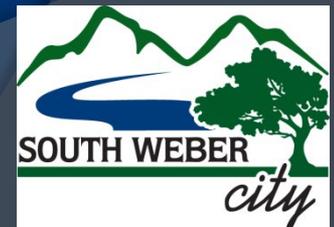


# SOUTH WEBER CITY

April 12, 2022

## STORM DRAIN UTILITY RATE STUDY

ZIONS  PUBLIC FINANCE, INC.



# Background

- ⦿ Zions Public Finance, Inc. selected 
  - May 2021
- ⦿ Storm Drain CFP Adopted
  - September 28, 2021
- ⦿ Storm Water Management Plan Adopted
  - December 7, 2021
- ⦿ Staff updating SD Fund Operating Expenses
  - January 2022

# What goes into the rate study?

- ⦿ 10-year evaluation period
- ⦿ Estimated growth and inflation rates
- ⦿ Current cash balance & debt in SD Fund
- ⦿ Storm Drain Fund Operating Expenses
- ⦿ Storm Drain Capital Projects from CFP
  - Existing Deficiency Projects
  - Maintenance Projects
  - *Impact Eligible Fee Projects **ARE NOT** included*

# Growth Projections

## Growth Projections

Growth in storm drain ERUs is based on historical growth in the City and has been projected to increase by 544 units by 2032, which equates to approximately 54 ERUs per year. The City currently has 3,345 ERUs.

**TABLE 1: PROJECTED STORM DRAIN ERU GROWTH**

Storm Drain Growth	ERUs
2022	3,345
2032	3,889

One residential unit is equivalent to one ERU. Non-residential ERUs are determined based on the amount of impervious surface and were provided by the City based on the number of ERUs currently billed.

### Residential

1 ERU = 1 home or residential unit

### Non-Residential

1 ERU = 3,365 square feet of hard surfacing

# Growth Projections

## ⦿ Operating Expenses

- 3% - 5% per year
- 3.6% average per year
- FY 2023 increase to account for the addition of 1 new FTE

# Growth Projections

**TABLE 2: ANNUAL GROWTH IN OPERATING EXPENSES**

<b>Operating Expense</b>	<b>AAGR*</b>
Full-Time Employee Salaries	5%
Employee Benefit - Retirement	5%
Employee Benefit - Employer FICA	5%
Employee Benefit - Work. Comp.	5%
Employee Benefit - Health Ins.	5%
Uniforms	3%
Travel and Training	3%
Equipment Supplies & Maintenance	3%
Vehicle Lease	3%
Fuel Expense	3%
Utilities	3%
Professional/Technical - Engineer	3%
GIS/Mapping	3%
Promotions	3%
Software Maintenance	3%
Utility Billing Services	3%
Storm Drain O & M	3%
Banking Charges	3%

