

ORDINANCE NO. 18-02

ADOPTING AND ENACTING IMPACT FEES FOR THE WASTEWATER TREATMENT PLANT, INCLUDING BUT NOT LIMITED TO, ADOPTING AN IMPACT FEE ANALYSIS

RECITIALS:

WHEREAS, Tremonton City established and is currently collecting Impact Fees for a Wastewater Treatment Plant; and

WHEREAS, Utah Code Annotated (“UCA”) 11-36a-402 allows for said collection of Impact Fees; and

WHEREAS, UCA 11-36a-303 requires that, prior to amending or enacting new Impact Fees, a City shall prepare an Impact Fee Analysis; and

WHEREAS, UCA 11-36a-503 also requires that a City must cause to be posted on the Utah Public Notice Website a notice of intent to prepare an Impact Fee Analysis (see Appendix C); and

WHEREAS, UCA 11-36a-504 requires, and Tremonton City has fulfilled, all noticing requirements included therein and caused to be posted on the Utah Public Notice Website a public notice of intent to adopt Impact Fee Enactment (see Appendix C); and

WHEREAS, Tremonton City previously established an Impact Fee enactment ordinance for a culinary water system; sanitary sewer collection system; storm drain system; parks, recreation, open space & trails; public safety including fire/EMS and law enforcement through the adoption of Ordinance No. 14-02, which shall remain intact and unaffected by this Ordinance; and

WHEREAS, in accordance with UCA 11-36a-302(3), Tremonton City Council's plan for financing System Improvements establishes that Impact Fees are necessary to maintain the existing level of service.

NOW, THEREFORE, BE IT ORDAINED that the Tremonton City Council hereby adopts the Impact Fee Enactment as follows:

Section 1– Definitions

Section 2– Findings

Section 3– Adoption of Impact Fees Analysis

Section 4– Adoption and Administering of Impact Fees

Section 5– Procedures for Challenging or Appealing Impact Fees or the Administration Thereof

Section 6– Miscellaneous Provisions

Appendix A– Wastewater Treatment Plant Impact Fee Schedule

Appendix B– Impact Fee Analysis for the Wastewater Treatment Plant

Appendix C– Notice of intent to prepare an Impact Fee Facilities Plan and Impact Fee Analysis & Notice to Adopt Impact Fee Enactment

SECTION 1- DEFINITIONS

1.1 Definitions. As used in this Ordinance, the following terms shall have the meanings herein set out:

1.1.1. “City” means Tremonton City and its incorporated boundaries.

1.1.2. “Development Activity” or “New Development” 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. In the case of annexations or building currently using a septic tank it means existing buildings, structure, or use that creates additional demand and need for Public Facilities by connecting to the sanitary sewer collection system/wastewater treatment plant.

1.1.3. “Equivalent Residential Unit” (“ERU”) means a unit of measure which serves as an index to compare the impact on certain Public Facilities equal to the impacts of one typical single-family detached dwelling unit.

1.1.4. “Impact Fees” means the Impact Fees adopted and imposed by this Ordinance on Development Activity or New Development within the City and as allowed by UCA § 11-36a-101 *et al.*

1.1.5. “Impact Fee Analysis” means the Impact Fee Analysis prepared and certified by Zions Bank Public Finance and as adopted by the City Council in this Ordinance.

1.1.6 “Impact Fee Facilities Plan” means the Impact Fee Facilities Plan prepared Aqua Engineering as adopted by the City Council in Ordinance No. 18-01.

1.1.7. “Land Use Authority Board” means the public body established in Chapter 1.04 of the Tremonton City *Land Use Code*.

1.1.8. “New Development” means the same as “Development Activity. Please reference the definition for “Development Activity” contained in this Ordinance.

1.1.9. “Public Facility(ies)” means the System Improvements that have a life expectancy of ten (10) or more years, the City is an Owner, Partner, or Operator, and are necessary in providing wastewater treatment services.

1.1.10. “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.

1.1.11. "Service Area" means the entire area of the incorporated limits of the City and any area outside of the City, which may hereafter be annexed into the City or serviced by the Tremonton City Wastewater Treatment Plant.

1.1.12. "System Improvements" means existing or future Public Facilities that are identified in the Impact Fee Analysis and or Impact Fee Facilities Plan assigned to provide services to Service Area.

1.1.13. "Utah Impact Fees Act" means Utah Code Title 11, Chapter 36a, and as amended.

SECTION 2- FINDINGS

2.1. Findings. The City Council hereby finds and determines:

2.1.1. There are limited existing Public Facilities, and New Development will create the need for the Public Facilities as set out in the Impact Fee Analysis and/or Impact Fee Facilities Plan.

2.1.2. There is a need for Public Facilities for New Development which have been constructed with capacity to service New Development and/or have yet to be constructed to service New Development and is required to protect the public's health, safety, and welfare.

2.1.3. The existing level of service as calculated in the Impact Fee Facilities Plan and/or Impact Fee Analysis shall be perpetuated in the future.

2.1.4. The imposition and collection of the Impact Fees are necessary in providing the Public Facilities occasioned by the demands and needs of the New Development at existing service levels necessary to preserve the public health, safety, and welfare.

2.1.5. The Impact Fees are a fair and equitable means of providing Public Facilities to service New Development. Specifically, the Impact Fee Facilities Plan and/or Impact Fee Analysis establishes: (a) the estimated costs for providing the Public Facilities; (b) identifies the impact on the need for those Public Facilities by New Development; (c) demonstrates how the impacts on the need for the applicable Public Facilities are reasonably related to the New Development; (d) estimates the Proportionate Share of the costs of the needed Public Facilities related to New Development; and (e) identifies how the Impact Fees set out in the Impact Fee Facilities Plan and/or Impact Fee Analysis were determined.

2.1.6. The Impact Fees established by this Ordinance are reasonably related to the costs of providing such Public Facilities necessitated by anticipated New Development within the City and are consistent with requirements of the Utah Impact Fees Act.

SECTION 3- ADOPTION OF IMPACT FEES ANALYSIS

3.1. Adoption of Impact Fee Analysis. The Impact Fee Analysis provides the analysis, methodology, and formula used for calculation of the Impact Fees imposed by this Ordinance. The City Council hereby approves and adopts the Impact Fee Analysis for the Wastewater Treatment Plant, as contained in Appendix B.

SECTION 4- ADOPTION AND ADMINISTERING OF IMPACT FEES

4.1. Adoption and Imposition of Impact Fees. The City Council hereby approves and imposes and levies on all Development Activity or New Development Impact Fees for the Wastewater Treatment Plant.

4.2. Calculation of Impact Fee. Wastewater Treatment Plant impact fee shall be collected in the amount contained in Appendix A- Wastewater Treatment Plant Impact Fee Schedule.

4.2.1. The Impact Fee Analysis and Impact Fee Facilities Plan, as contained in Appendix B and Ordinance No. 18-01, shall be used in cases where clarification is required regarding the analysis, methodology, and formula used for calculation of the Impact Fees. If any conflict should occur or arise between Appendix A- Wastewater Treatment Plant Impact Fee Schedule and the Impact Fee Analysis, the Impact Fee Analysis shall prevail.

4.2.2. Adoption of ERU Schedule for Commercial Land Uses. The Wastewater Treatment Plant impact fee is calculated based upon an Equivalent Residential Unit (“ERU”). The City Council hereby approves and adopts Appendix A as the ERU schedule for the Wastewater Treatment Plant which enumerates the number of Equivalent Residential Units for commercial land uses. For land uses not specified in the ERU schedule, the Land Use Authority Board shall apply the land use set forth in the ERU schedule that is deemed to be most similar to the proposed use. If the development plan approval or permit for the Development Activity or New Development indicates a mix of uses in the development, the Impact Fees shall be calculated separately for each use according to the ERU schedule, and the results aggregated.

4.2.3. Utility Estimates. In the event estimates are used to calculate the impact on Public Facilities for Development Activities, after twenty-four (24) months of actual use, if it is determined that peak use is in excess of the estimates used to calculate the impact of the Development Activity, the City shall have the right to collect the difference between actual peak use and estimated use by the Development Activity. If peak use is less than estimated use, a proportional refund shall be granted.

4.3. Service Area Established. The entire area of the incorporated limits of the City and any area outside of the City, which may hereafter be annexed into the City or serviced by the Tremonton City Wastewater Treatment Plant.

4.4. Exemption of Impact Fees. In accordance with UCA 11-36a-403 and as amended, the City Council may, at its discretion, approve an Impact Fee exemption for Development Activity or New Development when it finds that the Development Activity or New Development has a broad public purpose and when the City Council establishes one or more sources of funds other than Impact Fees to pay for that Development Activity impact on Public Facilities and/or System Improvements.

4.5. Time of Collection. Unless otherwise provided by the City Council, Impact Fees imposed by this Ordinance shall be paid prior to, and as a condition of, the issuance of a building permit for any Development Activity or New Development. In the event that Development Activity occurs for commercial development or New Development, for which no building permit is required, the Impact Fees imposed by this Ordinance shall be paid prior to the issuance of a street cut permit, conditional use permit, business license, issuance of City permit, or connection to a the sanitary sewer collection/wastewater treatment plant. If for some reason the Development Activity or New Development does not require a City issued permit or a permit was issued without payment of Impact Fees, the City may impose the Impact Fee prior to providing services, or when feasible and at the City Council's discretion may disconnect the Development Activity or New Development from the Public Facilities until the Impact Fee is paid in full.

