

**Providence City Board of Equalization
Providence City Office Building
15 South Main, Providence UT**

Tuesday, January 25, 2005 5:00 p.m.

Attendance: Mayor: Alma H. Leonhardt
Council: Randy Eck, Stacie Gomm, Deon Johnson, Ron Liechty, Vic Saunders
City Manager: Vern Keeslar
City Recorder: Skarlet Bankhead
Public Works Director: Dee Barnes

Item No. 1. The Providence City Board of Equalization will consider a request by Jay Jenks, Agent for Deer Creek Village, to reduce the sewer fees.

Jay Jenks explained they feel they are more like a commercial user. They have less frontage than a single-family subdivision with 96 homes. They have one water service instead of 96 services. They receive one billing instead of 96 billings. The complex has one 4" water meter for culinary use and separate 2" water meter for outside watering. He reported he contacted Logan City and they told him separate meters for outside watering are used so sewer usage can be estimated.

Jay Jenks reported he originally spoke with Tara at Providence City. He reported she did not know how the billing would be charged, but she thought it would be charged by the number of units. He reported he later received a memo from Tara explaining they would be billed by meter size.

J Jenks explained based on the current amount of usage from a complex in Rexburg ID, they estimate 700,000 gallons per month at full capacity. This is based on 3 persons per unit. He stated that Logan City bills Providence City \$1.05 per 1,000 gallons for treatment costs. They propose that they be put under the commercial code.

V Saunders felt there was a difference between Providence City and Rexburg ID. Rexburg's system may be older and have less expense. J Jenks explained he used Rexburg to estimate gallons used, not necessarily the costs.

Jay Jenks explained the 4" meter also includes the club house and pool.

D Johnson explained Logan City now charges Providence City by a metered amount. He felt 50% of the homes in Providence would use the same amount as a unit in the apartment complex. He did not feel an apartment unit should be treated differently than a home, when it came to the sewer.

R Eck agreed with D Johnson. He stated he struggled with one person living in a home with one bathroom paying more for sewer than three people living in an apartment with two bathrooms. Jay Jenks felt the frontage costs were less; therefore, the apartment complex should be charged less. R Eck felt it cost the single homeowner the same as an apartment dwelling unit.

J Jenks wanted the City to charge the complex as he understood the ordinance, a commercial rate. He felt the complex was being overcharged. J Jenks also explained if charged by the unit, they will have to pay the same amount whether the unit is occupied or vacant.

R Eck explained single-family homes are charged sewer when they are vacant.

V Keeslar explained the City would save approximately \$0.12 per unit on one billing. V Keeslar also explained the apartments are being billed the residential rate, which is one per dwelling unit. Mayor Leonhardt explained the City also bills the PUDs per dwelling unit.

V Keeslar felt Tara's memo was dealing with the sewer impact fee being based on the water meter size. J Jenks disagreed. J Jenks reported Tara's memo stated the sewer utility would be billed per meter. J Jenks felt if the City was charging by unit, the two-inch meter should not have been required.

J Jenks explained the City is charging him \$3.50 per 1000 gallons. J Jenks felt the City could only charge maintenance costs. He felt the maintenance costs should be less because they have less frontage. J Jenks felt the City would have a hard time justifying the costs. He explained North Logan charges approximately 1/3 of what Providence City is charging.

V Saunders explained the debt service and treatment costs come to \$24.63 per unit. That only leaves \$4.52 to consider for any reduction.

S Bankhead explained the maintenance budget for the sewer system involves the entire system. While the development may only have 300+ feet of frontage, it takes the overall system to transport the flow. V Keeslar explained the City is looking to hire another employee and equipment necessary to continue maintenance. This will add to the maintenance costs.

J Jenks explained the project would not have been located in Providence City if they had received the correct figures originally. It cut their profit in half. He did not feel the per unit fee was a fair way to bill their complex.

D Johnson explained the fee is not fair for everyone in the City; a single person in a home pays the same as a large family in a home. Jay Jenks felt it would be fair to charge on the amount of water used.

Stan Rolland, Westates Construction, felt the City should charge maintenance, treatment, and bond costs per gallon of flow. He felt the flow from the water meter should be used to bill the sewer.

D Johnson explained there is additional flow from the underground water. Every unit in the City helps with the additional flow. S Rolland felt the City should fix the pipes. D

Johnson agreed but explained there would always be some additional flow. S Rolland suggested the City change from billing by unit to billing by flow and add 10% to cover the additional flow.

V Keeslar explained the bond was based on a per connection fee. He felt the monthly fees may decrease some when the bond is paid off; but not the entire amount due to the additional maintenance expenses. Mayor Leonhardt stated the residents are expecting a decrease when the bond is paid off.

V Saunders explained he has 127 feet of frontage, with three people living in the home. They pay the same amount per month whether the use is light or heavy. He understood there may have been some inaccurate information given out, but did not feel residents in one area should be charged less.

R Liechty stated the development is residential. It has 96 units with an average of three people; that is residential and should be billed residential not commercial. The developers felt the City should change to meter flow for everyone; then add an additional 10% to cover the additional flow.

R Liechty felt the developers were asking to be treated differently. Everyone would have the opportunity to request a change. S Rolland explained because they have 100 units, they feel the effect for 100 units. R Eck stated the developers were also getting revenue from 100 units. R Eck does not receive revenue from his monthly sewer billing.

S Gomm stated an apartment had to flush the same as a single-family residence. There are benefits to living in an apartment complex. There are benefits to living in a single-family home. But everyone flushes the same.

The developers did not feel their rental rates would be competitive, if they increased the monthly fees to compensate for the sewer billing by unit. J Jenks requested the City bill each unit separately.

V Keeslar explained the City bills by property, not by tenant. R Liechty asked if the developers understood they would be responsible for one billing in the beginning. J Jenks stated they knew the City would be sending one statement.

J Jenks explained the original memo is consistent with the way other cities bill. D Johnson stated he would consider billing per flow, if they installed 96 meters. He explained there was a large cost saving in the impact fees for one four-inch meter compared to 96 one-inch meters.

J Jenks is asking to be billed by meter size and flow, like commercial. S Gomm did not feel the developer could pick and choose which parts of commercial and which parts of residential they liked and have a unique billing. J Jenks felt the City should change the way it bills for the entire City.

Motion to table this action so the Council can meet to discuss the big picture – R Eck, second – R Liechty,

R Eck did not feel the Council could make a decision without affecting everyone in the City.

Vote: Yea: R Eck, S Gomm, D Johnson, R Liechty, V Saunders

Nay: None

Abstained: None

Absent: None

Motion to adjourn the Board of Equalization – V Saunders, second – R Eck,

Vote: Yea: R Eck, S Gomm, D Johnson, R Liechty, V Saunders

Nay: None

Abstained: None

Absent: None

The meeting adjourned at approximately 5:50 p.m.

Minutes taken and prepared by S Bankhead.

Alma H Leonhardt, Mayor

Skarlet Bankhead, City Recorder