\*AAGR = average annual growth rate

# Growth Projections

- ⦿ Construction Cost Inflation
  - 3% per year

# Current SD Fund

- ◎ \$400,000 cash balance
- ◎ \$0 Outstanding Debt

# Operating Expenses

<b>STORM DRAIN</b>										
Full-Time Employee Salaries	(\$80,000)	(\$84,000)	(\$88,200)	(\$92,610)	(\$97,241)	(\$102,103)	(\$107,208)	(\$112,568)	(\$118,196)	(\$124,106)
Part-time Employee Salaries	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Employee Benefit - Retirement	(\$13,000)	(\$13,650)	(\$14,333)	(\$15,049)	(\$15,802)	(\$16,592)	(\$17,421)	(\$18,292)	(\$19,207)	(\$20,167)
Employee Benefit-Employer FICA	(\$5,000)	(\$5,250)	(\$5,513)	(\$5,788)	(\$6,078)	(\$6,381)	(\$6,700)	(\$7,036)	(\$7,387)	(\$7,757)
Employee Benefit - Work. Comp.	(\$3,000)	(\$3,150)	(\$3,308)	(\$3,473)	(\$3,647)	(\$3,829)	(\$4,020)	(\$4,221)	(\$4,432)	(\$4,654)
Employee Benefit - UI	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Employee Benefit - Health Ins.	(\$25,000)	(\$26,250)	(\$27,563)	(\$28,941)	(\$30,388)	(\$31,907)	(\$33,502)	(\$35,178)	(\$36,936)	(\$38,783)
Uniforms	(\$1,000)	(\$1,030)	(\$1,061)	(\$1,093)	(\$1,126)	(\$1,159)	(\$1,194)	(\$1,230)	(\$1,267)	(\$1,305)
Travel and Training	(\$5,000)	(\$5,150)	(\$5,305)	(\$5,464)	(\$5,628)	(\$5,796)	(\$5,970)	(\$6,149)	(\$6,334)	(\$6,524)
Equipment Supplies & Maintenance	(\$2,000)	(\$2,060)	(\$2,122)	(\$2,185)	(\$2,251)	(\$2,319)	(\$2,388)	(\$2,460)	(\$2,534)	(\$2,610)
Vehicle Lease	(\$6,000)	(\$6,180)	(\$6,365)	(\$6,556)	(\$6,753)	(\$6,956)	(\$7,164)	(\$7,379)	(\$7,601)	(\$7,829)
Fuel Expense	(\$1,000)	(\$1,030)	(\$1,061)	(\$1,093)	(\$1,126)	(\$1,159)	(\$1,194)	(\$1,230)	(\$1,267)	(\$1,305)
Utilities	(\$500)	(\$515)	(\$530)	(\$546)	(\$563)	(\$580)	(\$597)	(\$615)	(\$633)	(\$652)
Professional/Technical-Enginr	(\$12,000)	(\$12,360)	(\$12,731)	(\$13,113)	(\$13,506)	(\$13,911)	(\$14,329)	(\$14,758)	(\$15,201)	(\$15,657)
Professional & Tech. - Auditor	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
GIS/ Mapping	(\$18,000)	(\$18,540)	(\$19,096)	(\$19,669)	(\$20,259)	(\$20,867)	(\$21,493)	(\$22,138)	(\$22,802)	(\$23,486)
Promotions	(\$2,000)	(\$2,060)	(\$2,122)	(\$2,185)	(\$2,251)	(\$2,319)	(\$2,388)	(\$2,460)	(\$2,534)	(\$2,610)
Software Maintenance	(\$6,400)	(\$6,592)	(\$6,790)	(\$6,993)	(\$7,203)	(\$7,419)	(\$7,642)	(\$7,871)	(\$8,107)	(\$8,351)
Utility Billing Services	(\$2,500)	(\$2,575)	(\$2,652)	(\$2,732)	(\$2,814)	(\$2,898)	(\$2,985)	(\$3,075)	(\$3,167)	(\$3,262)
Storm Drain O & M	(\$65,000)	(\$66,950)	(\$68,959)	(\$71,027)	(\$73,158)	(\$75,353)	(\$77,613)	(\$79,942)	(\$82,340)	(\$84,810)
Banking Charges	(\$1,000)	(\$1,030)	(\$1,061)	(\$1,093)	(\$1,126)	(\$1,159)	(\$1,194)	(\$1,230)	(\$1,267)	(\$1,305)
<b>Total Operating</b>	<b>(\$248,400)</b>	<b>(\$258,372)</b>	<b>(\$268,769)</b>	<b>(\$279,611)</b>	<b>(\$290,916)</b>	<b>(\$302,707)</b>	<b>(\$315,004)</b>	<b>(\$327,831)</b>	<b>(\$341,212)</b>	<b>(\$355,172)</b>
<b>Transfers</b>										
Transfer to Admin Services	(\$26,000)	(\$26,780)	(\$27,583)	(\$28,411)	(\$29,263)	(\$30,141)	(\$31,045)	(\$31,977)	(\$32,936)	(\$33,924)
<b>Transfers Total</b>	<b>(\$26,000)</b>	<b>(\$26,780)</b>	<b>(\$27,583)</b>	<b>(\$28,411)</b>	<b>(\$29,263)</b>	<b>(\$30,141)</b>	<b>(\$31,045)</b>	<b>(\$31,977)</b>	<b>(\$32,936)</b>	<b>(\$33,924)</b>
<b>TOTAL OPERATING EXPENSES</b>	<b>(\$274,400)</b>	<b>(\$285,152)</b>	<b>(\$296,353)</b>	<b>(\$308,021)</b>	<b>(\$320,179)</b>	<b>(\$332,848)</b>	<b>(\$346,049)</b>	<b>(\$359,808)</b>	<b>(\$374,148)</b>	<b>(\$389,096)</b>

Total 10-yr Cost → \$3.29 million

# Capital Projects

- ⦿ Needs Assessment & Prioritization performed in CFP
  - Criticality, Condition, When Needed
  - 0-5 for each criteria → 5 highest priority

# Capital Projects

## Needs Assessment & Prioritization

### Storm Drain Capital Facilities Plan

### *Capital Projects -- 10-yr Plan*

Project #	Description	Needs Assessment Rating	Project Fiscal Year
26	Public Works Site and Facility (Storm Drain Portion)	15	2024
11	2100 East Manhole Structure Replacement	14	2023
12	Deer Run Dr. to 8100 South Piping and Pond Removal	13	2025
13	Peachwood Detention Pond Inlet Piping Upsize	13	2026
2	Heather Cove Pond Upsizing & Piping	12	2027
17	7775 South / 1800 East Improvements	12	2029
23	Deer Run Drive Improvements - #1	12	2030
14	Canyon Drive Improvements - #1	11	2031
25	Deer Run Drive Improvements - #3	11	2032
8	I-84 Detention Pond Upsizing and Piping	11	2033

# Capital Projects

**TABLE 3: STORM DRAIN CAPITAL PROJECTS, 2023-2032**

Project #	Description	Cost*	Year
26	Public Works Site and Facility (Storm Drain Portion)	\$1,496,830	FY 2024
11	2100 East Manhole Structure Replacement	\$12,630	FY 2023
12	Deer Run Dr. to 8100 South Piping and Pond Removal	\$499,950	FY 2025
13	Peachwood Detention Pond Inlet Piping Upsize	\$177,880	FY 2026
2	Heather Cove Pond Upsizing & Piping	\$411,950	FY 2027
17	7775 South / 1800 East Improvements	\$759,690	FY 2029
23	Deer Run Drive Improvements - #1	\$400,000	FY 2030
14	Canyon Drive Improvements - #1	\$488,500	FY 2031
25	Deer Run Drive Improvements - #3	\$363,380	FY 2032

\*All costs in this table are shown in \$2022; the financial model uses a construction cost inflator of 3% per year.