4.5.1 Sanitary Sewer Collection. Development Activity requiring sewer that is located a distance greater than five-hundred (500) feet from an existing sewer line is not subject to any sewer Impact Fee (meaning collection and treatment) until such time as the Development Activity connects to the Sanitary Sewer Collection System.

4.5.2 Annexations. At the discretion of the City Council, the City may require collection of Impact Fees on a Development Activity being annexed into the Corporate Limits of the City, where the parcel's pre-existing development will have an immediate impact on Public Facilities and/or System Improvements.

4.6. Use of Impact Fees. Impact Fees collected by the City shall be used solely to:

4.6.1 Pay for the Public Facilities or System Improvements provided for by this Ordinance and the Impact Fee Facilities Plan and/or Impact Fee Analysis by the City;

4.6.2 Reimburse funds to the City for a Development Activity or New Development's Proportionate Share of Public Facilities or System Improvement already constructed by the City. The amount of funds to be reimbursed per Impact Fee is enumerated in Appendix A;

4.6.3 Reimburse funds or grant Impact Fee credits to individuals or entities who dedicate land, construct and dedicate some or all Public Facilities or System Improvement where those Public Facilities or System Improvements are beyond an individual's or entities' Proportionate Share; and

4.6.4 Any other use authorized by the "Utah Impact Fees Act" or law.

4.7 Adjustment, Credits, and Reimbursement. In accordance with UCA 11-36a-402 and as amended, the City Council may adjust and/or grant Impact Fee credits or reimbursement of funds to a developer through the collection of future Impact Fees imposed by this Ordinance. The City Council hereby designates the Tremonton City Land Use Authority Board as the public body to review and make recommendations for the City Council to consider an adjustment and/or grant Impact Fee credits or reimbursement. Any person or entity who believes he/it is entitled for consideration of an Impact Fee adjustment, credit, or reimbursement shall file a written request with the Chairperson of the City's Land Use Authority Board. The written request for an Impact Fee adjustment or credit shall set forth, in detail and specificity, the grounds and asserted facts for which an adjustment, credit, or reimbursement is warranted. Any adjustment or Impact Fee credits or reimbursement granted by the City Council shall be memorialized in written form, and shall be a Public Facility and/or System Improvement included in the Impact Fee Facilities Plan and/or Impact Fee Analysis, and based upon the following:

4.7.1. Response to unusual circumstances in specific cases;

4.7.2. Response to 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, credit, or reimbursement for a Public Facility for which an Impact Fee has been or will be collected;

4.7.3. Ensure that the Impact Fees are imposed fairly;

4.7.4. Adjust the amount of the Impact Fees to be imposed on a particular Development Activity based upon studies and data submitted by the developer;

4.7.5. Ensure that a developer, including a school district or a charter school, receives a credit or proportionate reimbursement of an Impact Fee if the developer dedicates land for a System Improvement; builds and dedicates some or all of a System Improvement; or dedicates a Public Facility.

4.7.6. Ensure that a developer receives a credit or proportionate reimbursement 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.

4.7.7. For any other provision or requirement by the "Utah Impact Fees Act" or law to adjust Impact Fees.

4.8. Accounting of Impact Fees. The City shall account for Impact Fees collected in accordance with the UCA 11-36a-601 and as amended.

4.9. Expenditure of Impact Fee. In accordance with UCA 11-36a-602 and as amended, the City may expend Impact Fees only for a System Improvement: (a) identified in the Impact Fee Facilities Plan or like improvement; and (b) for the specific Public Facility type for which the fee was

collected. The City shall expend or encumber the Impact Fees for a permissible use within six (6) years of their receipt; except the City may hold the fees for longer than six (6) years if it identifies, in writing: (a) an extraordinary and compelling reason why the fees should be held longer than six (6) years; and (b) an absolute date by which the fees shall be expended.

4.10. Refund of Impact Fee. In accordance with UCA 11-36a-603 and as amended, the City Council shall refund any Impact Fee paid by a Developer, plus interest earned, as calculated by the post-judgment interest rate for the state of Utah pursuant to UCA 15-1-4, when the following circumstances exist: (1) the Developer does not proceed with the Development Activity and has filed a written request for a refund to the City Council; (2) the Impact Fee has not been spent or encumbered; and (3) no impact has resulted.

4.10.1. Developer Defined. For purposes of Section 4.10 of this Ordinance only, "Developer" shall mean the person or entity to whom the City has record of issuing a building permit, street cut permit, conditional use permit, business license, or issuance for the Development Activity or New Development in which the Impact Fee was imposed and levied.

4.11 Interpretation of Ordinance. The City Council hereby designates the Tremonton City Land Use Authority Board as the public body to interpret Ordinance No. 18-01 and this Ordinance as necessary for the administration of Impact Fees.

SECTION 5 - PROCEDURES FOR CHALLENGING OR APPEALING IMPACT FEES OR THE ADMINISTRATION THEREOF

5.1. Challenges Regarding the Legality of Impact Fee.

5.1.1. Legality Appeal. Any 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 Chairperson of the City's Land Use Authority Board. The written request for information shall set forth, in detail and specificity, all grounds and asserted facts to support the claim of an illegal Impact Fee.

5.1.2. Written Analysis and Relevant Information. Within two (2) weeks of the receipt of the request for information, the City shall provide the person or entity with the written analysis required by the Utah Impact Fee Act and with any other relevant information relating to the legality of the City's Impact Fees. The City may charge for all copies provided for in response to such a request in an amount set out in the City's Consolidated Fee Schedule.

5.1.3. Impact Fee Appeal. Within thirty (30) days after receiving the written analysis and relevant information from the City, any person or entity required to pay an Impact Fee may file an appeal challenging the legal validity of the City's Impact Fee. The appeal shall be filed with the Chairperson of the City's Land Use Authority Board in written form, providing detail and specificity as to why the Impact Fee is being challenged.

a. Property Rights Ombudsman's Review. After receiving the appeal, the City shall provide The Property Rights Ombudsman for the State of Utah all of the relevant analysis and information regarding the Impact Fee and Appeal for its issuance of an advisory opinion pursuant to UCA 13-43-205.

5.1.4. Declaratory Judgment. Any person or entity residing in or owning property within a Service Area and any organization, association, or corporation representing the interests of persons or entities owning property within a Service Area, after filing an appeal with the City and receiving the advisory opinion from the Property Rights Ombudsman for the State of Utah pursuant to UCA 13-43-205, may file a declaratory judgment action challenging the validity of the Impact Fees.

5.2. Administrative Appeal. Within thirty (30) days after paying an Impact Fee, any person or entity who has paid the Impact Fee and wishes to challenge the administration of the City's Impact Fee shall file a written administrative appeal with the Chairperson of the City's Land Use Authority Board. The written appeal shall set forth, in detail and specificity, all grounds for the appeal and all facts relied upon by the appealing party with respect to the administration of the Impact Fee that is being appealed.

5.2.1. Land Use Authority Board's Review. Upon receipt of an administrative appeal, the Land Use Authority Board shall thereafter schedule a public hearing, pursuant to the notice requirements of UCA 10-9a-205, on the appeal at which time all interested persons shall be given an opportunity to be heard. The Land Use Authority Board shall then consider the evidence received using clearly erroneous standard and render its decision on the administrative appeal no later than thirty (30) days after the challenge to the administration to the Impact Fee is filed.

5.2.2. Exclusivity. Any person or entity who has failed to comply with the administrative appeal remedies established by this Section may not file or join an action challenging the administration of any Impact Fee.

5.2.3. Property Rights Ombudsman's Review. Within ninety (90) days of the Land Use Authority Board's administrative appeal decision any party to the appeal who is adversely affected by the Land Use Authority Board's decision may file an appeal via a request for an advisory opinion with the Utah Property Rights Ombudsman Office in accordance with U.C.A. 13-43-205 *et al.*

5.2.4. Land Use Authority Board's Re-review. If the Utah Property Rights Ombudsman Office's written advisory opinion contradicts the Land Use Authority Board's original decision, the Land Use Authority Board shall reconsider the matter. The Land Use Authority Board shall hold a public hearing, pursuant to the notice requirements of UCA 10-9a-205, and all interested persons shall be given an opportunity to be heard. The Land Use Authority Board shall then reconsider the evidence received using a clearly erroneous standard and render its final decision no later than thirty (30) days after receiving the advisory opinion.

5.2.5. District Court Review. Within thirty (30) days of the Land Use Authority Board's final decision, an adversely affected party may petition the First Judicial District Court for Box Elder County for review of the decision. In the event of a petition to the First Judicial District Court, the City shall transmit to the reviewing court the record of its proceedings including its minutes, findings, orders and, if available, a true and correct transcript of its proceedings.

a. If the proceeding was audio recorded, a transcript of that audio recording is a true and correct transcript for purposes of this Subsection.

b. If there is a record:

i. the court's review is limited to the record provided by the City; and

ii. the advisory opinion issued by the Property Rights Ombudsman for the State of Utah.

c. If there is an inadequate record, the court may call witnesses and take evidence.

d. The court shall affirm the decision of the Land Use Authority Board's if the decision is supported by substantial evidence in the record.

e. The judge may award reasonable attorneys' fees and costs to the prevailing party in any action brought under this Section.

