



DRINKING WATER IMPACT FEE FACILITY PLAN AND IMPACT FEE ANALYSIS

(HAL Project No.: 406.03.200)

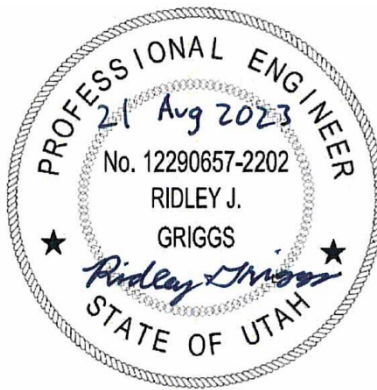
Adopted August 16, 2023

SALEM CITY

DRINKING WATER

**IMPACT FEE FACILITY PLAN AND
IMPACT FEE ANALYSIS**

(HAL Project No.:406.03.200)



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Project Engineer



AUGUST 2023

IMPACT FEE CERTIFICATION

The Utah Impact Fee Act requires certifications for the Impact Fee Facilities Plan (IFFP) and the Impact Fee Analysis (IFA). Hansen, Allen & Luce provides these certifications with the understanding that the recommendations in the IFFP and IFA are followed by City Staff and elected officials. If all or a portion of the IFFP or IFA are modified or amended, or if assumptions presented in this analysis change substantially, this certification is no longer valid. All information provided to Hansen, Allen & Luce, Inc. is assumed to be correct, complete, and accurate.

IFFP Certification

Hansen, Allen & Luce, Inc. certifies that the Impact Fee Facilities Plan (IFFP) prepared for the drinking water system:

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; and
3. complies in each and every relevant respect with the Impact Fees Act.

IFA Certification

Hansen, Allen & Luce, Inc. certifies that the Impact Fee Analysis (IFA) prepared for the drinking water system:

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;
 - d. costs with grants or other alternate sources of payment; and
3. complies in each and every relevant respect with the Impact Fees Act.

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IMPACT FEE SUMMARY

The **purpose** of the Impact Fee Facility Plan (IFFP) and Impact Fee Analysis (IFA) is to comply with the requirements of the Utah Impact Fees Act by identifying demands placed on the existing drinking water system by new development and by identifying the means by which the City will meet these new demands. The Salem City Drinking Water System Master Plan has been used in support of this analysis. There are several growth-related capital facilities anticipated to be needed in the next 10 years, so the calculated impact fee is based on anticipated capital facility projects as well as existing excess capacity and documented historic costs.

The impact fee **service area** is the drinking water system service area, which includes the current city boundary and future areas anticipated to be annexed into the city.

The existing **level of service** for the drinking water system includes the following:

Level of Service

- Peak Day Indoor Source Capacity: 400 gallons per day per equivalent residential connection (gpd/ERC)
- Indoor Source Volume: 0.30 acre-feet/ERC (Annual Demand)
- Indoor Storage Capacity: 300 Gallons/ERC
- Distribution Capacity: 50 pounds per square inch (psi) static pressure, 40 psi minimum during peak day conditions, 30 psi minimum during peak instantaneous conditions

Fire Suppression

- Minimum Fire Flow: 1,500 gpm for 2 hours, except select locations approved by Fire Marshall with minimum 1,000 gpm for 2 hours
- Minimum Pressure: 20 psi residual during peak day + fire flow event

The existing system served about 4,792 equivalent residential connections and 64 irrigated acres at the end of 2022. Projected **growth** adds 4,861 equivalent residential connections in the next 10 years for a total of 9,653 connections or equivalent.

The costs calculated for the capacity required for growth in the next 10 years comes from the proportional historical buy-in costs of **excess capacity** in existing facilities and **new projects** required entirely to provide capacity for new development.

The **drinking water impact fee** is calculated based on the buy-in cost for facilities which have capacity remaining and the estimated cost of projects required to support future growth. These costs were added together and divided by the number of equivalent residential connections (ERCs) that are projected to be added within the next 10 years.

Components of the impact fee are presented in the table below.

PROPOSED IMPACT FEE BY COMPONENT

Component	Per Typical Residential Connection
Source	\$240.71
Storage	\$636.11
Distribution	\$1,966.14
Planning	\$10.04
Total	\$2,853

SECTION 1 INTRODUCTION

1.1 Background

Salem City is located in southern Utah County, between I-15 and Loafer Mountain. Salem had an estimated population of 10,770 in 2022 (United States Census Bureau). The primary drinking water sources for Salem are springs in Water Canyon and two wells.

1.2 Purpose

The City has recognized the need to plan for increased demands on its drinking water system as a result of growth. To do so, an Impact Fee Facility Plan (IFFP) and Impact Fee Analysis (IFA) were completed to allow the City to charge an impact fee to help pay for capital projects necessary to support future growth.

This report identifies those items that the Utah Impact Fees Act specifically requires, including demands placed upon existing facilities by new development and the proposed means by which the municipality will meet those demands. A drinking water master plan was prepared to support this analysis. The master plan identified several growth-related projects needed within the 10-year planning window. Therefore, the calculated impact fee is based on excess capacity and documented historic costs, as well as future capital projects.

1.3 Impact Fee Collection

Impact fees enable local governments to finance public facility improvements necessary for growth, without burdening existing customers with costs that are exclusively attributable to growth.

An impact fee is a one-time charge on new development to pay for that portion of a public facility that is required to support that new development.

In order to determine the appropriate impact fee, the cost of the facilities associated with future development must be proportionately distributed. As a guideline in determining the “proportionate share”, the fee must be found to be roughly proportionate and reasonably related to the impact caused by the new development.

1.4 Master Planning

A drinking water system master plan was prepared in conjunction with this analysis. The master plan for the City’s drinking water system is more comprehensive than the IFA. It provides the basis for the IFA as well as identifies all capital facilities required of the drinking water system

for the 20-year planning range, including maintenance, repair, replacement, and growth-related projects. The recommendations made within the master plan are in compliance with current City policies and standard engineering practices.

A hydraulic model of the drinking water system was prepared to aid in the analyses performed to complete the drinking water system master plan. The model was used to assess existing performance, level of service, and to confirm the effectiveness of the proposed capital facility projects to maintain the level of service over the next 10 years.

SECTION 2 SYSTEM DEMAND AND CAPACITY

2.1 General

The purpose of this section is to identify the current level of service, characterize the facilities of the existing system, and determine the remaining capacity of these facilities.

Salem's existing drinking water system is comprised of a pipe network, water storage facilities, and water sources. These facilities are found within 9 pressure zones. Figure 2-1 illustrates the existing water system and its service area.

2.2 Existing Equivalent Residential Connections and Irrigated Acreage

Water demands from non-residential water users, such as commercial, industrial, or civic water users have been determined in terms of an equivalent residential connection (ERC). The use of ERCs is a common engineering practice used to describe the entire system's usage based on a common unit of measurement. An ERC is equal to the average demand of one residential connection. Using ERCs for analysis is a way to allocate existing and future demands over non-residential land uses. For this analysis, all residential connections, including townhouses and apartments were equated to one ERC for indoor water demands.

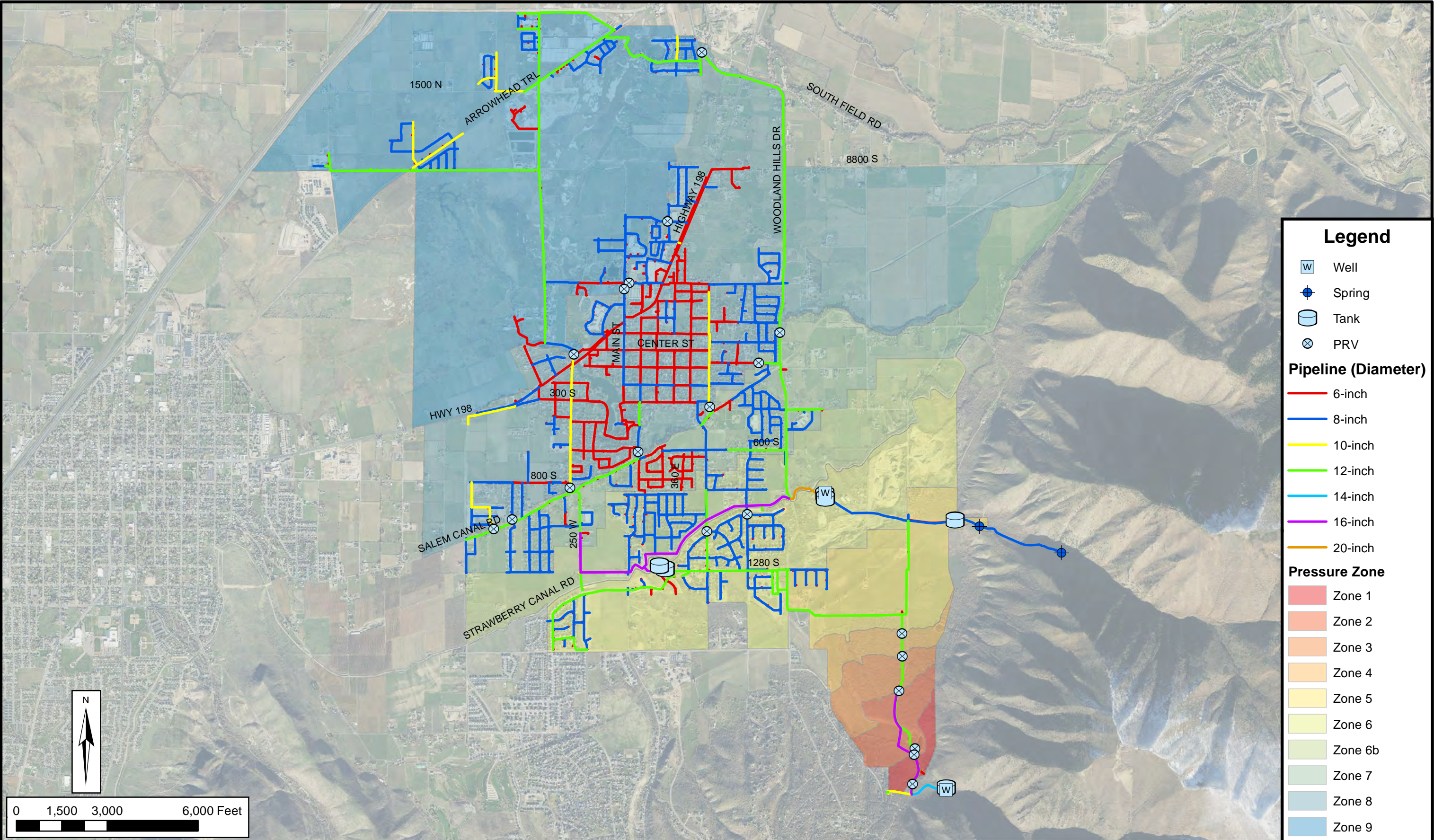
Salem operates a separate pressurized irrigation system that serves certain areas of the City. Outside of the pressurized irrigation system service area, customers irrigate from the drinking water system. In these areas, the City considers outdoor water demand in terms of irrigated acres.

