

Why does MUPB need an Impact Fee program?

Impact fee revenues requires new customers to pay its share of the cost of the historical costs of the wastewater system that the existing wastewater customers have paid for. With growth in the community, the wastewater system will have to meet that growth. An Impact Fee Program allows for "growth to pay for growth".

What is an Impact Fee?

An impact fee is a one-time charge to new customers (residential, commercial, industrial), implemented August 2024, assessed by Morehead Utility Plant Board ("MUPB") for use in funding growth related capital improvements and expansions of the wastewater system and for equity share of the existing wastewater system. Impact Fees are applicable to all new customers and/or existing customers that have an increased wastewater flow. The impact fee is based upon the Equivalent Residential Unit ("ERU") which is an industry standard to compare wastewater customers to a single-family home. An impact fee is not a tax, nor is it in lieu of the existing wastewater tap fee. Revenues generated by the Impact Fee Program are restricted to projects associated with growth related projects in the Capital Improvement Plan ("CIP").

The Impact Fee Program allows MUPB to keep from having to raise rates solely based upon increased development that is consuming system capacity quicker than expected when the system was constructed, expanded and improved in the past.

The impact fee provides MUPB:

1. a way for growth to pay for the equity existing customers have accumulated in the wastewater system in time; and,
2. a way for "growth to pay for growth", necessitated by growth's additional discharge(s) into the wastewater collection system and the capacity consumed at wastewater treatment plant.

What do we use to calculate the Impact Fee?

- average wastewater discharge to MUPB's collection system
- current value of rate base, with growth-related assets separated
- estimated costs of items on capital improvements plan, with growth-related items separated
- existing and planned wastewater treatment plant capacity
- Calculations are reviewed every five years to ensure the fee is consistent with the utility's capital improvements plan.

How much is the Impact Fee?

The Impact Fee is based upon ERU and is \$1,370.16 per ERU. For example, a 10 home subdivision would have a total impact fee of \$13,701.60 ($\$1,370.16 \text{ per ERU} \times 10 \text{ ERU} = \$13,701.60$).

For other types of commercial, industrial and institutional connections see MUPB's Availability Application that calculates the ERU for specific type of developments.

Morehead Utility Plant Board
Impact Fee Calculation

Wastewater Impact Fee - System Wide	
System Capacity - 2023, gallons per day	4,500,000
Existing System Improvements - System Wide	\$ 15,995,596
CIP - System Wide	\$ 36,022,500
Existing & CIP Improvements - System Wide	\$ 52,018,096
Existing & CIP Improvements - System Wide - Impact Fee per gallon	\$ 11.56
Wastewater Impact Fee - Growth	
System Capacity - 2023, gallons per day	4,500,000
Existing System Improvements - Growth	\$ 12,887,687
CIP - Growth	\$ 31,327,500
Existing & CIP Improvements - Growth	\$ 44,215,187
Existing & CIP Improvements - Growth - Impact Fee per gallon	\$ 9.83
Administrative Fee - Impact Fee per gallon	\$ 0.05
Total Impact Fee per gallon w/o Debit Credits	\$ 21.44
Wastewater Impact Fee - Outstanding Debt Credits	
2006 KIA Loan - WWTP Expansion	\$ 0.2475
KIA Loan - Big Woods	\$ 0.0303
KIA Loan - Phase IV	\$ 0.0544
KIA Loan - WWTP	\$ 0.1758
KIA Loan - KY 158 & KY 801	\$ 0.2392
KIA Loan A19-032 - US 60 & KY 801 SSO	\$ 0.6585
KIA Loan A20-020 - Derrickson	\$ 0.0969
Future Debt, CIP Projects	\$ 5.7754
Total Reduction in Impact Fee for Outstanding Debit	\$ 7.28
Net Impact Fee per gallon	\$ 14.16
Net Impact Fee per ERU	\$ 1,415.72



MOREHEAD UTILITY PLANT BOARD

UTILITY AVAILABILITY APPLICATION

Check applicable:
 _____ First Submission
 _____ Re-Submission
 _____ Revision to Approved Plan