SECTION 6- MISCELLANEOUS PROVISIONS

6.1 Conflicts between this Ordinance and "Utah Impact Fees Act" as Amended. If any conflict should occur or arise between this Ordinance and the Utah Impact Fees Act, as amended, the Utah Impact Fees Act shall prevail.

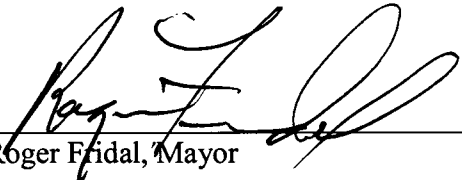
6.2 Severability. If any section, subsection, sentence, clause, or portion of this Ordinance is, for any reason, held invalid or unconstitutional by a court of competent jurisdiction, the remainder of this Ordinance shall not be affected thereby and shall remain in effect and be enforced to the extent permitted by law.

6.3 Effective Date. In accordance with 11-36a-401 (2) this Impact Fee Ordinance shall not take effect until ninety (90) days after the day on which the Impact Fee Ordinance is approved.

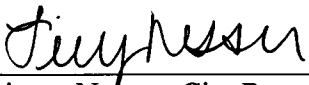
6.4 Incorporations of Recitals and Appendices. The Recitals and all Appendices of this Ordinance are integral to the enactment and administration of Impact Fees and the City Council hereby approves and adopts the Recitals and Appendices as part(s) of the enactment of this Impact Fee Ordinance.

ADOPTED AND PASSED by the Tremonton City Council this 2nd day of January, 2018.

TREMONTON CITY, a Utah Municipal Corporation

By 
Roger Fridal, Mayor

ATTEST:


Linsey Nessen, City Recorder

Publication or Posting Date: 1/10/18



APPENDIX A – Wastewater Treatment Plant Impact Fee Schedule

Residential Use Impact Fee & Non-Residential Impact Fee

Figure 4: Impact Fee per ERU

	Cost	% Impact Fee Qualifying	Impact Fee Qualifying Cost	ERUs to be Served	Impact Fee per ERU
Treatment Impact Fee					
IFFP Projects	\$ 2,308,964	35%	\$ 803,660	1,308	\$ 614
Buy In - Existing Assets	5,736,900	24%	1,383,167	1,308	1,057
Professional Expenses	37,590	100%	37,590	1,308	29
Total Impact Fee Per ERU	\$ 8,083,454		\$ 2,152,202		\$ 1,700.62

The table below summarizes the impact fee for residential and non-residential users. As previously stated, one ERU is equivalent to a single-family detached residential unit. Residential units are assessed an impact fee per unit while non-residential units are assessed an impact fee calculated per gallon of estimated peak winter-time indoor water demand. The cost per gallon is calculated by taking \$1,700.62 (impact fee per ERU) divided by 350 (GPD demand per one ERU) to arrive at a cost of \$4.86 per gallon.

Figure 5: Impact Fee per Land Use Category

RESIDENTIAL				
Development Type	Indoor Use (gpd)	ERU Equivalent	Impact Fee	
Single Family Residential	350	1	\$	1,700.62
Multi-Family Attached (per Unit)	229	0.65		1,112.21
Multi-Family Stacked (per Unit)	229	0.65		1,112.21
Multi-Family Twin/Duplex (per Unit)	229	0.65		1,112.21
NON-RESIDENTIAL				
				Impact Fee per Gallon*
Impact Fee per Gallon of Wastewater (Winter Month Average GPD):			\$	4.86

*\$4.86 is multiplied by the estimated peak winter month gallons per day as determined by City building officials at time of building permit issuance.

Wastewater Equivalent Residential Unit Chart for Commercial Land Uses

The following schedule enumerates the Equivalent Residential Unit (ERU) for wastewater treatment for commercial land uses. For land uses not specified in the table below, the Land Use Authority Board (LUAB) shall determine the commercial land use in the schedule deemed to be most similar to the proposed use. If the development plan approval or permit for the proposed Development Activity indicates a mix of commercial land uses in the development, the impact fees shall be calculated separately for each use and the results aggregated.

<u>Wastewater Equivalent Residential Unit Chart for Commercial Land Uses¹</u>	
Land Use	Equivalent Residential Unit (ERU)
Banks	1 ERU
Barber Shops	1 ERU or 0.07 ERU per chair
Beauty Shops	1 ERU or 0.07 ERU per chair
Bowling Alley with Snack Bar	2.5 ERU
Car Dealership	1 ERU
Car Washes – Self Service	21 ERU
Child Care Center	0.03 ERU per child
Convenience Store	1 ERU
Convenience Store with Fast Food	3 ERU
Dental Offices	1 ERU or 0.3 ERU per chair
Department Stores	1 ERU or 0.5 ERU per public toilet
Drug Stores	1 ERU or 0.5 ERU per public toilet
Dry Cleaners	2.5 ERU
Funeral Homes	1 ERU
Furniture Stores	1 ERU or 0.5 ERU per public toilet
Gyms	0.04 ERU per user
Hospitals	0.34 ERU per bed
Kennels and Animal Hospitals	5 ERU
Laundromats	7 ERU or 0.8 ERU per washing machine
Medical Office Buildings	1.3 ERU or 0.03 ERU per patient
Motel/Hotel with Restaurant	21 ERU plus 0.4 per unit
Motel/Hotel	0.4 per unit
Newspaper Office	1 ERU
Nursing Home	0.34 ERU per bed
Restaurant – Fast Food	6.5 ERU
Restaurant	21 ERU
Retail Store	1 ERU or 0.5 ERU per public toilet
Retirement Home	0.34 ERU per bed
Schools – Public & Private	0.03 ERU per student
Supermarkets	8 ERU
Swimming Pools	0.02 ERU per swimmer
Taverns, Bars or Lounges	0.03 ERU per seat
Theaters	0.01 ERU per seat
Warehouse	1 ERU

Note ¹: Data used for the **Wastewater Equivalent Residential Unit Chart for Commercial Land Uses** is based on historical water & wastewater use within Tremonton City for each specific land use, and data used from Utah Division of Drinking Water Table 510-1 & Table 510-2 Source Demand for Indoor Use.

Industrial Users Impact Fee Calculation and Pretreatment Ordinance

Tremontion City has adopted the *Tremontion City Industrial Wastewater/Pretreatment Regulations* (hereafter referred to as "Pretreatment Ordinance") as codified in the *Revised Ordinances of Tremontion City Corporation*. The Pretreatment Ordinance defines industrial users that are required to receive a Wastewater Discharge Permit and associated pollutant limits that may be discharged to the Tremontion City Wastewater Treatment Plant. Industrial user's impact fees shall be calculated and assessed based upon their influent's highest characteristic of the following: Flow, BOD, or TSS as stated in their Wastewater Discharge Permit. The highest characteristic contained in an industrial use's influent shall be converted to an equivalent residential unit (ERU) and assessed the impact fee accordingly. In calculating the highest characteristic for an ERU, the City shall use the level of service for one ERU's influent as identified in the *2017 Wastewater Treatment Plant Capital Facilities Plan & Impact Fee Facilities Plan*, which is as follows:

- Flow: One ERU is equivalent to 350 GPD of wastewater flow
- Biological Oxygen Demand (BOD): One ERU is equivalent to 0.77 #BOD/day (or 0.22 #BOD per person per day).
- Total Suspended Solids (TSS): One ERU is equivalent to 0.70 #TSS/day (or 0.20 #TSS per person per day).

Since an industrial user's impact fees are calculated upon the stated pollution limits contained in a City issued Wastewater Discharge Permit, the City at its sole discretion may assess and collect additional impact fees for industrial users that continually violate their Wastewater Discharge Permit by discharging influent that exceeds their permit's stated limits. More specifically, in addition to any remedy contained in the Pretreatment Ordinance for violating their Wastewater Discharge Permit, after a twenty-four (24) month period of actual use, if the industrial user has exceeded the pollution limits contained within the Wastewater Discharge Permit more than twenty (20) percent of the time, the City may assess and collect the difference between the impact fee associated with the actual peak use during the twenty-four (24) month period and the impact fee previously paid using the same calculation procedure identified above.

