

# UTILITY COMMITTEE MINUTES

December 19, 2002

The Utility Committee of the City of Mesa met in the lower level meeting room of the Council Chambers, 57 East 1st Street, on December 19, 2002 at 9:23 a.m.

## COMMITTEE PRESENT

Janie Thom, Chairman  
Kyle Jones  
Mike Whalen

## COUNCIL PRESENT

## OFFICERS PRESENT

Mike Hutchinson  
Paul Wenbert

(Items on the agenda were discussed out of order but for the purposes of clarity will remain as listed on the agenda.)

1. Discuss and consider a request for water and sewer services outside Mesa's corporate limits for Range Rider Road property.

Beth Hughes-Ornelas with the Building Safety Division addressed the Committee relative to this agenda item. She stated that staff is recommending that the request for water and sewer services outside Mesa's corporate limits for Range Rider Road property be denied on the basis of non-compliance with the provisions contained in Ordinance No. 3880. She explained that the Ordinance, which went into effect in April of last year, requires properties that are developing for commercial reasons or as subdivisions to be annexed into the City of Mesa prior to receiving City utilities

Chairman Thom noted that the next agenda item has to do with a request for water and sewer services outside Mesa's corporate limits for property on Recker Road, south of Baseline, within the Gilbert planning area. She stressed the importance of addressing these issues and asked whether a representative of the Range Rider Road property owners was present to address the Committee at this time.

Paul Gilbert, 4800 North Scottsdale Road, Scottsdale, an attorney representing the partnership known as Range Rider Estates, clarified that the property owners are only asking for water service and are not requesting sewer service. He said that the main reason his clients are asking for relief is because they were part of a Special Improvement District (SID) that was formed in 1977 and explained that as part of that SID, Mesa committed to provide water to not only this property, but to a large area that was part of the SID. He said that in accordance with the SID, the owners entered into a contract with Mesa whereby they paid for the engineering

and all of the construction costs associated with extending the waterline to their properties. He said that the payments were spread out over a ten-year period of time and noted that the property was not annexed into the City of Mesa. He added that there was never any discussion relative to the fact that after the ten-year period, the owners would have to annex their property into the City of Mesa and emphasized that annexation was never part of the contractual relationship that established the SID.

Mr. Gilbert said that he has asked Mr. Perkins, who is one of the partners in Range Rider Estates, to pass out a diagram to the members of the Committee and provided a brief overview of the property's location, boundaries and the location of the SID. He noted that in April 2001, the City adopted Ordinance 3880, which basically said that annexation would be necessary in order to receive water service and noted that this was not the case when the City entered into the original agreement with the property owners. He stated the opinion that by adopting the annexation policy and applying it to the property owners that he represents, the City unilaterally changed its contract and agreement after the owners made payments for a period of ten years. He added the opinion that requiring the owners to annex into the City at this time is both morally and legally wrong.

Discussion ensued relative to the actual language contained the SID agreement, the fact that the agreement specifically states that "the aforementioned domestic waterlines and fire hydrants will be served by the City of Mesa and will thereafter be maintained and operated by the City of Mesa," the fact that the document also states that "this agreement is by its own terms a contract for services," various court cases including The City of Tucson versus Simms and Wayne versus the City of Sebring that support Mr. Gilbert's opinions, the fact that a significant amount of case law exists upon which to support Mr. Gilbert's claims, and the fact that portions of the property that have already been sold (along the northern border and part of the SID as well) all contain water services provided by the City of Mesa.

Mr. Gilbert stated that when a municipality contracts to provide services to non-residents, it is bound by the terms of the contract and added the opinion that the City of Mesa should honor its contract from both a moral and legal point of view and should not require the owners to annex into the City of Mesa in order to receive water service.

Chairman Thom thanked Mr. Gilbert for his presentation.

In response to a question from Committeemember Jones, Mr. Gilbert stated that the reason the owners do not wish to annex into the City of Mesa is because the property has been sold to a developer and the City of Mesa's hillside requirements, which are stricter than the County's, would result in a reduction in density and the higher development costs would negatively impact the proposed project.

Chairman Thom asked whether the applicants planned to do a re-subdivision and Mr. Gilbert indicated that they did. He added that they would be willing to stipulate, as a condition of approval, that they will not increase the density levels that currently exist in the County. He added that the property is zoned for acre lots.

Additional discussion ensued relative to County zoning requirements versus City of Mesa's and the City's Desert Uplands requirements.