Water _____
 Sewer _____
 Natural Gas _____
 Stormwater _____

Date: _____
 Project Id #: _____

Project Name: _____
 Description of Proposed Work: _____

Project Location: _____

Parcel Identification: _____

Owner/Developer

Company: _____
 Contact Person: _____
 Telephone: _____ Fax: _____ Email: _____
 City, State, Zip Code: _____

Engineer

Company: _____
 Contact Person: _____
 Telephone: _____ Fax: _____ Email: _____
 City, State, Zip Code: _____

Development

Type of Development (Circle) Residential Commercial Institutional

Utility Service

Water _____ Natural Gas _____
 Sewer _____ Storm Water _____

Residential - Water & Sewer

Type of Residential Development					
Apartment - 1 BR	_____	x	250 gpd	=	_____ gpd
Apartment - 2 BR	_____	x	300 gpd	=	_____ gpd
Apartment - 3 BR	_____	x	350 gpd	=	_____ gpd
Single Family	_____	x	400 gpd	=	_____ gpd
Duplex	_____	x	800 gpd	=	_____ gpd
Condo	_____	x	350 gpd	=	_____ gpd
Mobile Homes	_____	x	300 gpd	=	_____ gpd

Total Demand - Residential _____
 Equilivant Residential Units - Commercial (Total Demand + 400) _____

Commercial - Water & Sewer

Description							
Restaurants (W/O Bars)	_____	seats	x 20	gpd	x	0.8-Hr Shifts =	_____ GPD
Bars (w/o Food Service)	_____	seats	x 2	gpd	x	0.8-Hr Shifts =	_____ GPD
Bowling Aleys (Food)	_____	lanes	x 75	gpd	x	0.8-Hr Shifts =	_____ GPD
Bowling Aleys (w/o Food)	_____	lanes	x 25	gpd	x	0.8-Hr Shifts =	_____ GPD
Motels	_____	rooms	x 100	gpd		=	_____ GPD
Factory (w Showers)	_____	person(s)	x 35	gpd	x	0.8-Hr Shifts =	_____ GPD
Factory (w/o Showers)	_____	person(s)	x 25	gpd	x	0.8-Hr Shifts =	_____ GPD
Industrial	_____	acres	x 2000	gpd	x	0.8-Hr Shifts =	_____ GPD
Industrial - Light	_____	acres	x 1000	gpd	x	0.8-Hr Shifts =	_____ GPD
Shopping Center	_____	SF	x 0.1	gpd	x	0.8-Hr Shifts =	_____ GPD
Shopping Center (Grocery)	_____	SF	x 0.2	gpd	x	0.8-Hr Shifts =	_____ GPD
General Commercial	_____	acres	x 5000	gpd	x	0.8-Hr Shifts =	_____ GPD
Coin Laundries	_____	machines	x 400	gpd	x	0.8-Hr Shifts =	_____ GPD
Service Station	_____	bays	x 500	gpd	x	0.8-Hr Shifts =	_____ GPD

Total Demand - Commercial _____
 Equilivant Residential Units - Commercial (Total Demand + 400) _____

Institutional - Water & Sewer

Hospital	_____	beds	x 200	gpd	=	_____
Institutions	_____	person	x 100	gpd	=	_____
Nursing Homes	_____	person	x 100	gpd	=	_____
Youth Camps	_____	camper	x 50	gpd	=	_____
RV Camps	_____	site	x 100	gpd	=	_____
Schools (Elem. & Middle)	_____	person	x 15	gpd	=	_____
Schools (High)	_____	person	x 20	gpd	=	_____
University (Dormitory)	_____	person	x 100	gpd	=	_____
University (classrooms)	_____	person	x 2	gpd	=	_____
Church	_____	seat	x 7	gpd	=	_____ per 2 hours

Total Demand - Institutional _____
 Equilivant Residential Units - Institutional (Total Demand + 400) _____

Development Total Demand

Total Demand - Residential	_____	Equilivant Residential Units - Residential	_____
Total Demand - Commercial	_____	Equilivant Residential Units - Commercial	_____
Total Demand - Institutional	_____	Equilivant Residential Units - Institutional	_____
Total Demand (GPD)	0	Total ERUs	0

Wastewater ONLY - Impact Fee

Total ERUs _____ x \$ 1,415.72 = \$ _____ - Total Impact Fee Owed

Place Project ID # in Memo of Check.