APPENDIX B- Impact Fee Analysis for the Wastewater Treatment Plant

APPENDIX C– Notice of intent to prepare an Impact Fee Facilities Plan and Impact Fee Analysis & Notice to Adopt Impact Fee Enactment

PUBLIC NOTICE

Public Body: Tremonton City Council

Subject: Notice of Intent/Preparation of Impact Fee Facilities Plan and Impact Fee Analysis

Notice Title: Notice of Intent/Preparation

Notice Type: Notice of Intent to Prepare Impact Fee Facilities Plan and Impact Analysis

Notice Date: February 22, 2017

Description/Agenda:

Tremonton City Corporation, Utah in accordance with the requirements of Utah Code Annotated 11-36a-501 and 11-36a-503, posts a notice of its intent to prepare or amend an Impact Fee Facilities Plan and Impact Fee Analysis for the Tremonton City Wastewater Treatment Plant. The area(s) that will be included in the Impact Fee Facilities Plan and Impact Fee Analysis is/are all area within the legal Tremonton City limits and the declared annexation areas of Tremonton City, Utah. A map of the aforementioned area may be obtained by contacting Linsey Nessen, City Recorder at 435-257-9506 or lnessen@tremontonciv.org For additional information regarding the intent to prepare or amend an Impact Fee Facilities Plan and Impact Fee Analysis for the Tremonton City Wastewater Treatment Plant please contact Shawn Warnke, City Manager at swarnke@tremontonciv.com

Notice of Special Accommodations: If you need special accommodations to participate in a City Council Meeting, please call the City Recorder, Linsey Nessen, at 435-257-9506. Please provide at least 24 hours notice for adequate arrangements to be made.

Notice of Electronic or telephone participation: Tremonton City passed Ordinance No. 13-04 approving Electron Meeting Procedures in accordance with Section 52-4-207 of Utah Code Annotated.

PUBLIC NOTICE

Public Body: Tremonton City Council

Subject: Impact Fee Enactment

Notice Title: Notice to Adopt Wastewater Treatment Plant Impact Fee Enactment, including but not limited to, the Wastewater Treatment Plant Impact Fee Ordinance and Impact Fee Analysis

Notice Type: Notice to Adopt Impact Fee Enactment

Notice Date: December 6, 2017

Description/Agenda:

Tremonton City Corporation, Utah in accordance with the requirements of Utah Code Annotated 11-36a-504, gives public notice to adopt a Wastewater Treatment Plant Impact Fee Enactment including but not limited to Impact Fee Ordinance and Impact Fee Analysis for Wastewater Treatment Plant. The location(s) that are included in the Impact Fee Enactment is the entire area of the incorporated limits of Tremonton City and any area outside of Tremonton City, which may hereafter be annexed into Tremonton City or serviced by the Tremonton City Wastewater Treatment Plant.

A public hearing shall be held by the City Council on January 2, 2018, at 7:00 pm or soon thereafter in the Tremonton City Council Chambers, located at 102 S. Tremont Street, Tremonton, Utah 84337, to receive public comment on the adoption of the aforementioned Wastewater Treatment Plant Impact Fee Enactment. Draft copies of: (1) the Wastewater Treatment Plant Impact Fee Enactment Ordinance; (2) a summary of the Wastewater Treatment Plant Impact Fee Analysis; and (3) a complete draft of the Wastewater Treatment Plant Impact Fee Analysis will be available on or before December 20, 2017 at www.tremontonciv.com, at the Tremonton City Library located at 210 N. Tremont Street, Tremonton, Utah, and the Satellite Library Branch located in the Bear River Valley Senior Center located at 510 West 1000 North, Tremonton, Utah during regular business hours. Additionally, on or before December 20, 2017, copies of the aforementioned documents are available to the public at the Tremonton City Recorder's Office located at 102 S. Tremont Street, Tremonton Utah during regular business hours. The public may file written objection associated with the adoption of the Wastewater Treatment Plant Impact Fee Enactment for the Tremonton City Council's consideration. Written objections, questions pertaining to this notice, or contents of the Impact Fee Enactment may be directed to Shawn Warnke, Tremonton City Manager, at (435) 257-9504, swarnke@tremontonciv.com, or mailed to Shawn Warnke, 102 S. Tremont St. Tremonton, UT 84337.

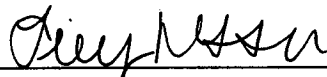
Notice of Special Accommodations: If you need special accommodations to participate in a City Council Meeting, please call the City Recorder, Linsey Nessen, at 435-257-9506. Please provide at least 24 hours notice for adequate arrangements to be made.

Notice of Electronic or telephone participation: Tremonton City passed Ordinance No. 13-04 approving Electronic Meeting Procedures in accordance with Section 52-4-207 of Utah Code Annotated.

STATE OF UTAH)
 : ss.
County of Box Elder)

I, Linsey Nessen, the City Recorder of Tremonton, Utah, do hereby certify that the above and foregoing is a full and correct copy of Ordinance No. 18-02, entitled **“ADOPTING AND ENACTING IMPACT FEES FOR THE WASTEWATER TREATMENT PLANT, INCLUDING BUT NOT LIMITED TO, ADOPTING AN IMPACT FEE ANALYSIS”** adopted and passed by the City Council of Tremonton, Utah, at a regular meeting thereof on the 2nd day of January, 2018, which appears of record in my office.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the corporate seal of the City this 3rd day of January, 2018.



Linsey Nessen
City Recorder





Tremonton City

Treatment Plant Impact Fee Analysis Final Draft

Adopted January 2, 2018

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EXECUTIVE SUMMARY

Zions Public Finance, Inc. (Zions) is pleased to provide Tremonton City (the City) with an updated Impact Fee Analysis (IFA) for the City's Wastewater Treatment Plant (WWTP). The intent of this executive summary is to provide an overview of the calculation and identify the maximum legal impact fee that the City can enact.

Growth and ERU Projections

As of 2017 the City has a total of 2,593 equivalent residential units (ERUs) within the WWTP. Figure ES.1 identifies the current and future ERUs in a single service area which includes the incorporated boundaries of Tremonton City. The WWTP has previously served Garland City, but Garland City plans to exit the WWTP and the impact fee analysis has been calculated to reflect that change in service. Between 2017 and buildout, the WWTP ERUs will increase by 7,944 to reach 10,537. The treatment plant has capacity to serve an additional 1,308 ERUs. The full growth table is shown below in Figure ES.1 and can also be found in Appendix 1 of this document.

Figure ES.1: ERU Projections

ERUs Added Per Year**		
Year	ERUs	Growth
2015	2,466	
2016	2,529	63
2017	2,593	63
2018	2,656	63
2019	2,720	63
2020	2,783	63
2021	2,855	72
2022	2,926	72
2023	2,998	72
2024	3,069	72
2025	3,141	72
2030	3,545	404
2035	4,001	456
2040	4,516	515
2045	5,097	581
2050	5,753	656
2055	6,493	740
2060	7,329	836
2065	8,271	942
2070	9,335	1,064
2075	10,537	1,202
Total ERUs Projects Will Serve*	1,308	

* Aqua Engineering IFFP pg. 56

** Residential ERUs only

The WWTP will be upgraded in approximately 2032 to add additional capacity to serve up to 2.5 million gallons per day (MGD) through the WWTP. Around 2055 another upgrade to the WWTP to treat wastewater up to 4 MGD will be required to serve the remainder of the buildout ERUs. Figure ES.2 summarizes the average daily flow in million gallons per day (MGD) for the WWTP.

Figure ES.2: Current and Projected Buildout Plant Flows (MGD)

Wastewater Treatment Plant Flow		
	Current Avg. Daily Flow	Buildout Avg. Daily Flow
Current MGD ¹	1.50	4.00

¹ Aqua Engineering City of Tremonton WWTP Capital Facilities Plan & IFFP pg. 21

Level of Service Definitions

Aqua Engineering defined the City's level of service in the *2017 Wastewater Treatment Plant Capital Facilities Plan & Impact Fee Facilities Plan (IFFP)*. The following is the defined level of service for one typical detached single-family dwelling¹:

- Flow: One ERU is equivalent to 350 GPD of wastewater flow
- BOD: One ERU is equivalent to 0.77 #BOD/day (or 0.22 #BOD per person per day).
- TSS: One ERU is equivalent to 0.70 #TSS/day (or 0.20 #TSS per person per day).

PROPORTIONATE SHARE ANALYSIS

The Impact Fees Act, Title 11-36a of Utah Code requires that the Impact Fee Analysis estimate the proportionate share of the costs for existing capacity that will be recouped and the costs of system improvements that are reasonably related to the new development activity.

Part of the proportionate share analysis is a consideration of the manner of funding existing public facilities. A City typically funds existing infrastructure through several different funding sources including:

- General Fund Revenues
- User Rate Revenues
- Grants
- Bond Proceeds
- Developer Exactions
- Impact Fees

Historically the City has funded its existing Wastewater Treatment Plant through user rate revenues, impact fees and developer exactions and donations. All of these funding sources (with exception of developer exactions/donations) are impact fee qualifying expenses to be considered for buy-in purposes.