City Engineer Keith Nath addressed the members of the Committee relative to this agenda item and said that the City of Mesa has improved the Range Rider SID and exceeded what was included in the original agreement. He added that numerous improvements have been made to the system out there in order to provide additional services. He indicated his willingness to research the costs to the City and provide that information to the members of the Committee.

City Attorney Debbie Spinner commented on the fact that no contract exists other than the SID agreement and asked Mr. Gilbert to provide her with a copy of the agreement so that she could review the document.

Mr. Gilbert noted that none of the properties located along Range Rider Road have sewer, they all have septic tanks. He noted that the land is rocky and has many hills and the costs associated with bringing sewer line in would be prohibitive.

Ms. Spinner stated that in reviewing the Special Improvement District agreement, she finds that it does state "Whereas the aforementioned domestic waterlines and fire hydrant will be served by the City of Mesa and will be thereafter maintained and operated by the City of Mesa." She added that a "Whereas" clause is a statement of intent and sets forth a policy. She also pointed out that it also states that "the contract is in effect until the project is completed and until it is designed to plan," and questioned whether the agreement has expired. She pointed out that Resolution No. 4143, signed in February 1977, also contained a "Whereas" clause and states "Whereas the City for Mesa will serve domestic water to the customers in the district through the domestic waterlines so installed." She added that it also states "that the City Manager and the City Clerk are authorized and directed to execute an agreement between the Range Rider Improvement District and the City of Mesa." She explained that the Resolution states that water will be provided and directs the City of Mesa and the SID to enter into an agreement setting forth the terms to be followed. She questioned whether such a contract was ever entered into.

Mr. Gilbert stated the opinion that the agreement referred to in that Resolution is the one contained on the sheet. He said that the Resolution was adopted and both documents state that water will be provided by the City of Mesa. Mr. Gilbert commented on the fact that payments were made to the City of Mesa over a ten-year period of time and to say at this point that the agreement might have expired is inappropriate and incorrect. He emphasized that the people who made the payments to the City of Mesa believed that they were going to receive water from the City of Mesa and added that the documents submitted support this fact.

Chairman Thom agreed with Mr. Gilbert's position and commented on the fact that the City of Mesa charges higher utility rates for service provided outside of the City's limits. She added that it is beneficial to the City to provide water to this unincorporated area because of the increased rates.

Committeemember Whalen noted that Mesa's policy in the past, prior to the adoption of the Ordinance, was to provide water service outside of the City. He added that in 2001, effort was expended to look at the City's future needs and it was determined that in order to control adequate growth, utility service limitations would have to be put in place. He said he believes one option at this time would be to recommend to the full Council that they deliberate on this issue and allow staff from the City Attorney's office to work with Mr. Gilbert and the applicants on

this matter in an effort to place the issue on the agenda of the next Regular Council Meeting for Council action. He added that it appears to him that the applicants entered into a legal contract with the City and said that in accordance with the provisions of the ordinance, an exception may be granted. He emphasized that the City Attorney's office should have the opportunity to research this issue further.

Committeemember Whalen stated that another option may be for the Committee to recommend to the Council approval of the request for water and sewer service based on an "exception basis" and subject to change should the City Attorney's office bring information forward that justifies a reversal of this decision.

Mr. Gilbert indicated support for Committeemember Whalen's suggestion.

It was moved by Committeemember Whalen, seconded by Committeemember Jones, to recommend to the Council that a request for water and sewer services outside Mesa's corporate limits for Range Rider Road property be approved on an "exception basis" as provided for in Ordinance No. 3880, subject to change should the City Attorney's office bring forward information as a result of their research that justifies a reversal of this decision.

Committeemember Jones said that as this issue moves forward, he would like staff to revisit the ordinance in an effort to possibly avoid delays and required Council action in the future for cases such as this where it is obvious and appropriate than an exception should be granted.

Chairman Thom declared the motion carried unanimously.

2. Discuss and consider a request for water and sewer service outside Mesa's corporate limits for property on Recker Road south of Baseline.

Ms. Hughes-Ornelas addressed the members of the Committee relative to this agenda item and said that a request has been received for water and sewer service for a commercial development located outside of Mesa's corporate limits (Recker Road south of Baseline). She noted that staff is recommending denial based on the fact that the request does not comply with the requirements contained in Ordinance No. 3880. She added that the site is within Gilbert's planning area and cannot be annexed into the City of Mesa.

