



**Powder Mountain Water and Sewer
Improvement District**

**Water Impact Fee Analysis
Noticing Draft**

June 4, 2018



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EXECUTIVE SUMMARY

Powder Mountain Water and Sewer District (the District) recently commissioned CRS Engineers to prepare the *Water Impact Fee Facilities Plan*. The District has also retained Zions Public Finance, Inc. (Zions) to calculate the District's culinary water impact fees in accordance with Utah State Law. An impact fee is a one-time charge to new development to reimburse the District 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 the "Original District" area only. The Original District is defined as the service area of the Power Mountain Water and Sewer Improvement District that predates new development areas owned by Summit Powder Mountain (SPM) and its related entities. The Summit Powder Mountain service area is segregated given the fact that all infrastructure needed to develop the land is provided and paid for by Summit Powder Mountain and its related entities.

The District's culinary water system currently serves 90 Equivalent Residential Connections (ERC) within the impact fee service area. These ERCs have connected to the system and are receiving services on demand. The estimated demand at buildout is 200 ERCs and is anticipated around 2027.

Only future capital project costs have been included in the impact fee calculation as none of the existing infrastructure cost is considered impact fee qualifying for the following reasons:

- **Production:** The District is currently utilizing the Hidden Lakes Well; however, Hidden Lakes has been built by SPM and the District is essentially borrowing capacity in the well until the Cobabe Well project is complete.
- **Storage:** The District is using Hidden Lake Tanks which were constructed by SPM and will ultimately function as a project improvement for the SPM service area and Timberline Tanks which is an older improvement and no construction records exist to determine the original cost of constructing the Timberline Tanks.
- **Distribution:** The majority of the impact fee service area is served by 4" lines which are deficient and need to be upsized. No portion of the existing 4" lines has been included in the impact fee calculation. The portion of each future distribution project which is impact fee eligible has been included in the future capital projects list.

The District will need to build approximately \$9.75M (FV) in future system improvements to allow new growth to connect to a safe and reliable culinary water system. The total ten-year impact fee qualifying cost of the future capital projects is estimated to be \$3,671,142. In 2018 a zero interest bond was issued to fund the Cobabe Well project. Future bonds are not determined at this time, but may be issued and also anticipated to be zero interest. Changes to these assumptions may require an update to the culinary water impact fee analysis.

Recommended Water Impact Fees per ERC

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., and represents the maximum culinary water impact fees that the District may assess within the Service Area. The District 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.

The impact fee service area is primarily a residential area and most new connections will be equivalent to one ERC. Figure ES.1 shows the maximum legal culinary water impact fee that the District can assess per ERC.

FIGURE ES.1: MAXIMUM IMPACT FEE SCHEDULE

Units of Measure	Water Impact Fee
Per Equivalent Residential Connection	\$ 8,048

Figure ES.2 provides a calculation of the impact fee for a non-standard user as required by the Impact Fees Act.

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

Non-Standard Users Impact Fee Formula
Step 1: Average Day Demand divided by 800 gallons = Equivalent ERCs
Step 2: Multiply Equivalent ERCs by Impact Fee per ERC of \$8,048

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 District's cost of constructing water facilities with capacity that will be utilized by new growth. The impact 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 Fee Eligible Costs

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 water system; and
- Historic costs of existing improvements that are system improvements, have capacity to serve new development, and have financial records available to determine the original cost of the asset.

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 District does not have to repay; and
- Costs of reconstruction of facilities that do not have capacity to serve new growth.

Equivalent Residential Connection

Capacity is measured in terms of an Equivalent Residential Connection, or ERC, which represent the demand that a typical single-family residence would place on the system.

Impact Fees Calculation

A fair impact fee is calculated by dividing the cost of existing and future facilities by the number of new ERCs that will benefit from the available, unused capacity.

