



HONEYVILLE CITY

DRAFT Culinary Water Impact Fee Analysis
November 2025

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EXECUTIVE SUMMARY

An impact fee is a one-time fee imposed on new development activity to mitigate the impact of new development on capital facilities. In conjunction with this Impact Fee Analysis, Jones & Associates has prepared the Honeyville Culinary Water Capital Facilities Plan and Impact Fee Facilities Plan (IFFP) dated August 2025. The IFFP forms the basis for this impact fee analysis.

The recommended impact fee structure presented in this analysis has been prepared to satisfy the Impact Fees Act, Utah Code Ann. § 11-36a-101 et. seq., and represents the maximum impact fees Honeyville City ("City") may assess. The City will be required to use revenue sources other than impact fees to fund any projects that constitute repair and replacement, cure any existing deficiencies, or increase the level of service for existing users.

Water Service Levels

The City is anticipated to grow by 64 ERCs (equivalent residential connections) between 2025 and 2032.¹

Water Service Levels

Service levels are as defined by the Utah Division of Drinking Water (DDW) standard minimum requirements for sizing water infrastructure including sources, storage and distribution facilities. Meeting the State's minimum service levels is the City's existing service level.²

Water Service Area

There is one service area for culinary water that encompasses the boundaries of Honeyville City plus the annexation boundary.³

Excess Capacity

The IFFP states that no impact fees will be charged to recoup for excess water source or storage capacity although excess capacity does exist. This decision was made because the City has no available records to establish the actual cost of source and storage facilities.⁴

New Construction

Total new construction costs are projected to reach \$2,362,500.⁵ New development in the next six years accounts for 100 percent of these costs.

Culinary Water System Impact Fee Calculation

The maximum impact fee is \$2,139.92 for a 5/8" x 3/4" meter (one ERC) for indoor use. One ERC equates to 400 gpd.⁶ In addition, outdoor residential water use (10,000 sf max) equals 713 gpd or 1.7825 ERCs or \$3,814.41. Therefore, the total ERCs for indoor and outdoor water use equal 2.7825 ERCs or a maximum fee of \$5,954.33 for a 5/8" x 3/4" meter.

¹ Honeyville City Culinary Water IFFP, p. 28

² Honeyville City Culinary Water IFFP, p. 27

³ Honeyville City Culinary Water IFFP, p. 26

⁴ Honeyville City Culinary Water IFFP, p. 28

⁵ Honeyville City Culinary Water IFFP, p. 29

⁶ Honeyville City Culinary Water IFFP, p. 27

The City does not have any fund balance or any outstanding debt in its water utility fund and therefore no bond credits need to be made.

Indoor single-family and multi-family residential fees will be charged on a per door basis based on one ERC. Outdoor fee will be assessed to a new service where the applicant is unable to demonstrate both 1) proof of water shares or water rights, and 2) physical water at the subject property.

Nonresidential impact fees are calculated based on meter size and flow rates as shown in the following table

TABLE 1: CULINARY WATER MAXIMUM IMPACT FEES BY METER SIZE

			INDOOR ONLY ¹	OUTDOOR FEE	INDOOR + OUTDOOR, RESIDENTIAL ONLY ^{2,3}
Meter Size (inches)	Maximum Flow Rate (gpm)	Meter Ratio	Maximum Impact Fee	Maximum Impact Fee	Maximum Impact Fee
5/8 x 3/4 (std)	20	1	\$2,139.92	\$3,814.41	\$5,954.33
1	50	2.5	\$5,349.80	\$9,536.03	\$14,885.83
1.5	150	7.5	\$16,049.41	\$28,608.08	\$44,657.49
2	250	12.5	\$26,749.02	\$47,680.13	see note 3
3	500	25	\$53,498.05	\$95,360.27	see note 3
4	1000	50	\$106,996.09	\$190,720.54	see note 3
6	1600	80	\$171,193.75	\$305,152.86	see note 3
8	to be determined by City Engineer				

