



SPRING CITY CONDENSED SUMMARY OF ADOPTED ORDINANCE 2024-11

On December 5, 2024, a public hearing was held to seek public comment on the enactment of new culinary water and wastewater (sewer) impact fees; now Ordinance 2024-11. The Ordinance was adopted by the City Council on December 5, 2024.

Spring City Culinary Water Impact Fee Analysis Summary

An impact fee is a fee imposed on new development to “mitigate the impact of the new development on public infrastructure.” Before imposing an impact fee, a municipality or public service provider, such as Spring City, must prepare a written analysis of each impact fee. An impact fee analysis is designed to proportionally allocate to new development that portion of the cost of new facilities that may be required or excess capacity of existing facilities. Impact fees are allocated on an “Equivalent Residential Connection” (ERC) basis.

The culinary water impact fee eligible improvements, with associated funding and proportional costs per ERC are summarized in the table below.

Spring City Culinary System Eligible Improvements								
Improvement	Total Estimated Cost	Grant	Loan	Loan (Principal + Interest)	% Allocable to Future Growth	Eligible Cost	ERC Served	\$/ERC
New 500,000-Gallon Tank	\$ 1,693,418	\$ 500,120	\$ 1,193,297	\$ 1,448,316	95%	\$ 1,373,104	776	\$ 1,768.88
Upgrades to Distribution System	\$ 3,436,080	\$ 1,014,784	\$ 2,421,296	\$ 2,938,749	76%	\$ 2,242,963	581	\$ 3,862.80
Sum of Eligible Impact Fees								\$ 5,631.68
User Fee Credit								\$ (1,167.65)
Recommended Impact Fee								\$ 4,464.03

The improvements included in the impact fee analysis are part of a culinary water improvements project that is financed through the Utah Drinking Water Board with a combination of grant and loan funds as represented in the table above. Because a portion of future monthly usage rates may be used to service debt payments for current and proposed infrastructure, a user fee credit is applied to offset the portion of usage rates that may be applied to said debt service.

The resulting impact proposed impact fee is \$4,464.

Spring City Wastewater Impact Fee Analysis Summary

An impact fee is a fee imposed on new development to “mitigate the impact of the new development on public infrastructure.” Before imposing an impact fee, a municipality or public service provider, such as Spring City, must prepare a written analysis of each impact fee. An impact fee analysis is designed to proportionally allocate to new development that portion of the cost of new facilities that may be required or excess capacity of existing facilities. Impact fees are allocated on an “Equivalent Residential Connection” (ERC) basis.

The wastewater impact fee eligible improvements, with associated funding and proportional costs per ERC are summarized in the table below.

Spring City Wastewater Recommended Improvements								
Improvement	Estimated Project Cost	Grant	Loan	Loan (Principal + Interest)	% Allocated to New Growth	Eligible Cost	ERC Served	\$/ERC
Spring City Sewer Improvement Project 2024	\$ 5,128,000	\$ 1,563,000	\$ 3,424,000	\$ 5,806,084	96.29%	\$ 5,590,868	1,039	\$ 5,380.40
Existing Lagoons	\$ 837,969	\$ 650,966	\$ 187,003	\$ 314,433	7.76%	\$ 24,412	38	\$ 638.81
Existing Collection System	\$ 1,792,409	\$ 906,853	\$ 399,997	\$ 672,570	70.05%	\$ 471,162	1,062	\$ 443.63
Sum of Eligible Impact Fees								\$ 6,462.84
User Fee Credit								\$ (1,915.63)
Recommended Impact Fee								\$ 4,547.21

The Spring City Sewer Improvement Project 2024 is financed through the USDA Rural Development Agency with a combination of loan and grant funding as represented in the table above. Because a portion of future monthly usage rates may be used to service debt payments for current and proposed infrastructure, a user fee credit is applied to offset the portion of usage rates that may be applied to said debt service.

The resulting impact proposed impact fee is \$4,547.