In consideration of future capital projects/system improvements, the City has determined that impact fees are necessary to maintain the existing level of service and will continue using similar funding sources as has been done in the past. No grants are available at this time and no outstanding or future debt is being considered. Using impact fees to fund future capital projects/system improvements that benefits new development places a burden on future users that is equal to the burden that was borne in the past by existing users.²

Existing Infrastructure and Capacity to Serve New Development (Buy-In Component)

The City provided Zions with a list of all City owned assets for the Wastewater Treatment Plant. The documented impact fee eligible historic cost (actual costs) of the facilities is \$ 5,736,900³. This cost excludes non-impact fee eligible expenditures such as vehicles and equipment. An analysis has been completed to identify the capacity to serve new growth and the amount which can be charged as a buy-in for future users. Specifically, Aqua Engineering in their *2017 Wastewater Treatment Plant Capital Facilities Plan and Impact Fee Facilities Plan (IFFP)* identifies that there is capacity to serve 1,308 ERUs remaining at the existing Wastewater Treatment Plant. The 1,308 ERUs represents 24.11% of the WWTP's total capacity (1.9 MGD). Thus, the calculated buy-in value eligible for impact fees for the remaining 1,308 ERUs to be served by the existing WWTP is 24.11% of the historic cost, or \$1,383,166.62. See Appendix 2 for the summarized list of assets for the Wastewater Treatment Plant.

¹ Page 56 Aqua Engineering WWTP 2017 Capital Facilities Plan and Impact Fee Facilities Plan

² Utah Impact Fees Act, 11-36a-304(2) (c) (d)

³ Tremonton City Book Asset Detail 7/01/14-6/30/15; Page 57 Aqua Engineering WWTP 2017 Capital Facilities Plan and Impact Fee Facilities Plan

Future Capital Projects/ System Improvements

Table 4-9 of IFFP prepared by Aqua Engineering provides a list of system improvements to be constructed at the Wastewater Treatment Plant and identifies the percentage of each project that is impact fee eligible and will benefit new development through the next six to ten years. The 2017 fiscal year cost of capital projects/system improvements in Table 4-9 of the IFFP is \$2,265,120. Zions has added a 3%⁴ inflation factor for any project being constructed after 2017 and a future value has been calculated equaling \$2,308,964. 35% of the future value will be included into the impact fee, or \$803,660. See also Appendix 3 of this document.

Figure ES.3: Future Capital Projects

Project Name	Year to be Constructed	FY 2017 Cost	Construction Cost*	% Impact Fee Qualifying	Impact Fee Qualifying Cost	Non Impact Fee Qualifying
Dewatering Screw Press & Conveyor	2017	\$ 803,660	\$803,660	100%	\$ 803,660	\$ -
Nutrient Removal	2018	1,461,460	1,505,304	0%	-	1,505,304
Total		\$ 2,265,120	\$ 2,308,964	35%	\$ 803,660	\$ 1,505,304

*Based on 10 years average cost of inflation using the Bureau of Labor Statistics
See Also: Aqua Engineering IFFP Table 4-9

Outstanding and Future Debt

Tremonton has no outstanding debt related to the Wastewater Treatment Plant and does not anticipate issuing debt within the impact fee planning horizon to fund WWTP projects.

CALCULATED FEE

The impact fees have been calculated with all the above considerations for the Service Area, which includes the entire area of the incorporated limits of Tremonton City and any area outside of Tremonton City, which may hereafter be annexed into Tremonton City.

Figure ES.4 shows the wastewater treatment impact fee per Equivalent Residential Unit (ERU). Please note that the wastewater collection system is a separate utility and not considered a part of this impact fee analysis.

Figure ES.4: Maximum Legal Impact Fee per ERU

	Cost	% Impact Fee Qualifying	Impact Fee Qualifying Cost	ERUs to be Served	Impact Fee per ERU
Treatment Impact Fee					
IFFP Projects	\$ 2,308,964	35%	\$ 803,660	1,308	\$ 614
Buy In - Existing Assets	5,736,900	24%	1,383,167	1,308	1,057
Professional Expenses	37,590	100%	37,590	1,308	29
Total Impact Fee Per ERU	\$ 8,083,454		\$ 2,152,202		\$ 1,700.62

⁴ Based on 10 years average cost of inflation using the Engineering News Record

As shown in the previous table, the impact fee is calculated per ERU. A single-family detached dwelling is equivalent to one ERU. As explained in greater detail in Chapter 3, the impact fee will be assessed on a per gallon basis to non-residential land uses according to estimated winter time indoor water usage. Impact Fees for residential and non-residential users are show in Figure ES.5.

Figure ES.5: Impact Fee per Development Type

RESIDENTIAL			
Development Type	Indoor Use (gpd)	ERU Equivalent	Impact Fee
Single Family Residential	350	1	\$ 1,700.62
Multi-Family Attached (per Unit)	229	0.65	1,112.21
Multi-Family Stacked (per Unit)	229	0.65	1,112.21
Multi-Family Twin/Duplex (per Unit)	229	0.65	1,112.21
NON-RESIDENTIAL			
			Impact Fee per Gallon*
Impact Fee per Gallon of Indoor Water (Winter Month Average GPD):			\$ 4.86

*\$4.86 is multiplied by the estimated peak winter month gallons per day as determined by City building officials at time of building permit issuance.

NON-STANDARD CALCULATION

The City reserves the right under the Impact Fees Act to assess an adjusted fee that more closely matches the true impact that a unique project may have upon the system. Individuals and/or organizations subject to an impact fee have the ability to request the City to consider whether they qualify as an exception. Whichever party initiates the review for an exception has the burden of proof to justify the higher or lower fee based on the formula below.

Figure ES.6: Non-Standard Calculation

NON-STANDARD CALCULATION	
	Impact Fee per Gallon*
Impact Fee per Gallon of Indoor Water (350 GPD per ERU):	\$ 4.86

*\$4.86 is multiplied by the estimated peak winter month gallons per day as determined by City building officials at time of building permit issuance.

CHAPTER 1: IMPACT FEE OVERVIEW

PROJECT OVERVIEW

Zions Public Finance, Inc. (Zions) is pleased to provide Tremonton (the City) with an updated Impact Fee Analysis (IFA) for the City's Wastewater Treatment Plant (WWTP). The City is still growing and has many capital needs. The update to the Impact Fee Analysis is an intensive collaborative effort that meets the needs of City stakeholders and the City and the requirements of state law. The information used to create this IFA was provided by City staff, Zions Public Finance, Inc. and Aqua Engineering.

The objective of the Impact Fee Analysis is to calculate the maximum impact fee that may be assessed to new development and ensure the impact fee meets the requirements of the Impact Fees Act, Utah Code 11-36a-101 *et seq.* The sections and subsections of the Impact Fee Analysis will directly address, but are not limited to, the following items, required by the Utah Code:

- Impact Fee Analysis Requirements (Utah Code 11-36a-304)
 - Identify existing capacity to serve new development
 - Proportionate Share Analysis
 - Identify the level of service
 - Identify the impact of future development on existing and future improvements
- Calculated Fee (Utah Code 11-36a-305)
- Certification (Utah Code 11-36a-306)

WHY IS THE CITY UPDATING THE PREVIOUS ANALYSIS?

The City has commissioned this Wastewater Treatment Plant Impact Fee Analysis amendment to accomplish the following:

- Determine the maximum impact fee that may be assessed to new development;
- Determine the historic costs of facilities and determine a buy-in amount that may be assessed to new development for existing capacity within the Wastewater Treatment Plant;
- Prepare an Impact Fee Facilities Plan (IFFP) with a ten-year capital planning horizon which provides the basis for the Impact Fee Analysis; and
- More clearly define the current level of service and the future level of service that the City will provide and what projects are impact fee eligible.

WHAT IS AN IMPACT FEE?

An impact fee is a one-time exaction (Utah Code 10-9a-508 (1)) in the form of a fee charged to new development to recover the City's cost of constructing the wastewater treatment capacity to serve the new development. The impact fee is typically assessed at the time of building permit issuance as a condition of development approval. The calculation of the impact fee shall strictly follow Utah Code 10-9a-508 (1) and more specifically the Impact Fees Act, Title 11-36a of Utah Code to ensure that the fee is equitable and fair.

This Impact Fee Analysis shows that there is a rational nexus between the maximum legal impact fee charged to new development and the impact the new development will have upon the Wastewater Treatment Plant's available capacity and identify any additional capacity needed to service the new development. Impact fees are charged to new development according to equivalent residential units (ERUs), a unit of measurement of a new development's impact upon the system. A single-family detached dwelling is equivalent to one ERU.

HOW WILL NEW DEVELOPMENT AFFECT THE CITY?

According to the *2017 Wastewater Treatment Plant Capital Facilities Plan & Impact Fee Facilities Plan (IFFP)* prepared by Aqua Engineering, the impact fee service area's 2017 residential ERUs total 2,593. The IFFP estimates that the remaining capacity in the existing 1.9 MGD WWTP will serve an additional 1,308 new ERUs.

There is a large amount of vacant land left within the City's current boundaries that has the potential for development. The Wastewater Treatment Plant (WWTP) has capacity for approximately 1,308 additional ERUs in terms of wastewater flow. However, the WWTP is at biologic capacity and some capital projects/system improvements are needed now to make the WWTP's flow capacity equal to the biological capacity for the additional 1,308 ERU. It is also anticipated that sometime around 2032 the WWTP will need to be upgraded from 1.9 MGD to 2.5 MGD, but this plant upgrade falls outside of the six to ten-year impact fee planning horizon and is not included in this analysis.