Description of the Service Area

The culinary water system is comprised of a combination of wells, storage and distribution facilities that will provide water for homes or businesses located within the District. The culinary water system service area is the same as the Original District Service Area. The Original District is defined as the service area of the Powder Mountain Water and Sewer Improvement District that predates new development areas owned by Summit Powder Mountain and its related entities. The Summit Powder Mountain Service Area is segregated given the fact that all infrastructure needed to develop the



land is provided and paid for by Summit Powder Mountain and its related entities and there are therefore no impact fee qualifying costs within the SPM area.

Project Costs and Financing

The proposed impact fees are comprised of the costs of existing and 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 District currently has one bond outstanding related to the culinary water system which is a zero interest bond and may issue future bonds within the ten-year horizon, but anticipates the future debt issue will also be a zero interest bond.

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

Future Water Demand within the Service Area

Currently there are 90 ERCs and the buildout count of ERCs for the service area is estimated to be 200. The full growth projections for the District are shown in Figure 2.1.

FIGURE 2.1: PROJECTED GROWTH IN ERCs

Year	Population	Growth Rate	Total District ERCs (Original District and Summit Powder Mountain)	Impact Fee Service Area ERCs (Original District Only)
2016	143		62	
2017	258	80%	112	90
2018	373	45%	162	90
2019	453	21%	197	90
2020	534	18%	232	100
2021	619	16%	269	115
2022	704	14%	306	130
2023	789	12%	343	145
2024	874	11%	380	160
2025	959	10%	417	175
2026	1,044	9%	454	190
2027	1,129	8%	491	200
2028	1,215	8%	528	200
2029	1,300	7%	565	200
2030	1,385	7%	602	200
2035	1,761	27%	766	200
2040	2,137	21%	929	200
2045	2,513	18%	1,093	200
2050	2,889	15%	1,256	200
2055	3,266	13%	1,420	200
2060	3,642	12%	1,583	200
Buildout	6,652	83%	2,892	200

Source: CRS Powder Mountain Culinary Water IFFP

Level of Service Analysis

The level of service standard is measured in terms of an ERC which represents the demand that a typical single-family residence would place on the system. An ERC is equivalent to 800 gpd per connection and assumes 2.3 persons per connection.

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 (system improvement) rather than just to a small, localized area (project improvement).

Existing Assets

Only future capital project costs have been included in the impact fee calculation as none of the existing infrastructure cost is considered impact fee qualifying for the following reasons:

- Production: The District is currently utilizing the Hidden Lakes Well; however, Hidden Lakes has been built by SPM and the District is essentially borrowing capacity in the well until the Cobabe Well project is complete.
- Storage: The District is using Hidden Lake Tanks which were constructed by SPM and will ultimately function as a project improvement for the SPM service area and Timberline Tanks which is an older improvement and no construction records exist to determine the original cost of constructing the Timberline Tanks.
- Distribution: The majority of the impact fee service area is served by 4" lines which are deficient and need to be upsized. No portion of the existing 4" lines has been included in the impact fee calculation. The portion of each future distribution project which is impact fee eligible has been included in the future capital projects list.

Future Capital Projects

The costs of future capital projects are defined in the corresponding IFFP prepared by CRS and are summarized in Figure 3.1.

