



North Ogden City

Memorandum

To: Mayor and City Council
From: Bryan Steele, Finance Director *BRS*
Date: 11/8/12
Subject: Setting a date for a Public Hearing for utility rate increase in the Silver Springs Subdivision

In 1998 an agreement between Ogden City and North Ogden City was completed allowing homes in the Silver Springs Subdivision to connect to Ogden City's sanitary sewer and storm water outfall lines. This was done because of the location of the subdivision and Ogden City's outfall lines were a logical tie in for that subdivision. (It is in the southeast part of the City. From 875 East to Mountain Road and 1510 North to 1525 North and sits on the North Ogden City and Ogden City border).

In the agreement it states North Ogden City will collect from the residences in the subdivision 72% of Ogden City's utility rates for sanitary sewer and storm water which North Ogden City will then pay to Ogden City on a quarterly basis. The agreement also states that Ogden City is to notify North Ogden City if their rates change. Ogden City has notified us that their rates have changed so we need to update the billing amounts for sanitary sewer and storm water for the homes in the Silver Spring Subdivision. In conjunction with that, North Ogden City needs to hold a public hearing before it raises rates.

Currently, those homes in the Silver Springs Subdivision (57 homes) pay \$16.34 per month for sanitary sewer and \$1.84 for storm water. When I met with Ogden City representatives, they notified me of their new rates, which would increase the rates to \$19.80 per month for sanitary sewer and \$5.12 for storm water. The total increase would be \$6.74. It appears the last time the rates were increased in the subdivision was 2006.

The plan is to raise the rates in January 2013. We will notify the residents of the rate increase before they receive their first bill with the new amounts.

Again, all we are doing tonight is setting the public hearing date to increase the sanitary sewer and storm water rates for residents in the Silver Springs subdivision which will be November 27, 2012.