as defined in Section 73-1-4, or a private water company:
    - (i) to reserve or provide:
      - (A) a water right;
      - (B) a system capacity; or
      - (C) a distribution facility; or
    - (ii) to deliver for a development activity:
      - (A) culinary water; or
      - (B) irrigation water; or
  - (d) a written authorization from a sanitary sewer authority, as defined in Section 10-9a-103:
    - (i) to reserve or provide:
      - (A) sewer collection capacity; or
      - (B) treatment capacity; or
    - (ii) to provide sewer service for a development activity.
- (5) "Enactment" means:
  - (a) a municipal ordinance, for a municipality;

- (b) a county ordinance, for a county; and
  - (c) a governing board resolution, for a local district, special service district, or private entity.
- (6) "Encumber" means:
- (a) a pledge to retire a debt; or
  - (b) an allocation to a current purchase order or contract.
- (7) "Hookup fee" means a fee for the installation and inspection of any pipe, line, meter, or appurtenance to connect to a gas, water, sewer, storm water, power, or other utility system of a municipality, county, local district, special service district, or private entity.
- (8) (a) "Impact fee" means a payment of money imposed upon new development activity as a condition of development approval to mitigate the impact of the new development on public infrastructure.
- (b) "Impact fee" does not mean a tax, a special assessment, a building permit fee, a hookup fee, a fee for project improvements, or other reasonable permit or application fee.
- (9) "Impact fee analysis" means the written analysis of each impact fee required by Section 11-36a-303.
- (10) "Impact fee facilities plan" means the plan required by Section 11-36a-301.
- (11) (a) "Local political subdivision" means a county, a municipality, a local district under Title 17B, Limited Purpose Local Government Entities - Local Districts, or a special service district under Title 17D, Chapter 1, Special Service District Act.
- (b) "Local political subdivision" does not mean a school district, whose impact fee activity is governed by Section 53A-20-100.5.
- (12) "Private entity" means an entity with private ownership that provides culinary water that is required to be used as a condition of development.
- (13) (a) "Project improvements" means site improvements and facilities that are:
- (i) planned and designed to provide service for development resulting from a development activity;
  - (ii) necessary for the use and convenience of the occupants or users of development resulting from a development activity; and
  - (iii) not identified or reimbursed as a system improvement.
- (b) "Project improvements" does not mean system improvements.
- (14) "Proportionate share" means the cost of public facility improvements that are roughly proportionate and reasonably related to the service demands and needs of any development activity.
- (15) "Public facilities" means only the following impact fee facilities that have a life expectancy of 10 or more years and are owned or operated by or on behalf of a local political subdivision or private entity:
- (a) water rights and water supply, treatment, and distribution facilities;
  - (b) wastewater collection and treatment facilities;
  - (c) storm water, drainage, and flood control facilities;
  - (d) municipal power facilities;
  - (e) roadway facilities;
  - (f) parks, recreation facilities, open space, and trails;
  - (g) public safety facilities; or
  - (h) environmental mitigation as provided in Section 11-36a-205.
- (16) (a) "Public safety facility" means:
- (i) a building constructed or leased to house police, fire, or other public safety entities; or
  - (ii) a fire suppression vehicle costing in excess of \$500,000.
- (b) "Public safety facility" does not mean a jail, prison, or other place of involuntary

- incarceration.
- (17) (a) "Roadway facilities" means a street or road that has been designated on an officially adopted subdivision plat, roadway plan, or general plan of a political subdivision, together with all necessary appurtenances.
  - (b) "Roadway facilities" includes associated improvements to a federal or state roadway only when the associated improvements:
    - (i) are necessitated by the new development; and
    - (ii) are not funded by the state or federal government.
  - (c) "Roadway facilities" does not mean federal or state roadways.
  - (18) (a) "Service area" means a geographic area designated by a local political subdivision on the basis of sound planning or engineering principles in which a defined set of public facilities provides service within the area.
  - (b) "Service area" may include the entire local political subdivision.
  - (19) "Specified public agency" means:
    - (a) the state;
    - (b) a school district; or
    - (c) a charter school.
  - (20) (a) "System improvements" means:
    - (i) existing public facilities that are:
      - (A) identified in the impact fee analysis under Section 11-36a-304; and
      - (B) designed to provide services to service areas within the community at large; and
    - (ii) future public facilities identified in the impact fee analysis under Section 11-36a-304 that are intended to provide services to service areas within the community at large.
  - (b) "System improvements" does not mean project improvements.

**11-36a-201. Impact fees.**

- (1) A local political subdivision or private entity shall ensure that any imposed impact fees comply with the requirements of this chapter.
- (2) A local political subdivision and private entity may establish impact fees only for those public facilities defined in Section 11-36a-102.
- (3) Nothing in this chapter may be construed to repeal or otherwise eliminate an impact fee in effect on the effective date of this chapter that is pledged as a source of revenues to pay bonded indebtedness that was incurred before the effective date of this chapter.

**11-36a-202. Prohibitions on impact fees.**

- (1) A local political subdivision or private entity may not:
  - (a) impose an impact fee to:
    - (i) cure deficiencies in a public facility serving existing development;
    - (ii) raise the established level of service of a public facility serving existing development;
    - (iii) recoup more than the local political subdivision's or private entity's costs actually incurred for excess capacity in an existing system improvement; or
    - (iv) include an expense for overhead, unless the expense is calculated pursuant to a methodology that is consistent with:
      - (A) generally accepted cost accounting practices; and
      - (B) the methodological standards set forth by the federal Office of Management and

- Budget for federal grant reimbursement;
- (b) delay the construction of a school or charter school because of a dispute with the school or charter school over impact fees; or
  - (c) impose or charge any other fees as a condition of development approval unless those fees are a reasonable charge for the service provided.
- (2) (a) Notwithstanding any other provision of this chapter, a political subdivision or private entity may not impose an impact fee:
- (i) on residential components of development to pay for a public safety facility that is a fire suppression vehicle;
  - (ii) on a school district or charter school for a park, recreation facility, open space, or trail;
  - (iii) on a school district or charter school unless:
    - (A) the development resulting from the school district's or charter school's development activity directly results in a need for additional system improvements for which the impact fee is imposed; and
    - (B) the impact fee is calculated to cover only the school district's or charter school's proportionate share of the cost of those additional system improvements; or
  - (iv) to the extent that the impact fee includes a component for a law enforcement facility, on development activity for:
    - (A) the Utah National Guard;
    - (B) the Utah Highway Patrol; or
    - (C) a state institution of higher education that has its own police force.
- (b) (i) Notwithstanding any other provision of this chapter, a political subdivision or private entity may not impose an impact fee on development activity that consists of the construction of a school, whether by a school district or a charter school, if:
- (A) the school is intended to replace another school, whether on the same or a different parcel;
  - (B) the new school creates no greater demand or need for public facilities than the school or school facilities, including any portable or modular classrooms that are on the site of the replaced school at the time that the new school is proposed; and
  - (C) the new school and the school being replaced are both within the boundary of the local political subdivision or the jurisdiction of the private entity.
- (ii) If the imposition of an impact fee on a new school is not prohibited under Subsection (2)(b)(i) because the new school creates a greater demand or need for public facilities than the school being replaced, the impact fee shall be based only on the demand or need that the new school creates for public facilities that exceeds the demand or need that the school being replaced creates for those public facilities.
- (c) Notwithstanding any other provision of this chapter, a political subdivision or private entity may impose an impact fee for a road facility on the state only if and to the extent that:
- (i) the state's development causes an impact on the road facility; and
  - (ii) the portion of the road facility related to an impact fee is not funded by the state or by the federal government.
- (3) Notwithstanding any other provision of this chapter, a local political subdivision may impose and collect impact fees on behalf of a school district if authorized by Section 53A-20-100.5.

**11-36a-203. Private entity assessment of impact fees -- Charges for water rights, physical infrastructure -- Notice -- Audit.**

- (1) A private entity:
  - (a) shall comply with the requirements of this chapter before imposing an impact fee; and
  - (b) except as otherwise specified in this chapter, is subject to the same requirements of this chapter as a local political subdivision.
- (2) A private entity may only impose a charge for water rights or physical infrastructure necessary to provide water or sewer facilities by imposing an impact fee.
- (3) Where notice and hearing requirements are specified, a private entity shall comply with the notice and hearing requirements for local districts.
- (4) A private entity that assesses an impact fee under this chapter is subject to the audit requirements of Title 51, Chapter 2a, Accounting Reports from Political Subdivisions, Interlocal Organizations, and Other Local Entities Act.

**11-36a-204. Other names for impact fees.**

- (1) A fee that meets the definition of impact fee under Section 11-36a-102 is an impact fee subject to this chapter, regardless of what term the local political subdivision or private entity uses to refer to the fee.
- (2) A local political subdivision or private entity may not avoid application of this chapter to a fee that meets the definition of an impact fee under Section 11-36a-102 by referring to the fee by another name.

**11-36a-205. Environmental mitigation impact fees.**

Notwithstanding the requirements and prohibitions of this chapter, a local political subdivision may impose and assess an impact fee for environmental mitigation when:

- (1) the local political subdivision has formally agreed to fund a Habitat Conservation Plan to resolve conflicts with the Endangered Species Act of 1973, 16 U.S.C. Sec. 1531, et seq. or other state or federal environmental law or regulation;
- (2) the impact fee bears a reasonable relationship to the environmental mitigation required by the Habitat Conservation Plan; and
- (3) the legislative body of the local political subdivision adopts an ordinance or resolution:
  - (a) declaring that an impact fee is required to finance the Habitat Conservation Plan;
  - (b) establishing periodic sunset dates for the impact fee; and
  - (c) requiring the legislative body to:
    - (i) review the impact fee on those sunset dates;
    - (ii) determine whether or not the impact fee is still required to finance the Habitat Conservation Plan; and
    - (iii) affirmatively reauthorize the impact fee if the legislative body finds that the impact fee must remain in effect.

**11-36a-301. Impact fee facilities plan.**

- (1) Before imposing an impact fee, each local political subdivision or private entity shall, except as provided in Subsection (3), prepare an impact fee facilities plan to determine the public facilities required to serve development resulting from new development activity.

- (2) A municipality or county need not prepare a separate impact fee facilities plan if the general plan required by Section 10-9a-401 or 17-27a-401, respectively, contains the elements required by Section 11-36a-302.
- (3) (a) A local political subdivision with a population, or serving a population, of less than 5,000 as of the last federal census need not comply with the impact fee facilities plan requirements of this part, but shall ensure that:
  - (i) the impact fees that the local political subdivision imposes are based upon a reasonable plan; and
  - (ii) each applicable notice required by this chapter is given.
- (b) Subsection (3)(a) does not apply to a private entity.