FIGURE 3.1: CAPITAL PROJECT COSTS TO BE FUNDED THROUGH IMPACT FEES

Project Name	Year to be Constructed	2017 Construction Cost	Construction Cost with Inflation	10 Year Impact Fee Qualifying Cost	Beyond 10 Year Impact Fee Qualifying Cost	Non Impact Fee Qualifying
Source						
Cobabe Well	2018	\$ 1,588,000	\$ 1,635,640	\$ 899,602	\$ -	\$ 736,038
Bloomington Well (SPM)	2019	1,450,000	1,538,305	-	-	1,538,305
Well #3 (SPM)	2028	1,450,000	-	-	-	-
Well #4 (SPM)	2033	1,450,000	-	-	-	-
Well #5 (SPM)	2038	1,450,000	-	-	-	-
Well #6 (SPM)	2043	1,450,000	-	-	-	-
Well #7 (SPM)	2048	1,450,000	-	-	-	-
Well #8 (SPM)	2053	1,450,000	-	-	-	-
Well #9 (SPM)	2058	1,450,000	-	-	-	-
Remaining 9 Wells (SPM)	Post 2060	TBD	TBD	TBD	TBD	TBD
Surface Treatment System	Based on Aquifer Limits	TBD	TBD	TBD	TBD	TBD
Source Totals		\$ 13,188,000	\$ 3,173,945	\$ 899,602	\$ -	\$ 2,274,343
Storage						
Add'l 1 MG Emergency Storage (SPM)	2023	\$ 1,250,000	\$ 1,492,565	\$ -	\$ -	\$ 1,492,565
Add'l 0.5 MG Storage	2021	800,000	900,407	495,224	-	405,183
Install 300,000 Gallon Storage (SPM)	Post 2060	500,000	TBD	-	-	TBD
Storage Totals		\$ 2,550,000	\$ 2,392,972	\$ 495,224	\$ -	\$ 1,897,749
Distribution						
6-inch DI Line from Cobabe to System	2019	\$ 2,001,632	\$ 2,123,531	\$ 1,167,943	\$ -	\$ 955,589
8" Line from Sundown to Powder Ridge	2019	68,303	72,463	36,231	-	36,231
Replace Existing 4" and 6" Pipe with 8" PVC	2024	1,585,000	1,949,350	1,072,143	-	877,208
Replace Existing 4" Distribution Lines w/ 8" PVC	2030	1,000,000	-	-	-	-
Distribution Totals		\$ 4,654,935	\$ 4,145,344	\$ 2,276,317	\$ -	\$ 1,869,028
Other						
Payment to the Cobabe Trust (Non-Qualifying)	Ongoing	\$ 110,000	\$ -	\$ -	\$ -	\$ -
Service Truck and Carport (Non-Qualifying)	2018	12,450	12,824	-	-	12,824
Other Totals		\$ 122,450	\$ 12,824	\$ -	\$ -	\$ 12,824
Total Culinary Water Projects		\$ 20,515,385	\$ 9,725,085	\$ 3,671,142	\$ -	\$ 6,053,943

SPM= Summit Powder Mountain. Not included in the impact fee service area

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 recommended that the District will perform updates to the IFFP and impact fee analysis every three years. The cost of preparing the current analyses has been included in the impact fee calculations.

Bond Debt Service and Grant Funds

Powder Mountain has one outstanding bond which is a zero interest bond. The cost of issuance for this bond has been included in the impact fee calculation.

CHAPTER 4: PROPORTIONATE SHARE ANALYSIS

The Impact Fees Act requires the impact fee analysis to estimate the proportionate share of the cost for existing and future capacity that will be recouped. 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 District 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 District will primarily rely upon property tax revenues and user rate revenues to fund the operations and maintenance of the system. Some rate revenues may be used to pay the debt service of the bonds in years when impact fee revenues are insufficient to cover the impact fee eligible portion of the annual payment. 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 rate fund will be repaid with impact fees as impact fee revenue become available.

Although the District 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 within the impact fee service area that would entitle a developer to a credit.

Deficiency Credits

Given that the majority of the impact fee eligible projects also include a portion of the project which will correct an existing deficiency for the service area's current ERCs an impact fee credit has been calculated and applied to the impact fee calculation. Please see Appendix E.

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. All users who pay an impact fee today or within the next ten years will benefit from projects to be constructed and included in the fee.

Maximum Legal Water Impact Fees per ERC

As shown in Figure 4.1, the maximum legal impact fee per ERC is calculated to be \$8,047.86. 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 ERC and complies with the Impact Fees Act.

