



Administrative Policy
WATER IMPACT FEES
Department – A608

Effective Date:

August 2010

Revised Date:

WATER IMPACT FEE PAYMENT PLANS

Summary

A Water Development Fee (WDF) is paid by the developer to the Town of Payson (Town) for construction or renovation of single or multi-family residences and commercial projects. The fee is set by Town Council action and varies throughout the town depending on the water supply contributions, if any, of previous developers or landowners and whether public water system water mains are within 500 feet of the project. The amount of the fee is determined by calculating the projected peak month water use of a project and dividing by 7,500 to determine the Equivalent Residential Unit(s) (ERU) multiplied by the then existing WDF. The total amount of the fee is due and payable to the Town before issuance of the building permit for the project.

Section 50.59 of the Town Code gives authority to the Water Superintendent to enter into an agreement between the Town and the developer for the payment of the applicable WDF over a period of time not to exceed 60 months from the original due date (issuance of building permit) of the fees when the anticipated water use of a business is below 37,500 gallons per month. Interest is not charged to the unpaid balance. In circumstances wherein a project is anticipated to use in excess of 37,500 gallons of water in any month the Town Council may elect to enter into an agreement for the collection of the WDF over a period of time not to exceed 120 months from the original due date of the fees. The agreement may include the payment of interest on the amount owing under the agreement.

Process

1. For the construction by the owner of a single-family home the WDF is due and payable when a building permit is issued.
2. For construction of multi-family residential projects or commercial projects that are projected to use less than 37,500 gallons of water in any month, the developer may request payment of the WDF over a 60 month period. In such an event one-sixth of the WDF is due and payable before issuance of the building permit and one sixth of the original fee amount payable at twelve month intervals beginning with the first payment and continuing for a 60 month period. The balance may be paid off at any time before the expiration of the 60 month period. The developer may elect to pay the fee in equal monthly installments on the monthly water bill not to exceed a 60 month period. Use of this option requires that the developer to install an individual water meter for each residential or commercial unit within the project and the developer must execute a



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written agreement with the Town of Payson. Approval of the Water Superintendent is required for all deferred payments under this subsection.

3. For projects that are estimated to use in excess of 37,500 gallons of water in any month the developer of the project may request to enter into an agreement with the Town to pay the WDF over a period of time not to exceed 120 months. In such an event one-eleventh of the WDF is due and payable prior to issuance of the building permit and one-eleventh of the original fee amount payable at twelve month intervals beginning with the first payment and continuing for a 120 month period. The developer may elect to pay the fee in equal monthly installments not to exceed a 120 month period. The Town Council may direct an alternate payment schedule. Interest may accrue on the unpaid balance pursuant to Town Council direction. Use of this option requires that the developer install an individual water meter for each residential or commercial unit within the project. Approval by the Town Council of a written agreement is required for all deferred payments under this subsection.
4. For a WDF that is due and payable for use of an existing multi-family or commercial unit that is not individually metered payment of the WDF payment must occur when the building permit or business license is issued. If an individual water meter is installed for the unit for which a building permit or business license is requested or if the owner of a unit that is leased or rented for that same business agrees in writing to be responsible for the payment of the WDF then the WDF may be paid over the applicable time period. Approval by the Water Superintendent is required for all deferred payments under this subsection and a written agreement approved by the Town Council is required if the projected water use of the business is projected to be more than 37,500 gallons of water in any month.
5. For projects projected to use in excess of 37,500(?) gallons of water in any month the developer may request a written agreement with the Town for Town Council approval for payment of the WDF over a ten year period with the first of eight annual or 84 monthly payments beginning at the end of the 36th month anniversary of the issuance of the building permit for the project. Use of this method requires that the developer provide the Town with a WDF payment guarantee bond for use by the Town in case of default or failure of the project.

References

Town Code Sections 50.55 – 50.59.