**11-36a-302. Impact fee facilities plan requirements -- Limitations -- School district or charter school.**

- (1) An impact fee facilities plan shall identify:
  - (a) demands placed upon existing public facilities by new development activity; and
  - (b) the proposed means by which the local political subdivision will meet those demands.
- (2) In preparing an impact fee facilities plan, each local political subdivision shall generally consider all revenue sources, including impact fees and anticipated dedication of system improvements, to finance the impacts on system improvements.
- (3) A local political subdivision or private entity may only impose impact fees on development activities when the local political subdivision's or private entity's 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, in comparison to the benefits already received and yet to be received.
- (4) (a) Subject to Subsection (4)(c), the impact fee facilities plan shall include a public facility for which an impact fee may be charged or required for a school district or charter school if the local political subdivision is aware of the planned location of the school district facility or charter school:
  - (i) through the planning process; or
  - (ii) after receiving a written request from a school district or charter school that the public facility be included in the impact fee facilities plan.
- (b) If necessary, a local political subdivision or private entity shall amend the impact fee facilities plan to reflect a public facility described in Subsection (4)(a).
- (c) (i) In accordance with Subsections 10-9a-305(4) and 17-27a-305(4), a local political subdivision may not require a school district or charter school to participate in the cost of any roadway or sidewalk.
- (ii) Notwithstanding Subsection (4)(c)(i), if a school district or charter school agrees to build a roadway or sidewalk, the roadway or sidewalk shall be included in the impact fee facilities plan if the local jurisdiction has an impact fee facilities plan for roads and sidewalks.

**11-36a-303. Impact fee analysis.**

- (1) Subject to the notice requirements of Section 11-36a-504, each local political subdivision or private entity intending to impose an impact fee shall prepare a written analysis of each impact fee.
- (2) Each local political subdivision or private entity that prepares an impact fee analysis under

Subsection (1) shall also prepare a summary of the impact fee analysis designed to be understood by a lay person.

**11-36a-304. Impact fee analysis requirements.**

- (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) subject to Subsection (2), 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) based on the requirements of this chapter, 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.

**11-36a-305. Calculating impact fees.**

- (1) In calculating an impact fee, a local political subdivision or private entity may include:
  - (a) the construction contract price;
  - (b) the cost of acquiring land, improvements, materials, and fixtures;
  - (c) the cost for planning, surveying, and engineering fees for services provided for and directly related to the construction of the system improvements; and
  - (d) for a political subdivision, debt service charges, if the political subdivision might use impact fees as a revenue stream to pay the principal and interest on bonds, notes, or other obligations issued to finance the costs of the system improvements.

- (2) In calculating an impact fee, each local political subdivision or private entity shall base amounts calculated under Subsection (1) on realistic estimates, and the assumptions underlying those estimates shall be disclosed in the impact fee analysis.

**11-36a-306. Certification of impact fee analysis.**

- (1) An impact fee facilities plan shall include a written certification from the person or entity that prepares the impact fee facilities plan that states the following:  
"I certify that the attached impact fee facilities plan:
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; and
  3. complies in each and every relevant respect with the Impact Fees Act."
- (2) An impact fee analysis shall include a written certification from the person or entity that prepares the impact fee analysis which states as follows:  
"I certify that the attached impact fee analysis:
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;
  3. offsets costs with grants or other alternate sources of payment; and
  4. complies in each and every relevant respect with the Impact Fees Act."

**11-36a-401. Impact fee enactment.**

- (1) (a) A local political subdivision or private entity wishing to impose impact fees shall pass an impact fee enactment in accordance with Section 11-36a-402.



- (b) An impact fee imposed by an impact fee enactment may not exceed the highest fee justified by the impact fee analysis.
- (2) An impact fee enactment may not take effect until 90 days after the day on which the impact fee enactment is approved.

**11-36a-402. Required provisions of impact fee enactment.**

- (1) A local political subdivision or private entity shall ensure, in addition to the requirements described in Subsections (2) and (3), that an impact fee enactment contains:
  - (a) a provision establishing one or more service areas within which the local political subdivision or private entity calculates and imposes impact fees for various land use categories;
  - (b) (i) a schedule of impact fees for each type of development activity that specifies the amount of the impact fee to be imposed for each type of system improvement; or  
(ii) the formula that the local political subdivision or private entity, as the case may be, will use to calculate each impact fee;
  - (c) a provision authorizing the local political subdivision or private entity, as the case may be, to adjust the standard impact fee at the time the fee is charged to:
    - (i) respond to:
      - (A) unusual circumstances in specific cases; or
      - (B) a request for a prompt and individualized impact fee review for the development activity of the state, a school district, or a charter school and an offset or credit for a public facility for which an impact fee has been or will be collected; and
    - (ii) ensure that the impact fees are imposed fairly; and
  - (d) a provision governing calculation of the amount of the impact fee to be imposed on a particular development that permits adjustment of the amount of the impact fee based upon studies and data submitted by the developer.
- (2) A local political subdivision or private entity shall ensure that an 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.
- (3) A local political subdivision or private entity shall include a provision in an impact fee enactment that requires a credit against impact fees for any dedication of land for, improvement to, or new construction of, any system improvements provided by the developer if the facilities:
  - (a) are system improvements; or
  - (b) (i) are dedicated to the public; and  
(ii) offset the need for an identified system improvement.

**11-36a-403. Other provisions of impact fee enactment.**

- (1) A local political subdivision or private entity may include a provision in an impact fee enactment that:

- (a) provides an impact fee exemption for:
  - (i) development activity attributable to:
    - (A) low income housing;
    - (B) the state;
    - (C) subject to Subsection (2), a school district; or
    - (D) subject to Subsection (2), a charter school; or
  - (ii) other development activity with a broad public purpose; and
- (b) except for an exemption under Subsection (1)(a)(i)(A), establishes one or more sources of funds other than impact fees to pay for that development activity.
- (2) An impact fee enactment that provides an impact fee exemption for development activity attributable to a school district or charter school shall allow either a school district or a charter school to qualify for the exemption on the same basis.
- (3) An impact fee enactment that repeals or suspends the collection of impact fees is exempt from the notice requirements of Section 11-36a-504.

**11-36a-501. Notice of intent to prepare an impact fee facilities plan.**

- (1) Before preparing or amending an impact fee facilities plan, a local political subdivision or private entity shall provide written notice of its intent to prepare or amend an impact fee facilities plan.
- (2) A notice required under Subsection (1) shall:
  - (a) indicate that the local political subdivision or private entity intends to prepare or amend an impact fee facilities plan;
  - (b) describe or provide a map of the geographic area where the proposed impact fee facilities will be located; and
  - (c) subject to Subsection (3), be posted on the Utah Public Notice Website created under Section 63F-1-701.
- (3) For a private entity required to post notice on the Utah Public Notice Website under Subsection (2)(c):
  - (a) the private entity shall give notice to the general purpose local government in which the private entity's private business office is located; and
  - (b) the general purpose local government described in Subsection (3)(a) shall post the notice on the Utah Public Notice Website.

**11-36a-502. Notice to adopt or amend an impact fee facilities plan.**

- (1) If a local political subdivision chooses to prepare an independent impact fee facilities plan rather than include an impact fee facilities element in the general plan in accordance with Section 11-36a-301, the local political subdivision shall, before adopting or amending the impact fee facilities plan:
  - (a) give public notice, in accordance with Subsection (2), of the plan or amendment at least 10 days before the day on which the public hearing described in Subsection (1)(d) is scheduled;
  - (b) make a copy of the plan or amendment, together with a summary designed to be understood by a lay person, available to the public;
  - (c) place a copy of the plan or amendment and summary in each public library within the local political subdivision; and
  - (d) hold a public hearing to hear public comment on the plan or amendment.

- (2) With respect to the public notice required under Subsection (1)(a):
  - (a) each municipality shall comply with the notice and hearing requirements of, and, except as provided in Subsection 11-36a-701(3)(b)(ii), receive the protections of Sections 10-9a-205 and 10-9a-801 and Subsection 10-9a-502(2);
  - (b) each county shall comply with the notice and hearing requirements of, and, except as provided in Subsection 11-36a-701(3)(b)(ii), receive the protections of Sections 17-27a-205 and 17-27a-801 and Subsection 17-27a-502(2); and
  - (c) each local district, special service district, and private entity shall comply with the notice and hearing requirements of, and receive the protections of, Section 17B-1-111.
- (3) Nothing contained in this section or Section 11-36a-503 may be construed to require involvement by a planning commission in the impact fee facilities planning process.

**11-36a-503. Notice of preparation of an impact fee analysis.**

- (1) Before preparing or contracting to prepare an impact fee analysis, each local political subdivision or, subject to Subsection (2), private entity shall post a public notice on the Utah Public Notice Website created under Section 63F-1-701.
- (2) For a private entity required to post notice on the Utah Public Notice Website under Subsection (1):
  - (a) the private entity shall give notice to the general purpose local government in which the private entity's primary business is located; and
  - (b) the general purpose local government described in Subsection (2)(a) shall post the notice on the Utah Public Notice Website.

**11-36a-504. Notice of intent to adopt impact fee enactment -- Hearing -- Protections.**

- (1) Before adopting an impact fee enactment:
  - (a) a municipality legislative body shall:
    - (i) comply with the notice requirements of Section 10-9a-205 as if the impact fee enactment were a land use ordinance;
    - (ii) hold a hearing in accordance with Section 10-9a-502 as if the impact fee enactment were a land use ordinance; and
    - (iii) except as provided in Subsection 11-36a-701(3)(b)(ii), receive the protections of Section 10-9a-801 as if the impact fee were a land use ordinance;
  - (b) a county legislative body shall:
    - (i) comply with the notice requirements of Section 17-27a-205 as if the impact fee enactment were a land use ordinance;
    - (ii) hold a hearing in accordance with Section 17-27a-502 as if the impact fee enactment were a land use ordinance; and
    - (iii) except as provided in Subsection 11-36a-701(3)(b)(ii), receive the protections of Section 17-27a-801 as if the impact fee were a land use ordinance;
  - (c) a local district or special service district shall:
    - (i) comply with the notice and hearing requirements of Section 17B-1-111; and
    - (ii) receive the protections of Section 17B-1-111;
  - (d) a local political subdivision shall at least 10 days before the day on which a public hearing is scheduled in accordance with this section:
    - (i) make a copy of the impact fee enactment available to the public; and
    - (ii) post notice of the local political subdivision's intent to enact or modify the impact fee,

- specifying the type of impact fee being enacted or modified, on the Utah Public Notice Website created under Section 63F-1-701; and
- (e) a local political subdivision shall submit a copy of the impact fee analysis and a copy of the summary of the impact fee analysis prepared in accordance with Section 11-36a-303 on its website or to each public library within the local political subdivision.
- (2) Subsection (1)(a) or (b) may not be construed to require involvement by a planning commission in the impact fee enactment process.

**11-36a-601. Accounting of impact fees.**

A local political subdivision that collects an impact fee shall:

- (1) establish a separate interest bearing ledger account for each type of public facility for which an impact fee is collected;
- (2) deposit a receipt for an impact fee in the appropriate ledger account established under Subsection (1);
- (3) retain the interest earned on each fund or ledger account in the fund or ledger account;
- (4) at the end of each fiscal year, prepare a report on each fund or ledger account showing:
  - (a) the source and amount of all money collected, earned, and received by the fund or ledger account; and
  - (b) each expenditure from the fund or ledger account; and
- (5) produce a report that:
  - (a) identifies impact fee funds by the year in which they were received, the project from which the funds were collected, the impact fee projects for which the funds were budgeted, and the projected schedule for expenditure;
  - (b) is in a format developed by the state auditor;
  - (c) is certified by the local political subdivision's chief financial officer; and
  - (d) is transmitted annually to the state auditor.