FIGURE 4.1: WATER IMPACT FEE CALCULATION

Component	Total Cost to Component	% That will Serve Ten Year Demand	Dollar Amount that will Serve Ten Year Demand	Ten Year Demand (ERC)	Impact Fee Cost per ERC
CULINARY PRODUCTION/ TREATMENT					
Future 10 Year Capital Projects	\$ 3,173,945	28.34%	\$ 899,602	110	\$ 8,178
Future Production Related Debt - (Interest Free, Cost of Issuance Costs Only)	22,122	28.34%	6,270	110	57
Existing Production	-	35.26%	-	110	-
Existing Production Related Debt - INTEREST ONLY	-	0.00%	-	110	-
Production/Treatment Subtotal	\$ 3,196,067		\$ 905,872		\$ 8,235.20
CULINARY STORAGE					
Future 10 Year Capital Projects	\$ 2,392,972	20.69%	\$ 495,224	110	\$ 4,502
Future Storage Related Debt to be Issued - INTEREST ONLY	-	20.69%	-	110	-
Existing Storage Projects	-	0.00%	-	110	-
Existing Storage Related Debt - OUTSTANDING INTEREST	-	0.00%	-	110	-
Storage Subtotal	\$ 2,392,972		\$ 495,224		\$ 4,502.04
CULINARY TRANSMISSION/PUMPING					
Future 10 Year Capital Projects	\$ 4,145,344	54.91%	\$ 2,276,317	110	\$ 20,694
Future Transmission Related Debt to be Issued - INTEREST ONLY	-	54.91%	-	110	-
Existing Transmission Projects	-	0.00%	-	110	-
Existing Transmission Related Debt - OUTSTANDING INTEREST	-	0.00%	-	110	-
Transmission/Pumping Subtotal	\$ 4,145,344		\$ 2,276,317		\$ 20,693.79
PROFESSIONAL SERVICES/ CREDITS					
Credit for Projects Benefitting Existing Users				110	\$ (25,542.26)
Professional Services Expense	17,500	100%	17,500	110	159
Professional Services/Credits Subtotal	17,500		17,500		(25,383.17)
Total Impact Fee Per ERC	\$ 9,751,884		\$ 3,694,913		\$ 8,047.86

The impact fee service area is comprised primarily of residential units which will be equivalent to one ERC. Figure 4.2 shows the impact fee per ERC.

FIGURE 4.2: MAXIMUM IMPACT FEE SCHEDULE

Units of Measure	Water Impact Fee
Per Equivalent Residential Connection	\$ 8,048

Non-Standard Demand Adjustments

The District 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 impact fee for a particular development based upon studies and data submitted by the developer that indicate a more realistic and accurate impact upon the District’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 800 gallons = Equivalent ERCs
Step 2: Multiply Equivalent ERCs by Impact Fee per ERC of \$8,048



APPENDIX



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. 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 Public Finance, Inc. makes this certification with the following caveats:

1. All of the recommendations for implementations of the Master Plan/Impact Fee Facilities Plan (IFFP) made in the IFFP or in the impact fee analysis are followed in their entirety by District staff and Board 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 Public Finance, Inc., its contractors or suppliers is assumed to be correct, complete and accurate. This includes information provided by the District and outside sources.

Dated: 6/4/2018

ZIONS PUBLIC FINANCE, INC.

Appendix A: ERC Projections for Culinary Water

CURRENT AND FUTURE ERCs FOR THE CULINARY WATER SERVICE AREA

Culinary Water Impact Fee Analysis

A B C D E

TABLE A.1: GROWTH PROJECTIONS

Year	Population	Growth Rate	Total District ERCs (Original District and Summit Powder Mountain)	Impact Fee Service Area ERCs (Original District Only)
2016	143		62	
2017	258	80%	112	90
2018	373	45%	162	90
2019	453	21%	197	90
2020	534	18%	232	100
2021	619	16%	269	115
2022	704	14%	306	130
2023	789	12%	343	145
2024	874	11%	380	160
2025	959	10%	417	175
2026	1,044	9%	454	190
2027	1,129	8%	491	200
2028	1,215	8%	528	200
2029	1,300	7%	565	200
2030	1,385	7%	602	200
2035	1,761	27%	766	200
2040	2,137	21%	929	200
2045	2,513	18%	1,093	200
2050	2,889	15%	1,256	200
2055	3,266	13%	1,420	200
2060	3,642	12%	1,583	200
Buildout	6,652	83%	2,892	200