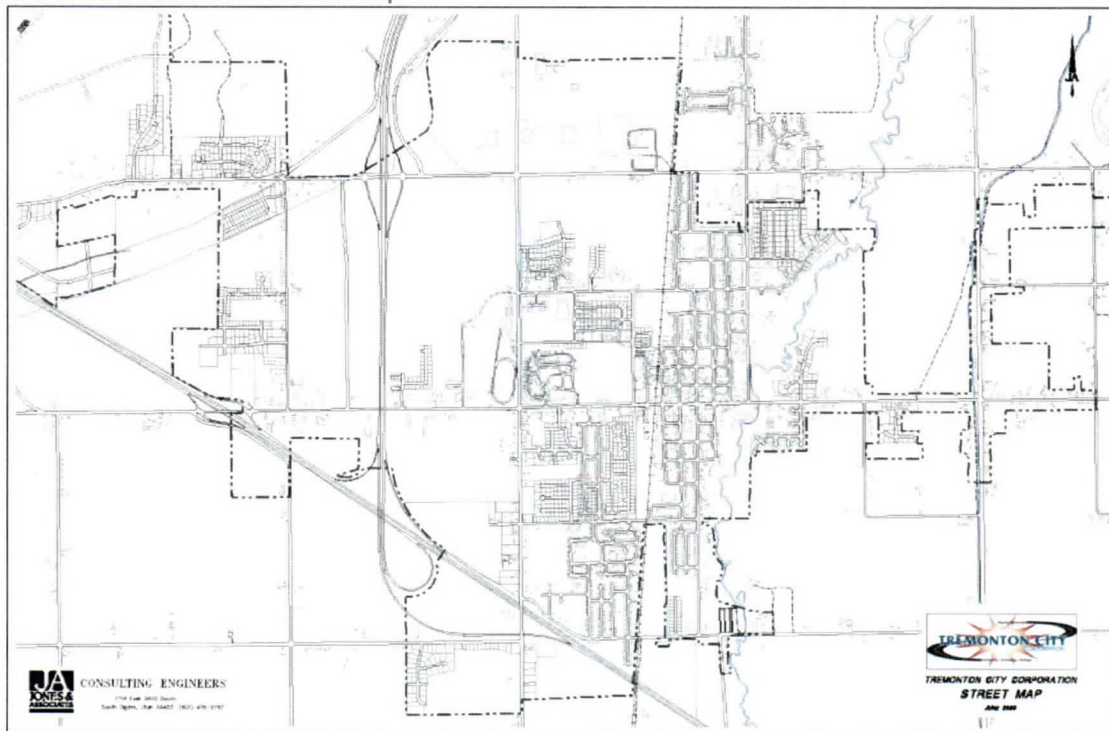
WHY ARE IMPACT FEES NECESSARY?

Impact fees are necessary to allocate the costs of the City's unused Wastewater Treatment Plant capacity that is reserved for future developments to the developments which will benefit from this existing unused WWTP capacity. Impact fees help to mitigate existing users from the burden of paying not only for the capacity that they use, but also from funding the cost of capacity needed for future development/ new development to occur.

WHERE WILL THE IMPACT FEES BE ASSESSED?

The impact fees will be assessed within the City's Impact Fee Service Area, which includes the entire area of the incorporated limits of Tremonton City and any area outside of Tremonton City which may hereafter be annexed into Tremonton City. Figure 1 below is a detailed map of the current Tremonton City boundary.

Figure 1: Current Service Area Map



WHAT COSTS ARE INCLUDED IN THE IMPACT FEE?

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

- Historic costs of existing capital infrastructure/system improvements that provide capacity that will serve new development/ growth;
- New capital infrastructure/system improvements that provides new capacity for new development; and
- Cost of professional services for engineering, planning services and preparation of the Impact Fee Facilities Plan and Impact Fee Analysis.

WHAT COSTS ARE NOT INCLUDED IN THE IMPACT FEE?

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

- Projects that cure 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;
- Costs that are attributed to meeting new regulations for wastewater treatment; or
- Costs of reconstruction of facilities that do not have capacity to serve new growth.

HOW ARE IMPACT FEES CALCULATED?

The proposed treatment impact fee is the division of historic and future growth-related treatment plant costs by the number of ERUs that will benefit from the unused plant capacity. The capital cost relates to the unused portion of the existing treatment plant plus expansionary future plant projects that are not related to repair and replacement, general maintenance, or an increase to the level of service currently provided. The number of ERUs that benefit from the unused plant capacity is determined by dividing the unused portion of the plant by the LOS per ERU.

An ERU, by definition, is the typical demand of a single-family detached home. Multi-family units typically have less persons per unit and will contribute less to the wastewater demand. An ERU is defined as 350 gpd consumption while a multi-family unit is expected to use 229 gpd. Therefore, a multi-family unit will be assessed an impact fee that is 65% of the full impact fee per ERU. A final impact fee for non-residential land use is calculated by multiplying the cost per ERU by the number of ERUs that each new development will generate in needed wastewater treatment services.

CHAPTER 2: FUTURE CAPITAL PROJECTS AND LEVEL OF SERVICE

LEVEL OF SERVICE DEFINITIONS

The 2017 Wastewater Treatment Plant Capital Facilities Plan & Impact Fee Facilities Plan prepared by Aqua Engineering has defined the level of service for one typical detached single-family dwelling, or one ERU⁵, as:

- Flow: One ERU is equivalent to 350 GPD of wastewater flow
- Biological Oxygen Demand (BOD): One ERU is equivalent to 0.77 #BOD/day (or 0.22 #BOD per person per day).
- Total Suspended Solids (TSS): One ERU is equivalent to 0.70 #TSS/day (or 0.20 #TSS per person per day).

The City will perpetuate the existing level of service for flow and strength (BOD and TSS) into the future for new development.

GROWTH AND ERU PROJECTIONS

According to the 2017 Wastewater Treatment Plant Capital Facilities Plan & Impact Fee Facilities Plan currently the City has 2,593 ERUs. By buildout, in the year 2075, it is anticipated that the City will grow to 10,537 ERUs.

Figure 2: ERU Projections

ERUs Added Per Year**		
Year	ERUs	Growth
2015	2,466	
2016	2,529	63
2017	2,593	63
2018	2,656	63
2019	2,720	63
2020	2,783	63
2021	2,855	72
2022	2,926	72
2023	2,998	72
2024	3,069	72
2025	3,141	72
2030	3,545	404
2035	4,001	456
2040	4,516	515
2045	5,097	581
2050	5,753	656
2055	6,493	740
2060	7,329	836
2065	8,271	942
2070	9,335	1,064
2075	10,537	1,202
Total ERUs Projects Will Serve*	1,308	

* Aqua Engineering IFFP pg. 56

** Residential ERUs only

EXISTING INFRASTRUCTURE AND CAPACITY TO SERVE NEW DEVELOPMENT (BUY-IN COMPONENT)

Appendix 2 provides expense summary report for the assets owned and operated by Tremonton for the Wastewater Treatment Plant. An analysis has been completed to identify the capacity to serve new development and the amount which can be charged in the impact fee as a buy-in for new development. Specifically, Aqua Engineering in their 2017 Wastewater Treatment Plant Capital Facilities Plan and Impact Fee Facilities Plan identifies that 1,308 ERUs remain at the existing Wastewater Treatment Plant capacity. The 1,308 ERUs represent 24.11% of the WWTP's total capacity

⁵ Page 56 Aqua Engineering WWTP 2017 Capital Facilities Plan and Impact Fee Facilities Plan

(1.9 MGD). Thus, the calculated buy-in value eligible for impact fees for the remaining 1,308 ERUs to be served by the existing WWTP is 24.11% of the historic cost (being \$5,736,900), or \$1,383,166.62.

Sanitary Sewer Collection System

The City also owns and operates a sanitary sewer collection system; however, this impact fee analysis only considers the Wastewater Treatment Plant.

IMPACT FEE FACILITIES PLAN – FUTURE CAPITAL PROJECTS

The 2017 Wastewater Treatment Plant Capital Facilities Plan & Impact Fee Facilities Plan (IFFP) developed the following capital projects/system improvements, and along with City staff helped to determine the timing and costs of the capital projects/system improvements related to service new development, and of that costs, how much of the total capacity will be realized in the next ten years (percentage Impact Fee Qualifying & Non-Impact Fee Qualifying Cost). The 2017 fiscal year cost of capital improvements in Table 4-9 of the IFFP is \$2,265,120. Zions has added a 3% inflation factor and a future value has been calculated equaling \$2,308,964. 35% of the future value will be included into the impact fee, or \$803,660.

Figure 3: Capital Projects

Project Name	Year to be Constructed	FY 2017 Cost	Construction Cost*	% Impact Fee Qualifying	Impact Fee Qualifying Cost	Non Impact Fee Qualifying
Dewatering Screw Press & Conveyor	2017	\$ 803,660	\$803,660	100%	\$ 803,660	\$ -
Nutrient Removal	2018	1,461,460	1,505,304	0%	-	1,505,304
Total		\$ 2,265,120	\$ 2,308,964	35%	\$ 803,660	\$ 1,505,304

*Based on 10 years average cost of inflation using the Bureau of Labor Statistics

See Also: Aqua Engineering IFFP Table 4-9

OUTSTANDING AND FUTURE DEBT

Tremonton currently has no outstanding debt related to the Wastewater Treatment Plant related debt and does not anticipate issuing debt within the ten-year impact fee horizon to fund any projects related to the WWTP.