At the end of 2022, the City was estimated to have 4,792 ERCs and 64 irrigated acres served by the drinking water system.

2.3 Level of Service

The City has established a level of service for the drinking water system. It establishes the sizing criteria for the City's distribution (pipelines), source, storage facilities, and water rights. The level of service standards are shown below:

Date: 7/12/2023
Document Path: H:\Projects\406 - Salem City\03.200 - Water Master Plan Updates\GIS\Figures\Drinking Water\Impact Fee\Figure 2-1 Existing System.mxd



SALEM CITY

EXISTING DRINKING WATER SYSTEM

FIGURE
2-1

Level of Service

- Indoor Source Capacity: 400 gpd/ERC (Peak Day)
- Indoor Source Volume: 0.30 ac-ft/ERC (Annual Demand)
- Indoor Storage Capacity: 300 Gallons/ERC
- Distribution Capacity: 50 pounds per square inch (psi) static pressure, 30 psi minimum during peak instantaneous conditions

Fire Suppression

- Minimum Fire Flow: 1,500 gpm for 2 hours, unless otherwise approved by Fire Marshall (but not less than 1,000 gpm for 2 hours)
- Minimum Pressure: 20 psi residual during peak day + fire flow event

2.4 Methodology Used to Determine Existing System Capacity

Each component of the drinking water system was assessed a capacity in terms of gallons per minute (for peak day source), acre-feet per year (for annual source), or gallons (for storage). Demands on each component were computed by applying the level of service to the amount of ERCs and irrigated areas served by each component. The difference between the capacity of the component and the demand on the component is the component's remaining capacity, which can be used to serve either ERCs or irrigated acres. A hydraulic model was developed for the purpose of assessing system operation and distribution capacity.

2.5 Water Source & Remaining Capacity

Salem's sources of drinking water are springs in Water Canyon and two wells. Table 2-1 summarizes the information of each source and total source capacity.

**TABLE 2-1
EXISTING WATER SOURCES**

Source	Available Peak Day Flow (gpm)	Annual capacity (ac-ft)¹
Maple Canyon Well ²	810	980
Water Canyon Springs ³	160	110
Storage Tank Well	2,500	2,520
TOTAL	3,470	3,610

1. Annual volume is limited by demand.

2. Maple Canyon Well has a capacity of 1,350 gpm. Salem owns 60% of capacity (810 gpm) and Woodland Hills owns 40% of capacity (540 gpm).

3. Peak day and annual capacity are based on the lowest period on record.

Table 2-2 shows a comparison of the available source and the system demand for peak day and average year.

**TABLE 2-2
SOURCE DEMAND AND CAPACITY**

Demand Condition	Demand¹	Existing Capacity	Remaining Capacity
Peak Day (gpm)	1,715	3,470	+1,755
Average Yearly (ac-ft/yr)	1,642	3,610	+1,968

1. See Tables 3-2 and 3-3 in the Drinking Water Master Plan

There is source capacity remaining in the system for both the peak day and average yearly demand conditions.

2.6 Storage Facilities & Remaining Capacity

Salem currently operates six concrete water storage tanks totaling 3.57 MG. Table 2-3 shows the demand and capacity of each tank. Demands were calculated by applying the level of service to the ERCs served by each tank. The fire flow storage requirements were provided by the Fire Marshall as per IFC.

**TABLE 2-3
EXISTING WATER STORAGE**

Tank	Capacity (MG)	Existing Equalization Demand (MG)¹	Fire Storage (MG)	Emergency Storage (MG)	Existing Storage Demand (MG)	Remaining Capacity (MG)
Maple Canyon	0.52	-	0.18	0	-	-
Springs	0.50		0.18	0		
Tank 1	0.50		0.11	0		
Tank 2	0.30		0.07	0		
Cemetery 1	0.75		0.09	0		
Cemetery 2	1.00		0.09	0		
Totals	3.57	1.71	0.72	0	2.43	1.14

1. See Table 4-3 in the Drinking Water Master Plan

2.7 Distribution System

Pipe diameters range from 4 inches to 20 inches, with the majority being 6 and 8 inches in diameter. The function of the larger pipes in the system is to fill the storage tanks and meet peak day and fire flow demands. Smaller pipes facilitate local distribution. Figure 2-1 illustrates the existing distribution pipelines. A hydraulic model was used to identify areas with existing deficiencies. Deficiencies are described in Chapter 5 of the Master Plan report. Costs to fix these deficiencies are not impact fee-eligible and are not considered in this report. The model was also used to identify pipes required for future growth. These projects are impact fee-eligible and are discussed further in Chapter 3 of this document.

SECTION 3 IMPACT FEE FACILITY PLAN AND ANALYSIS

3.1 General

This section relies on the data presented in the previous sections to calculate a proposed impact fee based on an appropriate buy-in cost of available existing excess capacity previously purchased by the City, and the cost of projects needed to support projected growth.

The projected costs of the drinking water system facility projects are presented. Also included in this section are the possible revenue sources that the City may consider to fund the recommended projects.

3.2 Growth Projections

The development of impact fees requires growth projections over the next ten years. Growth projections for Salem were made by incorporating the growth rate presented in the Master Plan. Total growth projections for the City through 2032 are summarized in Table 3-1.

**TABLE 3-1
GROWTH PROJECTIONS OVER NEXT TEN YEARS**

Year	ERCs
2022	4,792
2032	9,653
10-year Difference	+4,861

The existing system served about 4,792 ERCs at the end of 2022. Projected growth adds 4,861 ERCs in the next 10 years for a total of 9,653 ERCs. Irrigated acres served by the drinking water system will pay the pressurized irrigation impact fee.

3.3 Cost of Existing and Future Drinking Water Facilities

The facilities and costs presented in Table 3-2 are existing facilities with remaining buy-in capacity. The historical costs for the existing facilities come from City records. Costs of these projects are included in Appendix A.

**TABLE 3-2
TYPE AND COST OF EXISTING FACILITIES**

Project	Source	Storage	Distribution	Total
Woodland Hills Dr. Transmission Line (Salem Canal Rd to 400 N)	\$0.00	\$0.00	\$99,070.00	\$99,070.00
Woodland Hills Dr. Transmission Line (400 N to Salem Park)	\$0.00	\$0.00	\$525,574.94	\$525,574.94
SR 164 12-inch water line loop and extension	\$0.00	\$0.00	\$299,833.75	\$299,833.75
Beet Road Water Line	\$0.00	\$0.00	\$97,386.92	\$97,386.92
1050 N Water Line	\$0.00	\$0.00	\$141,733.00	\$141,733.00
1996 Bond Phase 1 Loafer Canyon Road Water Line	\$0.00	\$0.00	\$211,000.00	\$211,000.00
1996 Bond Phase 2 (Transmission)	\$0.00	\$0.00	\$1,652,329.40	\$1,652,329.40
1996 Bond Phase 3 (Maple Canyon Tank and Well, Cemetery Tank, Transmission)	\$383,311.71	\$1,116,079.30	\$457,713.43	\$1,957,104.44
Cemetery Tank 2	\$0.00	\$2,000,000.00	\$0.00	\$2,000,000.00
Total	\$383,311.71	\$3,116,079.30	\$3,484,641.44	\$6,984,032.45

The impact fee eligible cost for each facility is shown below in Table 3-3. These values are based on the remaining capacity for each facility. The remaining cost is attributable to growth and can be counted towards the impact fee.