Source: CRS Powder Mountain Culinary Water IFFP

TABLE A.3: CULINARY WATER ERCs

Impact Fee SA Culinary Water ERCs	
2017 ERCs (CRS Count)	90
10- Year ERCs	200
Buildout ERCs	200
10-Year ERCs Added	110
% 10-Year	55%

A B C D E

Appendix B: Culinary Water Ten Year Capital Projects
Culinary Water Impact Fee Analysis

A B C D E F G H I J K L M

1 Inflation Rate* 3.00%

2 **TABLE B.1: WATER CAPITAL PROJECTS**

Project Name	% Impact Fee Qualifying 10 Year	% Impact Fee Qualifying Beyond 10 Year	% Non-Impact Fee Qualifying	Year to be Constructed	2017 Construction Cost	Construction Cost with Inflation	10 Year Impact Fee Qualifying Cost	Beyond 10 Year Impact Fee Qualifying Cost	Non Impact Fee Qualifying
Source									
Cobabe Well	55%	0%	45%	2018	\$ 1,588,000	\$ 1,635,640	\$ 899,602	\$ -	\$ 736,038
Bloomington Well (SPM)	0%	0%	100%	2019	1,450,000	1,538,305	-	-	1,538,305
Well #3 (SPM)	0%	0%	100%	2028	1,450,000	-	-	-	-
Well #4 (SPM)	0%	0%	100%	2033	1,450,000	-	-	-	-
Well #5 (SPM)	0%	0%	100%	2038	1,450,000	-	-	-	-
Well #6 (SPM)	0%	0%	100%	2043	1,450,000	-	-	-	-
Well #7 (SPM)	0%	0%	100%	2048	1,450,000	-	-	-	-
Well #8 (SPM)	0%	0%	100%	2053	1,450,000	-	-	-	-
Well #9 (SPM)	0%	0%	100%	2058	1,450,000	-	-	-	-
Remaining 9 Wells (SPM)	TBD	TBD	TBD	Post 2060	TBD	TBD	TBD	TBD	TBD
Surface Treatment System	TBD	TBD	TBD	Based on Aquifer Limits	TBD	TBD	TBD	TBD	TBD
Source Totals					\$ 13,188,000	\$ 3,173,945	\$ 899,602	\$ -	\$ 2,274,343
Storage									
Add'l 1 MG Emergency Storage (SPM)	0%	0%	100%	2023	\$ 1,250,000	\$ 1,492,565	\$ -	\$ -	\$ 1,492,565
Add'l 0.5 MG Storage	55%	0%	45%	2021	800,000	900,407	495,224	-	405,183
Install 300,000 Gallon Storage (SPM)	0%	0%	100%	Post 2060	500,000	TBD	-	-	TBD
Storage Totals					\$ 2,550,000	\$ 2,392,972	\$ 495,224	\$ -	\$ 1,897,749
Distribution									
6-inch DI Line from Cobabe to System	55%	0%	45%	2019	\$ 2,001,632	\$ 2,123,531	\$ 1,167,943	\$ -	\$ 955,589
8" Line from Sundown to Powder Ridge	50%	0%	50%	2019	68,303	72,463	36,231	-	36,231
Replace Existing 4" and 6" Pipe with 8" PVC	55%	0%	45%	2024	1,585,000	1,949,350	1,072,143	-	877,208
Replace Existing 4" Distribution Lines w/ 8" PVC	0%	0%	100%	2030	1,000,000	-	-	-	-
Distribution Totals					\$ 4,654,935	\$ 4,145,344	\$ 2,276,317	\$ -	\$ 1,869,028
Other									
Payment to the Cobabe Trust (Non-Qualifying)	0%	0%	100%	Ongoing	\$ 110,000	\$ -	\$ -	\$ -	\$ -
Service Truck and Carport (Non-Qualifying)	0%	0%	100%	2018	12,450	12,824	-	-	12,824
Other Totals					\$ 122,450	\$ 12,824	\$ -	\$ -	\$ 12,824
Total Culinary Water Projects					\$ 20,515,385	\$ 9,725,085	\$ 3,671,142	\$ -	\$ 6,053,943

