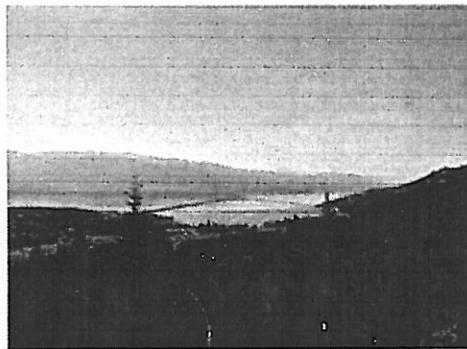
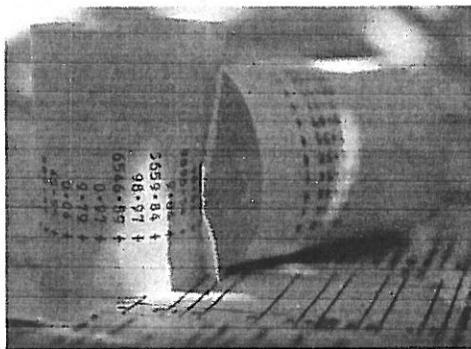
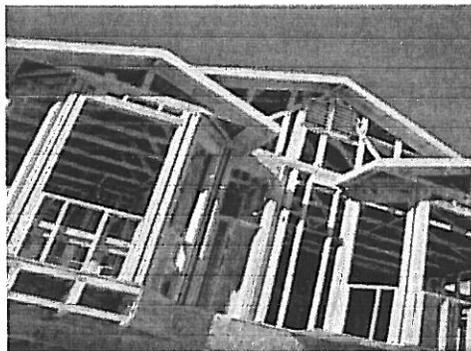


Final Report
City of Sandpoint

Water and Sewer New User Facility Fees
March 2010



HDR *Prepared by:*
HDR Engineering, Inc.

**Table 5-3
Conceptual Summary of the Water Five Year Graduated Phase-In (Option 2)**

	Current	2010	2011	2012	2013	2014
Annual Adjustment		\$180	\$360	\$540	\$720	\$935
Proposed Water NUFF	\$3,795	\$3,975	\$4,335	\$4,875	\$5,595	\$6,530

[1] - No inflationary (CIP) adjustments to NUFFs have been factored into the phase in methods

As can be seen in Table 5-3, the graduated phase-in begins with a fairly small adjustment and the annual adjustments increase until the final adjustment in 2014 places it equal to the cost-based level of \$6,530. Using the same methodology as above, Table 5-4 shows the NUFFs for the various sized meters.

**Table 5-4
Summary of the Water Five Year Graduated Phase-In (Option 2)**

Meter Size	Weighting Factor [1]	Current	2010	2011	2012	2013	2014
5/8" x 3/4"	1.0	\$3,795	\$3,975	\$4,335	\$4,875	\$5,595	\$6,530
1"	2.5	9,488	9,948	10,868	12,248	14,088	16,325
1-1/2"	5.0	18,975	19,885	21,705	24,435	28,075	32,650
2"	8.0	30,360	31,820	34,740	39,120	44,960	52,240
2" Turbo	16.0	60,720	63,640	69,480	78,240	89,920	104,480
3"	25.0	94,875	99,435	108,555	122,235	140,475	163,250
4"	50.0	189,750	198,870	217,110	244,470	280,950	326,500
6"	80.0	303,600	318,190	347,370	391,140	449,500	522,400
8"	115.0	436,425	457,395	499,335	562,245	646,125	750,950

[1] - AWWA Safe Operating Capacities for Displacement Type Meters

Four year straight line phase-in (i.e. no adjustment in 2010) - The final phase-in option forgoes an adjustment in 2010, but then uses a straight line approach for the final four years. This concept is presented below in Table 5-5.

**Table 5-5
Summary of the Water Four Year Straight Line Phase-In (Option 3)**

	Current	2010	2011	2012	2013	2014
Annual Adjustment		\$0	\$680	\$680	\$680	\$680
Proposed Water NUFF	\$3,795	\$3,795	\$4,475	\$5,155	\$5,835	\$6,530

[1] - No inflationary (CIP) adjustments to NUFFs have been factored into the phase in methods

This is very similar to the first option, but the adjustments in the remaining years need to be higher than the Option 1 approach since there are fewer years to achieve the cost-based level of \$6,530. Provided below in Table 5-6 is the weighting of the NUFF by meter size.