¹Proof of irrigation water required

²Maximum permissible irrigated area is 10,000 sf = 1.7825 ERCs (City Ordinance 11-5-2.B)

³City Engineer will calculate outdoor impact fee for commercial and non-single family residential sites based on the proposed landscaped area as shown on the approved site plan. Ratio of 0.25 ac = 713 gpd = 1.7825 ERCs

CHAPTER 1: OVERVIEW OF THE WATER IMPACT FEES

Summary

An impact fee is intended to recover the City's costs of building water system capacity to serve new residential and non-residential development rather than passing these growth-related costs on to existing users through rates. The Utah Impact Fees Act allows only certain costs to be included in an impact fee so that only the fair cost of expansionary projects or existing unused capacity paid for by the City is assessed through an impact fee.

Costs to be Included in the Impact Fee

The impact fees proposed in this analysis are calculated based upon:

- Buy-in to existing, excess capacity;
- New capital infrastructure that will serve new development; and
- Professional and planning expenses related to the construction of system improvements that will serve new development.

The costs that cannot be included in the impact fee are as follows:

- Costs for projects that cure system deficiencies;
- Costs for projects that increase the level of service (LOS) above that which is currently provided;
- Operations and maintenance costs;
- Costs of facilities funded by grants or other funds that the City does not have to repay; and
- Costs of reconstruction of facilities that do not have capacity to serve new growth.

Utah Code Legal Requirements

Utah law requires that communities and special districts prepare an Impact Fee Analysis (IFA) before enacting an impact fee. Utah law also requires that communities/districts give notice of their intent to prepare and adopt an IFA. This IFA follows all legal requirements as outlined below. The City has retained Zions Public Finance, Inc. (ZPFI) to prepare this Impact Fee Analysis in accordance with legal requirements.

Notice of Intent to Prepare Impact Fee Analysis

A local political subdivision must provide written notice of its intent to prepare an IFA before preparing the Plan (Utah Code §11-36a-503). This notice must be posted on the Utah Public Notice website. The City has complied with this noticing requirement for the IFA by posting notice.

Preparation of Impact Fee Analysis

Utah Code requires that each local political subdivision, before imposing an impact fee, prepare an impact fee analysis. (Utah Code 11-36a-304).

Section 11-36a-304 of the Utah Code outlines the requirements of an impact fee analysis which is required to:

- (1) An impact fee analysis shall:
 - (a) identify the anticipated impact on or consumption of any existing capacity of a public facility by the anticipated development activity;
 - (b) identify the anticipated impact on system improvements required by the anticipated development activity to maintain the established level of service for each public facility;
 - (c) demonstrate how the anticipated impacts described in Subsections (1)(a) and (b) are reasonably related to the anticipated development activity;
 - (d) estimate the proportionate share of:
 - (i) the costs for existing capacity that will be recouped; and
 - (ii) the costs of impacts on system improvements that are reasonably related to the new development activity; and
 - (e) identify how the impact fee was calculated.

- (2) In analyzing whether or not the proportionate share of the costs of public facilities are reasonably related to the new development activity, the local political subdivision or private entity, as the case may be, shall identify, if applicable:
- (a) the cost of each existing public facility that has excess capacity to serve the anticipated development resulting from the new development activity;
 - (b) the cost of system improvements for each public facility;
 - (c) other than impact fees, the manner of financing for each public facility, such as user charges, special assessments, bonded indebtedness, general taxes, or federal grants;
 - (d) the relative extent to which development activity will contribute to financing the excess capacity of and system improvements for each existing public facility, by such means as user charges, special assessments, or payment from the proceeds of general taxes;
 - (e) the relative extent to which development activity will contribute to the cost of existing public facilities and system improvements in the future;
 - (f) the extent to which the development activity is entitled to a credit against impact fees because the development activity will dedicate system improvements or public facilities that will offset the demand for system improvements, inside or outside the proposed development;
 - (g) extraordinary costs, if any, in servicing the newly-developed properties; and
 - (h) the time-price differential inherent in fair comparisons of amounts paid at different times.

