

Make city water fees equitable

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In capping Hendersonville's impact fees for new water and sewer customers, City Council tamped down a potentially explosive election-year issue. Moving forward, city leaders should make sure the city's water fees and rates are equitable, reasonable and encourage conservation.

Council voted to put a cap on the city's impact fees for new water and sewer customers after hearing complaints last month from Larry Rogers, director of the local Partnership for Economic Progress, that the fees were onerous for business owners.

The system development charge is intended to allow the city to recoup costs to expand its water and sewer systems brought on by increased growth and use of the system. Last year, council adopted a new formula for calculating the charge based on water usage.

Rogers said the owner of a local car wash seeking to build another car wash in the city was astonished to learn that his estimated bill "came to an unreal \$284,139." The developer estimated his cost to hook up his existing car wash about three years ago was about \$18,000.

Council last week agreed to cap system development charges for new customers at \$10,000 for water and \$19,460 for sewer until the city has a chance to study and develop further options. City Manager John Connet requested additional time to finalize options for the revised water and sewer system development charges. His report should be ready within 30 days.

Under the new rate structure council approved in August 2012, smaller businesses that use less water would realize savings of between \$132 and \$5,380 for water and between \$105 and \$7,583 in fees for sewer compared to what they paid before, Connet said. Larger water consumers, on the other hand, could expect to pay from \$200 to \$94,400 more in water impact fees and \$272 to \$187,986 in fees for sewer under the new rate schedule.

Under the stopgap cap approved last week, fees for larger customers will be capped at those paid by businesses using 5,000 gallons per day. Smaller businesses that use less water would continue to get the benefits of the current rate structure.

Whatever the city manager and council come up with regarding impact fees on new users, this is not the last we have heard of this issue. Every few years it seems, council incumbents face challenges from upstarts, often over charges that the city's policies discourage growth and development. These lines have already been drawn for this year's council races, with candidates such as Jeff Miller making the water and sewer impact fees a rallying cry. On top of that, city leaders must also be concerned about the possibility that state government could intervene in matters of water and sewer, as the General Assembly did in transferring control of Asheville's water and sewer system to a regional entity.

In revising the city's system development charges for new businesses, it makes sense that businesses that use the most water, such as car washes, would pay more than shops where the only water usage is employees using the restroom. Council should make sure the fee structure is fair and equitable and rewards water conservation, while not putting an onerous burden on new businesses.