



WHITEFISH IMPACT FEES FREQUENTLY ASKED QUESTIONS

The City of Whitefish confirmed a discrepancy in the determination of fixture counts compared to the 2018 Uniform Plumbing Code. These fixture counts are used to calculate the City's water and wastewater impact fees charged on additions and new construction using the City's utility infrastructure.

The City is currently conducting an internal audit of all building permits issued from January 1, 2019, thru July 31, 2021, to determine the amount of any overcharges for water and/or wastewater impact fees that need to be refunded. Two separate City departments are involved in the audit and will submit their findings to the City Manager and Finance Director once the audit is complete. It is anticipated that this process will be completed within three (3) months, or by December 31, 2021.

Below are frequently asked questions and answers regarding this process:

1. Is my construction project included in the audit?

If your project was issued a building permit between January 1, 2019, and July 31, 2021, your project will automatically be included in the internal audit to verify if the water and wastewater impact fees were correctly assessed.

2. Do I need to contact the City for my building permit to be included in the audit?

No. All building permits issued between January 1, 2019, and July 31, 2021, will automatically be included in the internal audit.

3. What impact fees are included in the audit?

The discrepancy identified only affects the water and wastewater impact fees. The City's other impact fees are unaffected by the fixture counts.

4. What will happen if it is determined that my project was overcharged?

In accordance with § 7-6-1603(1)(c), MCA, the refund must be paid to "the person who owned the property at the time that the refund was due." In consultation with legal counsel and the City's external auditors, the refund is considered "due" once the overcharge is discovered and the refund amount is reasonably estimated. Therefore, the City will mail a notice and check to the current property owner of any project for which a refund is due.

5. Will I be contacted if my project was affected?

The City will only contact a property owner should additional information be required, such as to confirming a current mailing address if one is not available.

6. Will an external audit be completed?

The City's external auditors will test the accuracy of the internal audit process and related impact fee discrepancy calculations, meter sizing determinations and the Capital Improvement Projects (CIP) identified as eligible for impact fee recovery. The external auditors will have a specific focus on the City's impact fees as part of their annual financial audit which is anticipated to begin in January.

7. What has the City done to address this issue moving forward?

The City has implemented new internal controls to prevent future discrepancies. For example, all building permit applications will now require applicants to report and confirm the number of plumbing fixtures included in a proposed project on a new Plumbing Fixture Count form. A City staff member will confirm the reported fixtures on the form to the building plans, which must clearly depict the fixtures included in the project. Staff will then calculate the impact fees owed. A second City staff member will review the plumbing fixture count and impact fee calculations for accuracy before submitting an invoice to the building permit applicant for impact fees due.

8. Does the impact fee calculation affect my water and wastewater usage charges that are billed each month?

No, the impact fees do not affect the rates customers see on their monthly water and wastewater (sewer) utility bills. Impact fees are charged only when building permits are issued and impacts are identified in new additions and new construction that use the City's utility infrastructure.