Certification of Impact Fee Analysis

Utah Code states that an Impact Fee Analysis shall include a written certification from the person or entity that prepares the Impact Fee Analysis. This certification is included at the conclusion of this analysis.

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

Utah Code 11-36a-304(1)(a)

Projected Water Demands

Table 3 shows ERC growth projections which will place additional demand on the City's water system. The City's water system currently serves 648 equivalent residential connections (ERCs) in 2025 which will grow to an estimated 712 ERCs by 2032 – an increase of 64 ERCs.

Water Service Area

ERCs within the City are projected to grow as follows:

TABLE 2: GROWTH IN DEMAND

Year	ERCs
2025	648
2026	657
2027	666
2028	675
2029	684
2030	693
2031	703
2032	712
ERC Growth, 2025-2032	64

Source: Honeyville City Culinary Water IFFP, p. 28

Existing and Proposed LOS Analysis

Level of service (LOS) defines the water capital facility demands that a typical Equivalent Residential Connection (ERC) will require and should pay for with impact fees. The IFFP defines the following service levels and states that the City intends to maintain the existing level of service and meet all minimum requirements established in the Utah Administrative Code for water provision service levels.

TABLE 3: EXISTING SERVICE LEVEL

Component	Measurement	DDW Indoor Use Requirement	DDW Irrigation Use Requirement Assuming 0.5 Acres of Irrigation
Sources	Flowrate	800 gpd/ERC for Peak Day Demand	2,850 gpd/ERC for Peak Day Demand
	Volume	146,000 gallons/ERC (0.448 ac-ft/ERC) for Average Yearly Demand (at 400 gpd/ERC)	304,670 gallons/ERC (0.953 ac-ft/ERC) for Average Yearly Demand (at 834 gpd/ERC)
Storage Facilities	Volume	400 gallons/ERC	1,425 gallons/ERC

Component	Measurement	DDW Indoor Use Requirement	DDW Irrigation Use Requirement Assuming 0.5 Acres of Irrigation
Distribution System	Pressure	20 psi during conditions of fireflow, and fire demand experienced during peak day demand	
		30 psi during peak instantaneous demand	
		40 psi during peak day demand	
Source: Honeyville Culinary Water IFFP, p. 27			

TABLE 4: FUTURE LEVEL OF SERVICE

Component	Measurement	DDW Indoor Use Requirement	DDW Irrigation Use Requirement Assuming 0.25 Acres of Irrigation
Sources	Flowrate	800 gpd/ERC for Peak Day Demand	1,425 gpd/ERC for Peak Day Demand
	Volume	146,000 gallons/ERC (0.448 ac-ft/ERC) for Average Yearly Demand (at 400 gpd/ERC)	152,498 gallons/ERC (0.468 ac-ft/ERC) for Average Yearly Demand (at 417 gpd/ERC)
Storage Facilities	Volume	400 gallons/ERC	713 gallons/ERC
Distribution System	Pressure	20 psi during conditions of fireflow, and fire demand experienced during peak day demand	
		30 psi during peak instantaneous demand	
		40 psi during peak day demand	
Source: Honeyville Culinary Water IFFP, p. 27			

CHAPTER 3: IMPACT ON CAPACITY FROM DEVELOPMENT ACTIVITY

Utah Code 11-36a-304(1)(b)(c)

Excess Capacity

No excess capacity is identified to be included in the impact fee calculations.

CHAPTER 4: SYSTEM IMPROVEMENTS REQUIRED FROM DEVELOPMENT ACTIVITY

Utah Code 11-36a-304(1)(b)(c)

The cost of new capital facility construction projects as listed in the IFFP totals \$2,362,500.