**Total 10-yr Cost → \$4.68 million**  
*(excludes impact fee eligible portion)*

# Capital Projects

Project #26 – Public Works Site and Facility  
(Storm Drain Portion)

- ⦿ Assumed annual bond payment

# Capital Projects

## **Project #11**

### 2100 East Manhole Structure Replacement

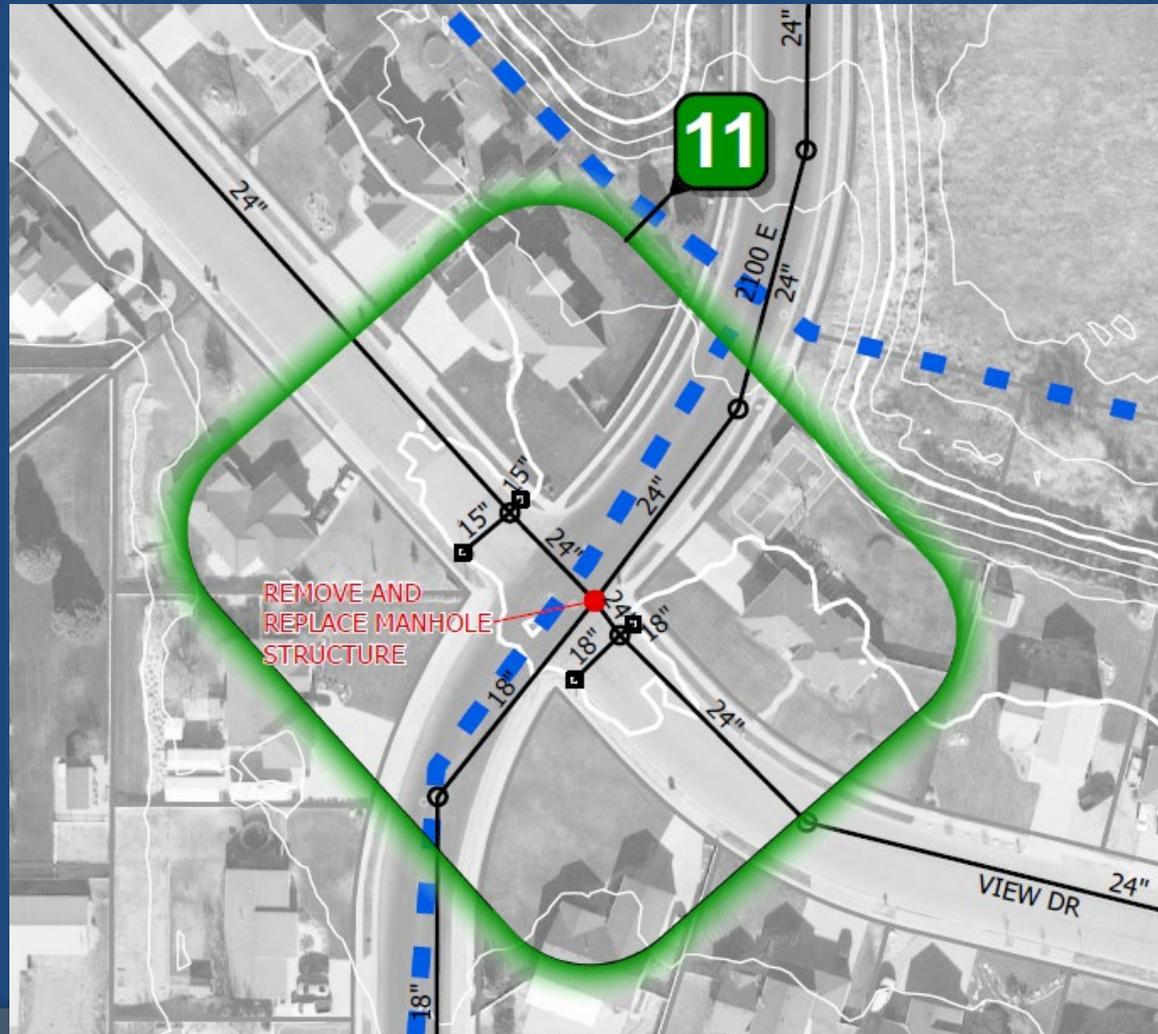
#### Purpose:

Reconstruct manhole for better flow and to keep the lid from popping off in storm events.