SPM= Summit Powder Mountain. Not included in the impact fee service area
 *Based on 20 years average cost of inflation using ENR and net of interest earnings

1,000 1,000 1,030 1,061 1,093 1,126 1,159 1,194 1,230 1,267 1,305 1,344

Project	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Source												
Cobabe Well	\$ -	\$ -	\$ 1,635,640	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Bloomington Well (SPM)	-	-	-	1,538,305	-	-	-	-	-	-	-	-
Well #3 (SPM)	-	-	-	-	-	-	-	-	-	-	-	-
Well #4 (SPM)	-	-	-	-	-	-	-	-	-	-	-	-
Well #5 (SPM)	-	-	-	-	-	-	-	-	-	-	-	-
Well #6 (SPM)	-	-	-	-	-	-	-	-	-	-	-	-
Well #7 (SPM)	-	-	-	-	-	-	-	-	-	-	-	-
Well #8 (SPM)	-	-	-	-	-	-	-	-	-	-	-	-
Well #9 (SPM)	-	-	-	-	-	-	-	-	-	-	-	-
Remaining 9 Wells (SPM)	-	-	-	-	-	-	-	-	-	-	-	-
Surface Treatment System	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal	\$ -	\$ -	\$ 1,635,640	\$ 1,538,305	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Storage												
Add'l 1 MG Emergency Storage (SPM)	-	-	-	-	-	-	-	1,492,565	-	-	-	-
Add'l 0.5 MG Storage	-	-	-	-	-	900,407	-	-	-	-	-	-
Install 300,000 Gallon Storage (SPM)	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 900,407	\$ -	\$ 1,492,565	\$ -	\$ -	\$ -	\$ -
Distribution												
6-inch DI Line from Cobabe to System	\$ -	\$ -	\$ -	\$ 2,123,531	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
8" Line from Sundown to Powder Ridge	-	-	-	72,463	-	-	-	-	-	-	-	-
Replace Existing 4" and 6" Pipe with 8" PVC	-	-	-	-	-	-	-	1,949,350	-	-	-	-
Replace Existing 4" Distribution Lines w/ 8" PVC	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal	\$ -	\$ -	\$ -	\$ 2,195,994	\$ -	\$ -	\$ -	\$ 1,949,350	\$ -	\$ -	\$ -	\$ -
Other												
Payment to the Cobabe Trust (Non-Qualifying)	-	-	-	-	-	-	-	-	-	-	-	-
Service Truck and Carport (Non-Qualifying)	-	-	12,824	-	-	-	-	-	-	-	-	-
Subtotal	\$ -	\$ -	\$ 12,824	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Capital Projects	\$ -	\$ -	\$ 1,648,464	\$ 3,734,299	\$ -	\$ 900,407	\$ -	\$ 1,492,565	\$ 1,949,350	\$ -	\$ -	\$ -