**11-36a-602. Expenditure of impact fees.**

- (1) A local political subdivision may expend impact fees only for a system improvement:
  - (a) identified in the impact fee facilities plan; and
  - (b) for the specific public facility type for which the fee was collected.
- (2) (a) Except as provided in Subsection (2)(b), a local political subdivision shall expend or encumber the impact fees for a permissible use within six years of their receipt.
  - (b) A local political subdivision may hold the fees for longer than six years if it identifies, in writing:
    - (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.

**11-36a-603. Refunds.**

A local political subdivision shall refund any impact fee paid by a developer, plus interest earned, when:

- (1) the developer does not proceed with the development activity and has filed a written request for a refund;
- (2) the fee has not been spent or encumbered; and

- (3) no impact has resulted.

**11-36a-701. Impact fee challenge.**

- (1) A person or an entity residing in or owning property within a service area, or an organization, association, or a corporation representing the interests of persons or entities owning property within a service area, has standing to file a declaratory judgment action challenging the validity of an impact fee.
- (2) (a) A person or an entity required to pay an impact fee who believes the impact fee does not meet the requirements of law may file a written request for information with the local political subdivision who established the impact fee.
- (b) Within two weeks after the receipt of the request for information under Subsection (2)(a), the local political subdivision shall provide the person or entity with the impact fee analysis, the impact fee facilities plan, and any other relevant information relating to the impact fee.
- (3) (a) Subject to the time limitations described in Section 11-36a-702 and procedures set forth in Section 11-36a-703, a person or an entity that has paid an impact fee that was imposed by a local political subdivision may challenge:
- (i) if the impact fee enactment was adopted on or after July 1, 2000:
- (A) subject to Subsection (3)(b)(i) and except as provided in Subsection (3)(b)(ii), whether the local political subdivision complied with the notice requirements of this chapter with respect to the imposition of the impact fee; and
- (B) whether the local political subdivision complied with other procedural requirements of this chapter for imposing the impact fee; and
- (ii) except as limited by Subsection (3)(c), the impact fee.
- (b) (i) The sole remedy for a challenge under Subsection (3)(a)(i)(A) is the equitable remedy of requiring the local political subdivision to correct the defective notice and repeat the process.
- (ii) The protections given to a municipality under Section 10-9a-801 and to a county under Section 17-27a-801 do not apply in a challenge under Subsection (3)(a)(i)(A).
- (c) The sole remedy for a challenge under Subsection (3)(a)(ii) is a refund of the difference between what the person or entity paid as an impact fee and the amount the impact fee should have been if it had been correctly calculated.
- (4) (a) Subject to Subsection (4)(d), if an impact fee that is the subject of an advisory opinion under Section 13-43-205 is listed as a cause of action in litigation, and that cause of action is litigated on the same facts and circumstances and is resolved consistent with the advisory opinion:
- (i) the substantially prevailing party on that cause of action:
- (A) may collect reasonable attorney fees and court costs pertaining to the development of that cause of action from the date of the delivery of the advisory opinion to the date of the court's resolution; and
- (B) shall be refunded an impact fee held to be in violation of this chapter, based on the difference between the impact fee paid and what the impact fee should have been if the government entity had correctly calculated the impact fee; and
- (ii) in accordance with Section 13-43-206, a government entity shall refund an impact fee held to be in violation of this chapter to the person who was in record title of the property on the day on which the impact fee for the property was paid if:
- (A) the impact fee was paid on or after the day on which the advisory opinion on the

- impact fee was issued but before the day on which the final court ruling on the impact fee is issued; and
- (B) the person described in Subsection (3)(a)(ii) requests the impact fee refund from the government entity within 30 days after the day on which the court issued the final ruling on the impact fee.
- (b) A government entity subject to Subsection (3)(a)(ii) shall refund the impact fee based on the difference between the impact fee paid and what the impact fee should have been if the government entity had correctly calculated the impact fee.
  - (c) Subsection (4) may not be construed to create a new cause of action under land use law.
  - (d) Subsection (3)(a) does not apply unless the resolution described in Subsection (3)(a) is final.

**11-36a-702. Time limitations.**

- (1) A person or an entity that initiates a challenge under Subsection 11-36a-701(3)(a) may not initiate that challenge unless it is initiated within:
  - (a) for a challenge under Subsection 11-36a-701(3)(a)(i)(A), 30 days after the day on which the person or entity pays the impact fee;
  - (b) for a challenge under Subsection 11-36a-701(3)(a)(i)(B), 180 days after the day on which the person or entity pays the impact fee; or
  - (c) for a challenge under Subsection 11-36a-701(3)(a)(ii), one year after the day on which the person or entity pays the impact fee.
- (2) The deadline to file an action in district court is tolled from the date that a challenge is filed using an administrative appeals procedure described in Section 11-36a-703 until 30 days after the day on which a final decision is rendered in the administrative appeals procedure

**11-36a-703. Procedures for challenging an impact fee.**

- (1) (a) A local political subdivision may establish, by ordinance or resolution, an administrative appeals procedure to consider and decide a challenge to an impact fee.
  - (b) If the local political subdivision establishes an administrative appeals procedure, the local political subdivision shall ensure that the procedure includes a requirement that the local political subdivision make its decision no later than 30 days after the day on which the challenge to the impact fee is filed.
- (2) A challenge under Subsection 11-36a-701(3)(a) is initiated by filing:
  - (a) if the local political subdivision has established an administrative appeals procedure under Subsection (1), the necessary document, under the administrative appeals procedure, for initiating the administrative appeal;
  - (b) a request for arbitration as provided in Section 11-36a-705; or
  - (c) an action in district court.
- (3) The sole remedy for a successful challenge under Subsection 11-36a-701(1), which determines that an impact fee process was invalid, or an impact fee is in excess of the fee allowed under this act, is a declaration that, until the local political subdivision or private entity enacts a new impact fee study, from the date of the decision forward, the entity may charge an impact fee only as the court has determined would have been appropriate if it had been properly enacted.
- (4) Subsections (2), (3), 11-36a-701(3), and 11-36a-702(1) may not be construed as requiring a person or an entity to exhaust administrative remedies with the local political subdivision

before filing an action in district court under Subsections (2), (3), 11-36a-701(3), and 11-36a-702(1).

- (5) The judge may award reasonable attorney fees and costs to the prevailing party in an action brought under this section.
- (6) This chapter may not be construed as restricting or limiting any rights to challenge impact fees that were paid before the effective date of this chapter.

#### **11-36a-704. Mediation.**

- (1) In addition to the methods of challenging an impact fee under Section 11-36a-701, a specified public agency may require a local political subdivision or private entity to participate in mediation of any applicable impact fee.
- (2) To require mediation, the specified public agency shall submit a written request for mediation to the local political subdivision or private entity.
- (3) The specified public agency may submit a request for mediation under this section at any time, but no later than 30 days after the day on which an impact fee is paid.
- (4) Upon the submission of a request for mediation under this section, the local political subdivision or private entity shall:
  - (a) cooperate with the specified public agency to select a mediator; and
  - (b) participate in the mediation process.

#### **11-36a-705. Arbitration.**

- (1) A person or entity intending to challenge an impact fee under Section 11-36a-703 shall file a written request for arbitration with the local political subdivision within the time limitation described in Section 11-36a-702 for the applicable type of challenge.
- (2) If a person or an entity files a written request for arbitration under Subsection (1), an arbitrator or arbitration panel shall be selected as follows:
  - (a) the local political subdivision and the person or entity filing the request may agree on a single arbitrator within 10 days after the day on which the request for arbitration is filed; or
  - (b) if a single arbitrator is not agreed to in accordance with Subsection (2)(a), an arbitration panel shall be created with the following members:
    - (i) each party shall select an arbitrator within 20 days after the date the request is filed; and
    - (ii) the arbitrators selected under Subsection (2)(b)(i) shall select a third arbitrator.
- (3) The arbitration panel shall hold a hearing on the challenge no later than 30 days after the day on which:
  - (a) the single arbitrator is agreed on under Subsection (2)(a); or
  - (b) the two arbitrators are selected under Subsection (2)(b)(i).
- (4) The arbitrator or arbitration panel shall issue a decision in writing no later than 10 days after the day on which the hearing described in Subsection (3) is completed.
- (5) Except as provided in this section, each arbitration shall be governed by Title 78B, Chapter 11, Utah Uniform Arbitration Act.
- (6) The parties may agree to:
  - (a) binding arbitration;
  - (b) formal, nonbinding arbitration; or
  - (c) informal, nonbinding arbitration.

- (7) If the parties agree in writing to binding arbitration:
  - (a) the arbitration shall be binding;
  - (b) the decision of the arbitration panel shall be final;
  - (c) neither party may appeal the decision of the arbitration panel; and
  - (d) notwithstanding Subsection (10), the person or entity challenging the impact fee may not also challenge the impact fee under Subsection 11-36a-701(1) or Subsection 11-36a-703(2)(a) or (2)(c).
- (8) (a) Except as provided in Subsection (8)(b), if the parties agree to formal, nonbinding arbitration, the arbitration shall be governed by the provisions of Title 63G, Chapter 4, Administrative Procedures Act.
  - (b) For purposes of applying Title 63G, Chapter 4, Administrative Procedures Act, to a formal, nonbinding arbitration under this section, notwithstanding Section 63G-4-502, "agency" means a local political subdivision.
- (9) (a) An appeal from a decision in an informal, nonbinding arbitration may be filed with the district court in which the local political subdivision is located.
  - (b) An appeal under Subsection (9)(a) shall be filed within 30 days after the day on which the arbitration panel issues a decision under Subsection (4).
  - (c) The district court shall consider de novo each appeal filed under this Subsection (9).
  - (d) Notwithstanding Subsection (10), a person or entity that files an appeal under this Subsection (9) may not also challenge the impact fee under Subsection 11-36a-701(1) or Subsection 11-36a-703(2)(a) or (2)(c).
- (10) (a) Except as provided in Subsections (7)(d) and (9)(d), this section may not be construed to prohibit a person or entity from challenging an impact fee as provided in Subsection 11-36a-701(1) or Subsection 11-36a-703(2)(a) or (2)(c).
  - (b) The filing of a written request for arbitration within the required time in accordance with Subsection (1) tolls all time limitations under Section 11-36a-702 until the day on which the arbitration panel issues a decision.
- (11) The person or entity filing a request for arbitration and the local political subdivision shall equally share all costs of an arbitration proceeding under this section.

Enacted by Chapter 47, 2011 General Session



**APPENDIX B – CULINARY WATER  
MASTER PLAN AND CAPITAL FACILITIES PLAN**

The 2013 Santaquin City Culinary Water Master Plan and Capital Facilities Plan is incorporated herein by reference.

