

OUTLINE OF WASTE WATER IMPACT FEE PROPOSAL

Town of Colorado City/Hildale City – July 2016

An Impact Fee Analysis has been prepared for the waste water system of the town of Colorado City, Utah, and Hildale City, Arizona. This document will provide an outline of the Impact Fee Analysis.

As defined in the April 2009 revision of the Utah Impact Fee Handbook, “a development impact fee is a one-time charge to new development for the purpose of raising revenue for new or expanded public facilities necessitated by that development.” The Impact Fee Analysis determines the proportionate share of costs to be borne by development in order to meet demands placed on the system due to growth.

The Impact Fee Analysis takes into account the projected number of new connections for the system over the next 20-years. This plan specifically looks at the period from the end of fiscal year 2015 to the end of fiscal year 2035. The town of Colorado City and Hildale City’s wastewater system has been broken down into 3 separate zones A, B, and C. These zones are broken down based on the contributions of wastewater to the impact fee eligible recommended improvements. The number of additional connections anticipated overall and for each zone for the analysis are shown below:

- Total system connections (2015): 1,082
- Total system connections (2035): 1,545
- New connections during the planning period: 1,545 – 1,082 = **463**

| Zone | Contribution % | New Connections |
|----------------|----------------|-----------------|
| A | 31.6 | 146 |
| B | 30.7 | 142 |
| C | 37.8 | 175 |
| OVERALL | 100 | 463 |

The impact fee is permitted to include the portions of future projects that are deemed necessary due to new growth. The following table summarizes the recommended projects which will aid in maintaining the existing level of service, as well as the projected year the improvements are completed, and the 20-year impact fee eligible amounts for each project. The total 20-year impact fee eligible cost due to the recommended projects is \$2,231,696.83. A past wastewater improvements project was complete in 2001, but is assumed to no longer be impact fee eligible due to exceedance of organic load capacities.

| Project | % of Eligible | Impact Fee Eligible Project | Interest | Total Impact Fee Eligible Amount |
|----------------|---------------|-----------------------------|--------------|----------------------------------|
| 2001 Project | 0.0% | \$0.00 | \$0.00 | \$0.00 |
| E Line | 27.0% | \$ 528,615.72 | \$74,022.23 | \$ 602,637.95 |
| A2 Line | 9.8% | \$ 191,243.77 | \$26,779.93 | \$ 218,023.70 |
| A Line | 8.7% | \$ 170,829.17 | \$23,921.26 | \$ 194,750.43 |
| Treatment Site | 54.5% | \$ 1,066,879.30 | \$149,395.45 | \$ 1,216,274.75 |
| Total | | | | \$ 2,231,686.83 |

To break up the impact fee costs per project, the number of connections for each zone contributing to the project improvements are added together. Each project cost is then divided by the total contributing connections to get the impact fee broken into zones for each project (See the table on the following page).

| Project | Project Contribution by Zone | | | Total Connections Contributing | Impact Fee/ Connection Per Project |
|--------------|------------------------------|--------|--------|--------------------------------|------------------------------------|
| | Zone A | Zone B | Zone C | | |
| 2001 Project | 146 | 142 | 175 | 463 | \$0.00 |
| E Line | 146 | 0 | 0 | 146 | \$ 4,127.66 |
| A2 Line | 146 | 142 | 0 | 288 | \$ 757.03 |
| A Line | 146 | 142 | 175 | 463 | \$ 420.63 |
| Treatment | 146 | 142 | 175 | 463 | \$ 2,626.94 |

Each zone's impact fee will vary based upon the projects it contributes to. The maximum impact fee per zone is calculated by adding together the impact fees for each project the zone is contributing too.

- Zone A Max. Impact Fee: \$4,127.66 + \$757.03 + \$420.63 + \$2,626.94 = **7,932.25** / connection
- Zone B Max. Impact Fee: \$757.03 + \$420.63 + \$2,626.94 = **\$3,804.60** /connection
- Zone C Max. Impact Fee: \$420.63 + \$2,626.94 = **\$3,047.57** /connection

The overall weighted average maximum wastewater impact fee was determined by multiplying each zone's maximum impact fee by the number of connections associated with that zone, adding the three products together, and dividing by the sum total of connections.

- Overall Average Max Impact Fee: $(7,932.25 \times 146 + 3,804.60 \times 142 + 3,047.57 \times 175) / 463 =$
\$4,820.06 / connection

A summary of maximum impact fees is shown below:

| | Max Impact Fee |
|-----------------|----------------|
| Zone A | \$ 7,932.25 |
| Zone B | \$ 3,804.60 |
| Zone C | \$ 3,047.57 |
| Overall Average | \$ 4,820.06 |