

**AMENDMENT TO THE 2014 CULINARY WATER
IMPACT FEE ANALYSIS (IFA)**

EAGLE MOUNTAIN CITY, UT

MARCH 2020



IMPACT FEE CERTIFICATION

IFA CERTIFICATION

Lewis Young Robertson & Burningham, Inc. certifies that this amendment to the Impact Fee Analysis (“IFA”) prepared for culinary water services:

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.

Lewis Young Robertson & Burningham, Inc. makes this certification with the following caveats:

1. All of the recommendations for implementation of the IFFP made in the IFFP documents or in the IFA documents are followed by City 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 If all or a portion of the IFFP or IFA are modified or amended, this certification is no longer valid.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 LYRB is assumed to be correct, complete, and accurate. This includes information provided by the City as well as outside sources.

LEWIS YOUNG ROBERTSON & BURNINGHAM, INC.



AMENDED WATER IMPACT FEE

SUMMARY

The Eagle Mountain City culinary water impact fee, last updated October 204, is being amended to account for impacts from the Central Utah Water Conservancy District (“CUWCD”) Central Water Project (“CWP”). This amendment updates the calculation of the impact fee to account for the following:

- ☒ Exclude the source buy-in component within the calculation for development utilizing CPW water; and,
- ☒ Allocate the “One-Time Development Charge” assessed by CUWCD for purchased water.

EXPLANATION

Development within Service Area 1 and Service Area 2 may have access to culinary water sources through CWP. The associated fees and water take-down schedules are articulated in the CWP FY2009A Water Supply Agreement - Fourth Amended & Restated - April 26th, 2017, the CWP FY2010A1 (1,000 AF) Water Supply Agreement - October 7th, 2009 & Prepayment Agreement, dated October 29, 2009, and the CWP FY2010A2 (11,500 AF) Water Supply Agreement - Amended & Restated - February 24th, 2016. These agreements define the One-Time Development Charge, the Operations and Maintenance Fee plus a Repair and Replacement Fee (“O&M+R”), as well as a Capital Recovery Fee.

Based on a review of the elements included in the 2014 Impact Fee Analysis, the impact fee schedule should be adjusted. New development that utilizes CWP water should not be assessed the Source buy-in component of the impact fee. Therefore, these costs are removed from the calculation of the impact fee, as shown below. However, it is anticipated that new development should pay for future source facilities as these costs are not included in the CWP project. Only new development utilizing CWP water will be assessed the revised fees. The revised Eagle Mountain impact fee per ERC by Service Area is illustrated in **TABLE A.1** and **A.2**.

TABLE A.1: SERVICE AREA 1 IMPACT FEE PER ERC FOR DEVELOPMENT USING CWP WATER

	COST TO IFA	ERCs SERVICE	FEE PER ERC
Buy-In			
Source Buy-In	\$2,083,567	3,436	NA
Storage Buy-In	\$340,446	3,335	\$102
Distribution Buy-In	\$544,790	3,651	\$149
Future Facilities			
Source: Future Facilities	\$580,650	3,436	\$169
Source Financing Costs	\$288,048	3,436	\$84
Storage Future Facilities	\$2,423,215	3,335	\$727
Storage Financing Costs	\$1,202,103	3,335	\$360
Distribution: Future Facilities	\$5,402,941	3,651	\$1,480
Distribution Financing Costs	\$2,680,279	3,651	\$734
Impact Fee Balance	(\$500,000)	3,651	(\$137)
Impact Fee per ERC			\$3,668

TABLE A.2: SERVICE AREA 2 IMPACT FEE PER ERC FOR DEVELOPMENT USING CWP WATER

	COST TO IFA	ERCs SERVICE	FEE PER ERC
Buy-In			
Source Buy-In	\$2,083,567	3,436	NA
Storage Buy-In	\$627,350	316	\$1,985
Distribution Buy-In	\$544,790	3,651	\$149
Future Facilities			
Source: Future Facilities	\$580,650	3,436	\$169
Source Financing Costs	\$288,048	3,436	\$84
Storage Future Facilities	\$117,780	316	\$373
Storage Financing Costs	\$58,428	3,436	\$17
Distribution: Future Facilities	\$5,402,941	3,651	\$1,480
Distribution Financing Costs	\$2,680,279	3,651	\$734



	COST TO IFA	ERCs SERVICE	FEE PER ERC
Impact Fee Balance	(\$500,000)	3,651	(\$137)
Impact Fee per ERC			\$4,854

The City is also including in the impact fee the One-Time Development Charge assessed by CUWCD for purchased water, as established by the aforementioned agreements. Development within Service Area 1 and Service Area 2 may bring water rights to the City for which they should receive a credit. Based on information from CUWCD, approximately 28.3 percent of the One-Time Development Charge is for water right cost. Therefore, the one-time fee will be discounted by 28.3 percent for development that brings water rights to the City, as shown in **TABLE A.3**. The fee schedule is based on a fee per Acre Foot ("AF").

TABLE A.3: CWP ONE-TIME DEVELOPMENT FEE, WITH WATER RIGHT REDUCTION

FISCAL YEAR	ONE-TIME DEVELOPMENT CHARGE FOR BLOCKS OF PURCHASED WATER (PER AF)	28.3% WATER RIGHT REDUCTION	ONE-TIME FEE FOR DEVELOPMENT WITH WATER RIGHTS (PER AF)
2020-21	\$10,600	(\$3,002)	\$7,598

The level of service ("LOS") per ERC for water rights is established in the 2014 Culinary Water Impact Fee Facilities Plan and Impact Fee Analysis as follows:

- ☐ 0.53 AF of water right per ERC
- ☐ 2.5 AF per irrigated acre

Based on information from the City, the average combined LOS per ERC for water rights is .9 AF, resulting in a One-Time Development fee of \$6,839. The combined impact fee based on the above level of service, including the One-Time Development Fee, is shown in **TABLE A.4**.

TABLE A.4: SUMMARY OF REVISED IMPACT FEE PER ERC FOR DEVELOPMENT UTILIZING CWP WATER

	SERVICE AREA 1	SERVICE AREA 2
Eagle Mountain City Impact Fee	\$3,668	\$4,854
CWP One-Time Development Fee*	\$6,839	\$6,839
Total Impact Fee	\$10,507	\$11,693

*Fee Waived if Development Purchases CWP Water Directly from CUWCD.

NON-STANDARD IMPACT FEES

The City reserves the right under the Impact Fees Act¹ to assess an adjusted fee that more closely matches the true impact that a specific land use will have upon the City's transportation system. This adjustment could result in a different impact fee if evidence suggests a particular user will create a different impact than what is standard for its category.

¹ 11-36a-402(1)(c)