TABLE 3-3
IMPACT FEE ELIGIBLE COST OF EXISTING FACILITIES

Project	Total Cost	% To Growth	Eligible Source Cost	Eligible Storage Cost	Eligible Distribution Cost	Total
Woodland Hills Dr. Transmission Line (Salem Canal Rd to 400 N)	\$99,070.00	81.2% ¹	\$0.00	\$0.00	\$80,416.03	\$80,416.03
Woodland Hills Dr. Transmission Line (400 N to Salem Park)	\$525,574.94	81.2% ¹	\$0.00	\$0.00	\$426,614.03	\$426,614.03
SR 164 12-inch water line loop and extension	\$299,833.75	81.2% ¹	\$0.00	\$0.00	\$243,377.82	\$243,377.82
Beet Road Water Line	\$97,386.92	81.2% ¹	\$0.00	\$0.00	\$79,049.86	\$79,049.86
1050 N Water Line	\$141,733.00	81.2% ¹	\$0.00	\$0.00	\$115,045.98	\$115,045.98
1996 Bond Phase 1 Loafer Canyon Road Water Line	\$211,000.00	81.2% ¹	\$0.00	\$0.00	\$171,270.65	\$171,270.65
1996 Bond Phase 2 (Transmission)	\$1,652,329.40	81.2% ¹	\$0.00	\$0.00	\$1,341,211.03	\$1,341,211.03
1996 Bond Phase 3 (Maple Canyon Tank and Well, Cemetery Tank, Transmission)	\$1,957,104.44	Varies ²	\$193,852.87	\$59,026.26	\$371,530.22	\$624,409.35
Cemetery 2 Tank	\$2,000,000.00	100%	\$0.00	\$2,000,000.00	\$0.00	\$2,000,000.00
Total	\$6,984,032.45	-	\$193,852.87	\$2,059,026.26	\$2,828,515.63	\$5,081,394.77

1. Distribution infrastructure is sized to accommodate future users through year 2060. A remaining capacity of 20,658 ERCs was calculated as the projected year 2060 ERCs (25,450) minus ERCs existing at the end of year 2022 (4,792). This was then divided by 25,450 ERCs, the anticipated build-out total.
2. The percent eligible cost for the 1996 Bond Phase 3 is shown in Table 3-4.

Percent eligible cost for each component of the 1996 Bond Phase 3 is summarized in Table 3-4 and corresponds to the eligible cost for source, distribution, and storage shown in Table 3-3.

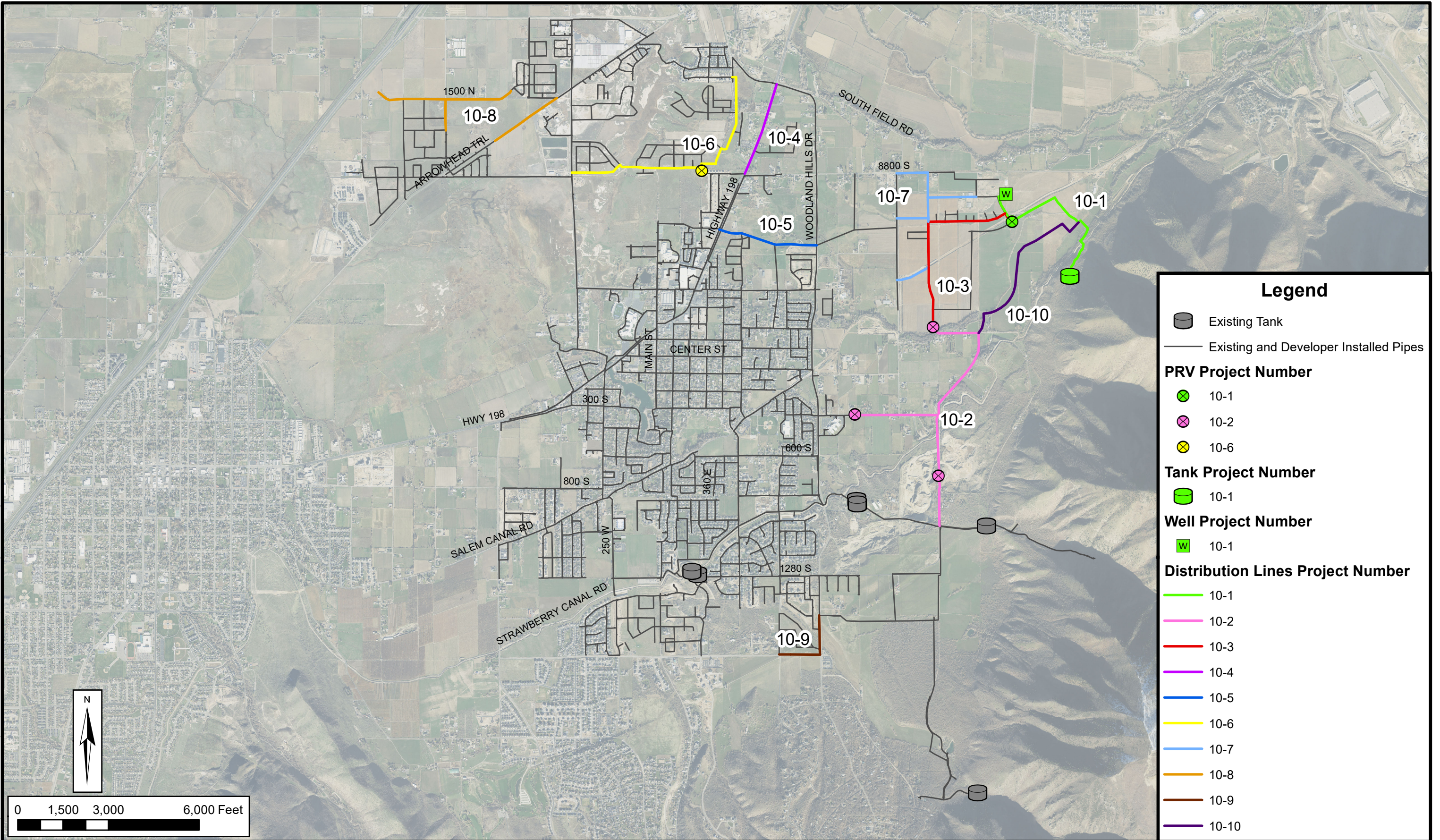
**TABLE 3-4
IMPACT FEE ELIGIBLE COST FOR 1996 BOND PHASE 3**

	Source	Storage	Distribution
Capacity of Facilities Funded by Bonds ¹	3,470 gpm	2.57 MG ²	25,450 ERCs
Existing Demand ¹	1,715 gpm	2.43 MG	4,792 ERCs
Buy-in Capacity ³	1,755 gpm	0.14 MG	20,658 ERCs
% Eligible⁴	50.6%	5.3%	81.2%

1. See Tables 2-2 and 2-3.
2. The capacity of the Cemetery 2 Tank was not included in the capacity of facilities funded by bonds.
3. Calculated as the difference between capacity of the facilities and existing demand.
4. Calculated as the buy-in capacity divided by the capacity of facilities.

The facilities and costs presented in Table 3-5 and shown on Figure 3-1 are proposed projects essential to maintain the current level of service while accommodating future growth within the next 10 years. The facility sizing for the future proposed projects was based on the proposed level of service with growth projections provided by the City and hydraulic modeling. The proposed impact fee will be based both on costs of existing projects and the projected cost of future construction projects. Detailed information on these projects and their estimated cost is included in the City's drinking water master plan report.

Date: 8/15/2023
Document Path: H:\Projects\406 - Salem City\03.200 - Water Master Plan Updates\GIS\Figures\Drinking Water\Impact Fee\Figure 3-1 Drinking Water Impact Fee Facility Plan Projects.mxd



SALEM CITY

IMPACT FEE FACILITY PLAN PROJECTS

FIGURE
3-1

**TABLE 3-5
ESTIMATED COST OF FUTURE FACILITIES**

Project	Map ID*	Total Cost	% To Growth	Source	Storage	Distribution	Total	Capacity Added²
Viridian Farms On-Site Infrastructure	10-1	\$11,340,000.00	100%	\$3,060,000.00	\$3,000,000.00	\$5,280,000	\$11,340,000.00	2,000 gpm 1.25MG Distribution
Viridian Farms Off-Site Infrastructure	10-2	\$7,620,000.00	100%	\$0.00	\$0.00	\$7,620,000.00	\$7,620,000.00	Distribution
Viridian Farms Distribution Line	10-3	\$3,900,000.00	100%	\$0.00	\$0.00	\$3,900,000.00	\$3,900,000.00	Distribution
Highway-198 Distribution Line	10-4	\$1,920,000.00	30% ¹	\$0.00	\$0.00	\$576,000.00	\$576,000.00	Distribution
Zone 9 Distribution	10-5	\$1,980,000.00	100%	\$0.00	\$0.00	\$1,980,000.00	\$1,980,000.00	Distribution
Moonlight Village Distribution Line	10-6	\$4,152,000.00	100%	\$0.00	\$0.00	\$4,152,000.00	\$4,152,000.00	Distribution
Viridian Farms Distribution Lines	10-7	\$3,816,000.00	100%	\$0.00	\$0.00	\$3,816,000.00	\$3,816,000.00	Distribution
Arrowhead Springs Distribution Lines	10-8	\$3,888,000.00	100%	\$0.00	\$0.00	\$3,888,000.00	\$3,888,000.00	Distribution
Ridgeview Estates Distribution Lines	10-9	\$1,620,000.00	100%	\$0.00	\$0.00	\$1,620,000.00	\$1,620,000.00	Distribution
Zone 7 Northeast Distribution Line	10-10	\$4,956,000.00	100%	\$0	\$0	\$4,956,000.00	\$4,956,000.00	Distribution
Total		\$45,192,000.00		\$3,060,000.00	\$3,000,000.00	\$37,788,000.00	\$43,848,000.00	-

1. An 8-inch diameter pipe is necessary to solve a fire flow deficiency and not eligible for impact fees. Project is planned as a 12-inch with the upsized from an 8-inch being eligible for impact fees to support future growth.
2. Distribution capacity will be discussed later in this section.

