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Presentation: Sewer Tap Fees Methodology

Key Issues:

The current application of the sewer connection fee is insufficient as a funding source for development of the public sanitary sewer system. In 2006 and in 2008, the City Council recognized and approved two watershed improvement fees for the Middle Big Creek and Maybrook watersheds for the construction of infrastructure in those drainage basins. These impact fees are restricted to improvements within those drainage basins. The sewer connection fee and the subsequent improvement fees are also limited to 100 drains per permit which caps the fee at \$3,000.

The Water Utilities department has conducted a comprehensive Wastewater Master Plan to review the City's wastewater infrastructure. That draft report indicated an interrelation between the various watersheds and the conveyance system. Wastewater is conveyed to Little Blue Valley Sewer District through the use of pumping and storage facilities located in several watersheds and to Middle Big Creek Sub-District for treatment. These facilities are designed to manage the flows of multiple watersheds and convey those flows through the infrastructure within other watersheds to address topography requirements. With a comprehensive WWMP the need to isolate these costs to the individual watersheds is unwarranted and the development of a system-wide Sewer Connection fee would be more appropriate considering the master plan.

A sewer connection fee has been developed for the create a city-wide approach to funding the sanitary sewer system. The methodology reviewed existing capacities within the system, the overall e units (structures) served and the overall number of units served based on the recommended improvements both existing and future. The methodology is consistent with AWWA M1 Standards and provides a reasonable and rational approach to funding of sanitary sewer improvements.

The Sewer Connection fee is recommended to be calculated based on a residential equivalent unit basis similar to the water tap fee. HDR Engineering Inc., City's consultant on this matter, recommends establishing the Sewer Connection fee at \$1,384 for the residential equivalent unit which utilizes a 5/8" x 3/4" meter.

- Fees would be proportional to the size of the water meter.

- Costs of projects with annual review to ensure the proper allocation and cost recovery necessary to serve new development.
- Update of master planning documents every 5 years.
- Proposed effective date of July 1, 2022.

Background:

The adopted Water Utilities Strategic Plan identified a goal to develop a sewer tap fee policy to effectively assign and administer sewer costs associated with development similar to the water tap fee.

The Water Utility Advisory Board, which was created to provide customer input on rates, fees and other charges as necessary to sustain the Utility, unanimously recommended the approval of the Sewer Tap Fee Study and the methodology on March 2, 2022 to update the sewer tap fee.

Ordinance 32-312. Established that Sewer Connection fees are \$30 per drain exclusive of the floor drain in 1988. The ordinance limits the maximum number of drains at 100 per permit.

Chapter 32. Article IV. Division 5. Sewer Improvement Fees established two watershed impact fees for Middle Big Creek and Maybrook watersheds.

- Middle Big Creek Watershed Sewer Impact Fee was adopted in September of 2004 and set at \$33.48/drain and limited to 100 drains per permit.
- Maybrook Watershed Sewer Impact Fee was adopted in June of 2006 and set at \$42.61/drain and limited to 100 drains per permit.

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