CHAPTER 3: PROPORTIONATE SHARE ANALYSIS

The Impact Fees Act, Title 11-36a of Utah Code requires that an impact fee analysis estimate the proportionate share of the costs for existing capacity that will be recouped (buy-in component); and the costs of impacts on system improvements (as defined by the Utah Impact Fees Act) that are reasonably related to the future/new development activity.

The *2017 Wastewater Treatment Plant Capital Facilities Plan & Impact Fee Facilities Plan* clearly defines what projects are non-growth related, repair and replacement, or otherwise non-impact fee qualifying.

Part of the proportionate share analysis is a consideration of the manner of funding existing public facilities. Historically the City has funded existing facilities through several different funding sources such as:

- General Fund Revenues
- User Rate Revenues
- Grants
- Bond Proceeds
- Developer Exactions
- Impact Fees

In calculating the buy-in component (for existing Wastewater Treatment Plant capacity) of this analysis no facilities funded by grants or developer exactions have been included. In order to ensure fairness to existing users, impact fees are an appropriate means of funding future capital infrastructure/system improvements. Using impact fees places a burden on future users that is equal to the burden that was borne in the past by existing users (Utah Impact Fees Act, 11-36a-304(2)(c)(d)).

Just as existing facilities has been funded through different means; it is required by the Impact Fees Act to evaluate all means of funding future capital projects/system improvements to the Wastewater Treatment Plant. There are positive and negative aspects to the various forms of funding. It is important to evaluate each.

General Fund Revenues

The General Fund and its financing sources are used to support the general governmental operations of the City which include but are not limited to: police, administration, parks, roads, library, and the senior center. Taxes which include property, sales, and energy taxes are the primary financing sources of the General Fund. It would be an additional burden to existing tax payers to use this financing source from the General Fund to fund future capital infrastructure/system improvements to meet the needs of future users. Using General Fund revenues to fund system improvements needed to serve new development is not an equitable policy and can place too much stress on the already strained resources of the General Fund. The City has established Enterprise Funds for all of its utilities, which includes the Wastewater Treatment Fund. The basic financial premise of an Enterprise Fund is to operate the utility in a business-like fashion and as such the primary financing sources for Enterprise Funds are user rates which are described more fully below.

User Rate Revenues

The wastewater treatment utility rates in Tremonton are dedicated to fund operation and maintenance, repair and replacement and ensure a stable reserve for maintaining a good credit rating. If rate revenues are required to supplement the capital projects/system improvements required by new development, the City will reimburse (through a buy-in component) the user rates with impact fees as they are collected and act as a loan to the impact fee to be repaid.

Grants

The City does not anticipate using or applying for any grant funds for the construction of capital projects/system improvements for the WWTP. The City acknowledges that any granted funds used to construct a capital project or system improvement would not be impact fee eligible.

Bond Proceeds

Tremonton currently does not anticipate issuing debt within the impact fee planning horizon to fund WWTP projects.

Developer Exactions

If a capital project/system improvement included in the Impact Fee Facilities Plan (or a project that will offset the demand for a system improvement as defined by the Utah Impact Fees Act, which 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)).

Impact Fees

Impact fees are a fair and equitable means of providing expansion of the Wastewater Treatment Plant for new development. Impact fees provide a rational nexus between the costs borne in the past and the costs required in the future. The Impact Fees Act ensures that future development is not paying any more than what the new development will demand. Existing users and future users receive equal treatment; therefore, impact fees are the optimal funding mechanism for future growth-related capital projects/ system improvements of the Wastewater Treatment Plant.

Developer Credits

If a project included in the Impact Fee Facilities Plan (or a project that will offset the demand for a system improvement as defined by the Utah Impact Fees Act, which 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)).

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 2017 will be calculated at a future value with a 3% inflation rate.

CALCULATED IMPACT FEE

The impact fees have been calculated with all the above considerations for the Service Area. The fee is calculated per ERU and can be found in Figure 4. These tables can also be found in Appendix 4.

The Tremonton City Council has the discretion to set the actual impact fees to be assessed, but they may not exceed the maximum allowable fee calculated by this Impact Fee Analysis. The City may, on a case by case basis, work directly with a developer to adjust the standard impact fee to respond to unusual circumstances and ensure that impact fees are imposed fairly in accordance with UCA 11-36a-402(1)(c). This adjusted impact fee calculation will be based on the cost per equivalent residential unit defined below and multiplied by the number of ERUs created by the applicable development type.

Figure 4: Impact Fee per ERU

	Cost	% Impact Fee Qualifying	Impact Fee Qualifying Cost	ERUs to be Served	Impact Fee per ERU
Treatment Impact Fee					
IFFP Projects	\$ 2,308,964	35%	\$ 803,660	1,308	\$ 614
Buy In - Existing Assets	5,736,900	24%	1,383,167	1,308	1,057
Professional Expenses	37,590	100%	37,590	1,308	29
Total Impact Fee Per ERU	\$ 8,083,454		\$ 2,152,202		\$ 1,700.62

The table below summarizes the impact fee for residential and non-residential users. As previously stated, one ERU is equivalent to a single-family detached residential unit. Residential units are assessed an impact fee per unit while non-residential units are assessed an impact fee calculated per gallon of estimated peak winter-time indoor water demand. The cost per gallon is calculated by taking \$1,700.62 (impact fee per ERU) divided by 350 (GPD demand per one ERU) to arrive at a cost of \$4.86 per gallon.

Figure 5: Impact Fee per Land Use Category

RESIDENTIAL			
Development Type	Indoor Use (gpd)	ERU Equivalent	Impact Fee
Single Family Residential	350	1	\$ 1,700.62
Multi-Family Attached (per Unit)	229	0.65	1,112.21
Multi-Family Stacked (per Unit)	229	0.65	1,112.21
Multi-Family Twin/Duplex (per Unit)	229	0.65	1,112.21
NON-RESIDENTIAL			
			Impact Fee per Gallon*
Impact Fee per Gallon of Indoor Water (Winter Month Average GPD):			\$ 4.86

*\$4.86 is multiplied by the estimated peak winter month gallons per day as determined by City building officials at time of building permit issuance.

NON-STANDARD CALCULATION

The City reserves the right under the Impact Fees Act to assess an adjusted fee that more closely matches the true impact that a unique project may have upon the system. Individuals and/or organizations subject to an impact fee have the ability to request the City to consider whether they qualify as an exception. Whichever party initiates the review for an exception has the burden of proof to justify the higher or lower fee based on the formula explained below.

To determine the impact fee for a non-standard use, the formulas presented in Figure 6 should be utilized. The variable in these formulas is peak winter month gallons per day projected to be created by the non-standard use in question. The gallons per day projected for a non-standard use should be well documented using specific and timely data from Tremonton or other cities which closely resemble Tremonton in population size and overall character.

Figure 6: Non-Standard Calculation

NON-STANDARD CALCULATION	
	Impact Fee per Gallon*
Impact Fee per Gallon of Indoor Water (350 GPD per ERU):	\$ 4.86

*\$4.86 is multiplied by the estimated peak winter month gallons per day as determined by City building officials at time of building permit issuance.



APPENDIX



IMPACT FEE CERTIFICATION

Impact Fee Certification

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

Zions Public Finance, Inc. certifies that the attached impact fee analysis:

1. includes only the cost of public facilities that are:
 - a. allowed under the Impact Fees Act; and
 - b. actually incurred; or
 - c. projected to be incurred or encumbered within six years after the day on which each impact fee is paid;
2. does not include:
 - a. costs of operation and maintenance of public facilities;
 - 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. offsets costs with grants or other alternate sources of payment; and
4. complies in each and every relevant respect with the Impact Fees Act.

Zions Public Finance, Inc. 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 document or in the Impact Fee Analysis (IFA) document are followed in their entirety by Tremonton staff and elected officials.
2. If all or a portion of the IFFP or IFA are modified or amended, this certification is no longer valid.
3. All information provided to Zions Public Finance, Inc., its contractors or suppliers is assumed to be correct, complete and accurate. This includes information provided by Tremonton City and outside sources.

Dated: January 2, 2018

ZIONS PUBLIC FINANCE, INC.