Cost = \$12,630

# Capital Projects

## Project #11



# Capital Projects

## Project #12

Deer Run Dr. to 8100 South Piping and Pond Removal

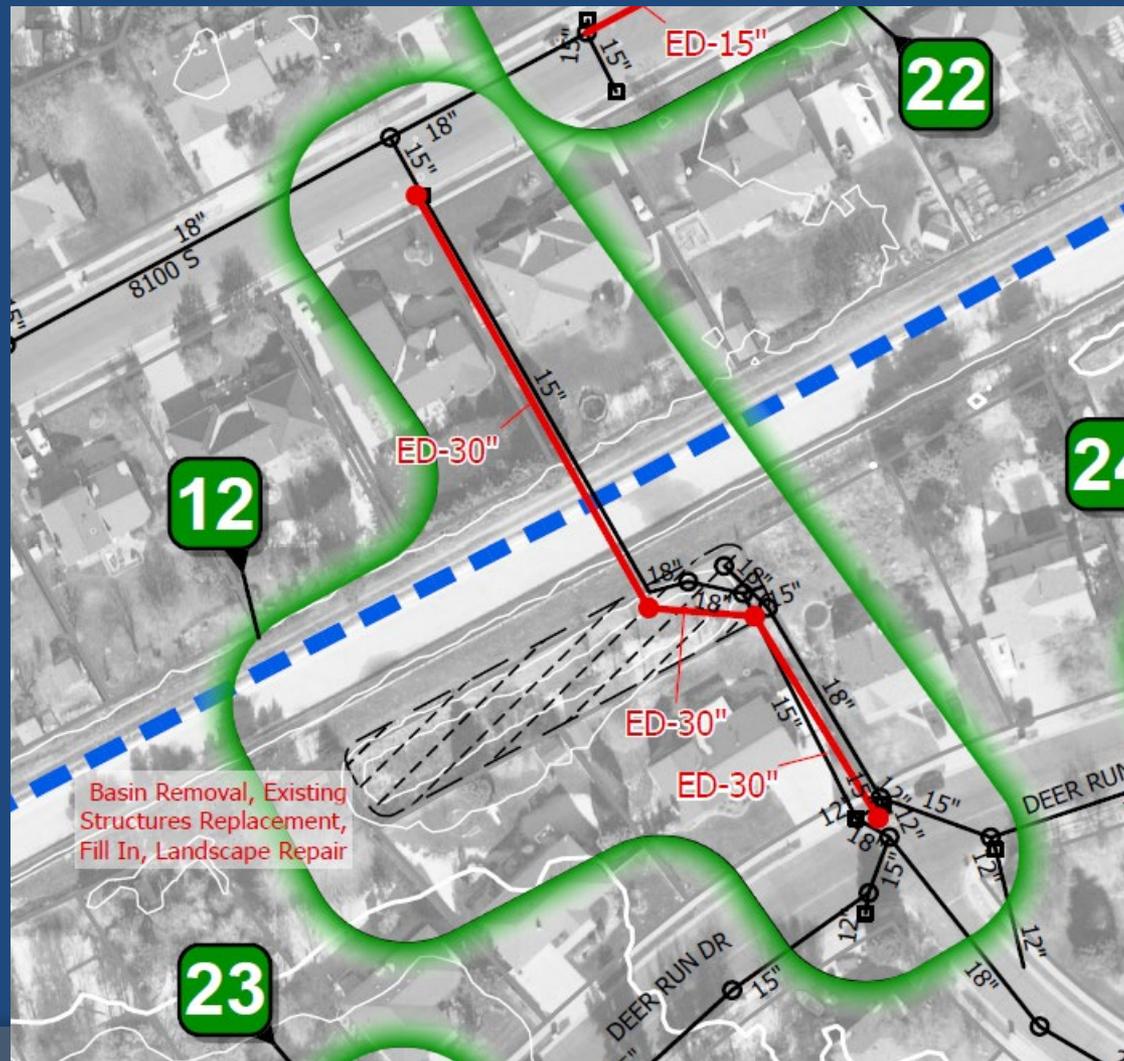
### Purpose:

Replace undersized piping under the D&W Canal between Deer Run Dr. and 8100 South to eliminate ponding in intersection of 2350 East. Also eliminate the existing detention pond in the backyard of 2328 E. and 2318 E. Deer Run Dr.