In response to a question from Chairman Thom, Ms. Hughes-Ornelas confirmed that the City of Mesa does provide water service as well as sewer service to a number of residences in the area. She said that based on the fact that the Town of Gilbert's strip annexation line is already in place, the City of Mesa will not be able to annex the property in the future and that is why staff is recommending denial in this particular case. She stated that ordinance is explicit and denial is based on the contents of that ordinance.

Chairman Thom thanked Ms. Hughes-Ornelas for her input and requested that a representative of the applicants in this case present remarks at this time.

Sean Lake, 10 West Main Street, an attorney representing the applicants in this case, addressed the members of the Committee. He stated the opinion that the Ordinance provides the members of the Committee and the City Council the discretionary power to grant exceptions

in certain cases based on extenuating circumstances. Mr. Lake said he believes that this particular case warrants an exception being made and added that the owners would agree to annex into the City if they could but unfortunately in this particular case they cannot since the boundaries for Baseline Road between Mesa and Gilbert have already been established. He discussed the fact that the property cannot be annexed into the City of Mesa or into the Town of Gilbert and requested that the members of the Committee approve an exception in this particular case.

Mr. Lake informed the members of the Committee that the proposed development is consistent with the Town of Gilbert's General Plan and pointed out that the Town does not provide services to this area. He added the opinion that Gilbert will not provide service in the future either based on the fragmented development that has occurred in the area.

Mr. Lake again discussed the contents of Ordinance No. 3880, particularly the last paragraph which provides the Committee/City Council with discretionary powers to render decisions on a case-by-case basis if circumstances warranted and requested that the Committee recommend to the Council that water and sewer service be provided in this particular case.

Discussion ensued among the members of the Committee relative to the fact that the closest Town of Gilbert utility line is located over a mile away from the site; the fact that a large number of surrounding properties are provided water by the City of Mesa and others have their own wells; the fact that utility lines are available right in front of the property and the City of Mesa would not have to extend water or sewer lines in order to provide service to the property and the applicant's willingness to pay all fees and charges associated with obtaining the service.

In response to a request for input from Chairman Thom, City Engineer Keith Nath stated that Mesa acquired this area when it purchased the old Turner Ranches Water & Sewer District, a private water company. He said that as part of the purchase, which served a large area of Mesa, an area was also included that served the Town of Gilbert. Mr. Nath explained that over the years conversations have taken place with the Town of Gilbert, on a staff level, relative to taking over that area in the future. He added that the area really should be served by the Town of Gilbert in the future and commented on the fact that the land is within Gilbert's planning area and their future corporate limit lines. He reported that to date Gilbert has not expressed an interest in taking over those areas.

Committeemember Whalen commented that he was a participant in the crafting of Ordinance No. 3880 and spoke in support of granting an exception in this particular situation as allowed in accordance with Subsection C of the Ordinance.

City Attorney Debbie Spinner pointed out that in situations such as this, staff's hands are tied and the Ordinance only provides the discretionary power to grant exceptions to the City Council, following a review by the members of the Utility Committee.

It was moved by Committeemember Whalen, seconded by Committeemember Jones, to recommend to the Council that the request for water and sewer services outside Mesa's corporate limits for property located on Recker Road, south of Baseline, be approved.

Chairman Thom stated the opinion that the current ordinance should be amended to avoid similar problems in the future and added that the City should not require people to annex in exchange for receiving City services. She said that she has performed extensive research in this area and case law and statutes specifically attest to the fact that when a municipality acquires a water company, that municipality is required to provide water to users located within the company's service area.

Chairman Thom declared the motion carried unanimously.

3. Discuss and consider sewer connection policy for properties served by septic systems.

Assistant Development Services Manager Kari Kent addressed the members of the Committee relative to this agenda item. She stated that staff was previously directed to review the City's current sewer connection policy, as outlined in Ordinance No. 2809 relating to Section 8-4-10 of the City Code. She explained that the current Ordinance assesses property owners sewer fees when City sewer lines are extended to their property even if the property owners decide not to connect to the City sewer system and continue to utilize their septic tanks. Ms. Kent explained that the intent of the policy was for the sewer fees that are paid by customers to accumulate on their utility accounts and be allocated toward the payment of the City's Sewer Development Fee or Sewer Impact Fee when the owners connected to the sewer system. She added that the fee was in place to encourage property owners to abandon their septic systems and to connect to the City's sewer system. She noted that the intent was also to ensure that citizens could not connect to the City's sewer system illegally without the City's knowledge.

