IMPACT FEES METER SIZE TO SFUE METHODOLOGY PRESENTATION

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AGENDA

- Background
- Previous Ordinance changes
- Existing Meter size methodology for impact fee determination
- Proposed methodology, development, and example calculations
- Conclusions
- Next steps

BACKGROUND

- Current impact fees determined based upon water meter size (both City customers and non-City residents).
  - Residential meter (¾")
    - Water = $2,089.00 + tap installation (meter only or complete installation)
    - Sewer = $3,544.00 + tap installation (tap in place or not in place)
- **Impact fees (formerly access fee & system development fee) not increased in 13-years** – Ordinance 2007-120

WHY SHOULD WE CHANGE?

- Meter size is not an equitable capture of the impacts to the system.
  - Proposing demand based rather than meter based.
- Why should we increase impact fees?
  - Increased asset costs (increasing pipe, pumps, facilities, etc.) for additional capacity
    - Future development drives additional required conveyance and treatment capacity.
- Overall reduction in rate-payer contribution to fund growth related infrastructure.

EXISTING METER SIZE METHODOLOGY FOR IMPACT FEE DETERMINATION

	WATER	SEWER
Meter Size	**Impact Fee**	**Impact Fee**
3/4" and 5/8"	$2,089.00	$3,544.00
1"	$8,358.00	$14,175.00
1 1/2"	$20,009.00	$34,020.00
2"	$26,745.00	$45,360.00
3"	$58,506.00	$99,225.00
4"	$83,580.00	$141,750.00
6"	$200,592.00	$340,200.00
8"	$250,740.00	$425,250.00

- Current methodology by meter size incentivizes installation of an undersized meter rather than usage determined from actual occupancy groups.
  - Increasing stair stepped costs between meter sizes.
- Discourages the use of fire suppression systems (additional meter or larger meter).
- How do we appropriately plan for the impact to the system?

PROPOSED METHODOLOGY

- Proposed structure is based on Single Family Unit Equivalent (SFUE) = 350 gallons/day
  - One single family residential house = One SFUE
  - Multi-family units, commercial buildings, other uses = Multiple SFUEs
  - Structure:
    - Use developer provided plans to determine building occupancy
    - Assign demand factors for each building occupancy category (standardization)
    - Calculate the total planned demand and determine single family unit equivalents
    - Determine fee based on multiple of SFUE
    - Allows for QC from availability period to plan submittal stage to ensure fee is assessed equitably

METHODOLOGY GOALS

- Provide equitable assessment of fees based on projected demands by the developer as verified through City Staff.
- Tie fees to projected demands that drive capital investments and planning.
- Size meters based on demands and eliminate meter sizing decisions based on fees.
- Encourage the use of fire suppression systems.
- Reduce the rate-payer demand to fund growth related infrastructure.

METHODOLOGY DEVELOPMENT

- Review of adopted 2018 International Building Code to determine actual occupancy of buildings and who/what would be contributing to the collection system/water reclamation facility.
- Selected various structure uses within the City for comparison (school, office building, assisted living facility, gas station, restaurant, church, etc.)
- Use these data points to determine protocol for SFUE determination to eliminate meter size methodology.

METHODOLOGY DETAILS

- Using the building plans submitted during the Plan Review process, the square footage of usable spaces was determined.
- Those usable spaces correlated with the International Building Code (IBC) occupancy classes (could be multiple occupancy classes in single building).
  - Examples include storage, commercial, hazardous, mercantile, assembly, institutional, transient residential, etc.
- Occupancy classes then correlated with the Occupancy Load Factor (OLF = # of occupants/sq. ft).
- Demand factor pulled from Projected Flow Examples (current availability application) or other flow scenarios (DF = gallons/day/OL).
- Building sq. ft divided by OLF times the DF = Total Demand
- Total Demand / 350 gallons/day = # SFUEs

STANDARD VALUES

Occupancy Groups	Occupancy Load Factor (Occ load/sq-ft)	Demand Factor (gal/person)
A = Assembly	20	3.25
B = Business	100	25
B2 = Business Heavy	3	4.25
E = Educational	50	4
F = Factory	500	25
H = High Hazard	200	5
I = Institutional	100	7
M = Mercantile	30	7
R = Residential	1	350
R2 = Residential	1	100
S = Storage Group	300	25
U = Utility	300	25

- 2018 International Building Code (adopted by BOMA)
- Calibrated to define more appropriate values for certain structures based on COF billing data.

SFUE METHODOLOGY EXAMPLE CALCULATION

OCCUPANCY EXAMPLE 3	Occupancy Load Factor (sq-ft/person)	Building Square Footage	Demand Factor (gal/people)	Total Demand	# SFUE's
Mercantile	30	20,377	7	4,755	13.58
Business	100	20377	25	5,094	14.56

- Two-story building, bottom floor commercial and top floor office.
- Total Demand = (Bldg Sq. Ft. / OLF) x DF
- Total Demand / (350 gallons/day) = # SFUEs
- Single building can have multiple uses summing a total of SFUEs
- Impact fee based off 28.14 SFUE demand on system

CONCLUSIONS

- Meter size is not an equitable capture of the impacts to the system based upon conveyance and treatment demands.
- Increased asset costs for additional capacity equate to significant impacts to the systems (conveyance and treatment).
- Single Family Unit methodology will allow for a framework to equitably apply fees across all types of developments.
- Reduce overall rate-payer contribution to fund growth related infrastructure.

NEXT STEPS

- April 12 Worksession will present the proposed fees and application to methodology.
- April 26 Worksession to present the Ordinance Change to Title 18, Waters & Sewers.
  - May 10 BOMA, first reading
  - May 24 BOMA, second reading
  - June 14 BOMA, third & final reading
- July 1, implementation