

Sewer

# History

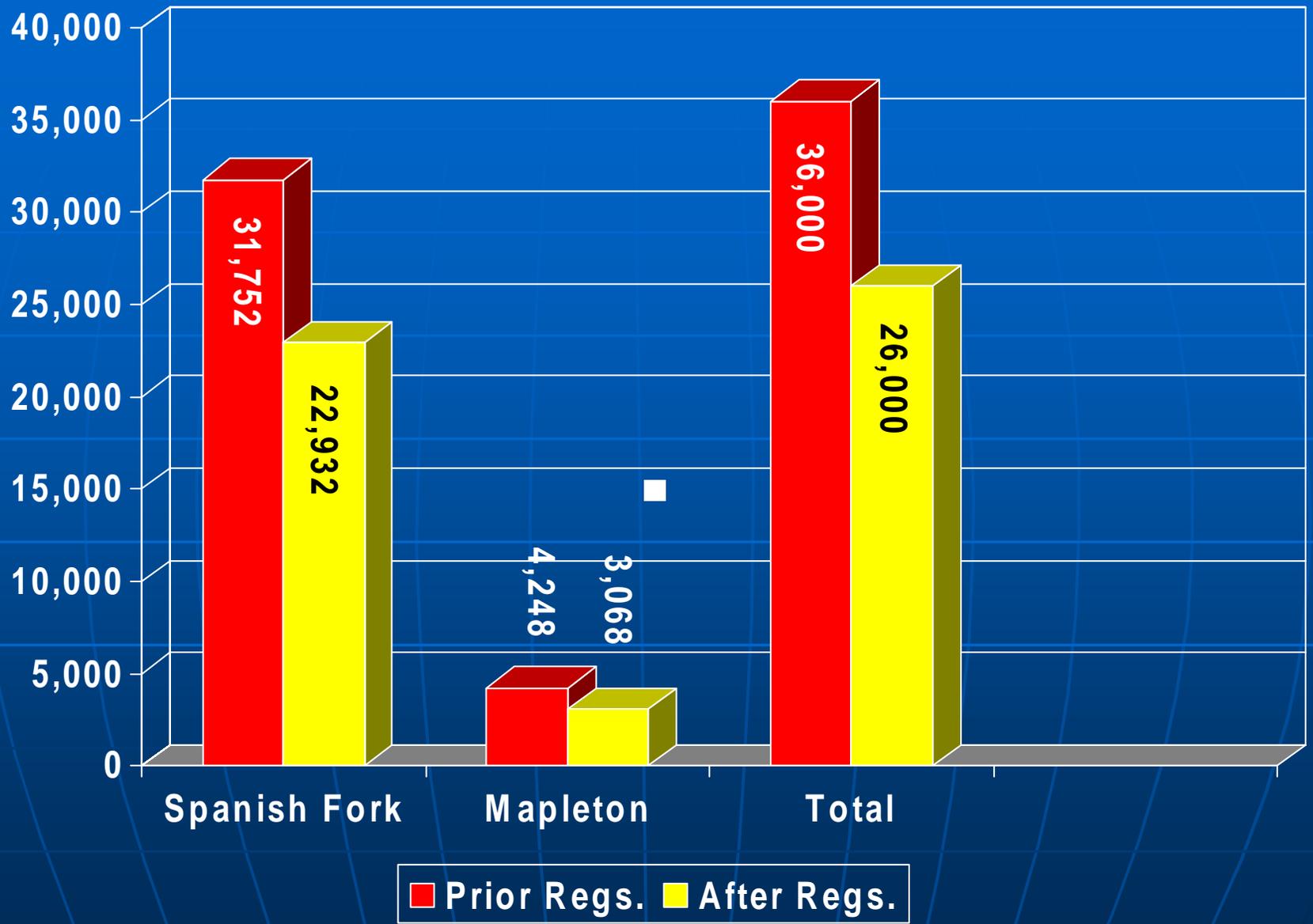
- The Sewer Plant was constructed in 1958 with capacity 2 mgd
- Upgrade in 1983 took the plant to 5 mgd. ■
- In 1995 the flow of the plant was around 2.5 mgd or half of the hydraulic capacity