3.4 Impact Fee Unit Calculation

Only those costs attributed to the new growth in the next 10 years can be included in the impact fee. The following sections describe the impact fee calculation for each component.

Source

The impact fee eligible costs of existing and future source projects are shown in Table 3-6.

**TABLE 3-6
SOURCE IMPACT FEE UNIT CALCULATION**

	Existing¹	Future²	Total
Eligible Cost	\$193,852.87	\$3,060,000.00	\$3,253,852.87
Capacity (gpm)	1,755	2,000	3,755
Source Impact (per gpm) ³ :			\$866.56
Source Impact (per ERC) ⁴ :			\$240.71

1. See Tables 2-2 and 3-3

2. See Table 3-5

3. Calculated as the sum of existing and future eligible costs divided by the sum of existing and future eligible capacity

4. Calculated at a level of service of 400 gpd/ERC

The portion of source costs attributable to growth within 10 years was calculated considering capacity remaining in existing infrastructure. These results are shown in Table 3-7.

**TABLE 3-7
SOURCE COST BY TIME PERIOD**

Time Period	Source Requirement (gpm)¹	Buy-in Cost	Growth Cost	Total Cost
Existing	1,715	\$189,458.84	\$0.00	\$189,458.84
Next 10 years	1,248	\$64,444.58	\$1,017,268.45	\$1,081,713.03
Beyond 10 years	4,940	\$129,408.29	\$2,042,731.55	\$2,172,139.84
Total	7,903	\$383,311.71	\$3,060,000.00	\$3,443,311.71

1. See Appendix B for source requirement calculations

The total source capacity provided by projects listed in the IFFP is expected to support growth for more than 10 years. The portion of their costs attributable to growth outside of the 10-year planning window is not impact fee-eligible.

Storage

The City's existing storage tanks have remaining capacity that is eligible for impact fees (See Table 3-4); however, another storage tank will be required to maintain the level of service while accommodating projected growth. The estimate cost for these projects is shown in Table 3-8.

**TABLE 3-8
STORAGE IMPACT FEE UNIT CALCULATION**

	Existing ¹	Future ²	Total
Eligible Cost	\$2,059,026.26	\$3,000,000.00	\$5,059,026.26
Capacity (gal)	1,135,920	1,250,000	2,385,920
Storage impact (per gal) ³			\$2.12
Storage impact (per ERC) ⁴			\$636.11

1. See Table 2-3 and 3-4
2. See Table 3-5
3. Calculated as the sum of existing and future eligible costs divided by the sum of existing and future eligible capacity
4. Calculated at the level of service of 300 gal/ERC.

The portion of the storage costs attributable to growth within 10 years was calculated considering remaining capacity in existing storage facilities and the additional capacity needed to accommodate growth in the next 10 years. These results are shown in Table 3-9.

**TABLE 3-9
STORAGE COST BY TIME PERIOD**

Time Period	Storage Requirement (gal)	Buy-in Cost	Growth Cost	Total Cost
Existing	1,714,080	\$1,057,053.04	\$0.00	\$1,057,053.04
Next 10 years	1,384,860	\$1,195,121.01	\$1,741,290.57	\$2,936,411.58
Beyond 10 years	5,136,540	\$863,905.26	\$1,258,709.43	\$2,122,614.69
Total	8,235,480	\$3,116,079.30	\$3,000,000.00	\$6,116,079.30

1. See Appendix B for storage requirement calculations

Distribution

Salem City policy requires developers to install the pipes required to serve their developments. Pipes must be a minimum of 8 inches in diameter, but may need to be larger to provide adequate performance. If the distribution system requires a larger size than is needed for the development, the City will reimburse developer-installed projects with impact fees to meet master plan requirements.

The portion of the impact fee for these projects is shown in Table 3-10. This includes projects that the City has recently funded and that have remaining capacity for growth.

**TABLE 3-10
DISTRIBUTION IMPACT FEE CALCULATION**

	Existing¹	Future²	Total
Eligible Cost	\$2,828,515.63	\$37,788,000.00	\$40,616,515.63
Capacity (ERCs) ³	20,658	20,658	20,658
Transmission Impact (per ERC)⁴			\$1,966.14

1. See Table 3-4
2. See Table 3-5
3. Distribution infrastructure is sized to accommodate future users through year 2060. A remaining capacity of 20,658 ERCs was calculated as the projected year 200 ERCs (25,450) minus ERCs existing at the end of year 2022 (4,792).
4. Calculated as the sum of existing and future eligible costs divided by the sum of existing and future eligible capacity

Expected distribution costs by time period are listed in Table 3-11. Distribution facilities are expected to support growth for more than 10 years. The portion of their costs attributable to growth outside of the 10-year planning window is not impact fee-eligible.

**TABLE 3-11
DISTRIBUTION COST BY TIME PERIOD**

Time Period	ERCs served	Buy-in Cost	Growth Cost	Total Cost
Existing	4,792	\$656,125.81	\$0.00	\$656,125.81
Next 10 years	4,861	\$665,573.36	\$8,891,832.12	\$9,557,405.48
Beyond 10 years	15,797	\$2,162,942.27	\$28,896,167.88	\$31,059,110.15
Total	25,450	\$3,484,641.44	\$37,788,000.00	\$41,272,641.44

Planning

The planning portion of the impact fee was calculated as shown in Table 3-12. Portions of the City's 2022 master plan study that are attributable to growth (approximately 60% of total expenditures) are impact fee eligible. 100% of costs associated with the Impact Fee Facility Plan and Impact Fee Analysis are impact fee eligible.

**TABLE 3-12
PLANNING COMPONENT OF IMPACT FEE**

Planning Document	Cost	% of Plan Associated with Growth	Cost Associated with Growth	ERCs Served ^{1,2}	Cost per ERC
2022 Water Master Plan	\$20,300.00	60%	\$12,180.00	2,128	\$5.72
2022 IFFP and IFA	\$5,100.00	100%	\$5,100.00	1,182	\$4.31
Total	\$25,400.00	-	\$17,280.00	-	\$10.04

1. It is assumed that the Master Plan will be updated every 5 years and the IFFP and IFA will be updated every 3 years
2. Growth projections can be found in Appendix B of the Drinking Water Master Plan

3.5 Total Impact Fee Calculation for a Typical Single-Family Residence

The proposed drinking water system impact fee for one ERC is **\$2,853** for indoor use only. See Table 3-13. The proposed drinking water system impact fee for one for one irrigated acre is \$13,620.

**TABLE 3-13
TOTAL PROPOSED IMPACT FEE**

Component	Per Typical Residential Connection (Indoor Use)
Source	\$240.71
Storage	\$636.11
Transmission	\$1,996.14
Planning	\$10.04
Total	\$2,853

The impact fee has been calculated based on 1 ERC which would correspond to a standard 1" meter. Larger meters are assumed to serve more than 1 ERC and will have a higher corresponding impact fee. Table 3-14 indicates the impact fee rate schedule based on water meter size. The ERC factor is calculated based on American Water Works Association (AWWA) rated capacity for each meter size.

**TABLE 3-14
SALEM CITY DRINKING WATER
IMPACT FEE BASED ON METER SIZE**

Water Meter Size	ERC	Impact Fee
¾" or 1"	1.00	\$2,853
1 ½ "	3.33	\$9,500
2"	5.33	\$15,206

It must be noted that water use varies even among customers with meters of similar size. The values in Table 3-14 are representative fees; however, it is recommended that it be specified in development agreements that customers whose water use exceeds the ERC value associated with their meter size be charged additional impact fees to account for actual water use. The procedure for doing so is explained below.

Properties that use multiple meters should pay one impact fee corresponding to the meter size that would have been necessary if the property had used only one meter.

Alternatively, the City may calculate an impact fee for non-residential connections based on projected peak day water use according to the following formulas.

$$\text{ERCs} = (\text{Peak Day Water use, gpd}) / (400 \text{ gpd per ERC})$$

$$\text{Impact fee} = \text{ERC} * \$2,853$$

For example, if a customer will use 20 gpm of water on the peak day, the impact fee may be calculated as follows

$$\text{Peak day water use} = 20 \text{ gal/min} * 1,440 \text{ min/day} = 28,800 \text{ gpd}$$

$$\text{ERCs} = (28,800 \text{ gpd}) / (400 \text{ gpd per ERC}) = 72 \text{ ERCs}$$

$$\text{Impact fee} = 72 \text{ ERCs} * \$2,853/\text{ERC} = \mathbf{\$205,416}$$

3.6 Costs by Time Period

Table 3-15 is a summary of the existing and future facility costs by drinking water system component and by time period. Existing costs are those costs attributed to capacity currently being used by existing connections. Costs attributed to the next 10 years are costs for the existing capacity or new capacity for the assumed growth in the next 10 years. Costs attributed to beyond 10 years are costs for the existing capacity or new capacity for the assumed growth beyond 10 years.