Discussion ensued relative to difficulties associated with determining exactly how many customers utilize septic systems; the fact that a separate rate was never established to help differentiate between customers who were connected to the sewer system and customers who weren't connected but were being assessed the sewer fees; efforts to obtain information from Maricopa County relative to the number of septic tank permits issued; the fact that surrounding municipalities such as Phoenix, Glendale and Gilbert assess fees only when the property owners connect to the sewer system, while Tempe and Scottsdale require connection to take place within one year, which is the point at which those cities begin assessing fees, and the fact that Chandler's policy is similar to the one currently in effect in Mesa.

Ms. Kent advised that staff's recommendation is that the current City Ordinance relating to this section of the City Code be repealed and that fees only be assessed when property owners connect to the City's sewer system. She noted that research has revealed that there are a number of property owners who should be paying sewer fees but are not and said that if the current policy remains in effect, those owners will have to be assessed the fees. She added that staff believes that the current revenue stream is insignificant. She commented that many of the property owners have invested money in installing and maintaining their septic systems to meet current environmental and health regulations and said that staff is recommending that those customers only be required to connect to the City's sewer system and begin paying fees when their septic systems are no longer operational.

Ms. Kent stated that if there is support to repeal the current Ordinance, staff would conduct an informational campaign aimed at identifying additional customers who are already paying sewer

fees but are not connected to the City's sewer system. She said that the City's Customer Service and Utility Departments would work together on this effort.

Chairman Thom invited Marilyn Wennerstrom to address the members of the Committee relative to this agenda item. Committeemember Whalen stated the opinion that Ms. Wennerstrom's situation differs from the stated agenda item and that discussion relative to her particular case should not take place at this time.

Chairman Thom thanked Committeemember Whalen for his comments and asked Ms. Wennerstrom to present brief remarks at this time.

Ms. Wennerstrom discussed Ms. Kent's remarks relative to the fact that the issue of whether refunds would be issued if the amount of funds collected from fees exceeds the actual connection fees was never addressed because fees could potentially be increased and said that she does not agree with this concept at all and the reverse has actually occurred. She explained that she has been a sewer "payer" and not a sewer "user" for over 32 years and provided a brief overview of rates that have been in place since 1969-1970 and situations that she has been involved in. Ms. Wennerstrom stated that she has repeatedly over the years discussed the unfairness of this situation with members of City staff and various Council members and to date she has not been successful in convincing them that the policy should be changed.

Ms. Wennerstrom said that she is pleased that the City is finally recognizing that the policy has not been enforced in an equitable manner. She added that had the City imposed a flat rate for septic tank users, non-sewer users, she could have accepted that better than being billed the same rate as those citizens who were actually hooked up to the sewer system and receiving the benefit of that service.

Chairman Thom thanked Ms. Wennerstrom for her comments and said that she agreed that it was unfair to charge citizens for a service they are not being provided.

City Attorney Debbie Spinner commented that staff was asked to review the Ordinance and determine whether at the time it was passed it was both legal and appropriate and said that staff believes it was. She added that should there be support for amending the policy, the City does not have a legal obligation to issue refunds to citizens who have paid fees without benefit of service because the Ordinance was legal and the fees that were collected were done so in accordance with the terms of the Ordinance.

Chairman Thom indicated that she would like the issue of refunds to be addressed.

Ms. Spinner stated that if it is the desire of the Committee to proceed in this manner, a refund component could be developed but emphasized that additional information would need to be obtained such as how far back the refunds will go and how long a time period citizens should be given in which to come forward and apply for the refunds. She discussed the fact that implementing the refund, from an administrative viewpoint, will be extremely difficult and explained that issues such as determining who is entitled to the actual refund and tracking down prior owners will require extensive research time and effort.

Committeemember Thom thanked Ms. Spinner for her remarks and said that this issue may be compared to the "bread settlement." She said that this issue involved the pricing of bread and it was alleged that bakeries had gotten together and some "price fixing" took place, which resulted in a Class Action suit. She noted that the suit went through the courts and in the end people who lived in the State at certain times received a refund that was paid for by the bread companies. She said that she is aware of other similar situations and stated that although implementing a refund process would be difficult, it would not be impossible to achieve.

Ms. Spinner pointed out that the cases referred to by Chairman Thom involved illegal charges and/or collections and noted that the fees under discussion were not illegal and represented an appropriate collection of funds.

In response to a request from Chairman Thom, Ms. Spinner said that if it is the desire of the Committee, staff would pursue the development of a refund mechanism and provide recommendations to the Committee at a future meeting.