## APPENDIX C - DETAILS OF PIPES WITH RESERVE CAPACITY

**Table C-1. Existing Culinary Water Pipes Reserve Capacity Detail**

Pipe Segment ID	Dia (in)	Segment Length (ft)	Existing Flow (GPM)	Buildout Flow (GMP)	% of Capacity Available for Growth	% of Cost Funded by City	Year Built	% of Cost Eligible for Impact Fee Reimbursement	Estimated Present Day Project Cost (\$)	Ratio of ENR CPI for Year Built to Current Year	Estimated Historic Project Cost Eligible for Impact Fee Reimbursement (\$)	Actual Known Historic Project Costs Eligible for Impact Fee Reimbursement (\$)
Col 1	Col 2	Col 3	Col 4	Col 5	Col 6	Col 7	Col 8	Col 9	Col 10	Col 11	Col 12	Col 13
											= Col 9 x 10 x 11	
P11547	10	863		545	100%	100%		100%	\$59,554			
P11747	10	1034		555	100%							
P12283	10	329	18	108	84%							
P47	10	1207	19	593	97%							
P253	10	163	19	620	97%							
P45	10	814	19	620	97%							
366	10	145	19	628	97%							
P121	10	939	19	628	97%							
P11677	10	225	21	644	97%	100%	1992	97%	\$15,518	0.5266	\$7,904	
P1439	10	2509	21	690	97%	100%	2002	97%	\$173,087	0.6906	\$115,877	
P11583	10	982	25	317	92%	-100%		-92%	\$67,751			
328	10	985	32	113	71%							
P11595	10	1058	39	750	95%	100%	2002	95%	\$73,030	0.6906	\$47,785	
P415	10	197	39	750	95%	100%	2002	95%	\$13,593	0.6906	\$8,894	
330	10	4317	72	334	79%							
P251	10	112	72	637	89%							
284	10	575	132	228	42%	100%		42%	\$39,696			
207	10	583	309	469	34%							
P12629	10	272	440	1433	69%							
279	10	195	459	807	43%	100%	1992	43%	\$13,427	0.5266	\$3,047	
P73	10	391	472	806	41%	100%	1992	41%	\$26,945	0.5266	\$5,879	
P12627	10	232	493	1583	69%							
280	10	47	493	1659	70%							
P87	10	1775	652	2179	70%							
198	10	512	657	937	30%	100%	1992	30%	\$35,335	0.5266	\$5,565	
199	10	48	657	944	30%	100%	1992	30%	\$3,305	0.5266	\$529	
218	10	424	678	1143	41%	100%	2002	41%	\$29,256	0.6906	\$8,217	
P117	10	1984	706	2199	68%							
282	10	592	755	1782	58%	100%	1992	58%	\$40,827	0.5266	\$12,397	
203	10	697	768	1209	36%	100%	1992	36%	\$48,065	0.5266	\$9,223	
204	10	281	789	1228	36%							
221	10	424	893	1366	35%	100%	2002	35%	\$29,263	0.6906	\$6,999	
283	10	590	1008	2692	63%	100%	1992	63%	\$40,717	0.5266	\$13,411	
P393	10	1502	1022	1074	5%	100%	1992	5%	\$103,631	0.5266	\$2,643	
196	10	974	1022	1664	39%	100%	1992	39%	\$67,213	0.5266	\$13,664	
P11445	10	162	1022	1664	39%	100%	1992	39%	\$11,164	0.5266	\$2,270	
P12615	10	996	1022	1664	39%	100%	1992	39%	\$68,703	0.5266	\$13,967	
P53	10	62	1022	1664	39%	100%	1992	39%	\$4,244	0.5266	\$863	
220	10	842	1279	1338	4%	100%	2002	4%	\$58,105	0.6906	\$1,782	
P11447	10	1171	1641	2273	28%	100%	1992	28%	\$80,806	0.5266	\$11,832	
<b>Total for all existing 10 inch pipes</b>											<b>\$280,914</b>	
<b>Total Length:</b>	<b>31,206</b>											
<b>Weighted Average of all Pipes Listed:</b>					<b>67%</b>							
<b>Length of Impact Fee Eligible</b>	<b>15,007</b>											
<b>Weighted Average of Impact Fee Eligible Pipes:</b>					<b>53%</b>							

Pipe Segment ID	Dia (in)	Segment Length (ft)	Existing Flow (GPM)	Buildout Flow (GMP)	% of Capacity Available for Growth	% of Cost Funded by City	Year Built	% of Cost Eligible for Impact Fee Reimbursement	Estimated Present Day Project Cost (\$)	Ratio of ENR CPI for Year Built to Current Year	Estimated Historic Project Cost Eligible for Impact Fee Reimbursement (\$)	Actual Known Historic Project Costs Eligible for Impact Fee Reimbursement (\$)
Col 1	Col 2	Col 3	Col 4	Col 5	Col 6	Col 7	Col 8	Col 9	Col 10	Col 11	Col 12	Col 13
											= Col 9 x 10 x 11	
B2291	12	627		289	100%	100%	2002	100%	\$51,373	0.6906	\$35,479	
B2199	12	171		344	100%	100%	2002	100%	\$13,981	0.6906	\$9,655	
P1443	12	1903		476	100%	100%	2002	100%	\$156,079	0.6906	\$107,789	
P203	12	520	1	7	83%							
P205	12	581	4	14	74%							
P207	12	686	13	101	87%							
P1441	12	2262	21	1008	98%	100%	2002	98%	\$185,517	0.6906	\$125,436	
P11683	12	873	30	137	78%	100%	2002	78%	\$71,586	0.6906	\$38,733	
P11997	12	391	41	308	87%	100%	2002	87%	\$32,062	0.6906	\$19,181	
P209	12	292	52	114	55%							
P41	12	22	66	116	43%							
P12001	12	684	66	165	60%	100%	2002	60%	\$56,088	0.6906	\$23,199	
B1829	12	363	73	150	52%	100%	2002	52%	\$29,766	0.6906	\$10,587	
P359	12	31	210	424	51%							
P321	12	38	219	433	49%	100%		49%	\$3,149			
P11689	12	169	267	487	45%	100%	2002	45%	\$13,866	0.6906	\$4,335	
P11623	12	1189	313	939	67%	100%	1992	67%	\$97,514	0.5266	\$34,235	
P12799	12	38	393	704	44%	100%	2002	44%	\$3,149	0.6906	\$962	
P12801	12	37	393	704	44%	100%	2002	44%	\$3,050	0.6906	\$932	
P107	12	321	430	1158	63%							
P11861	12	689	432	1099	61%							
B2271	12	1354	476	765	38%	100%	2002	38%	\$111,061	0.6906	\$28,941	
P227	12	380	508	655	22%							
P11875	12	20	515	1488	65%	100%	2002	65%	\$1,607	0.6906	\$726	
P223	12	260	528	654	19%							
B2277	12	1372	641	808	21%	100%	2002	21%	\$112,488	0.6906	\$16,020	
P365	12	125	707	906	22%	100%	1992	22%	\$10,283	0.5266	\$1,188	
P11769	12	460	923	1102	16%	100%	2002	16%	\$37,728	0.6906	\$4,220	
197	12	643	984	1405	30%	100%	1992	30%	\$52,742	0.5266	\$8,321	
P11873	12	17	1178	1488	21%	100%	2002	21%	\$1,427	0.6906	\$206	
P315	12	60	1178	1488	21%							
P12729	12	647	1571	5118	69%	100%	2002	69%	\$53,087	0.6906	\$25,410	
P12385	12	769	1571	8769	82%	100%	2002	82%	\$63,050	0.6906	\$35,743	
B2299	12	728	1575	2999	47%	100%	2002	47%	\$59,680	0.6906	\$19,568	
B2301	12	409	1575	2999	47%	100%	2002	47%	\$33,530	0.6906	\$10,994	
P11729	12	597	1924	4940	61%	100%	2008	61%				\$40,769
P11725	12	599	1988	4525	56%	100%	2008	56%				\$40,926
P11723	12	425	2206	4345	49%	100%	2008	49%				\$29,015
P61	12	42	2873	5683	49%	100%	1992	49%	\$3,460	0.5266	\$901	
256	12	1217	2873	5683	49%	100%	1992	49%	\$99,786	0.5266	\$25,987	
255	12	390	2873	5684	49%	100%	1992	49%	\$31,980	0.5266	\$8,329	
254	12	217	2873	5684	49%	100%	1992	49%	\$17,753	0.5266	\$4,623	
253	12	330	2873	5684	49%	100%	1992	49%	\$27,035	0.5266	\$7,041	
252	12	984	2873	5684	49%	100%	1992	49%	\$80,672	0.5266	\$21,009	
P381	12	32	2873	5684	49%	100%	1992	49%	\$2,616	0.5266	\$681	
P83	12	538	2874	5685	49%	100%	1992	49%	\$44,141	0.5266	\$11,494	
P424	12	243	2874	5685	49%	100%	1992	49%	\$19,885	0.5266	\$5,178	
P11833	12	430	2916	4645	37%	100%	2008	37%				\$29,350
P51	12	76	3365	4008	16%	100%	1992	16%	\$6,216	0.5266	\$524	
<b>Total for all existing 12 inch pipes</b>											<b>\$494,179</b>	<b>\$140,060</b>
<b>Total Length:</b>	<b>25,250</b>											
<b>Weighted Average of all Pipes Listed:</b>					<b>62%</b>							
<b>Length of Impact Fee Eligible</b>	<b>21,408</b>											
<b>Weighted Average of Impact Fee Eligible Pipes:</b>					<b>62%</b>							

Pipe Segment ID	Dia (in)	Segment Length (ft)	Existing Flow (GPM)	Buildout Flow (GMP)	% of Capacity Available for Growth	% of Cost Funded by City	Year Built	% of Cost Eligible for Impact Fee Reimbursement	Estimated Present Day Project Cost (\$)	Ratio of ENR CPI for Year Built to Current Year	Estimated Historic Project Cost Eligible for Impact Fee Reimbursement (\$)	Actual Known Historic Project Costs Eligible for Impact Fee Reimbursement (\$)
Col 1	Col 2	Col 3	Col 4	Col 5	Col 6	Col 7	Col 8	Col 9	Col 10	Col 11	Col 12	Col 13
											= Col 9 x 10 x 11	
B1241	14	24		444	100%	100%	2002	100%	\$2,454	0.6906	\$1,695	
P13	14	1010	1607	5282	70%	100%	1992	70%	\$102,030	0.5266	\$37,380	
P11491	14	224	2942	4376	33%	100%	2008	33%	\$22,584	0.8780	\$6,499	
Total of all existing 14 inch pipes											\$45,573	
Total Length:		1,258										
Weighted Average of all Pipes Listed:		64%										
Length of Impact Fee Eligible		1,258										
Weighted Average of Impact Fee Eligible Pipes:		64%										
B2309	16	526		545	100%	100%	2002	100%	\$64,221	0.6906	\$44,351	
P11549	16	1687		545	100%	100%	2002	100%	\$205,790	0.6906	\$142,120	
P411	16	224		545	100%	100%	2002	100%	\$27,279	0.6906	\$18,839	
SR1	16	942		545	100%	100%	2002	100%	\$114,887	0.6906	\$79,342	
P201	16	1356	39	93	58%							
326	16	788	43	211	80%							
P12619	16	795	155	392	60%							
P11615	16	1211	359	557	36%							
P367	16	954	707	906	22%	100%	1992	22%	\$116,412	0.5266	\$13,446	
B2187	16	341	1226	2208	44%	100%	2002	44%	\$41,578	0.6906	\$12,767	
SR1439	16	294	1401	2494	44%	100%	2002	44%	\$35,844	0.6906	\$10,850	
P11607	16	2660	1571	5118	69%	100%	2002	69%	\$324,532	0.6906	\$155,339	
P12727	16	426	1571	5118	69%	100%	2002	69%	\$51,923	0.6906	\$24,853	
B2193	16	433	1575	2987	47%	100%	2002	47%	\$52,826	0.6906	\$17,244	
P11681	16	3974	2452	2814	13%	100%	2008	13%				\$440,979
P12737	16	707	2452	3513	30%	100%	2008	30%				\$78,433
P397	16	64	2873	5684	49%	100%	1992	49%	\$7,747	0.5266	\$2,018	
P11493	16	1993	2942	3912	25%	100%	2008	25%				\$221,150
P11609	16	566	2942	5433	46%	100%	2008	46%				\$62,775
P11727	16	309	2942	5433	46%	100%	2008	46%				\$34,289
P12445	16	131	2942	5767	49%	100%	2008	49%				\$14,526
Total of all existing 16 inch pipes:											\$334,698	\$852,151
Total Length:		20,379										
Weighted Average of all Pipes Listed:		50%										
Length of Impact Fee Eligible		16,229										
Weighted Average of Impact Fee Eligible Pipes:		49%										