**TABLE 3-15
FACILITY COST BY TIME PERIOD**

	Existing	Next 10 Years	Beyond 10 Years	Total
Source	\$189,458.84	\$1,081,713.03	\$2,172,139.84	\$3,443,311.71
Storage	\$1,057,053.04	\$2,936,411.58	\$2,122,614.69	\$6,116,079.30
Distribution	\$656,125.81	\$9,557,405.48	\$31,059,110.15	\$41,272,641.44
Planning	\$0.00	\$48,796.69	\$0.00	\$48,796.69
Total Cost	\$1,902,638	\$13,624,326.78	\$35,353,864.68	\$50,880,829.14

3.7 Revenue Options

Revenue options for the recommended projects include: general obligation bonds, revenue bonds, State/Federal grants and loans, user fees, and impact fees. Although this analysis focuses on impact fees, the City may need to consider a combination of these funding options. The following discussion describes each of these options.

General Obligation Bonds through Property Taxes

This form of debt enables the City to issue general obligation bonds for capital improvements and replacement. General Obligation (G.O.) Bonds would be used for items not typically financed through the Water Revenue Bonds (for example, the purchase of water source to ensure a sufficient water supply for the City in the future). G.O. bonds are debt instruments backed by the full faith and credit of the City which would be secured by an unconditional pledge of the City to levy assessments, charges or ad valorem taxes necessary to retire the bonds. G.O. bonds are the lowest-cost form of debt financing available to local governments and can be combined with other revenue sources such as specific fees, or special assessment charges to form a dual security through the City's revenue generating authority. These bonds are supported by the City as a whole, so the amount of debt issued for the water system is limited to a fixed percentage of the real market value for taxable property within the City. For growth related projects this type of revenue places an unfair burden on existing residents as they had previously paid for their level of service.

Revenue Bonds

This form of debt financing is also available to the City for utility related capital improvements. Unlike G.O. bonds, revenue bonds are not backed by the City as a whole, but constitute a lien against the water service charge revenues of a Water Utility. Revenue bonds present a greater risk to the investor than do G.O. bonds, since repayment of debt depends on an adequate revenue stream, legally defensible rate structure /and sound fiscal management by the issuing jurisdiction. Due to this increased risk, revenue bonds generally require a higher interest rate

than G.O. bonds, although currently interest rates are at historic lows. This type of debt also has very specific coverage requirements in the form of a reserve fund specifying an amount, usually expressed in terms of average or maximum debt service due in any future year. This debt service is required to be held as a cash reserve for annual debt service payment to the benefit of bondholders. Typically, voter approval is not required when issuing revenue bonds. For growth related projects this type of revenue places an unfair burden on existing residents as they had previously paid for their level of service.

State/Federal Grants and Loans

Historically, both local and county governments have experienced significant infrastructure funding support from state and federal government agencies in the form of block grants, direct grants in aid, interagency loans, and general revenue sharing. Federal expenditure pressures and virtual elimination of federal revenue sharing dollars are clear indicators that local government may be left to its own devices regarding infrastructure finance in general. However, state/federal grants and loans should be further investigated as a possible funding source for needed water system improvements.

It is also important to assess likely trends regarding federal / state assistance in infrastructure financing. Future trends indicate that grants will be replaced by loans through a public works revolving fund. Local governments can expect to access these revolving funds or public works trust funds by demonstrating both the need for and the ability to repay the borrowed monies, with interest. As with the revenue bonds discussed earlier, the ability of infrastructure programs to wisely manage their own finances will be a key element in evaluating whether many secondary funding sources, such as federal/state loans, will be available to the City.

Not charging impact fees, or significantly lowering them could be viewed negatively from the perspective of State/Federal funding agencies. Charging a proper impact fee signals to these agencies that the community is using all possible means to finance the projects required to provide vital services to their residents.

User Fees

Similar to property taxes on existing residents, user fees to pay for improvements related to new growth-related projects places an unfair burden on existing residents as they had previously paid for their level of service.

Impact Fees

As discussed in Section 1, an impact fee is a one-time charge to a new development for the purpose of raising funds for the construction of improvements required by the new growth and to maintain the current level of service. Impact fees in Utah are regulated by the Impact Fee Statute and substantial case law. Impact fees are a form of a development exaction that requires a fee to offset the burdens created by the development on existing municipal services.

Funding the future improvements required by growth through impact fees does not place the burden on existing residents to provide funding of these new improvements.

References

Hansen, Allen, & Luce, Inc. 2021. Salem City Drinking Water Impact Fee Facility Plan and Impact Fee Analysis. South Jordan, UT: Hansen, Allen, & Luce, Inc.

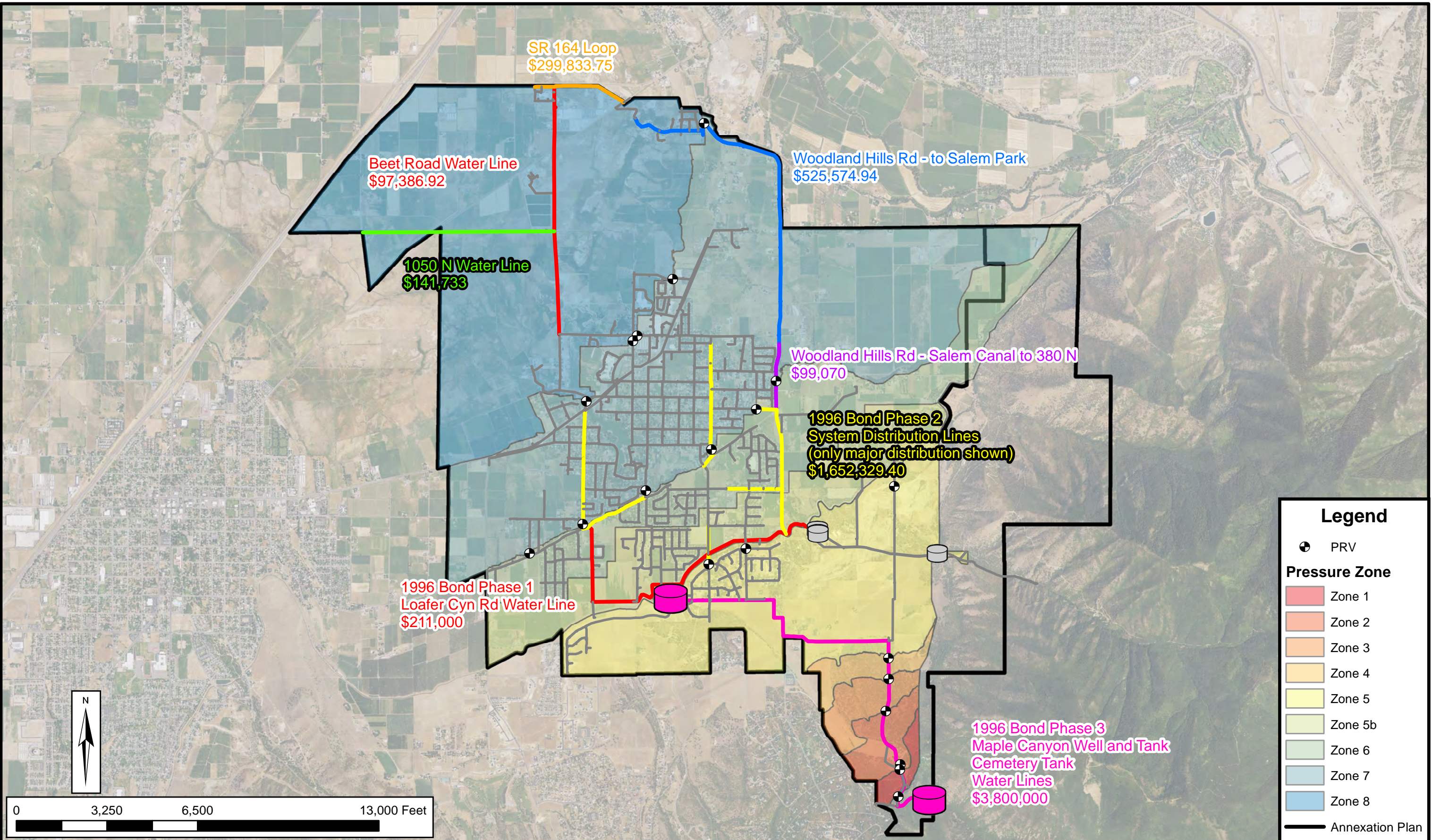
Hansen, Allen, & Luce, Inc. 2023. Salem City Drinking Water System Master Plan. South Jordan, UT: Hansen, Allen, & Luce, Inc.