Cost = \$499,950

# Capital Projects

## Project #12



# Capital Projects

## **Project #13**

### Peachwood Detention Pond Inlet Piping Upsize

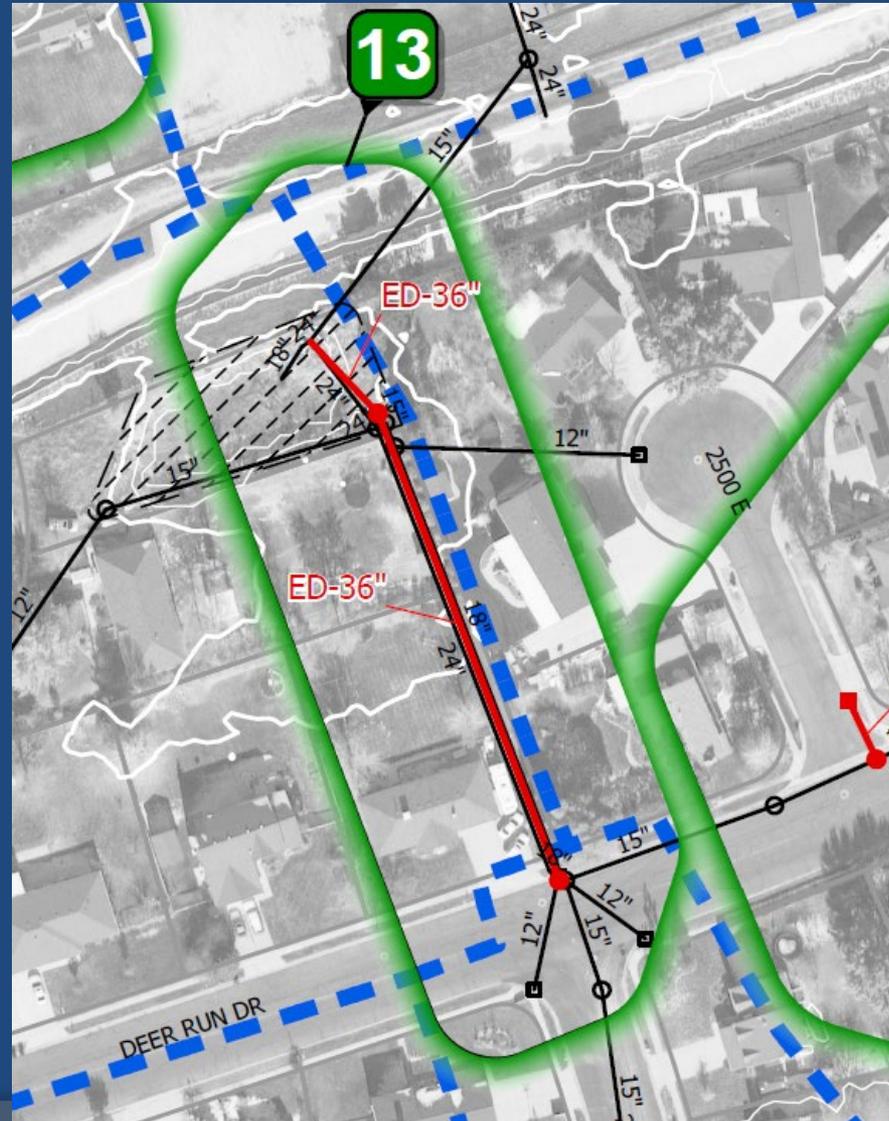
#### Purpose:

Replace undersized piping between Deer Run Dr. and the Peachwood Detention Pond to eliminate ponding in intersection of 2475 East.

Cost = \$177,880

# Capital Projects

## Project #13



# Capital Projects

## Project #2

### Heather Cove Pond Upsizing & Piping

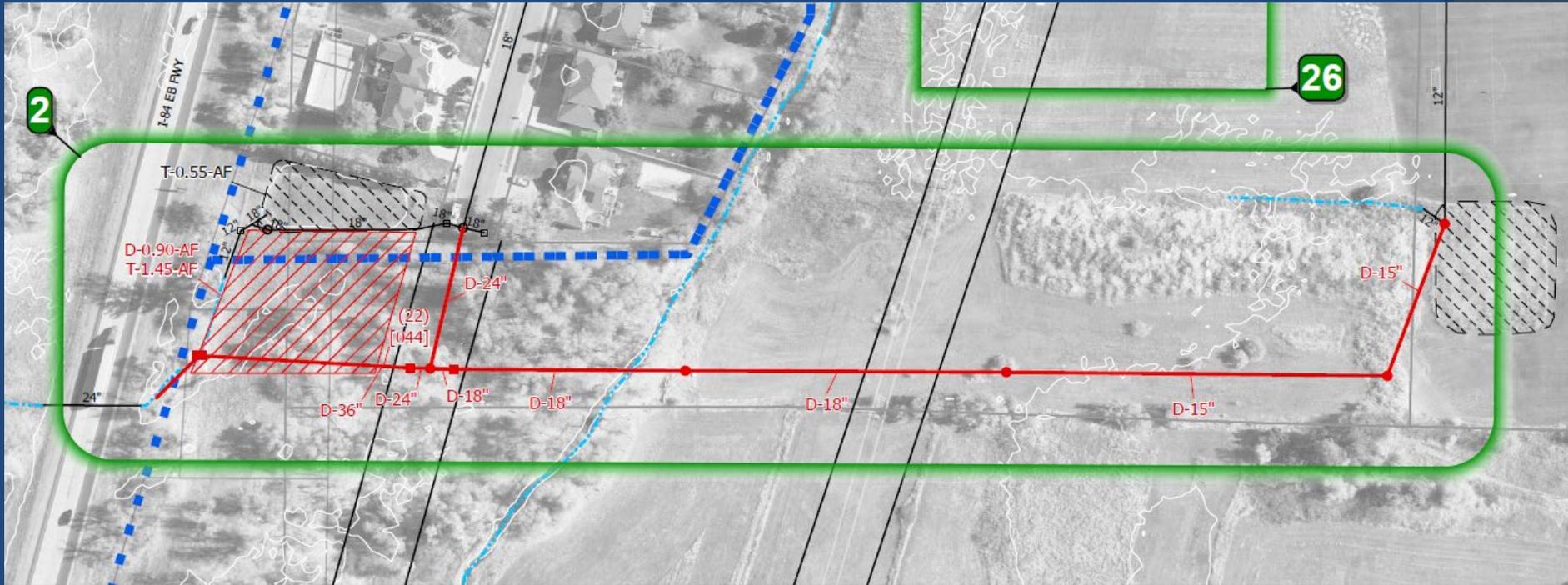
#### Purpose:

Expansion of the existing pond to create a Regional Detention Pond and associated piping when development occurs. The existing retention basin at the soccer facility will be abandoned.