# History

- Mapleton and Spanish Fork 1<sup>st</sup> entered into an agreement in April 1995. Allowing Mapleton to use the sewer treatment plant
- Mapleton was sold 11.8% of the hydraulic capacity of the plant or .59 mgd

# History

- In 1998, it came to our attention that new State standards would have a major effect on how we were measuring our capacity. The biological capacity became the limiting factor. ■
  - We lost around 30% of the capacity of the plant by the change in regulations
- State or Federal Regulations can change the capacity of the plant, requiring additional upgrades



# Today

- In May 2003, the first Utility Restriction (3 years) was lifted.
  - 1900 units were approved taking us to a population of around 34,000.
- In May 2004, the second Utility Restriction was issued and is still in effect today. All of the new growth happening today is based on units already approved.

# Contract

- Mapleton purchased 11.8% of the capacity in the first agreement
- State standards changed and Mapleton was using around 18% of the biologic capacity but less than 11.8% in hydraulic capacity
- In 2003, a new contract was written and approved by both city councils
- This agreement gave 77% of the biologic capacity to Spanish Fork and 23% to Mapleton

# Contract

- In the event one of the cities desires to upgrade the sewer plant for additional capacity, then the other city has the option to participate in the upgrade at the same ratio that is currently in place.
- If one of the cities desires not to participate then the City proceeding can pay for all of the upgrades and also receive all of the capacity.

# Capacity

- Today the plant can handle 4.9 mgd this allows Spanish Fork to go to a population of around 34,006
- The proposed upgrade would take the plant from 4.9 mgd to around 6.4 mgd allow the city to go to a population around 44,380 if we stay at our current 77% of ownership.
- The last upgrade at the current location would take the plant capacity to 8.0 mgd
- This is all subject to State or Federal regulations not being changed (TMDLs)

# Next Sewer Plant Upgrade

- Convert existing 60' diameter final clarifier to primary clarifier; digester, aeration
- Cost: Total \$3.5 to \$4.2 million
  - Spanish Fork: \$2.6 to \$3.3 million
  - Mapleton: \$805,000 to \$1.0 million

# Options

1. City can do nothing
  - Mapleton has the option to pay for the whole upgrade and take all of the capacity
2. Finance upgrade through a Revenue Bond
3. Finance upgrade through a General Obligation Bond
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4. Finance upgrade through a Conventional Loan
5. Finance upgrade through borrowing from City Reserves

Impact fees would be used to pay part or all of debt service

# Impact Fees

- Initial philosophy
  - Fees to pay for construction as it occurs
  - Caused fluctuating fees based on project costs
- Current philosophy
  - Fees calculated over life of plant
  - Fees are now constant
  - Need to front project costs

# Financing

- Spanish Fork and Mapleton elected officials met and Mapleton offered to pay \$1.75 million of the project costs, which represents their share plus a portion of Spanish Fork's share of the project costs
- Spanish Fork will need to repay Mapleton for fronting a portion of our costs

# Financing

- Impact Fees = \$ 1,514,942
  - Sewer Reserve = \$ 562,593
  - Mapleton Loan = \$ 715,000
  - Needed Funding = \$ 672,465
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- 5 Year repayment of Both Loans
  - Impact Fees will make Debt Payments

# Utility Restriction (UR)

1. Lift the UR immediately
2. Lift the UR when upgrades are designed and more accurate cost estimates are available (Late fall 2005)
3. Lift the UR when the project is bid (Winter 2005-06) ■
4. Lift the UR when the upgrade to the plant is completed (Winter 2006-07)

All time estimates are based on commencing design work immediately and proceeding in a timely manner thereafter.