## APPENDIX D – HISTORIC COSTS

**Table D-1. Historic Costs of Projects Eligible for Impact Fee Collection**

Source Projects				
Summit Ridge Well				
Year of Construction	2002	Percent funded by City:		100%
Construction Cost Index Factor	1.448	Percent to be Used by Growth:		59%
Item Description	Quantity	Unit	Unit Price	Amount
Drill New Well	1	each	\$450,000.00	\$450,000.00
Pump and Motor	1	each	\$175,000.00	\$175,000.00
Building	1	each	\$144,000.00	\$144,000.00
Pipe Works	1	each	\$60,000.00	\$60,000.00
Electrical	1	each	\$150,000.00	\$150,000.00
Telemetry/Control/Monitoring	1	each	\$70,000.00	\$70,000.00
Preliminary Evaluation Report and Drinking Water Source Protection Plan	1	each	\$55,000.00	\$55,000.00
Other Fees: Engineering, Legal, Administrative, Finance 25%				\$276,000.00
Total				\$1,380,000.00
<b>Total Historic Cost:</b>				<b>\$558,073.40</b>
<b>Cost Eligible for Impact Fee Collection:</b>				<b>\$326,792.54</b>
Cemetery Well				
Year of Construction	1992	Percent funded by City:		100%
Construction Cost Index Factor	1.899	Percent to be Used by Growth:		59%
Item Description	Quantity	Unit	Unit Price	Amount
Drill New Well	1	each	\$450,000.00	\$450,000.00
Pump and Motor	1	each	\$125,000.00	\$125,000.00
Building	1	each	\$120,000.00	\$120,000.00
Pipe Works	1	each	\$60,000.00	\$60,000.00
Electrical	1	each	\$125,000.00	\$125,000.00
Telemetry/Control/Monitoring	1	each	\$50,000.00	\$50,000.00
Preliminary Evaluation Report and Drinking Water Source Protection Plan	1	each	\$55,000.00	\$55,000.00
Construction Administration 15%				\$147,750.00
Other Fees: Engineering, Legal, Administrative, Finance 25%				\$246,250.00
Total				\$1,379,000.00
<b>Total Historic Cost:</b>				<b>\$425,226.29</b>
<b>Cost Eligible for Impact Fee Collection:</b>				<b>\$249,000.89</b>

Storage Projects				
<b>Zone 11E Tank (1.09 MG)</b>				
Year of Construction	1992	Percent funded by City:		100%
Construction Cost Index Factor	1.899	Percent to be Used by Growth:		51%
Item Description	Quantity	Unit	Unit Price	Amount
Earthwork (Cut)	7,047	C.Y.	\$10.00	\$70,474.58
Earthwork (Fill)	5,286	C.Y.	\$10.00	\$52,855.93
1.09 Million Gallon Tank	1	each	\$929,055.78	\$929,055.78
Pipe Works	1	each	\$65,000.00	\$65,000.00
Valve Vault	1	each	\$65,000.00	\$65,000.00
Telemetry/Control/Monitoring	1	each	\$40,000.00	\$40,000.00
Other Fees: Engineering, Legal, Administrative, Finance 25%				\$305,596.57
Total				\$1,527,982.86
<b>Total Historic Cost:</b>				<b>\$406,592.42</b>
<b>Cost Eligible for Impact Fee Collection:</b>				<b>\$205,458.93</b>
<b>Zone 11W Tank (1.14 MG)</b>				
Year of Construction	2002	Percent funded by City:		100%
Construction Cost Index Factor	1.448	Percent to be Used by Growth:		51%
Item Description	Quantity	Unit	Unit Price	Amount
Earthwork (Cut)	7,329	C.Y.	\$10.00	\$73,293.28
Earthwork (Fill)	3,665	C.Y.	\$10.00	\$36,646.64
1.14 Million Gallon Tank	1	each	\$971,673.01	\$971,673.01
Pipe Works	1	each	\$55,000.00	\$55,000.00
Valve Vault	1	each	\$65,000.00	\$65,000.00
Telemetry/Control/Monitoring	1	each	\$40,000.00	\$40,000.00
Other Fees: Engineering, Legal, Administrative, Finance 25%				\$310,403.24
Total				\$1,552,016.18
<b>Total Historic Cost:</b>				<b>\$541,618.43</b>
<b>Cost Eligible for Impact Fee Collection:</b>				<b>\$273,690.17</b>
<b>Zone 12E Tank (1.04 MG)</b>				
Year of Construction	2002	Percent funded by City:		100%
Construction Cost Index Factor	1.448	Percent to be Used by Growth:		51%
Item Description	Quantity	Unit	Unit Price	Amount
Earthwork (Cut)	6,500	C.Y.	\$10.00	\$65,002.97
Earthwork (Fill)	4,875	C.Y.	\$10.00	\$48,752.23
1.04 Million Gallon Tank	1	each	\$886,438.54	\$886,438.54
Pipe Works	1	each	\$65,000.00	\$65,000.00
Valve Vault	1	each	\$65,000.00	\$65,000.00
Telemetry/Control/Monitoring	1	each	\$40,000.00	\$40,000.00
Other Fees: Engineering, Legal, Administrative, Finance 25%				\$292,548.43
Total				\$1,462,742.17
<b>Total Historic Cost:</b>				<b>\$510,463.83</b>
<b>Cost Eligible for Impact Fee Collection:</b>				<b>\$257,947.15</b>

The following tables show the Engineering News Record Construction Cost Index, which is an index based on labor, steel, concrete and lumber in 20 major cities in the United States.

**Table D-3. Engineering News Record Construction Cost Index History**

<b>ENR'S CONSTRUCTION COST INDEX HISTORY (1908-2013)</b>													
<b>YEAR</b>	<b>JAN</b>	<b>FEB</b>	<b>MAR</b>	<b>APR</b>	<b>MAY</b>	<b>JUN</b>	<b>JUL</b>	<b>AUG</b>	<b>SEP</b>	<b>OCT</b>	<b>NOV</b>	<b>DEC</b>	<b>AVG.</b>
2013	9437	9453	9456	9484	9516								
2012	9176	9198	9268	9273	9290	9291	9324	9351	9341	9376	9398	9412	9308
2011	8938	8998	9011	9027	9035	9053	9080	9088	9116	9147	9173	9172	9070
2010	8660	8672	8671	8677	8761	8805	8844	8837	8836	8921	8951	8952	8799
2009	8549	8533	8534	8528	8574	8578	8566	8564	8586	8596	8592	8641	8570
2008	8090	8094	8109	8112	8141	8185	8293	8362	8557	8623	8602	8551	8310
2007	7880	7880	7856	7865	7942	7939	7959	8007	8050	8045	8092	8089	7966
2006	7660	7689	7692	7695	7691	7700	7721	7722	7763	7883	7911	7888	7751
2005	7297	7298	7309	7355	7398	7415	7422	7479	7540	7563	7630	7647	7446
2004	6825	6862	6957	7017	7065	7109	7126	7188	7298	7314	7312	7308	7115
2003	6581	6640	6627	6635	6642	6694	6695	6733	6741	6771	6794	6782	6694
2002	6462	6462	6502	6480	6512	6532	6605	6592	6589	6579	6578	6563	6538
2001	6281	6272	6279	6286	6288	6318	6404	6389	6391	6397	6410	6390	6343
2000	6130	6160	6202	6201	6233	6238	6225	6233	6224	6259	6266	6283	6221
1999	6000	5992	5986	6008	6006	6039	6076	6091	6128	6134	6127	6127	6059
1998	5852	5874	5875	5883	5881	5895	5921	5929	5963	5986	5995	5991	5920
1997	5765	5769	5759	5799	5837	5860	5863	5854	5851	5848	5838	5858	5826
1996	5523	5532	5537	5550	5572	5597	5617	5652	5683	5719	5740	5744	5620
1995	5443	5444	5435	5432	5433	5432	5484	5506	5491	5511	5519	5524	5471
1994	5336	5371	5381	5405	5405	5408	5409	5424	5437	5437	5439	5439	5408
1993	5071	5070	5106	5167	5262	5260	5252	5230	5255	5264	5278	5310	5210
1992	4888	4884	4927	4946	4965	4973	4992	5032	5042	5052	5058	5059	4985
1991	4777	4773	4772	4766	4801	4818	4854	4892	4891	4892	4896	4889	4835
1990	4680	4685	4691	4693	4707	4732	4734	4752	4774	4771	4787	4777	4732

**Table D-3. Engineering News Record Construction Cost Index Annual Average**

ANNUAL AVERAGE							
YEAR	AVG	YEAR	AVG	YEAR	AVG	YEAR	AVG
1989	4615	1988	4519	1987	4406	1986	4295
1985	4195	1984	4146	1983	4066	1982	3825
1981	3535	1980	3237	1979	3003	1978	2776
1977	2576	1976	2401	1975	2212	1974	2020
1973	1895	1972	1753	1971	1581	1970	1381
1969	1269	1968	1155	1967	1074	1966	1019
1965	971	1964	936	1963	901	1962	872
1961	847	1960	824	1959	797	1958	759
1957	724	1956	692	1955	660	1954	628
1953	600	1952	569	1951	543	1950	510
1949	477	1948	461	1947	413	1946	346
1945	308	1944	299	1943	290	1942	276
1941	258	1940	242	1939	236	1938	236
1937	235	1936	206	1935	196	1934	198
1933	170	1932	157	1931	181	1930	203
1929	207	1928	207	1927	206	1926	208
1925	207	1924	215	1923	214	1922	174
1921	202	1920	251	1919	198	1918	189
1917	181	1916	130	1915	93	1914	89
1913	100	1912	91	1911	93	1910	96
1909	91	1908	97				



## APPENDIX E – IMPACT FEE FACILITIES PLAN CERTIFICATION

As required by Section 11-36a-306 of the Impact Fee Act, J-U-B Engineers, Inc. provides the following statement:

I certify that the attached Impact Fee Facilities plan:

1. includes only the costs of public facilities that are:
  - a. allowed in the Impact Fees Act; and
  - b. actually incurred; or
  - c. projected to be incurred or encumbered within 6 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 the 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 reimbursements; and
3. complies with each and every relevant respect with the Impact Fees Act.

J-U-B Engineers, Inc.