TABLE 5: NEW CONSTRUCTION IMPROVEMENTS

Project ID	Project Location/Scope	Additional ERCs Served	Total Estimated Cost	Replacement/ Deficiency	Impact Fee Eligible	Proposed Budget Year
C	North Reservoir Site/new 500,000-gallon water storage reservoir	1,250	\$2,362,500	\$0	\$2,362,500	2032-2036

CHAPTER 5: PROPORTIONATE SHARE ANALYSIS

Maximum Legal Water Impact Fee per ERC

The Impact Fees Act requires the Impact Fee Analysis to estimate the proportionate share of the future and actual cost of existing system improvements that benefit new growth that can be recouped through impact fees. The impact fee for existing assets must be based on the actual costs (when excess capacity is available) while the fees for construction of new facilities can be based on reasonable future costs of the system. No costs for existing, excess capacity have been included in this impact fee analysis.

New Construction

Total new improvement costs attributable to new development over the next six years will reach \$120,960 or \$1,890 per ERC.

TABLE 6: PROPORTIONATE SHARE ANALYSIS, NEW IMPROVEMENTS

New Construction	
Total Cost	\$2,362,500
ERCs Served	1,250
Cost per ERC	\$1,890.00
Growth in ERCs, 2025-2032	64
Percent of Total Capacity	5.1%
Cost to New Development, 2025-2032	\$120,960
Cost per ERC	\$1,890.00

Consultant Costs

The Impact Fees Act allows for fees charged to include the reimbursement of consultant costs incurred in the preparation of the IFFP and IFA.

TABLE 7: PROPORTIONATE SHARE ANALYSIS – CONSULTANT COSTS

Description	Amount
Jones & Associates	\$9,495
ZPFI	\$6,500
Total Consultant Costs	\$15,995
Growth in ERCs, 2025-2032	64
Cost per ERC	\$249.92

Impact Fee Fund Balance

Based on information provided by the City, there were no unspent funds in the culinary water impact fees fund as of October 2025.

Summary of Gross Fee

The maximum indoor impact fee per ERC (5/8" x 3/4") is \$2,139.92. One ERC equates to average indoor use of 400 gpd. However, most development will require more than one ERC and will also need to pay an impact fee for outdoor water. In addition, outdoor use equates to 713 gpd or 1.7825 ERCs for a total of 2.7825 ERCs per residential unit.

TABLE 8: PROPORTIONATE SHARE ANALYSIS – MAXIMUM COST PER ERC

SUMMARY	
New Construction	\$1,890.00
Consultant Costs	\$249.92
Impact Fee Fund Balance	\$0.00
Maximum Fee per ERC - indoor	\$2,139.92
Maximum Fee per ERC - outdoor	\$3,814.41
Maximum Fee per ERC – indoor + outdoor	\$5,954.33

Credits Against Impact Fees

No credits need to be made against the maximum impact fee calculated in Table 9. No culinary water bonds are outstanding and the IFFP does not identify any projects or portion of new projects that benefits existing development.

Maximum Impact Fees by Meter Size

Single-family and multi-family residential fees will be charged on a per door basis based on a 5/8" x 3/4" meter (one ERC for indoor use) and 1.7825 ERCs for outdoor use.

Nonresidential impact fees are calculated based on meter size and flow rates as shown in the following table.

TABLE 9: CULINARY WATER MAXIMUM IMPACT FEES BY METER SIZE

Meter Size (inches)	Maximum Flow Rate (gpm)	Meter Ratio	INDOOR ONLY ¹	OUTDOOR FEE	INDOOR + OUTDOOR, RESIDENTIAL ONLY ^{2,3}
			Maximum Impact Fee	Maximum Impact Fee	Maximum Impact Fee
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¹ Proof of irrigation water required					
² Maximum permissible irrigated area is 10,000 sf = 1.7825 ERCs (City Ordinance 11-5-2.B)					
³ City Engineer will calculate outdoor impact fee for commercial and non-single family residential sites based on the proposed landscaped area as shown on the approved site plan. Ratio of 0.25 ac = 713 gpd = 1.7825 ERCs					

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; or
 - b. cost 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;
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.