Cost = \$411,950

# Capital Projects

## Project #2



# Capital Projects

## **Project #17**

### 7775 South / 1800 East Improvements

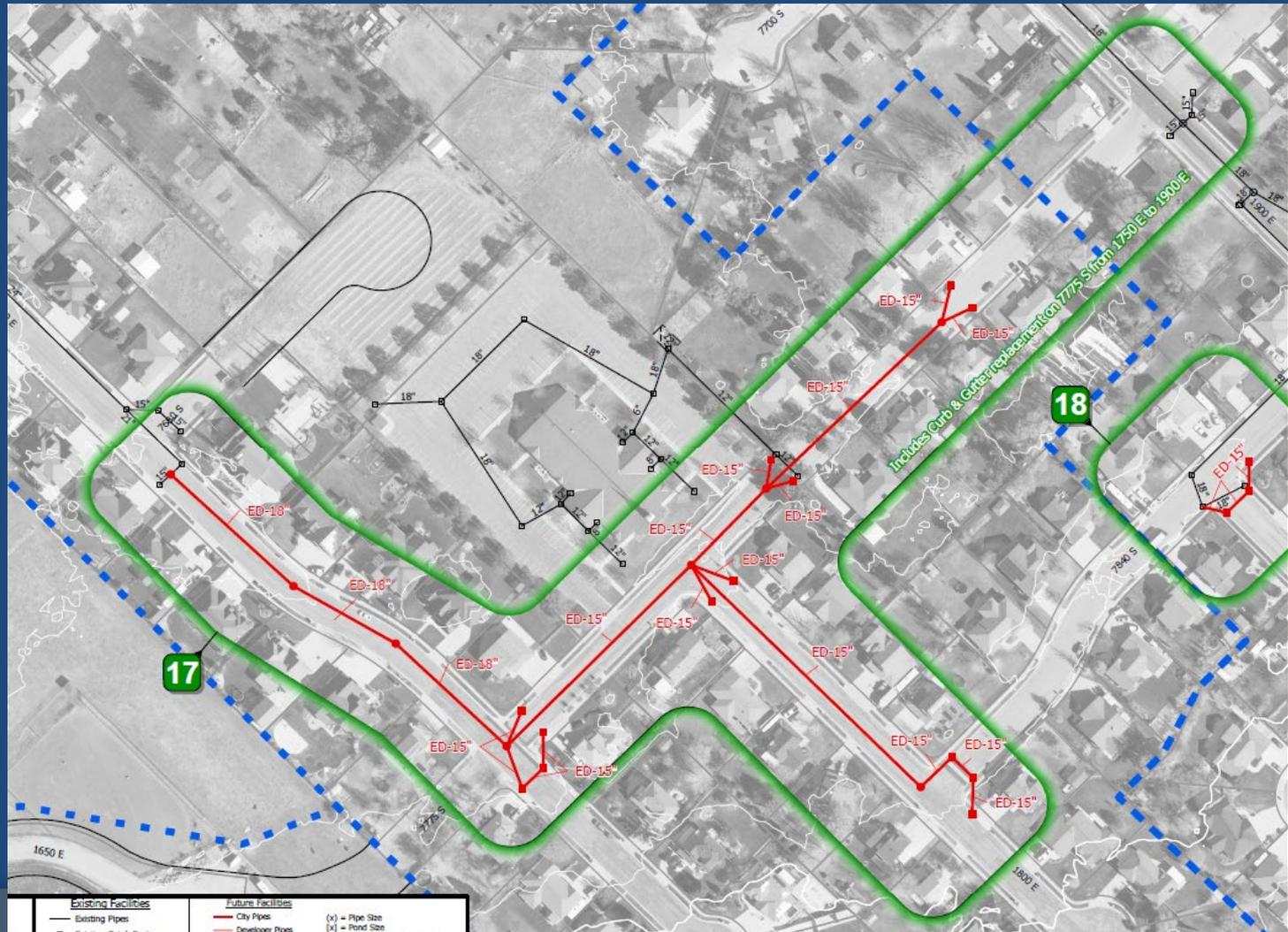
#### Purpose:

Reconstruct curb and gutter, remove waterways, and install piping to eliminate ponding in road and deterioration of street pavement structure.