Mark L. Christensen, P.E., Project Manager



**CITY OF  
SANTAQUIN**

**CULINARY WATER  
IMPACT FEE ANALYSIS**

**PREPARED BY**

**ZIONS BANK PUBLIC  
FINANCE**

**NOVEMBER 2013**



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## EXECUTIVE SUMMARY

The City of Santaquin, Utah (the “City”) recently commissioned J-U-B Engineers (“J-U-B”) to prepare the Santaquin City Culinary Water System Impact Fee Facilities Plan (IFFP) dated September 2013. The City has also retained Zions Bank Public Finance (Zions) to calculate the City’s culinary water impact fees in accordance with the IFFP and Utah State Law. An impact fee is a one-time charge to new development to reimburse the City for the cost of developing new culinary water system capacity that will allow development to occur.

The culinary water impact fee will be assessed to a single, city-wide service area (“service area”). Santaquin City has a 3.76 million gallon storage capacity. Water comes from two culinary wells and springs producing 6.03 million gallons per day (MGD). During the summer months, approximately 50% of the water comes from springs and 50% from wells. During the winter months, 90% or more comes from the springs. The City has many miles of culinary water distribution lines ranging in size from 8” to 16”.

The City has expended approximately \$3,460,465 to construct culinary water source, storage, and distribution facilities and will need to build another \$745,279 (FV) in distribution system improvements to allow new growth to connect to a safe and reliable culinary water system. There are currently no bonds outstanding related to the culinary water system nor are bonds anticipated to be issued for culinary water within the next ten years. Changes to these assumptions may require an update to the culinary water impact fee analysis. The total impact fee qualifying cost of the project is estimated to be \$4,711,392.

On average, approximately 83.27% of the existing infrastructure cost (\$4,508,064) is related to growth and 99.7% of the distribution project costs to be constructed in the next ten years will be allocated to growth.

This system will provide culinary water for indoor uses while the City’s secondary water system will provide water for outdoor irrigation. The City’s culinary water system currently serves 3,123 Equivalent Residential Units (“ERUs”). These ERUs have connected to the system and are receiving services on demand. The culinary water facilities have adequate capacity to serve many more years of growth. The estimated demand for buildout, estimated to occur in 2060, is 13,835 ERUs.



## Recommended Water Impact Fees per ERU

Figure ES.1 shows the maximum legal culinary water impact fee that the City can assess per ERU. Figure ES.2 provides a calculation of the impact fee for a non-standard user that may not fit the schedule found in ES.1. It is at the Council's discretion if the non-standard calculation will be used. Otherwise the fees shown in ES.1 will be charged.

FIGURE ES.1: MAXIMUM IMPACT FEE SCHEDULE

Units of Measure	Equivalency	Water Impact Fee
Residential		
3/4" Meter Residential	1.00	\$ 656
Non-Residential		
3/4"	2.00	\$ 1,311
1"	3.34	2,190
1.5"	6.66	4,366
2"	10.66	6,988
3"	21.34	13,990
4"	33.34	21,856
6"	66.66	43,699
8"	106.66	69,922

FIGURE ES.2: CALCULATION OF NON-STANDARD CULINARY WATER IMPACT FEE

Units of Measure	Water Impact Fee
Per Equivalent Residential Unit	\$ 656

The recommended impact fee structure presented in this analysis has been prepared to satisfy the Impact Fees Act, Utah Code Ann. § 11-36-101 et. Seq. (the "Act"), and represents the maximum culinary water impact fees that the City may assess within the Service Area. The City will be required to use other revenue sources to fund projects identified in the IFFP that constitute repair and replacement, cure any existing deficiencies, or maintain the existing level of service for current users.

## CHAPTER 1:

# OVERVIEW OF THE CULINARY WATER IMPACT FEES

### What is an Impact Fee?

An impact fee is a one-time fee, not a tax, charged to new development to recover the City's cost of constructing water facilities with capacity that will be utilized by new growth. The fee is assessed at the time of building permit issuance as a condition of development approval. The calculation of the impact fee must strictly follow the Impact Fees Act to ensure that the fee is equitable, fair, and legally defensible.

This analysis provides documentation that there is a fair comparison, or rational nexus, between the impact fee charged to new development and the impact on the capacity of the system. Impact fees are charged to different types of development and the water impact fee is scaled according to different levels of demand.

### Why Assess an Impact Fee?

Until new development utilizes the full capacity of existing facilities the City can assess an impact fee to recover its cost of latent capacity available to serve future development. The general impact fee methodology divides the available capacity of existing and future capital projects between the number of existing and future users. Capacity is measured in terms of Equivalent Residential Units, or ERUs, which represent the demand that a typical single family residence would place on the system.

### What Costs Can or Cannot be Included in the Impact Fee?

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

- New capital infrastructure for water source, storage, and distribution;
- Professional and planning expenses related to the construction of the facility; and
- Historic costs of existing improvements that will serve new development.

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

- Projects that cure existing 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; and
- Costs of reconstruction of facilities that do not have capacity to serve new growth.

### How Are the Impact Fees Calculated?

A fair impact fee is calculated by dividing the cost of existing and future facilities by the number of new ERUs that will benefit from the unused capacity. This cost per ERU is then applied to a set of graduated meter multipliers used for both residential and non-residential users that increase the impact fee as the size of water meter increases.



## Description of the Service Area

The culinary water system is comprised of a combination of wells, storage and distribution facilities that will provide indoor potable water for homes and businesses located in Santaquin. The culinary water system service area is the same as the incorporated City boundaries. A map of this service area is included in the appendices.

There is sufficient existing source and storage capacity to accommodate new growth in the near future. Some distribution capacity exists but new distribution improvements will need to be constructed within the next ten years. These distribution projects will be funded with the use of impact fees.

## What is an Equivalent Residential Unit?

The unit of measurement used for water improvements is the future water demand by ERUs. An ERU is equivalent to 0.45 acre feet (146,000 gal) of annual demand which meets the requirements for indoor water usage only.

## Project Costs and Financing

The proposed impact fees are comprised of the costs of future water capital projects that benefit additional development within the Service Area, and professional expenses pertaining to the regular update of the IFFP and impact fee analysis. The City does not currently have bonds outstanding related to the culinary water system and does not anticipate more debt for culinary water projects within the next ten years.

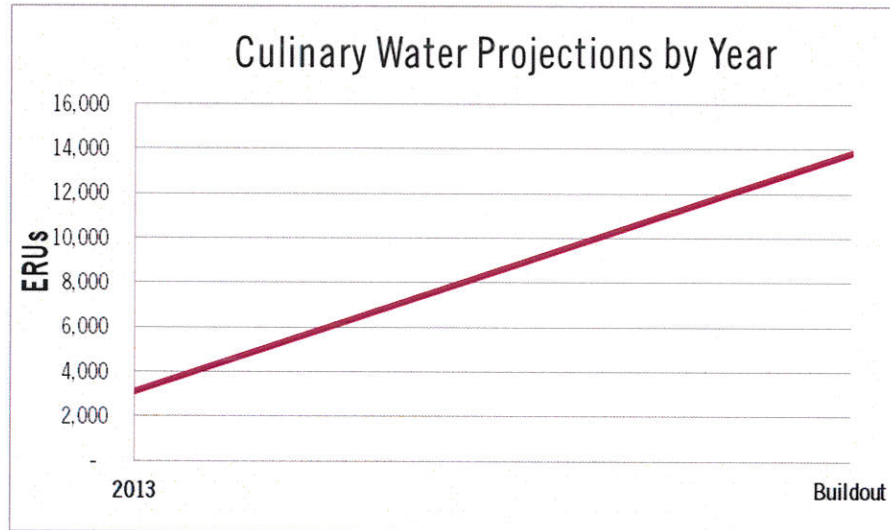
## CHAPTER 2

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

### Future Water Demand within the Service Area

Water demand within the City will grow as development activity rebounds and homes and businesses are built. Currently there are 3,123 ERUs and the buildout count of ERUs for the service area is estimated to be 13,835.

FIGURE 2.1: PROJECTED GROWTH IN ERUS



### Level of Service Analysis

The level of service standard is established in the IFFP and in Figure 2.2 and reflects City policies. This is a defensible level of service that has been recently and clearly established. It is anticipated that this level of service will be perpetuated into the future. However, the City has the right to increase this established level of service in the future by constructing facilities that will provide greater capacity per ERU. If the City does this, those new facilities with additional capacity cannot be funded with impact fees.

Figure 3.2 in the next section details the calculation of the storage requirement per ERU. The State Division of Drinking Water requires a minimum sizing of 400 gallons per day for indoor demands. In addition to this there must be adequate fire flow capacity to deliver 2,000 gallons per minute for two hours (240,000 gallons) and a 100,000 gallon emergency buffer.



FIGURE 2.2: LEVEL OF SERVICE

	ERU Demand	Distribution (Gpm)	Storage (Gal)	Source (Gpm)	Supply (Gpm)
Current ERUs	3,123				
<b>Average Day Demand*</b>					
State Design Standards (Gal)					
Actual Average Day Demand (Gal)	764,510				1,254,650
Average Day per ERU (Gal)	245				402
Average Day per ERU (gpm)	0.17				0.28
Annual Demand per ERU (AF)	0.27				0.45
<b>Peak Day Demand**</b>					
State Design Standards (Gal)					
Actual Peak Day Demand (Gal)	9,488,160			800	
Peak Day per ERU (Gal)	3,038		3,038	3,038	
Peak Day (gpm)	2.11		2.11	2.11	
Adjusted Storage with Fire Flow and Emergency			-		
<b>Peak Instantaneous Demand</b>					
State Design Standards (Gal)		800			
Peak Instantaneous Demand (Gal)	11,385,792				
Peak Instantaneous Demand per ERU (gal)	3,646	3,646			
Peak Instantaneous Demand per ERU (gpm)	2.53	2.53			

\*Impact fee calculation is based on DDW standards of 0.45 Af

\*\* Peak Day Demand is a balance of DDW standards of 800 gallons per day before fireflow and actual demands. The adjusted amount is 720 gpd plus fireflow to reach 873 gpd as a total storage requirement per ERU

See Pages 8-10 of Culinary Water Master Plan Prepared by J-U-B for More Information on Level of Service

## Calculation of Storage Requirement per ERU

According to the culinary water level of service included in the IFFP prepared by J-U-B Engineers, storage is calculated based upon 400 GPD per ERU as well as 120 GPD for emergency storage and 1.2 MG of city-wide fire flow. Based upon the number of ERUs served at any given moment, the number of gallons per ERU ranges from 521 and 595 GPD per ERU for storage.



## CHAPTER 3

# FUTURE AND HISTORIC CAPITAL PROJECTS COSTS

The Impact Fees Act allows for the inclusion of various cost components in the calculation of the impact fees. These cost components are the construction costs of growth-driven improvements and appropriate professional services inflated from current dollars to construction year costs. Impact fees can only fund system improvements which are defined as facilities or lines that contribute to the entire system’s capacity rather than just to a small, localized area. The City currently has no outstanding bonds relating to the culinary water system and does not anticipate future bonds so the impact fee analysis does not need to consider debt service in the impact fee calculation.

### Project Capacities Available for Growth

The costs of future capital projects are defined in the corresponding Impact Fees Facilities Plan prepared J-U-B and are summarized in Figure 3.4.