State of Utah. 2014c. Utah Code Annotated, Section Utah Code 11-36a: Impact Fees Act

APPENDIX A

Historic Project Costs

Date: 6/17/2020
Document Path: H:\Projects\406 - Salem City\03.100 - Culinary and Secondary Water Master Plan\GIS\Working\DW IFPP existing projects.mxd



SALEM CITY DRINKING WATER IMPACT FEE FACILITY PLAN

CAPITAL PROJECTS WITH CAPACITY REMAINING

APPENDIX A

SUNRISE ENGINEERING, INC.
25 E 500 N, FILLMORE, UT. 84631
PARTIAL PAYMENT REQUEST
(Number 23A)

Name of Payee and Address:	JOHANSEN CONSTRUCTION, INC. P.O. BOX 40, MT. PLEASANT, UT 84647		
Name of Owner:	SALEM CITY \ WOODLAND HILLS TOWN		
Date of Completion:	Amount of Contract:	Dates of Estimate:	
Original:	Original: \$ 1,096,618.28	From:	9/19/98
Revised:	Revised: \$1,108,081.76	To:	10/20/98

Description of Job: SALEM CITY / WOODLAND HILLS TOWN CULINARY WATER IMPROVEMENTS PROJECT, PHASE III - 1997

			Contract Items				This Period		Total to Date		%
Item	Description	C.O.	Quantity	Unit	Unit Price	Applied %	Quantity	Amount	Quantity	Amount	COMP
SCHEDULE A											
1	Mobilization		1.00	L.S	\$ 35,000.00	100%		\$ -	75.0%	\$ 26,250.00	75.0%
2	Traffic Control		1.00	L.S.	\$ 1,500.00	100%	25.00%	\$ 375.00	50.0%	\$ 750.00	50.0%
3	Investigation And / Or Exploration		40.00	HR.	\$ 85.00	100%		\$ -	-	\$ -	0.0%
4	Spring Chlorination Building		1.00	L.S.	\$ 64,100.30	100%	10%	\$ 6,410.03	75%	\$ 48,075.23	75.0%
5	Lower Well Site AC/BPS/SCV # 1 Assembly		1.00	L.S.	\$ 14,170.99	100%		\$ -	90%	\$ 12,753.89	90.0%
6	16" PVC C905 SDR 18 Pipe & Fittings		535.00	LN.FT.	\$ 31.74	100%		\$ -	440.00	\$ 13,965.60	82.2%
7	16" Butterfly Valve		2.00	EACH	\$ 2,364.25	100%		\$ -	3.00	\$ 7,092.75	150.0%
8	Strawberry Canal Crossing		1.00	L.S.	\$ 1,500.00	100%		\$ -	1.00	\$ 1,500.00	100.0%
9	Lower 750,000 Gal. Concrete Stor. Tank - Site Work		1.00	L.S.	\$ 28,000.00	100%		\$ -	50%	\$ 14,000.00	50.0%
10	Lower 750,000 Gal. Concrete Stor. Tank		1.00	L.S.	\$ 234,516.00	100%		\$ -	95%	\$ 222,790.20	95.0%
11	Lower Tank Appurtenances		1.00	L.S.	\$ 33,687.50	100%		\$ -	100%	\$ 33,687.50	100.0%
12	Lower Tank Over Flow & Outlet Structure		1.00	L.S.	\$ 11,806.34	100%		\$ -	70%	\$ 8,264.44	70.0%
13	Lower Tank Site AC/BPS/SCV # 2 Assembly		1.00	L.S.	\$ 15,633.20	100%		\$ -	50%	\$ 7,816.60	50.0%
14	16' - 6" Wide Lower Tank Access Road		1,650.00	LN.FT.	\$ 3.50	100%		\$ -	1,650.00	\$ 5,775.00	100.0%
15	Chainlink Fence & Gate		1,010.00	LN.FT.	\$ 12.50	100%		\$ -	-	\$ -	0.0%
16	12" PVC (C900 SDR 18) Pipe & Fittings		12,300.00	LN.FT.	\$ 15.30	100%	4,512.00	\$ 69,033.60	7,148.00	\$ 109,364.40	58.1%
17	2" Schedule 40 PVC Power Conduit		28,800.00	LN.FT.	\$ 1.26	100%		\$ -	-	\$ -	0.0%
18	12" Gate Valve Assembly		2.00	EACH	\$ 1,266.18	100%	2	\$ 2,532.36	2.00	\$ 2,532.36	100.0%
19	8" PRV Assembly		5.00	EACH	\$ 14,734.77	100%		\$ -	2.00	\$ 29,469.54	40.0%
20	New 6" Fire Hydrant Assembly		1.00	EACH	\$ 1,687.03	100%		\$ -	-	\$ -	0.0%
21	3" Combination Air Valve		2.00	EACH	\$ 2,325.80	100%		\$ -	-	\$ -	0.0%
22	Bituminous Pavement Sawing		12,500.00	IN.FT.	\$ 0.35	100%		\$ -	-	\$ -	0.0%
23	Culinary Water Pipe (Imported) Pipe Bedding		6,000.00	LN.FT.	\$ 1.07	100%	3,460.00	\$ 3,702.20	3,860.00	\$ 4,130.20	64.3%
24	Untreated Base Course		2,000.00	TON	\$ 7.24	100%	51.43	\$ 372.35	127.92	\$ 926.14	6.4%
25	Bituminous Surface Course		460.00	TON	\$ 60.00	100%	82.68	\$ 4,960.80	82.68	\$ 4,960.80	18.0%
26	Pit Run (Import) Borrow		1,000.00	TON	\$ 5.37	100%		\$ -	2,464.24	\$ 13,232.97	246.4%
A1	30" Ductile Iron Pipe (Canal Casing)	A1	54.00	LN.FT.	\$ 160.00	100%		\$ -	54.00	\$ 8,640.00	100.0%
SCHEDULE B											
27	Mobilization		1.00	L.S.	\$ 5,000.00	60%		\$ -	50.0%	\$ 1,500.00	50.0%
28	Maple Canyon 750,000 Gal. Concrete Stor. Tank - Site Work		1.00	L.S.	\$ 15,000.00	60%		\$ -	95%	\$ 8,550.00	95.0%
29	Maple Canyon 750,000 Gal. Concrete Stor. Tank		1.00	L.S.	\$ 228,516.00	60%		\$ -	90%	\$ 123,398.64	90.0%
30	Maple Canyon Tank Appurtenances		1.00	L.S.	\$ 30,552.50	60%		\$ -	50%	\$ 9,165.75	50.0%
31	Maple Canyon Tank Outlet Structure		1.00	L.S.	\$ 12,667.68	60%		\$ -	50%	\$ 3,800.30	50.0%
32	Maple Canyon Tank Overflow Outlet Structure		1.00	L.S.	\$ 1,000.00	60%	25%	\$ 150.00	75%	\$ 450.00	75.0%
33	Maple Canyon Water Well Pump Station		1.00	L.S.	\$ 45,000.00	60%	25%	\$ 6,750.00	25%	\$ 6,750.00	25.0%
34	Maple Canyon Well Production Pump		1.00	L.S.	\$ 30,000.00	60%	1	\$ 18,000.00	1.00	\$ 18,000.00	100.0%
35	Furn., Inst., & Rem. Maple Can. Well Test Pump Equip.		1.00	L.S.	\$ 7,700.00	60%		\$ -	100.00%	\$ 4,620.00	100.0%
36	Cleaning & Redevelopment of Maple Canyon Well		8.00	HR.	\$ 212.50	60%		\$ -	7.00	\$ 892.50	87.5%
37	Test Pump Maple Canyon Well	B1	33.00	HR.	\$ 150.00	60%		\$ -	33.00	\$ 2,970.00	100.0%
38	Maple Canyon Well House - Chlorination Equip.		1.00	L.S.	\$ 11,500.00	60%		\$ -	-	\$ -	0.0%
39	Chainlink Fence & Gate		300.00	LN.FT.	\$ 17.00	60%		\$ -	-	\$ -	0.0%
40	Salvage and Reinstall 2" Combination Air Valve		1.00	EACH	\$ 500.00	60%	1.0	\$ 300.00	1.00	\$ 300.00	100.0%
41	Temporary Water Main Bypass		1.00	L.S.	\$ 2,500.00	60%		\$ -	100.00%	\$ 1,500.00	100.0%
42	Maple Canyon - Grade Tank Access Road		1.00	L.S.	\$ 1,000.00	60%		\$ -	-	\$ -	0.0%
43	Untreated Base Course		1,000.00	TON	\$ 7.74	60%		\$ -	-	\$ -	0.0%
44	Drain Gravel		500.00	TON	\$ 8.27	60%		\$ -	-	\$ -	0.0%
B1	Extra labor Install Well casing Flange	B1	1.00	L.S.	\$ 3,355.80	60%		\$ -	1.00	\$ 2,013.48	100.0%
TOTAL								\$ 112,586.34	TOTAL	\$ 759,888.29	68.6%