Chairman Thom stated that she would like to have a refund mechanism in place and reiterated her remarks relative to the unfairness of charging citizens for a service they do not receive. She added that citizens who can provide documentation verifying that they have paid the fees over the years but have not been hooked up to the City's sewer system should be issued refunds.

Committeemember Whalen commented on the fact that this issue came before the members of the Utility Committee approximately 18 months ago, in reference to McDowell Road. He said that it was the recommendation of the members of the prior Utility Committee that staff pursue this issue. He said that it has taken almost 15 months to accomplish this goal but he is pleased with the proposed change and believes that the change is fair and appropriate. He stressed the importance of trusting the citizens and said that he doubts a large number of "illegal sewer taps" will occur.

Committeemember Whalen stated concerns relative to what happens when the various septic systems fail and noted that the County will not issue additional septic permits if the sewer system is within a certain area. He added that if citizens attempt to put in illegal septic systems without being issued permits, he can only hope that contractors will not jeopardize their reputations and working relationship with the City by agreeing to perform the illegal work.

Committeemember Whalen also expressed the opinion that the issuance of refunds would be improper and said that although he can understand why citizens who have paid fees over the years for a service they did not receive might feel they are due a refund, the fees were legal and appropriate. He commented on difficulties associated with tracking down the various citizens who paid the fees over the years and ascertaining property ownership and said that although he supports proceeding with the change in policy and is making a motion to that effect. He added that he would not support implementing a refund mechanism.

Committeemember Jones seconded the motion. He added that although he does not support a "wholesale refund program," he would like staff to track the amount of fees collected and said that when citizens actually connect to the City's sewer system, he would like those funds to be applied toward the cost of their impact fees. He added that if an overage exists, the citizens should receive a refund for those monies that exceed the cost of hooking up to the system.

In response to a question from Ms. Spinner, Committeemember Jones said that the refund would occur at the time the citizens actually hook up to the City's system. He added that the City should stop collecting fees immediately but that accurate records should be maintained so that even if the citizens don't hook up to the system for years to come, the records will be in place and the information will be available when they do decide to hook up.

Chairman Thom commented that an obligation also exists to pay interest on the fees that have been collected and Committeemember Jones agreed with her comment. He also agreed that the citizens have a right to collect the difference between the actual cost of connecting to the system and the amount of fees they have paid to the City over the years if such an overage exists.

Ms. Kent noted that when the City looks at impact fees, Customer Service staff goes through and does an accumulation of all the property owner fees that have been paid into the system. She added that if an overage does occur, that could be the result of six different property owners paying into the system. She questioned whether the current property owner should receive the refund.

Committeemember Jones stated the opinion that the current property owner should receive the amount that he has paid out of his pocket personally. He added the opinion that new property owners should not benefit from the prior payments of the old property owners but said that issues such as this will be discussed by the full Council.

Discussion ensued relative to different situations that could occur relative to issuing the refunds and points that would have to be pursued and clarified prior to proceeding with the implementation of a refund policy.

Chairman Thom stated that if people are not hooked up to the City's sewer system, they shouldn't pay for it; if they have paid for this in the past but have not received the service and want a refund, they should receive one and if they want to hook up to the City's system later on they should be charged a hook up fee when they actually hook up. She said that this would avoid record keeping efforts and having to place fees in escrow.

In response to a request for input from Chairman Thom, Ms. Wennerstrom thanked those members of the Committee who recognize the need to put some type of refund policy in place. She discussed the possibility of utilizing a sewer dye test in order to determine system users. Ms. Wennerstrom also commented on the fact that property owners on McDowell Road have not been required to pay the same fees that she has been and stated the opinion that the current policy is discriminatory and inappropriate.

Committeemember Whalen pointed out that the McDowell Road project was completed approximately six to eight months ago and said that the citizens would not have been charged until the work was completed. He said that when this issue was first brought to the attention of the Committee approximately 15 months ago, they voted to suspend the fees because they did not believe that it was an appropriate charge. He added that the members of the Committee did not realize that there were other situations out there similar in nature to Ms. Wennerstrom's.

Committeemember Whalen said that he would not be totally opposed to some type of refund mechanism but said that he believes the cost to the City would be significant. He added that the City was operating under the direction of a former Council and that a legal Ordinance was in place governing this issue.