Project	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Source												
10 Year Qualifying	\$ -	\$ -	\$ 899,602	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Beyond 10 Year Qualifying	-	-	-	-	-	-	-	-	-	-	-	-
Non-Qualifying	-	-	736,038	1,538,305	-	-	-	-	-	-	-	-
Subtotal	\$ -	\$ -	\$ 1,635,640	\$ 1,538,305	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Storage												
10 Year Qualifying	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 495,224	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Beyond 10 Year Qualifying	-	-	-	-	-	-	-	-	-	-	-	-
Non-Qualifying	-	-	-	-	-	405,183	-	1,492,565	-	-	-	-
Subtotal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 900,407	\$ -	\$ 1,492,565	\$ -	\$ -	\$ -	\$ -
Distribution												
10 Year Qualifying	\$ -	\$ -	\$ -	\$ 1,204,174	\$ -	\$ -	\$ -	\$ -	\$ 1,072,143	\$ -	\$ -	\$ -
Beyond 10 Year Qualifying	-	-	-	-	-	-	-	-	-	-	-	-
Non-Qualifying	-	-	-	991,820	-	-	-	-	877,208	-	-	-
Subtotal	\$ -	\$ -	\$ -	\$ 2,195,994	\$ -	\$ -	\$ -	\$ -	\$ 1,949,350	\$ -	\$ -	\$ -
Other												
10 Year Qualifying	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Beyond 10 Year Qualifying	-	-	-	-	-	-	-	-	-	-	-	-
Non-Qualifying	-	-	12,824	-	-	-	-	-	-	-	-	-
Subtotal	\$ -	\$ -	\$ 12,824	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Non-Qualifying Total	\$ -	\$ -	\$ 748,862	\$ 2,530,125	\$ -	\$ 405,183	\$ -	\$ 1,492,565	\$ 877,208	\$ -	\$ -	\$ -
Total Capital Projects	\$ -	\$ -	\$ 1,648,464	\$ 3,734,299	\$ -	\$ 900,407	\$ -	\$ 1,492,565	\$ 1,949,350	\$ -	\$ -	\$ -

A B C D E F G H I J K L M

Appendix C: Debt

Culinary Water Impact Fee Analysis

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TABLE C.1: DEBT

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Series 2018 (No Interest)			
Year	Principal	Interest	Fiscal
2018	\$ -	\$ -	\$ -
2019	20,000	-	20,000
2020	20,000	-	20,000
2021	20,000	-	20,000
2022	20,000	-	20,000
2023	20,000	-	20,000
2024	42,000	-	42,000
2025	42,000	-	42,000
2026	42,000	-	42,000
2027	42,000	-	42,000
2028	42,000	-	42,000
2029	47,000	-	47,000
2030	47,000	-	47,000
2031	47,000	-	47,000
2032	47,000	-	47,000
2033	47,000	-	47,000
2034	48,000	-	48,000
2035	48,000	-	48,000
2036	48,000	-	48,000
2037	48,000	-	48,000
2038	48,000	-	48,000
2039	48,000	-	48,000
2040	48,000	-	48,000
2041	48,000	-	48,000
2042	48,000	-	48,000
2043	48,000	-	48,000
2044	48,000	-	48,000
2045	48,000	-	48,000
2046	48,000	-	48,000
2047	48,000	-	48,000
2048	48,000	-	48,000
Total Debt Service	\$ 1,265,000	\$ -	\$ 1,265,000

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APPENDIX D: DEBT ALLOCATION

Culinary Water Impact Fee Analysis

TABLE D.1: SERIES 2018 BOND

	A	B	C	D	E	F	G	H	I	J	K
1	Series 2018	Bond Proceeds Expended	% to Non-Impact Fee Qualifying	% to Source	% to Storage	% to Distribution	\$ to Non-Impact Fee Qualifying	% to Source	% to Storage	% to Distribution	Totals
2	Source	\$ 1,265,000	0.00%	100.00%	0.00%	0.00%	\$ -	\$ 1,265,000	\$ -	\$ -	\$ 1,265,000
3	Storage	-	0.00%	0.00%	0.00%	0.00%	-	-	-	-	-
4	Distribution	-	0.00%	0.00%	0.00%	0.00%	-	-	-	-	-
5	GRAND TOTAL	\$ 1,265,000					\$ -	\$ 1,265,000	\$ -	\$ -	\$ 1,265,000
	A	B	C	D	E	F	G	H	I	J	K