SUNRISE ENGINEERING, INC.
DISBURSEMENT SUMMARY FORM

October 23, 1998

Request 23

Name of Owner		SALEM CITY			PROJECT NO.
Description of Job:		SALEM CITY CULINARY WATER SYSTEM IMPROVEMENTS PROJECT			
Project Cost Classification	Budget/ Contract Amt.	Previously Disbursed	This Request	TOTAL TO DATE	
a. Construction					
Phase I	\$367,996.10	367,996.10		\$367,996.10	
Phase II	\$1,675,021.30	1,652,329.40		\$1,652,329.40	
C.O. 1	\$33,003.68				
C.O. 2	\$2,240.42				
C.O. 3	(\$10,307.00)				
C.O. 4	\$13,179.90				
C.O. 5	\$3,825.00				
C.O. 6	(\$64,633.90)				
Phase III	\$1,096,618.28	614,936.85	106,957.02	\$721,893.87	
C.O. 1 Schedule A (100%)	\$8,640.00				
C.O. 1 Schedule B (60%)	\$2,823.48				
Telemetry	\$75,000.00				
b. Engineering Phase I					
- Design	\$13,000.00	13,000.00		\$13,000.00	
- Construction	\$14,500.00	14,500.00		\$14,500.00	
c. Engineering Phase II					
- Administration	\$35,000.00	35,000.00		\$35,000.00	
- Design (Phase II & III)	\$237,000.00	237,000.00		\$237,000.00	
- Construction (Phase II & III)	\$293,500.00	172,681.90	10,042.70	\$182,724.60	
d. UDOT	\$5,000.00	451.00		\$451.00	
e. Aerial Photography & Base Mapping	\$22,389.00	22,389.00		\$22,389.00	
f. Geotechnical (Tank Site Selection)	\$5,000.00	4,108.75		\$4,108.75	
g. Power & Electrical	\$25,000.00			\$0.00	
h. Land & Rights-of-Way					
- L.D.S. Church (Easement Well Site Fees)	\$2,122.00	2,122.00		\$2,122.00	
- Appraisal Group, Inc.	\$748.53	748.53		\$748.53	
- Valley Title Co. (Closing Cost for Well)	\$140.05	140.05		\$140.05	
Well					
- H. E. Davis	\$255,000.00	188,440.00		\$188,440.00	
Well Site					
- Broadhollow L. C.	\$90,000.00	90,000.00		\$90,000.00	
Protection Zone					
- Broadhollow L. C.	\$123,333.33	123,333.33		\$123,333.33	
i. Legal & Fiscal					
- Rating Agency - Standard and Poor's	\$4,500.00	4,500.00		\$4,500.00	
- The Daily Herald (Notice of Bonds)	\$56.44	56.44		\$56.44	
- First Security Bank (Bond Serv./Fees)	\$5,500.00	5,500.00		\$5,500.00	
- Ray, Quinney & Nebeker (Bond Att. Fees)	\$14,105.58	14,105.58		\$14,105.58	
- Rose Printing Co. (Official Statements)	\$876.00	876.00		\$876.00	
- Moody's Investor Serv. (Bond Services)	\$6,500.00	6,500.00		\$6,500.00	
- First Security Bank (Financial Adv. Serv.)	\$3,000.00	3,000.00		\$3,000.00	
- Switter Axland & Hanson	\$2,775.00	2,775.00		\$2,775.00	
- Junior Baker	\$2,592.00	2,592.00		\$2,592.00	
j. Consultants					
- Hill, Jamison and Associates, Inc.	\$10,260.00	10,260.00		\$10,260.00	
- Ford/Chemtech	\$1,613.00	1,613.00		\$1,613.00	
- Rooney Engineering - FCC Licensing	\$1,200.00	1,200.00		\$1,200.00	
k. Miscellaneous Phase I					
- Daily Herald	\$85.81	85.81		\$85.81	
- Plumbers Supply Co., Inc.	\$555.87	555.87		\$555.87	
- Utah Dept. of Health (Water Test)	\$40.00	40.00		\$40.00	
- Intermountain Excavating (Service/Work)	\$622.50	622.50		\$622.50	
- Kenny Seng Construction	\$6,053.04	6,053.04		\$6,053.04	
- Study	\$1,500.00	1,500.00		\$1,500.00	
l. Miscellaneous Phase II					
- J. Mart Publishing (Notice of Inv. to Bid)	\$133.20	133.20		\$133.20	
- Fred A. Moreton Co. (Comm. Crime Cover.)	\$100.00	100.00		\$100.00	
- Orlynn Sheen (Connectors Agreement Pymt.)	\$1,591.80	1,591.80		\$1,591.80	
m. Interest Earned (through 10/11/96)	(\$102,514.57)			\$0.00	
n. Contingency	\$313,067.48			\$0.00	
NET CUMMULATIVE	\$4,599,353.32	\$3,602,837.15	\$116,999.72	\$3,719,836.87	
LESS PREV. DISBURSEMENT				(\$3,602,837.15)	
AMOUNT THIS REQUEST			\$116,999.72	\$116,999.72	

Architect or Engineer: SUNRISE ENGINEERING, INC.

By Bernard R. Ward

Date 10/23/98

Approved by Owner: SALEM CITY

By Janet R. Buehler

Date 10/27/98

Date	Journal	Reference	Description	Debit Amount	Credit Amount	Balance
*			12/31/2001 (12/01) Balance	.00	.00	.00
*			01/31/2002 (01/02) Period Totals ***	.00	.00	.00
*						
*			02/28/2002 (02/02) Period Totals ***	.00	.00	.00
*						
*			03/31/2002 (03/02) Period Totals ***	.00	.00	.00
*						
*			04/30/2002 (04/02) Period Totals ***	.00	.00	.00
*						
*			05/31/2002 (05/02) Period Totals ***	.00	.00	.00
*						
*			06/30/2002 (06/02) Period Totals ***	.00	.00	.00
*						
*			06/30/2002 (13/02) Period Totals ***	.00	.00	.00
*						
*			06/30/2002 (14/02) Period Totals ***	.00	.00	.00
*						
*			07/01/2002 (00/02) Period Totals ***	.00	.00	.00
*						
*			07/31/2002 (07/02) Period Totals ***	.00	.00	.00
*						
*			08/31/2002 (08/02) Period Totals ***	.00	.00	.00
*						
*			09/30/2002 (09/02) Period Totals ***	.00	.00	.00
*						
*			10/31/2002 (10/02) Period Totals ***	.00	.00	.00
*						
12/09/2002*	AP	165.0001	MOUNTAINLAND SUPPLY C 534 5685	61,770.00	.00	61,770.00
12/10/2002	AP	285.0001	MOUNTAINLAND SUPPLY CO.,INC.	.00	(1,235.40)	60,534.60
*			11/30/2002 (11/02) Period Totals ***	61,770.00	(1,235.40)	60,534.60
*						

Amount type: Actual
Display: Reference detail

Date	Journal	Reference	Description	Debit Amount	Credit Amount	Balance
*			12/31/2002 (12/02) Period Totals ***	.00	.00	60,534.60
*						
01/30/2003*	AP	91.0001	BISCO 174 2700	110.72	.00	60,645.32
01/30/2003*	AP	94.0001	MOUNTAINLAND SUPPLY C 534 5840	131.40	.00	60,776.72
01/30/2003*	AP	95.0001	MOUNTAINLAND SUPPLY C 534 5840	2,046.74	.00	62,823.46
01/31/2003*	AP	107.0001	H.E. DAVIS & SONS,INC 380 5844	643.93	.00	63,467.39
02/03/2003*	AP	127.0001	H.E. DAVIS & SONS,INC 380 5844	2,500.25	.00	65,967.64
02/03/2003*	AP	135.0001	MOUNTAINLAND SUPPLY C 534 5840	141.12	.00	66,108.76
02/03/2003*	AP	136.0001	MOUNTAINLAND SUPPLY C 534 5840	300.00	.00	66,408.76
02/03/2003*	AP	138.0001	OUTBACK GRAPHICS 584	110.00	.00	66,518.76
02/10/2003*	AP	186.0001	MOUNTAINLAND SUPPLY C 534 5840	374.52	.00	66,893.28
02/10/2003*	AP	187.0001	MOUNTAINLAND SUPPLY C 534 5840	85.44	.00	66,978.72
02/10/2003*	AP	188.0001	MOUNTAINLAND SUPPLY C 534 5840	831.98	.00	67,810.70
02/10/2003*	AP	189.0001	MOUNTAINLAND SUPPLY C 534 5840	1,028.96	.00	68,839.66
02/10/2003	AP	211.0001	MOUNTAINLAND SUPPLY CO.,INC.	.00	(96.17)	68,743.49
*			01/31/2003 (01/03) Period Totals ***	8,305.06	(96.17)	68,743.49
*						
02/11/2003*	AP	5.0001	H.E. DAVIS & SONS,INC 430 5844	2,600.65	.00	71,344.14
02/19/2003*	AP	29.0001	H.E. DAVIS & SONS,INC 430 5844	884.29	.00	72,228.43
02/19/2003*	AP	34.0001	MOUNTAINLAND SUPPLY C 600	.00	(229.38)	71,999.05
02/19/2003*	AP	35.0001	MOUNTAINLAND SUPPLY C 600 5840	264.50	.00	72,263.55
02/25/2003	AP	208.0001	MOUNTAINLAND SUPPLY CO.,INC.	.00	(5.29)	72,258.26
03/03/2003*	AP	105.0001	H.E. DAVIS & SONS,INC 430 5844	396.94	.00	72,655.20
03/03/2003*	AP	110.0001	MOUNTAINLAND SUPPLY C 600 5840	814.85	.00	73,470.05
03/05/2003*	AP	134.0001	H.E. DAVIS & SONS,INC 430 5844	1,404.32	.00	74,874.37
03/10/2003	AP	217.0001	MOUNTAINLAND SUPPLY CO.,INC.	.00	(16.30)	74,858.07
*			02/28/2003 (02/03) Period Totals ***	6,365.55	(250.97)	74,858.07
*						
03/11/2003*	AP	3.0001	MOUNTAINLAND SUPPLY C 600 5840	258.00	.00	75,116.07
03/11/2003*	AP	4.0001	MOUNTAINLAND SUPPLY C 600 5840	97.31	.00	75,213.38
03/17/2003*	AP	23.0001	MOUNTAINLAND SUPPLY C 600 5949	870.94	.00	76,084.32