Chairman Thom commented that although she believes that the Ordinance should contain a provision relative to refunds, that is a separate issue and would have to be listed on an agenda. She said that the motion and second on the table at this time is to recommend to the Council that staff's recommendation relative to amending portions of Ordinance No. 2809, governing City Code Section 8-4-10, which eliminates assessing the sewer fee to property owners who have existing septic tank systems and who don't connect to the City's sewer system when it becomes available to them, be approved.

Chairman Thom added that she hopes staff can develop a refund mechanism of some sort for the Committee and Council to consider at a later time.

Discussion ensued among the members of the Council relative to the best manner in which to proceed at this time and it was decided that staff's recommendations relative to amending the Ordinance be forwarded to the Council at this time and that the issue of a refund mechanism be addressed at a later time.

Carried unanimously.

Chairman Thom thanked everyone for their input and patience.

4. Discuss and consider policy regarding solid waste furlough accounts.

Solid Waste Management Director Tim Mahon addressed the Committee relative to this agenda item. He reported that the City's residential refuse rates have traditionally been connected to water rates, and noted that when a residential water account is serviced on, a refuse account is serviced on as well.

Mr. Mahon advised that for a number of years, staff was approached by residents who left Mesa during the summer months and asked if it was possible to discontinue their trash and wastewater rates, but to maintain water service for landscaping purposes during that period of time. He noted that as a result of research conducted by the Solid Waste Division, on June 7, 1993, the Council adopted Ordinance No. 2791 and Resolution No. 6555 which put into place a new residential refuse furlough service rate. Mr. Mahon explained that the new rate allows customers requesting the service to be billed at a reduced rate (50%) during the months of April through September. He added that the reduced rate ensures that various Solid Waste programs are maintained throughout the year, and that needed revenue is contributed to the General Fund.

Discussion ensued relative to the fact that approximately 1.3% of the City's residential customers use the furlough rate system (the majority residing in retirement communities); that in 2002, the City lost approximately \$43,000 in uncollected revenue during the April through September timeframe due to the use of the furlough rate, and that the furlough rate is unique to

Mesa and surrounding Valley communities tie refuse rates directly to water usage with no option of decreasing the rates during extended periods of absence.

Mr. Mahon commented that there are several alternatives that the Committee may wish to consider regarding this issue including: 1) leaving the furlough rate as it currently exists; 2) discontinuing the use of the furlough rate, or 3) developing a new type of furlough rate. He also stated that at the present time, staff has no specific recommendation for the Committee, with the exception of recommending that they not pursue a protracted furlough period. Mr. Mahon added that the City of Mesa would continue to lose between \$45,000 and \$50,000 from April through September 2003 if the current furlough rate remains in effect.

In response to a question from Chairman Thom, Mr. Mahon clarified that the furlough rate system would allow residents who leave the City for a minimum of three months to continue their water service, but pay a reduced solid waste and wastewater fee.

Wendy Warren, a Mesa resident, addressed the members of the Committee and stated that as a constituent of Vice Mayor Kavanaugh's, she had requested that staff and the Council reevaluate the City's 1993 policy. She explained that she and her husband currently reside out of town during the months of May through September, and that in her opinion, it is unfair to pay for services that are not being used.

Chairman Thom expressed appreciation to Ms. Warren for attending today's meeting and offering her comments.

Chairman Thom referred to a statement contained in the Council Committee Report and stated the opinion that utility rates should not be considered as a substitute for a property tax to support essential services within the City of Mesa.

In response to a question from Committeemember Whalen, Ms. Warren explained that although she and her husband are currently using the residential refuse furlough service rate during the summer months, it would be more equitable if she did not have to incur solid waste and wastewater fees when those services are not being utilized.

Committeemember Jones referred to the Council Committee Report and noted that Mesa does not have a property tax and surrounding Valley communities utilize monies generated as a result of property taxes in order to subsidize their Solid Waste programs.

Further discussion ensued relative to the ongoing costs that are generated by the Solid Waste Division during the six-month furlough service rate period.

It was moved by Committeemember Whalen, seconded by Committeemember Jones, to recommend to the Council that the City's current practice of allowing qualified Mesa residents the option of decreasing their rates while still providing funds to the City for covering ongoing Solid Waste costs and General Fund contributions, remain unchanged.

Carried unanimously.

Chairman Thom thanked everyone for their input.

5. Adjournment.

Without objection, the Utility Committee Meeting adjourned at 11:17 a.m.

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the Utility Committee meeting of the City of Mesa, Arizona, held on the 19<sup>th</sup> day of December 2002. I further certify that the meeting was duly called and held and that a quorum was present.

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BARBARA JONES, CITY CLERK

lgc/pag