Table 5-6
Summary of the Water Four Year Straight Line Phase-In (Option 3)

Meter Size	Weighting Factor [1]	Current	2010	2011	2012	2013	2014
5/8" x 3/4"	1.0	\$3,795	\$3,795	\$4,475	\$5,155	\$5,835	\$6,530
1"	2.5	9,488	9,488	11,198	12,908	14,618	16,325
1-1/2"	5.0	18,975	18,975	22,395	25,815	29,235	32,650
2"	8.0	30,360	30,360	35,830	41,300	46,770	52,240
2" Turbo	16.0	60,720	60,720	71,660	82,600	93,540	104,480
3"	25.0	94,875	94,875	111,965	129,055	146,145	163,250
4"	50.0	189,750	189,750	223,940	258,130	292,320	326,500
6"	80.0	303,600	303,600	358,300	413,000	467,700	522,400
8"	115.0	436,425	436,425	515,055	593,685	672,315	750,950

[1] - AWWA Safe Operating Capacities for Displacement Type Meters

This concludes the discussion of the NUFF phase-in options for the water utility. In making a final decision on this issue, and by including these options within this NUFF report, the City is not obligated or required to adopt any phase-in plan.

5.4 Options for the Phase-In of the Sewer NUFFs

The phase-in options for the sewer utility were identical to those presented in the water discussion. They were as follows:

- Five-year straight line phase-in
- Five year graduated phase-in
- Four year straight line phase-in (i.e. no adjustment in 2010)

Each of these phase-in options for the sewer utility is summarized below.

Five Year Straight Line Phase-In - The straight line phase-in is characterized by equal annual adjustments over a five year period. Table 5-7 provides a summary of the concept of the straight line phase-in.

Table 5-7
Summary of the Sewer Five Year Straight Line Phase-In (Option 1)

	Current	2010	2011	2012	2013	2014
Annual Adjustment [1]		\$450	\$450	\$450	\$450	\$450
Proposed Sewer NUFF/ERU	\$4,355	\$4,805	\$5,255	\$5,705	\$6,155	\$6,600

[1] - No inflationary (CIP) adjustments to NUFFs have been factored into the phase in methods

The straight line phase-in begins in 2010 and has equal adjustments to reach the final amount of \$6,600 in 2014. The \$6,600 is the cost-based sewer NUFF for one (1) equivalent residential unit, as shown and discussed in Section 4.

Five Year Graduated Phase-In – The graduated phase-in has lower adjustments in the initial years and larger adjustments in the later years. Ultimately, the sewer NUFF in 2014 is equal to the prior option. Table 5-8 provides a summary of the concept of the graduated phase-in.

Table 5-8						
Summary of the Sewer Five Year Graduated Phase-In (Option 2)						
	Current	2010	2011	2012	2013	2014
Annual Adjustment [1]		\$150	\$300	\$450	\$600	\$745
Proposed Sewer NUFF/ERU	\$4,355	\$4,505	\$4,805	\$5,255	\$5,855	\$6,600

[1] – No inflationary (CIP) adjustments to NUFFs have been factored into the phase in methods

This option helps minimize the impacts in the initial years.

Four Year Straight Line Phase-In – The four year straight line phase-in foregoes the adjustment in 2010 and then has equal adjustments in the following years to reach the same level of sewer NUFF in 2014. Table 5-9 provides a summary of this option.

Table 5-8						
Summary of the Sewer Four Year Straight Line Phase-In (Option 3)						
	Current	2010	2011	2012	2013	2014
Annual Adjustment [1]		\$0	\$560	\$560	\$560	\$565
Proposed Sewer NUFF/ERU	\$4,355	\$4,355	\$4,915	\$5,475	\$6,035	\$6,600

[1] – No inflationary (CIP) adjustments to NUFFs have been factored into the phase in methods

This option also helps to minimize impacts in 2010, but does have a slightly higher NUFF in 2011 when compared to the previous option.

This concludes the discussion of the NUFF phase-in options for the sewer utility. In making a final decision on this issue the City is not obligated or required to adopt a phase-in plan.

5.5 Summary

The City Council held public meetings and requested public involvement for this study. As a result of the public input on the proposed NUFFs, alternatives for phasing-in the NUFFs were developed by HDR. In developing each of the above phase-in options, the City Council was provided with a range of options. Ultimately, the City Council has policy discretion concerning the level and timing of the adjustments to the water and sewer NUFFs. The City Council can not adjust NUFFs above the cost-based level, but they can make the policy decision to set them at a level that is less than fully cost-based.