Amount type: Actual
Display: Reference detail

Date	Journal	Reference	Description	Debit Amount	Credit Amount	Balance
03/19/2003*	AP	77.0001	MOUNTAINLAND SUPPLY C 600 5949	2.90	.00	76,087.22
03/25/2003*	AP	88.0001	H.E. DAVIS & SONS,INC 430 5844	1,038.28	.00	77,125.50
03/25/2003*	AP	89.0001	H.E. DAVIS & SONS,INC 430 5844	640.36	.00	77,765.86
04/01/2003*	AP	114.0001	H.E. DAVIS & SONS,INC 430 5950	1,973.88	.00	79,739.74
04/02/2003*	AP	141.0001	MOUNTAINLAND SUPPLY C 600 5949	187.51	.00	79,927.25
04/02/2003*	AP	142.0001	MOUNTAINLAND SUPPLY C 600 5949	150.00	.00	80,077.25
04/07/2003*	AP	173.0001	PRO-LINE INC. 694	90.00	.00	80,167.25
04/09/2003*	AP	196.0001	INTERMOUNTAIN EXCAVAT 478	63.33	.00	80,230.58
04/09/2003	AP	205.0001	MOUNTAINLAND SUPPLY CO.,INC.	.00	(31.34)	80,199.24
*			03/31/2003 (03/03) Period Totals ***	5,372.51	(31.34)	80,199.24
*						
04/18/2003*	AP	16.0001	H.E. DAVIS & SONS,INC 430 5950	327.65	.00	80,526.89
04/18/2003*	AP	17.0001	H.E. DAVIS & SONS,INC 430 5950	429.73	.00	80,956.62
04/18/2003*	AP	18.0001	H.E. DAVIS & SONS,INC 430 5950	380.48	.00	81,337.10
04/18/2003*	AP	19.0001	H.E. DAVIS & SONS,INC 430 5950	474.89	.00	81,811.99
04/18/2003*	AP	20.0001	H.E. DAVIS & SONS,INC 430 5950	1,120.12	.00	82,932.11
04/18/2003*	AP	30.0001	MOUNTAINLAND SUPPLY C 600 5949	3,246.06	.00	86,178.17
04/18/2003*	AP	31.0001	MOUNTAINLAND SUPPLY C 600 5999	694.18	.00	86,872.35
04/18/2003*	AP	32.0001	MOUNTAINLAND SUPPLY C 600	3,931.20	.00	90,803.55
04/18/2003*	AP	33.0001	MOUNTAINLAND SUPPLY C 600 5999	30.00	.00	90,833.55
04/18/2003*	AP	34.0001	MOUNTAINLAND SUPPLY C 600	136.59	.00	90,970.14
04/18/2003*	AP	64.0001	SOUTHGATE HARDWARE 808 6024	31.96	.00	91,002.10
04/18/2003*	AP	65.0001	SOUTHGATE HARDWARE 808 6024	17.38	.00	91,019.48
04/22/2003*	AP	124.0001	H.E. DAVIS & SONS,INC 430 5950	1,645.09	.00	92,664.57
04/23/2003*	AP	138.0001	MOUNTAINLAND SUPPLY C 600 5999	342.68	.00	93,007.25
05/07/2003*	AP	198.0001	H.E. DAVIS & SONS,INC 430 5950	325.43	.00	93,332.68
05/09/2003	AP	280.0001	MOUNTAINLAND SUPPLY CO.,INC.	.00	(160.75)	93,171.93
*			04/30/2003 (04/03) Period Totals ***	13,133.44	(160.75)	93,171.93
*						
05/12/2003*	AP	10.0001	RB CONSTRUCTION & CON 716	3,600.00	.00	96,771.93
05/12/2003*	AP	11.0001	RB CONSTRUCTION & CON 716	300.00	.00	97,071.93

Amount type: Actual
Display: Reference detail

Date	Journal	Reference	Description	Debit Amount	Credit Amount	Balance
05/14/2003*	AP	37.0001	MOUNTAINLAND SUPPLY C 600 5999	321.42	.00	97,393.35
05/27/2003	AP	282.0001	MOUNTAINLAND SUPPLY CO.,INC.	.00	(6.43)	97,386.92
*			05/31/2003 (05/03) Period Totals ***	4,221.42	(6.43)	97,386.92
*						
*			06/30/2003 (06/03) Period Totals ***	.00	.00	97,386.92
*						
*			06/30/2003 (13/03) Period Totals ***	.00	.00	97,386.92
*						
06/30/2003	AUDIT	117.0001	AUDIT ADJUSTING JOURNAL ENTRIES	.00	(97,386.92)	.00
*			06/30/2003 (14/03) Period Totals ***	.00	(97,386.92)	.00
*						
*			07/01/2003 (00/03) Period Totals ***	.00	.00	.00
*						
*			07/31/2003 (07/03) Period Totals ***	.00	.00	.00
*						
*			08/31/2003 (08/03) Period Totals ***	.00	.00	.00
*						
*			09/30/2003 (09/03) Period Totals ***	.00	.00	.00
*						
*			10/31/2003 (10/03) Period Totals ***	.00	.00	.00
*						
*			11/30/2003 (11/03) Period Totals ***	.00	.00	.00
*						
*			12/31/2003 (12/03) Period Totals ***	.00	.00	.00
*						
*			01/31/2004 (01/04) Period Totals ***	.00	.00	.00
*						
*			02/29/2004 (02/04) Period Totals ***	.00	.00	.00
*						
*			03/31/2004 (03/04) Period Totals ***	.00	.00	.00
*						

Amount type: Actual
Display: Reference detail

NEBO - Mt. Loafer Water Line Project
Beginning I \$211,150.00

Salem City
Balance

Date	Payment Amount	Beginning	\$ 211,150
		Add	\$ 117,075

End Balanc \$211,150.00

End Balanc \$ 328,225.34

\$117,075 amount was given by LEI, stated was for the Water line
on 460 West and Improvements done on Spring in water canyon.

REVERE HEALTH REIMBURSEMENT AGREEMENT

This reimbursement agreement is entered into by and between Salem City (City) and South County Investment Properties, LLC (SCIP).

WHEREAS, SCIP has developed real property in Salem City known as the Revere Health Building and, as part of the development, has upgraded the culinary water system of the City; and

WHEREAS, the upgraded culinary water facilities serve a regional area broader than the Revere Health Building; and

WHEREAS, SCIP has extended a twelve inch water line, as well as a loop to the water line to maintain pressure and fire flows, needed to service additional areas; and

WHEREAS, the upgrades are included on City's Impact Fee Facilities Plan; and

WHEREAS, the cost of the culinary water line upgrades are \$26,490.75 for the extension of the twelve inch line and \$273,343.00 for the loop, which are entitled to be reimbursed from culinary water impact fees; and

NOW THEREFORE, the parties hereto contract covenant, and agree as follows:

1. Developer will be reimbursed from all culinary water impact fees collected within Salem City until the amount of \$299,833.75 is fully paid.
2. City will disburse 100% of collected impact fees from the culinary water impact fee account on an annual basis in April, based on fees received through the prior calendar year, pro-rated among all recipients of the culinary water impact fees outstanding at any given time.

The pro-rata amount will be calculated on the total amount originally owing, not the current balance. Thus, the amount reimbursed in any given year will vary, upward or downward, over the payback period.

3. Developer acknowledges that its only source of reimbursement is impact fees, to be paid as they are collected by City. It waives claim against City for reimbursement from any other source. As such, Developer agrees that it will not challenge the impact fees of the City.

4. Developer is granted the option to defend City's impact fees if they are challenged by another entity, if the City elects not to defend the challenge.

5. This agreement represents the entire agreement related to this reimbursement between the parties hereto. All prior negotiations, understandings, or representations are merged herein and superseded hereby.

6. Any amendment to this agreement must be in writing and be signed by each of the parties hereto.

7. In the event of breach in any of the obligations of this agreement, the non-breaching party shall be entitled to recover their expert witness fees and attorney's fees, whether or not litigation is pursued.

8. This agreement becomes effective when both fees are incorporated into the impact fee facilities plan and adopted as part of the impact fees.

DATED this _____ day of December, 2018.

SOUTH COUNTY INVESTMENT
PROPERTIES, LLC by:

SCOTT BINGHAM, Manager

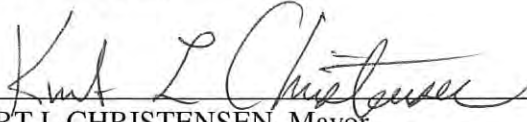
KURT BODILY, Manager

THOMAS A. DICKINSON, Manager

KENT GLEDHILL, Manager

JOHN STAHELI, Manager

SALEM CITY by:



KURT L CHRISTENSEN, Mayor

Attest:



Jeffrey D. Nielson, Recorder



11-26-18

REVERE HEALTH IMPACT FEE REIMBURSEMENT

0 150 300
Feet



APPENDIX B

Source and Storage Requirements



**TABLE B-1
SOURCE REQUIREMENT**

Time Period	ERCs Served	Irr-ac Served	Source Requirement (gpm) ¹
Existing	4,792	64	1,715
Next 10 years	4,861	-17	1,248
Beyond 10 years	15,797	92	4,940
Total	25,450	139	7,903

1. Calculated at a level of service of 400 gpd/ERC and 6 gpm/irr-ac

**TABLE B-2
STORAGE REQUIREMENT**

Time Period	ERCs Served	Irr-ac Served	Source Requirement (gal) ¹
Existing	4,792	64	1,714,080
Next 10 years	4,861	-17	1,384,860
Beyond 10 years	15,797	92	5,136,540
Total	25,450	139	8,235,480

1. Calculated at a level of service of 300 gal/ERC and 4,320 gpm/irr-ac