**Appendix 1:
CURRENT AND FUTURE ERUs**

	A	B	C
1	Wastewater Treatment Plant Flow		
2		Current Avg. Daily Flow	Buildout Avg. Daily Flow
3	Current MGD ¹	1.50	4.00
4			

¹ Aqua Engineering City of Tremonton WWTP Capital Facilities Plan & IFFP pg. 21

	ERUs Added Per Year**		
	Year	ERUs	Growth
9	2015	2,466	
10	2016	2,529	63
11	2017	2,593	63
12	2018	2,656	63
13	2019	2,720	63
14	2020	2,783	63
15	2021	2,855	72
16	2022	2,926	72
17	2023	2,998	72
18	2024	3,069	72
19	2025	3,141	72
20	2030	3,545	404
21	2035	4,001	456
22	2040	4,516	515
23	2045	5,097	581
24	2050	5,753	656
25	2055	6,493	740
26	2060	7,329	836
27	2065	8,271	942
28	2070	9,335	1,064
29	2075	10,537	1,202
30	Total ERUs Projects Will Serve*	1,308	

* Aqua Engineering IFFP pg. 56

** Residential ERUs only

A B C

**Appendix 2:
ASSETS**

Wastewater Treatment Plant

	A	B	C
	Description	Historic Cost	Impact Fee Qualifying Cost
1			
2	Buildings & Structures	\$ 1,361,305.63	\$ 501,721.28
3	WWTP	5,332,540.78	5,183,573.58
4	Land	35,150.00	35,150.00
5	Improvements	16,455.25	16,455.25
6	Vehicles	189,895.56	-
7			
8		\$ 6,935,347	\$ 5,736,900
9	Impact Fee Qualifying Cost	\$	5,736,900

10 Source: Tremonton City Book Asset Detail FYE 6/30/2015, Aqua Engineering IFFP pg. 57

A

B

C

**Appendix 3:
CAPITAL PROJECTS - IMPACT FEE FACILITIES PLAN**

	Inflation Rate* 3.00%						
	A	B	C	D	E	F	G
	Project Name	Year to be Constructed	FY 2017 Cost	Construction Cost*	% Impact Fee Qualifying	Impact Fee Qualifying Cost	Non Impact Fee Qualifying
1							
2	Dewatering Screw Press & Conveyor	2017	\$ 803,660	\$803,660	100%	\$ 803,660	\$ -
3	Nutrient Removal	2018	1,461,460	1,505,304	0%	-	1,505,304
4							
5							
6	Total		\$ 2,265,120	\$ 2,308,964	35%	\$ 803,660	\$ 1,505,304

*Based on 10 years average cost of inflation using the Bureau of Labor Statistics
See Also: Aqua Engineering IFFP Table 4-9

Appendix 4:
 BASE FEE PER ERU
 Tremonton Impact Fee

A	B	C	D	E	F
Base Fee Per ERU	Cost	% Impact Fee Qualifying	Impact Fee Qualifying Cost	ERUs to be Served	Impact Fee per ERU
Treatment Impact Fee					
IFFP Projects	\$ 2,308,964	35%	\$ 803,660	1,308	\$ 614
Buy In - Existing Assets	5,736,900	24%	1,383,167	1,308	1,057
Professional Expenses	37,590	100%	37,590	1,308	29
Total Impact Fee Per ERU	\$ 8,083,454		\$ 2,152,202		\$ 1,700.62

Impact Fee per Development Type	RESIDENTIAL		
Development Type	Indoor Use (gpd)	ERU Equivalent	Impact Fee
Single Family Residential	350	1	\$ 1,700.62
Multi-Family Attached (per Unit)	229	0.65	1,112.21
Multi-Family Stacked (per Unit)	229	0.65	1,112.21
Multi-Family Twin/Duplex (per Unit)	229	0.65	1,112.21
NON-RESIDENTIAL			
Impact Fee per Gallon of Indoor Water (350 GPD per ERU):			\$ 4.86

*\$4.86 is multiplied by the estimated peak winter month gallons per day as determined by City building officials at time of building permit issuance.

NON-STANDARD CALCULATION		
Non-Standard Impact Fee Calculation		Impact Fee per Gallon*
Impact Fee per Gallon of Indoor Water (350 GPD per ERU):	\$	4.86

*\$4.86 is multiplied by the estimated peak winter month gallons per day as determined by City building officials at time of building permit issuance.

PUBLIC NOTICE

Public Body: Tremonton City Council

Subject: Notice of Intent/Preparation of Impact Fee Facilities Plan and Impact Fee Analysis

Notice Title: Notice of Intent/Preparation

Notice Type: Notice of Intent to Prepare Impact Fee Facilities Plan and Impact Analysis

Notice Date: February 22, 2017

Description/Agenda:

Tremonton City Corporation, Utah in accordance with the requirements of Utah Code Annotated 11-36a-501 and 11-36a-503, posts a notice of its intent to prepare or amend an Impact Fee Facilities Plan and Impact Fee Analysis for the Tremonton City Wastewater Treatment Plant. The area(s) that will be included in the Impact Fee Facilities Plan and Impact Fee Analysis is/are all area within the legal Tremonton City limits and the declared annexation areas of Tremonton City, Utah. A map of the aforementioned area may be obtained by contacting Linsey Nessen, City Recorder at 435-257-9506 or lnessen@tremontonciry.org For additional information regarding the intent to prepare or amend an Impact Fee Facilities Plan and Impact Fee Analysis for the Tremonton City Wastewater Treatment Plant please contact Shawn Warnke, City Manager at swarnke@tremontonciry.com

Notice of Special Accommodations: If you need special accommodations to participate in a City Council Meeting, please call the City Recorder, Linsey Nessen, at 435-257-9506. Please provide at least 24 hours notice for adequate arrangements to be made.

Notice of Electronic or telephone participation: Tremonton City passed Ordinance No. 13-04 approving Electron Meeting Procedures in accordance with Section 52-4-207 of Utah Code Annotated.

Entity: Tremonton

Body: City Council/RDA

Subject: Business
Notice Title: Public Notice - Impact Fee Enactment
Meeting Location: 102 S Tremont St
 Tremonton 84337
Event Date & Time: December 4, 2017
 December 4, 2017 01:00 AM

Description/Agenda: PUBLIC NOTICE

Public Body: Tremonton City Council
 Subject: Impact Fee Enactment
 Notice Title: Notice to Adopt Wastewater Treatment Plant Impact Fee Enactment, including but not limited to, the Wastewater Treatment Plant Impact Fee Ordinance and Impact Fee Analysis
 Notice Type: Notice to Adopt Impact Fee Enactment
 Notice Date: December 6, 2017

Description/Agenda:
 Tremonton City Corporation, Utah in accordance with the requirements of Utah Code Annotated 11-36a-504, gives public notice to adopt a Wastewater Treatment Plant Impact Fee Enactment including but not limited to Impact Fee Ordinance and Impact Fee Analysis for Wastewater Treatment Plant. The location(s) that are included in the Impact Fee Enactment is the entire area of the incorporated limits of Tremonton City and any area outside of Tremonton City, which may hereafter be annexed into Tremonton City or serviced by the Tremonton City Wastewater Treatment Plant.

A public hearing shall be held by the City Council on January 2, 2018, at 7:00 pm or soon thereafter in the Tremonton City Council Chambers, located at 102 S. Tremont Street, Tremonton, Utah 84337, to receive public comment on the adoption of the aforementioned

Wastewater Treatment Plant Impact Fee Enactment. Draft copies of: (1) the Wastewater Treatment Plant Impact Fee Enactment Ordinance; (2) a summary of the Wastewater Treatment Plant Impact Fee Analysis; and (3) a complete draft of the Wastewater Treatment Plant Impact Fee Analysis will be available on or before December 20, 2017 at www.tremontoncity.com, at the Tremonton City Library located at 210 N. Tremont Street, Tremonton, Utah, and the Satellite Library Branch located in the Bear River Valley Senior Center located at 510 West 1000 North, Tremonton, Utah during regular business hours. Additionally, on or before December 20, 2017, copies of the aforementioned documents are available to the public at the Tremonton City Recorder's Office located at 102 S. Tremont Street, Tremonton Utah during regular business hours. The public may file written objection associated with the adoption of the Wastewater Treatment Plant Impact Fee Enactment for the Tremonton City Council's consideration. Written objections, questions pertaining to this notice, or contents of the Impact Fee Enactment may be directed to Shawn Warnke, Tremonton City Manager, at (435) 257-9504, swarnke@tremontoncity.com, or mailed to Shawn Warnke, 102 S. Tremont St. Tremonton, UT 84337.

Notice of Special Accommodations: If you need special accommodations to participate in a City Council Meeting, please call the City Recorder, Linsey Nessen, at 435-257-9506. Please provide at least 24 hours notice for adequate arrangements to be made.

Notice of Electronic or telephone participation: Tremonton City passed Ordinance No. 13-04 approving Electronic Meeting Procedures in accordance with Section 52-4-207 of Utah Code Annotated.

Linsey Nessen, City Recorder

Published in the Leader

Publication date: December 13,
2017

PROOF OF PUBLICATION REQUIRED

Purchase Order No. 2916

**Notice of Special
Accommodations:**

Persons with disabilities needing special assistance to participate in this meeting should contact Linsey Nessen no later than 48 hours prior to the meeting.

Notice of Electronic or telephone participation:

Anchor location for Electronic Meeting by Telephone Device. With the adoption of Ordinance No. 13-04, the Board may participate per Electronic Meeting Rules. Those eligible to request participation by electronic means should contact Linsey Nessen, City Recorder no later than 48 hours prior to the meeting to make arrangements.

Other information:

Contact Information:

Linsey Nessen, City Recorder
(435)257-9506
lnessen@tremontoncity.com

Posted on:

December 04, 2017 02:34 PM

Last edited on:

December 04, 2017 02:39 PM

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