Cost = \$759,690

# Capital Projects

## Project #17



# Capital Projects

## **Project #23**

### Deer Run Drive Improvements - #1

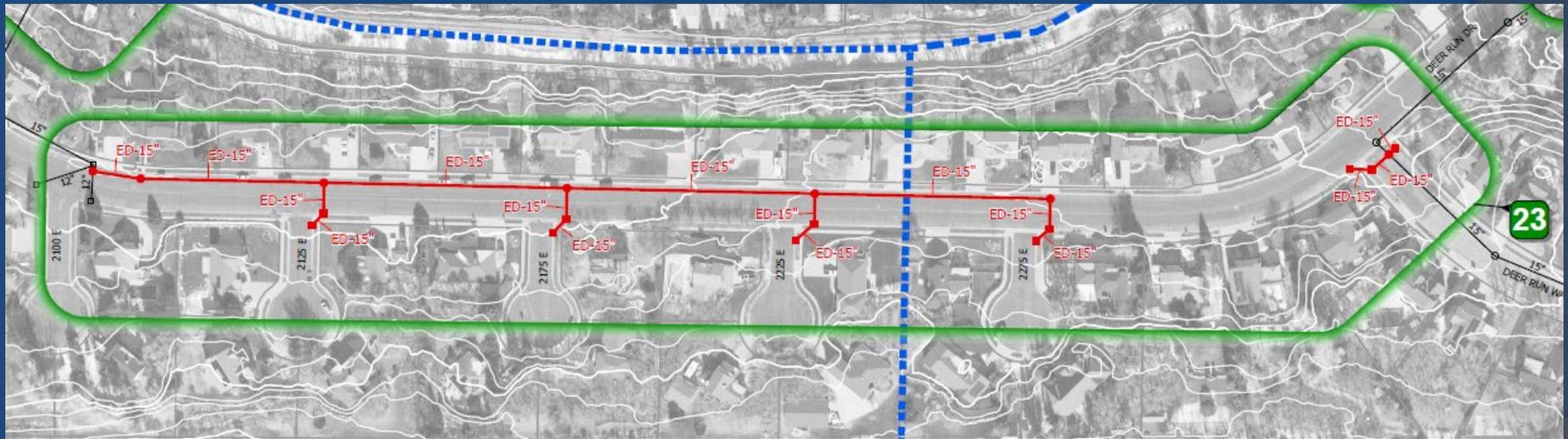
#### Purpose:

Reconstruct curb and gutter, remove waterways, and install piping to eliminate ponding in road and deterioration of street pavement structure. (2100 East to Deer Run Way)

Cost = \$400,000

# Capital Projects

## Project #23



# Capital Projects

## **Project #14**

### Canyon Drive Improvements - #1

#### Purpose:

Reconstruct curb and gutter and install piping to eliminate ponding in road and deterioration of street pavement structure.

Cost = \$488,500



# Capital Projects

## **Project #25**

### Deer Run Drive Improvements - #3

#### Purpose:

Reconstruct curb and gutter, remove waterways, and install piping to eliminate ponding in road and deterioration of street pavement structure. (2500 East to 2625 East.)

Cost = \$363,380

# Capital Projects

## Project #25



# Capital Projects

## Project #8

### I-84 Detention Pond Upsizing and Piping

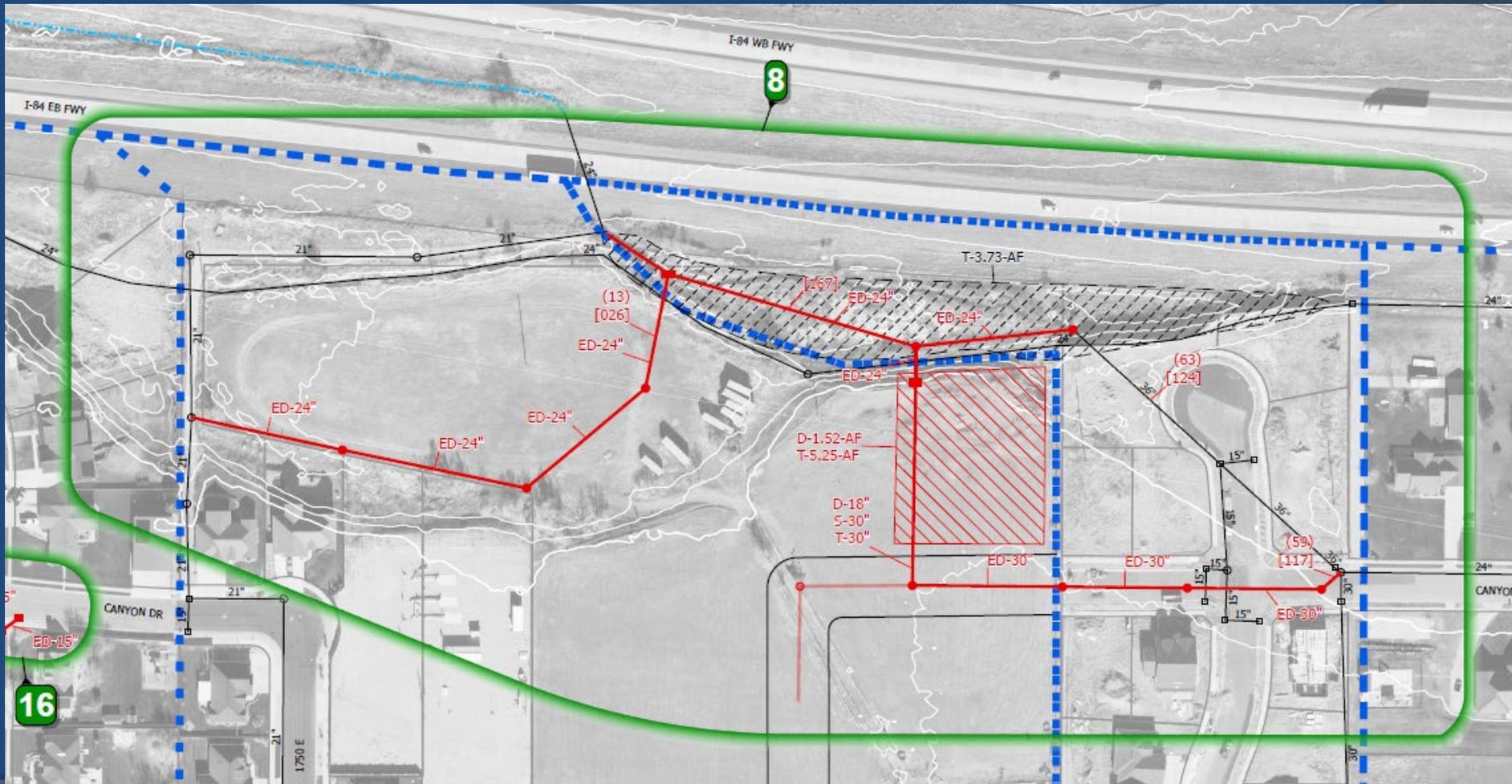
#### Purpose:

Expansion of the existing Regional Detention Pond to provide sufficient volume when development occurs. Re-route the existing outfall line from the Canyon Vistas Subd. for sufficient cover. Overflow line to route high flows to pond.

Cost = \$621,410

# Capital Projects

## Project #8



# Cost Summary

- ⦿ Operating Expenses

- \$3.29 million
- 41%

- ⦿ Capital Projects

- \$4.68 million
- 59%



- ⦿ Total 10-yr Cost

- \$7.97 million

# Rate Options

**TABLE 13: SUMMARY OF RATE STRUCTURE OPTIONS**

FY	Option 1		Option 2		Option 3		Option 4	
	Rate	Increase	Rate	Increase	Rate	Increase	Rate	Increase
2022	\$7.00	\$0.00	\$7.00	\$0.00	\$7.00	\$0.00	\$7.00	\$0.00
2023	\$13.50	\$6.50	\$13.50	\$6.50	\$15.75	\$8.75	\$15.75	\$8.75
2024	\$16.25	\$2.75	\$17.68	\$4.18	\$16.22	\$0.47	\$15.75	\$0.00
2025	\$16.74	\$0.49	\$18.90	\$1.22	\$16.71	\$0.49	\$16.70	\$0.95
2026	\$17.24	\$0.50	\$19.47	\$0.57	\$17.21	\$0.50	\$16.70	\$0.00
2027	\$17.76	\$0.52	\$20.06	\$0.58	\$17.73	\$0.52	\$17.70	\$1.00
2028	\$18.29	\$0.53	\$20.65	\$0.60	\$18.26	\$0.53	\$17.70	\$0.00
2029	\$18.84	\$0.55	\$21.27	\$0.62	\$18.81	\$0.55	\$18.76	\$1.06
2030	\$19.40	\$0.56	\$21.91	\$0.64	\$19.37	\$0.56	\$18.76	\$0.00
2031	\$19.99	\$0.59	\$22.57	\$0.66	\$19.95	\$0.58	\$19.88	\$1.12
2032	\$20.59	\$0.60	\$23.24	\$0.68	\$20.55	\$0.60	\$19.88	\$0.00

*Only Option #2 is sufficient to fund additional Capital Project #8*

Scenario 1 - Contract EB

MAX REIMBURSEMENT

MID REIMBURSEMENT

MIN REIMBURSEMENT

Chief Salary	197	\$ 283,680.00	197	\$ 189,120.00	197	\$ 94,560.00
Engine Boss contract						
PT Seasonal						
	<b>NET REVENUE</b>		<b>NET REVENUE</b>		<b>NET REVENUE</b>	
PT Seasonal	Scenario 1	\$ 210,480.00	Scenario 1	\$ 134,320.00	Scenario 1	\$ 58,160.00
PT Benefits	Scenario 2	\$ 134,736.00	Scenario 2	\$ 58,576.00	Scenario 2	\$ (17,584.00)
Overtime Hours	Scenario 3	\$ 55,766.00	Scenario 3	\$ (17,644.00)	Scenario 3	\$ (91,054.00)

Scenario 2 - FT Chief/Contract EG

Scenario 1 = Contract EB  
 Scenario 2 = FT Chief/Contract EG  
 Scenario 3 = FT Chief & Boss

- Chief Salary
- Chief Benefits
- Engine Boss salary
- Engine Boss Benefits
- PT Seasonal
- PT Seasonal
- PT Benefits
- Overtime Hours

Scenario 3 - FT Chief & Boss

- Chief Salary
- Chief Benefits
- Engine Boss salary
- Engine Boss Benefits
- EB Overtime Hours
- PT Seasonal
- PT Seasonal
- PT Benefits
- Overtime Hours

EB  
 1568

Questions

- Vehicle Cost
- Vehicle Repairs during call
- Additional Vehicle revenue & expense