#### Source

The engineers at J-U-B have projected that wells and springs combined will provide 6.03 MGD of capacity. The level of service shown in Figure 2.2 is 800 gallons per day per ERU on peak day which will allow the sources to serve 7,538 ERUs. Considering the 3,123 ERUs currently served, 59% of the capacity is available to serve new growth.

FIGURE 3.1: CAPACITIES AND UTILIZATION OF SOURCE

Capacities and Utilization of Source Improvements	
Source Capacity (Gal)	6,030,000
Gal Per ERU	800
ERUs Served	7,538
Current ERUs	3,123
Unused ERUs	4,415
% to Growth	59%

#### Storage

The storage capacity in the culinary water system is 3.76 MG which will allow 6,769 ERUs to be served by the City. Currently the City has 3,123 ERUs; therefore, there is latent storage capacity available to serve future growth. It is estimated that 54% of this capacity is available to serve future demands.

FIGURE 3.2: CAPACITIES AND UTILIZATION OF STORAGE

Capacities and Utilization of Storage Improvements	
Storage Capacity	3,760,000
Gallons Per ERU	-
ERUs Served	6,769
Current ERUs	3,123
Unused ERUs	3,646
% to Growth	54%

## Distribution

There is unused capacity in the existing distribution system but this capacity must be coupled with future projects in order be useful. Therefore to calculate the distribution fee the cost of the existing system was blended with the 10 year distribution projects to strip out the capacity which will serve growth beyond the 10 year planning horizon.

FIGURE 3.3: CAPACITIES AND UTILIZATION OF DISTRIBUTION

Asset	Total Capacity (ERU)	% to Growth	Future ERUs
Reserved Capacity in Existing Distribution Lines	10,712	100.00%	10,712
Future Distribution Lines Projects for Growth	3,061	99.71%	3,061

The only future projects required for the culinary water system are distribution line upgrades and pressure reducing valves (PRVs). The source and storage all have sufficient capacity to handle future growth for the next 10 years.

FIGURE 3.4: CAPITAL PROJECT COSTS TO BE FUNDED THROUGH IMPACT FEES

Project Name	% Impact Fee Qualifying	Year to be Constructed	2013 Ten Year Construction Cost	2013 % Impact Fee Qualifying	Construction Cost	Impact Fee Qualifying Cost	Non Impact Fee Qualifying
Source							
	0%						
Source Totals			\$ -	\$ -	\$ -	\$ -	\$ -
Storage							
	0%						
Storage Totals			\$ -	\$ -	\$ -	\$ -	\$ -
Supply							
	0%						
	0%						
Supply Totals			\$ -	\$ -	\$ -	\$ -	\$ -
Distribution							
1 Additional PRV	100%	2014	\$ 77,143	\$ 77,143	\$ 80,383	\$ 80,383	\$ -
1 Additional PRV	100%	2,016	77,143	77,143	87,277	87,277	-
1 Additional PRV	100%	2,018	77,143	77,143	94,762	94,762	-
1 Additional PRV	100%	2,020	77,143	77,143	102,889	102,889	-
1 Additional PRV	100%	2,022	77,143	77,143	111,713	111,713	-
Construct 900 South & Pole Canyon Rd Parallel 8" Line	96%	2,013	51,028	48,987	51,028	48,987	2,041
Incremental Cost from 8" to 10" Pipes	100%	2,014	64,354	64,354	67,057	67,057	-
Incremental Cost from 8" to 12" Pipes	100%	2,014	43,868	43,868	45,710	45,710	-
Incremental Cost from 8" to 14" Pipes	100%	2,014	15,951	15,951	16,621	16,621	-
Incremental Cost from 8" to 16" Pipes	100%	2,014	55,469	55,469	57,799	57,799	-
Distribution Totals			\$ 616,384	\$ 614,343	\$ 715,239	\$ 713,197	\$ 2,041
Professional Services							
Annual Master Plan Review 2013	100%	2013	10,000	10,000	10,420	10,420	-
Professional Services Totals			\$ 10,000	\$ 10,000	\$ 10,420	\$ 10,420	\$ -
<b>Ten Year Culinary Water</b>	<b>100%</b>		<b>\$ 626,384</b>	<b>\$ 624,343</b>	<b>\$ 725,659</b>	<b>\$ 723,617</b>	<b>\$ 2,041</b>

\*Based on 20 years average cost of inflation using ENR and net of interest earnings

## Historic Capital Project Costs

Figure 3.5 classifies the historic capital projects that have been expended to date in the construction of the existing well, storage reservoir, and distribution lines. These costs do not consider standard O&M expenses.

FIGURE 3.5: HISTORIC CAPITAL PROJECTS

HISTORIC CAPITAL PROJECTS			
SOURCE			
	Total Capacity (MGD)	Total Capacity (ERUs)	Historic Construction Cost
Springs	1,300,000	1,625	\$ -
Cemetery Well	950,000	1,188	249,001
Summit Ridge Well	3,780,000	4,725	326,793
<b>Total Source</b>	<b>6,030,000</b>	<b>7,538</b>	<b>\$ 575,794</b>
STORAGE			
	Total Capacity (Gal)	Historic Costs	
East Side - 1.04 Mg, 1	1,040,000	\$ 257,947	
Main Zone East Side	490,000	-	
Summit Ridge - 1.14M	1,140,000	273,690	
Upper Zone - 1.09Mg,	1,090,000	205,459	
<b>Total Storage</b>	<b>3,760,000</b>	<b>737,096.00</b>	
DISTRIBUTION			
	Total Capacity (ERU)	Historic Costs	
Reserved Capacity in	10,712	\$ 2,147,575	
<b>Total Distribution</b>	<b>10,712</b>	<b>\$ 2,147,575</b>	

### Impact Fee Analysis Updates

As development occurs and capital project planning is periodically revised, the future lists of capital projects and their costs may be different than the information utilized in this analysis. For this reason, it is assumed that the City will perform updates to the analysis every three years. The cost of preparing this analysis, the master plan and the future costs of updating both documents has been included in the impact fee calculations. The 2013 cost for updating the master plan was \$60,000 and will be updated in five years at an estimated cost of \$30,000. The 2013 cost of the impact fee analysis was \$11,000 with estimated \$11,000 updates planned every 3 years throughout the 10 year planning horizon of this analysis.

### Bond Debt Service and Grant Funds

The City of Santaquin does not currently have any bonds outstanding or future bonds contemplated for the culinary water system. The City does have a number of outstanding bonds but they all relate to other funds such as the sewer fund and pressurized irrigation fund. Therefore, the culinary water impact fee analysis does not consider any bonds.



## CHAPTER 4

# PROPORTIONATE SHARE ANALYSIS

The Impact Fees Act requires the impact fee analysis to estimate the proportionate share of the cost for existing capacity that will be recouped as shown in Figures 3.1 to 3.3. The impact fee must be based on the historic costs and reasonable future costs of the system. This chapter will show in Figure 4.1 that the proposed impact fee for system improvements is reasonably related to the impact on the water system from new development activity.

The proportionate share analysis considers the manner of funding utilized for existing public facilities. Historically the City has funded existing infrastructure with sources including the following:

- Property Tax Revenues
- User Rates
- Division of Drinking Water Grant
- Bond Proceeds

In the future, the City will primarily rely upon property tax revenues and user rate revenues to fund the operations and maintenance of the system. Some rate revenues will be used to pay the debt service of the bonds in years when impact fee revenues are insufficient to cover the annual payment to principal and interest. However if rate revenues are used to pay what should be funded through impact fees (due to a shortfall in impact fee revenues) then the general fund will be repaid with impact fees for what the impact fee fund needed to borrow.

Although the City has utilized grants in the past, additional grants are not anticipated. However, if they are received, future impact fees will be discounted according to the size of grant and what it will be intended to fund.

### *Developer Credits*

If a project included in the Impact Fee Facilities Plan (or a project that will offset the demand for a system improvement that is listed in the IFFP) is constructed by a developer then that developer is entitled to a credit against impact fees owed. (Utah Impact Fees Act, 11-36a-304(2)(f)). There are currently no situations in this analysis or projects that would entitle a developer to a credit.

### *Time-Price Differential*

Utah Code 11-36a-301(2)(h) allows for the inclusion of a time-price differential in order to create fairness for amounts paid at different times. To address the time-price differential, this analysis includes an inflationary component to account for construction inflation for future projects. Projects constructed after the year 2013 will be calculated at a future value with a 2.43% inflation rate. All users who pay an impact fee today or within the next six to ten years will benefit from projects to be constructed and included in the fee.



FIGURE 4.1: WATER IMPACT FEE CALCULATION

Culinary Water		System Cost	% to Component	Total Cost to Component	Total Capacity	Existing Capacity	% Impact Fee Qualifying	Impact Fee Qualifying Cost	ERUs to be Served	Cost per ERU
<b>Source Impact Fee</b>										
IFFP Projects	-	0%	-	7,538	3,123	59%	-	4,415	-	-
Outstanding Debt: N/A	-	0%	-	7,538	3,123	59%	-	4,415	-	-
Buy In - Existing Assets	4,175,704	14%	575,794	7,538	3,123	59%	337,226.22	4,415	76.39	76.39
Subtotal	\$ 4,175,704		575,794				\$ 337,226		\$ 76.39	
<b>Storage Impact Fee</b>										
IFFP Projects	-	0%	-	6,769	3,123	54%	-	3,646	-	-
Outstanding Debt: N/A	-	0%	-	6,769	3,123	54%	-	3,646	-	-
Buy In - Existing Assets	4,175,704	18%	737,096	6,769	3,123	54%	397,023	3,646	108.89	108.89
Subtotal	\$ 4,175,704		737,096				\$ 397,023		\$ 108.89	
<b>Distribution Impact Fee</b>										
IFFP Projects	715,239	100%	713,197	3,061	-	100%	713,197	3,061	233	233
Outstanding Debt: N/A	-	0%	-	3,061	-	100%	-	3,061	-	-
Buy In - Existing Assets	2,147,575	100%	2,147,575	10,712	-	100%	2,147,575	10,712	200	200
Subtotal	\$ 2,862,814		2,860,772				\$ 2,860,772		\$ 433.51	
<b>Professional Services</b>										
Impact Fee/IFA Update	33,000	100%	33,000	36,622	3,123	91%	30,186	3,061	9.86	9.86
Master Plan Update	90,000	100%	90,000	36,623	3,123	91%	82,325	3,061	26.90	26.90
Subtotal	\$ 123,000		123,000				\$ 112,511		\$ 36.76	
<b>Impact Fee Fund Balance Credit</b>										
Impact Fee Fund Balance Credit										
<b>Total Impact Fee Per ERU</b>	<b>2,862,814</b>		<b>4,296,662</b>				<b>3,707,533</b>		<b>\$ 655.56</b>	

\*The base fees per ERU are not a final fee, the maximum legal fee schedule by meter size is found in Appendix F

## Maximum Legal Water Impact Fees per ERU

As shown in Figure 4.1, the maximum legal impact fee per ERU is calculated to be \$665.34. This fee is the combination of individual fees for the components of water source, storage, distribution and professional fees. Each fee for individual components is based upon the historic and future costs divided by the total and available capacities. This results in a very precise impact fee per ERU and complies with the Impact Fees Act.