Appendix E: Impact Fee Credit Calculation

Culinary Water Impact Fee Analysis

A B C D E F G

TABLE E.1: CALCULATION OF CREDITS

1	Year	Projected Future ERCs	Project Cost Benefitting Existing ERCs	District Cash on Hand	Total Cost to Existing	Credit per ERC	1
2	2018	110	736,038	(200,600)	535,438	4,868	2
3	2019	110	1,869,028		1,869,028	16,991	3
4	2020	110	-		-	-	4
5	2021	110	-		-	-	5
6	2022	110	-		-	-	6
7	2023	110	-		-	-	7
8	2024	110	-		-	-	8
9	2025	110	405,183		405,183	3,683	9
10	2026	110	-		-	-	10
11	2027	110	-		-	-	11
12	2028	110	-		-	-	12
13	2029	110	-		-	-	13
14	2030	110	-		-	-	14
15	Total		\$ 3,010,248.73	\$ (200,600.40)	\$ 2,809,648.33	\$ 25,542.26	15
16							16

A B C D E F G

Appendix F: Culinary Water Impact Fee Per ERC

Culinary Water Impact Fee Analysis

A B C D E F

TABLE F.1: IMPACT FEE CALCULATION

Component	Total Cost to Component	% That will Serve Ten Year Demand	Dollar Amount that will Serve Ten Year Demand	Ten Year Demand (ERC)	Impact Fee Cost per ERC
CULINARY PRODUCTION/ TREATMENT					
Future 10 Year Capital Projects	\$ 3,173,945	28.34%	\$ 899,602	110	\$ 8,178
Future Production Related Debt - (Interest Free, Cost of Issuance Costs Only)	22,122	28.34%	6,270	110	57
Existing Production	-	35.26%	-	110	-
Existing Production Related Debt - INTEREST ONLY	-	0.00%	-	110	-
Production/Treatment Subtotal	\$ 3,196,067		\$ 905,872		\$ 8,235.20
CULINARY STORAGE					
Future 10 Year Capital Projects	\$ 2,392,972	20.69%	\$ 495,224	110	\$ 4,502
Future Storage Related Debt to be Issued - INTEREST ONLY	-	20.69%	-	110	-
Existing Storage Projects	-	0.00%	-	110	-
Existing Storage Related Debt - OUTSTANDING INTEREST	-	0.00%	-	110	-
Storage Subtotal	\$ 2,392,972		\$ 495,224		\$ 4,502.04
CULINARY TRANSMISSION/PUMPING					
Future 10 Year Capital Projects	\$ 4,145,344	54.91%	\$ 2,276,317	110	\$ 20,694
Future Transmission Related Debt to be Issued - INTEREST ONLY	-	54.91%	-	110	-
Existing Transmission Projects	-	0.00%	-	110	-
Existing Transmission Related Debt - OUTSTANDING INTEREST	-	0.00%	-	110	-
Transmission/Pumping Subtotal	\$ 4,145,344		\$ 2,276,317		\$ 20,693.79
PROFESSIONAL SERVICES/ CREDITS					
Credit for Projects Benefitting Existing Users				110	\$ (25,542.26)
Professional Services Expense	17,500	100%	17,500	110	159
Professional Services/Credits Subtotal	17,500		17,500		(25,383.17)
Total Impact Fee Per ERC	\$ 9,751,884		\$ 3,694,913		\$ 8,047.86

A B C D E F

Appendix G: Maximum Culinary Water Impact Fees

Culinary Water Impact Fee Analysis

	A	B	C	D	
1	TABLE G.1: Culinary Water Impact Fee				1
2	Units of Measure		Water Impact Fee		2
3	Per Equivalent Residential Connection		\$	8,048	3
4					4
18					18
19	TABLE G.2: NON-STANDARD IMPACT FEE CALCULATION				19
20	Non-Standard Users Impact Fee Formula				20
21	Step 1: Average Day Demand divided by 800 gallons = Equivalent ERCs				21
22	Step 2: Multiply Equivalent ERCs by Impact Fee per ERC of \$8,048				22
23					23
	A	B	C	D	