

## **BEAR LAKE SPECIAL SERVICE DISTRICT**

### **Summary of Wastewater Impact Fee Analysis**

#### **What Is an Impact Fee Analysis?**

An impact fee is a one-time charge paid by new development to cover its fair share of the cost of public facilities needed to serve that growth. Under the Utah Impact Fees Act, the Bear Lake Special Service District (the “District”) must prepare a written Impact Fee Analysis (“IFA”) before it may charge a wastewater impact fee. The IFA identifies the existing level of service, the impact new development will have on the system, how those impacts relate to new development, the share of costs new development should bear, and how the fee was calculated. The District may adopt a fee lower than the amount the IFA supports, but not higher.

#### **How the Fee Was Calculated**

The IFA, prepared by Sunrise Engineering, Inc. in May 2025, builds on the District’s 2023 Wastewater Facility Plan. That plan projects 2.5% annual growth, increasing demand from about 4,874 equivalent residential units (“ERUs”) today to about 8,956 by 2053. One ERU represents the wastewater produced by a typical single-family home. For each project, the IFA determined what share of the cost serves new growth rather than existing customers. Projects needed only for growth are 100% eligible; those that also correct existing capacity shortfalls are only partially eligible, and the existing users’ share is excluded. Because the District expects to finance the projects with 40-year loans, costs include inflation and loan interest. Impact fees collected in the past toward Lift Station #12 were deducted.

#### **Projects Included**

| <b>Project</b>                            | <b>% Growth-Related</b> | <b>Fee per ERC</b> |
|-------------------------------------------|-------------------------|--------------------|
| Lift Station #12 (completed 2025)         | 100%                    | \$165.93           |
| Lagoon Cell 6 Construction                | 100%                    | \$3,870.42         |
| Lagoon Cell 4 Conversion                  | 100%                    | \$698.06           |
| Sewershed #7 Collection System            | 46%                     | \$184.57           |
| Sewershed #6 Collection System            | 60%                     | \$226.04           |
| Sewershed #5 Collection System            | 70%                     | \$810.89           |
| Sewershed #4 Collection System            | 50%                     | \$105.84           |
| <b>Total (rounded down to \$6,050.00)</b> |                         | <b>\$6,061.76</b>  |

#### **Recommended Fee**

The IFA supports a maximum wastewater impact fee of \$6,050.00 per equivalent residential connection, which is separate from and in addition to connection fees. A single-family home counts as one connection. Non-residential users would pay in proportion to their expected wastewater discharge, but no connection would pay less than a single-family home. No credit against the fee is needed because the projected impact fee revenue is expected to cover the loan payments without increasing monthly sewer rates. The IFA recommends updating the analysis at least every five years, or sooner if new projects are planned or growth differs significantly from projections.