### Determination of Residential and Non-Residential Impact Fees

An ERU is equivalent to 0.45 acre feet of water which is the approximate indoor water demand of a single family home over the course of a year. The impact fees to be paid by different residential and non-residential users are assessed according to meter size as shown in Figure 4.2. A 3/4" meter, which is standard for a typical residential home which uses a flow of less than 13 Gpm, is equated to 1 ERU. Therefore, 3/4" services using more than 13 gpm and larger meters will be assessed an impact fee based on equivalent capacity as shown in Figure 4.2.

FIGURE 4.2: MAXIMUM IMPACT FEE SCHEDULE

Units of Measure	Equivalency	Water Impact Fee
Residential		
3/4" Meter Residential	1.00	\$ 656
Non-Residential		
3/4"	2.00	\$ 1,311
1"	3.34	2,190
1.5"	6.66	4,366
2"	10.66	6,988
3"	21.34	13,990
4"	33.34	21,856
6"	66.66	43,699
8"	106.66	69,922

### Non-Standard Demand Adjustments

The City reserves the right under the Impact Fees Act (Utah Code 11-36-402(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 must include a provision that permits adjustment of the fee for a particular development based upon studies and data submitted by the developer that indicate a more realistic and accurate impact upon the City's infrastructure.

The impact fee formula shown below in Figure 4.3 for a non-standard user is based upon the anticipated annual water demand of that particular user.

FIGURE 4.3: CALCULATION OF NON-STANDARD IMPACT FEE

Non-Standard Users Impact Fee Formula
Step 1: Average Day Demand divided by 400 gallons = Equivalent ERUs
Step 2: Multiply Equivalent ERUs by Impact Fee per ERU of \$656



## APPENDICES: CERTIFICATION, SERVICE AREA MAP, IMPACT FEE CALCULATIONS





In accordance with Utah Code Annotated, 11-36a-306(2), Zions Bank Public Finance, makes the following certification:

I certify 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;
  - b. cost of 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;
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.

Zions Bank Public Finance makes this certification with the following caveats:

1. All of the recommendations for implementations of the Impact Fee Facilities Plan (IFFP) made in the IFFP or in the impact fee analysis are followed in their entirety by City staff and Council in accordance to the specific policies established for the Service Area.
2. If all or a portion of the IFFP or impact fee analysis are modified or amended, this certification is no longer valid.
3. All information provided to Zions Bank Public Finance, its contractors or suppliers is assumed to be correct, complete and accurate. This includes information provided by the City of Santaquin and outside sources. Copies of letters requesting data are included as appendices to the IFFP and the impact fee analysis.

Dated: 11/20/2013

ZIONS BANK PUBLIC FINANCE



# Appendix A: ERU Projections for Culinary Water

CURRENT AND FUTURE ERUs FOR THE CULINARY WATER SERVICE AREA

TABLE A.1: CURRENT AND FUTURE CULINARY WATER ERUs

A	B	C
Year	Population	ERUs
2013	10,999	3,123
Buildout	52,893	13,835

4 See Table I of J-U-B Culinary Water Master Plan for Annual Growth Rates

TABLE A.2: CULINARY WATER ERUs

D	E
Culinary Water ERUs	
Current ERUs (J-U-B Count)	3,123
Buildout ERUs	13,835
Undeveloped ERUs	10,712
% Undeveloped	77%

6

# Appendix B: Culinary Water Level of Service (LOS) Analysis

Average Day, Peak Day, and Peak Instantaneous Demand Definitions

A  
TABLE B.1: WATER LOS PER ERU

A	B	C	D	E	F
	ERU Demand	Distribution (Gpm)	Storage (Gal)	Source (Gpm)	Supply (Gpm)
Current ERUs	3,123				
Average Day Demand*					
State Design Standards (Gal)					
Actual Average Day Demand (Gal)	764,510				1,254,650
Average Day per ERU (Gal)	245				402
Average Day per ERU (gpm)	0.17				0.28
Annual Demand per ERU (AF)	0.27				0.45
Peak Day Demand**					
State Design Standards (Gal)					
Actual Peak Day Demand (Gal)	9,488,160			800	
Peak Day per ERU (Gal)	3,038		3,038	3,038	
Peak Day (gpm)	2.11		2.11	2.11	
Adjusted Storage with Fire Flow and Emergency			-		
Peak Instantaneous Demand					
State Design Standards (Gal)		800			
Peak Instantaneous Demand (Gal)	11,385,792				
Peak Instantaneous Demand per ERU (gal)	3,646	3,646			
Peak Instantaneous Demand per ERU (gpm)	2.53	2.53			

\*Impact fee calculation is based on DDW standards of 0.45 Af

\*\* Peak Day Demand is a balance of DDW standards of 800 gallons per day before fireflow and actual demands. The adjusted amount is 720 gpd plus fireflow to reach 873 gpd as a total storage requirement per ERU

See Pages 8-10 of Culinary Water Master Plan Prepared by J-U-B for More Information on Level of Service



### Appendix C: Culinary Water Ten Year Capital Projects

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Inflation Rate\* 4.20%

Project Name	% Impact Fee Qualifying	Year to be Constructed	2013 Ten Year Construction Cost	2013 % Impact Fee Qualifying	Construction Cost	Impact Fee Qualifying Cost	Non Impact Fee Qualifying
<b>Source</b>							
	0%						
	0%						
	0%						
<b>Source Totals</b>			\$ -	\$ -	\$ -	\$ -	\$ -
<b>Storage</b>							
	0%						
	0%						
<b>Storage Totals</b>			\$ -	\$ -	\$ -	\$ -	\$ -
<b>Supply</b>							
	0%						
	0%						
<b>Supply Totals</b>			\$ -	\$ -	\$ -	\$ -	\$ -
<b>Distribution</b>							
I Additional PRV	100%	2014	77,143	77,143	80,383	80,383	-
II Additional PRV	100%	2,016	77,143	77,143	87,277	87,277	-
III Additional PRV	100%	2,018	77,143	77,143	94,762	94,762	-
IV Additional PRV	100%	2,020	77,143	77,143	102,889	102,889	-
V Additional PRV	100%	2,022	77,143	77,143	111,713	111,713	-
Construct 900 South & Pole Canyon Rd Parallel 8" Line	96%	2,013	51,028	48,987	51,028	48,987	2,041
Incremental Cost from 8" to 10" Pipes	100%	2,014	64,354	64,354	67,057	67,057	-
Incremental Cost from 8" to 12" Pipes	100%	2,014	43,868	43,868	45,710	45,710	-
Incremental Cost from 8" to 14" Pipes	100%	2,014	15,951	15,951	16,621	16,621	-
Incremental Cost from 8" to 16" Pipes	100%	2,014	55,469	55,469	57,799	57,799	-
<b>Distribution Totals</b>			\$ 616,384	\$ 614,343	\$ 715,239	\$ 713,197	\$ 2,041
<b>Professional Services</b>							
Annual Master Plan Review 2013	100%	2013	10,000	10,000	10,420	10,420	-
<b>Professional Services Totals</b>			\$ 10,000	\$ 10,000	\$ 10,420	\$ 10,420	\$ -
<b>Ten Year Culinary Water</b>	<b>100%</b>		<b>\$ 626,384</b>	<b>\$ 624,343</b>	<b>\$ 725,659</b>	<b>\$ 723,617</b>	<b>\$ 2,041</b>

\*Based on 20 years average cost of inflation using ENR and net of interest earnings

TABLE C-2. CULINARY WATER

By Component	2013 Ten Year Construction Cost	2012 Impact Fee Qualifying	Construction Cost	Construction Year If Qualifying
Source	\$ -	\$ -	\$ -	-
Storage	-	-	-	-
Supply	-	-	-	-
Distribution	616,384	614,343	715,239	713,197
Professional	10,000	10,000	10,420	10,420
<b>Total</b>	<b>\$ 626,384</b>	<b>\$ 624,343</b>	<b>\$ 725,659</b>	<b>\$ 723,617</b>

### Appendix D: Existing Culinary Water Assets

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A B C D E F G

TABLE D.1: SOURCE INFORMATION

Sources	Total Capacity (MGD)	Total Capacity (ERUs)	Historic Construction Cost	Proportionate Share
<b>Existing Assets</b>				
Springs	1,300,000	1,625	\$ -	\$ -
Cemetery Well	950,000	1,188	249,001	145,832.82
Summit Ridge Well	3,780,000	4,725	326,793	191,393
<b>Total Capacity</b>	<b>6,030,000</b>	<b>7,538</b>	<b>\$ 575,794</b>	<b>\$ 337,226</b>

*\*Adapted from J08 Impact Fee Facilities Plan 2013*

TABLE D.2: SOURCE CAPACITIES AND UTILIZATION

Capacities and Utilization of Source Improvements	
Source Capacity (Gal)	6,030,000
Gal Per ERU	800
ERUs Served	7,538
Current ERUs	3,123
Unused ERUs	4,415
% to Growth	59%

TABLE D.3: STORAGE TANKS

Storage Facilities	Total Capacity (Gal)	Historic Costs	To Growth
<b>Existing Assets</b>			
East Side - 1.04 Mg, 12E	1,040,000	\$ 257,947	\$ 138,939
Main Zone East Side	490,000	-	-
Summit Ridge - 1.14Mg, 11W	1,140,000	273,690	147,418
Upper Zone - 1.09Mg, 11E	1,090,000	205,459	110,667
<b>Total Capacity</b>	<b>3,760,000</b>	<b>\$ 737,096</b>	<b>\$ 397,023</b>

TABLE D.4: STORAGE CAPACITIES AND UTILIZATION

Capacities and Utilization of Storage Improvements	
Storage Capacity	3,760,000
Gallons Per ERU	-
ERUs Served	6,769
Current ERUs	3,123
Unused ERUs	3,646
% to Growth	54%

TABLE D.5: DISTRIBUTION FEE

Asset*	Total Capacity (ERU)	% to Growth	Historic/Future Cost	Cost to Growth	Future ERUs	Cost per Future ERU
Reserved Capacity in Existing Distribution Lines	10,712	100.00%	\$ 2,147,575	\$ 2,147,575	10,712	\$ 200.48
Future Distribution Lines Projects for Growth	3,061	99.71%	715,239	713,197	3,061	233.03
			\$ 2,862,814	\$ 2,860,772		\$ 433.51

A B C D E F G





# Appendix F: Maximum Culinary Water Impact Fees

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TABLE F.1: Culinary Water Impact Fee

A	B	C	D	E
Units of Measure	Water Impact Fee			
Per Equivalent Residential Unit	\$	656		

TABLE F.2: IMPACT FEE BY CONNECTION SIZE

Units of Measure	Equivalency	Water Impact Fee
Residential		
3/4" Meter Residential	1.00	\$ 656
Non-Residential		
3/4"	2.00	\$ 1,311
1"	3.34	2,190
1.5"	6.66	4,366
2"	10.66	6,988
3"	21.34	13,990
4"	33.34	21,856
6"	66.66	43,699
8"	106.66	69,922

TABLE F.3: NON-STANDARD IMPACT FEE CALCULATION

A	B	C	D	E
Non-Standard Users Impact Fee Formula				
Step 1: Average Day Demand divided by 400 gallons = Equivalent ERUs				
Step 2: Multiply Equivalent ERUs by Impact Fee per ERU of \$656				