

**M**INUTES OF THE VERNAL CITY BOARD OF EQUALIZATION HEARING  
FOR ASSESSMENT AREA 2008-02 HELD OCTOBER 4, 2013 at 6:00 p.m. in  
the Vernal City Council room, 374 East Main, Vernal, Utah 84078.

**PRESENT:** Board members: Ted Munford, Gary Showalter and Sonja Norton.

**WELCOME:** Gary Showalter noted we are here tonight to hold a public hearing for SID 2008-02. This is the 3<sup>rd</sup> of three meetings being held to give property owners the opportunity to voice their concerns.

**PUBLIC HEARING: ASSESSMENT AREA 2008-02 BOARD OF EQUALIZATION:** Gary Showalter asked those interested in speaking to introduce themselves and identify the unit number.

Bob Dalton, owner of unit #26, stated that he is representing a group of other owners as well as his own property. Gary Showalter reminded Mr. Dalton that he needed written permission to speak for other unit owners. Bob Dalton stated that the reason he did not have permission in writing is because of the HOA laws in the State of Utah, and is making an objection to the assessments on the behalf of the Board of Trustees. He noted that on the first meeting held by the Board of Equalization, there were a number of questions asked that were not answered by the City. He stated that they are not seeking unjust enrichment, however, they do object to all the engineering costs being assessed to all the individual units as some units only received limited engineering, and units 1, 3, 4, 7, 8,25, 25, 26, 35, and 37-48 did not receive any engineering. Also, the buildings with six units were a challenge to put in individual meters so only one hot box installation was made causing the electrical bill for the one unit to be extremely high. Of greater concern, is if any unit had an issue and needed to turn off the water, it would affect all six units, which did happen in December, 2010. A letter was sent to the City regarding this issue. Since that time, three of these units had been abandoned. The HOA addressed the engineering difficulty and decided to install an individual meter to each unit. With the help of the Vernal City water crew, individual meters were installed to all twelve units involved in two buildings. He noted that the previous engineering is the City's fault and therefore is not worthy of compensable payment dropping the amount due to the City by \$78,903.06. Further, it is felt that the City did not provide any accurate cost of construction including labor, equipment or materials and the HOA is willing to offer a settlement of \$98,277.81. A complete settlement cost for each unit will be given to the engineers by October 31, 2013 along with a copy of the letter Mr. Dalton was reading.

Lindy Gilbert, owner of unit #7, stated that she purchased her home in 2007 thinking there would be less upkeep over her larger house, and found out after the purchase about all the water leaks. Because of the problems with the water, she has not been able to sell. When she found out they were going to get individual hook-ups and be responsible for their own bills, she thought that was great, but did not expect a \$5,699 bill. She stated that her understanding was she would have to pay for the water hook-up, but not this large of a bill nor a project that took so long. Gary Showalter asked if her unit had a hot box or a connection through the garage. Lindy stated that she did not want them cutting the concrete in the garage, so they installed a hot box in the back. The original installation did not contain a shut off valve so they had to redo it. Gary Showalter

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asked if installing a hot box was more expensive because of the amount of materials and time to install. Daren Anderson answered yes, and noted that some buildings house two or three units, some have more requiring more pipe to go further around the buildings. Sonja Norton clarified that if the spreadsheet showed a hot box installation with an additional charge, the original construction was supposed to be in the garage.

Bob Dalton explained that a letter was written to the City shortly after the contractor finished the work which referenced the hot box installation, and asked for the readings which are required by law. At that same time, the engineering notes and magon readings were requested which must be performed once per season. Some of the units had the ability to disconnect the hot box, while others did not, so arrangements were made with BHI to correct that deficiency and they expressed concern about the heat tape that was buried the length of the pipe. There has not been a fire yet, but it will happen since the water table is so high. Further, Mr. Dalton stated that he felt the hot box installation on the six-plexes falls under an industrial application which requires the magon readings. The City has been asked to produce the records and has refused, citing that they are not the custodian nor do they have a copy. Another letter was written referring to that denial which also mentioned the dangerous concerns. He asked if the engineers did not have the requirements from the electrical code or if they ignored them. Sonja Norton asked what electrical tests he is referring to. Bob Dalton stated they have to test the amount of electrical draw based on the higher rated heat tape that will be in contact with water.

Adam Martinez, owner of unit #48, stated that he is the president of the HOA, but refers to Mr. Dalton since he has lived there longer. This issue with Vernal City needs some type of closure so buyers who have put money illegally into an escrow account to pay this bill can take care of it. He asked the Board to look at this with an objective eye.

Ken Bassett explained that this project was bid as the specifications required. There were six units that were changed based on the property owner's request. Daren Anderson stated that the engineer spoke with the owner of each unit that was available to see what they wanted before the specifications were drawn up. Once it was known what kind of connection was wanted, the location of the service lines was added to the specifications. Ted Munford noted that trying to itemize the cost would be difficult. Daren Anderson stated that an important point is that the amount paid to the contractor for each service line represents what was done. Also, the heat cable that was installed was specified to be for an underground application and the loads were looked at based on footages. Each unit was different, but the heat tape is a small and insignificant length.

Ken Bassett stated that the City needs to deal with each individual owner on the special assessment area as outlined in State law, though the HOA did enter into an agreement for the back water bill. Many of the unit owners have indicated they will pay the assessment when finalized. Further, the bond counsel and City attorney are advising to move forward with the special assessment and not negotiate on the costs that have already been paid. He suggested the Board consider eliminating the engineering costs from the property owner assessments. Gary Showalter asked if the engineers can answer the comments dealing with the heat tape. Daren Anderson stated that they do have the specifications on that, and they do meet the national electrical code. Gary asked about requiring annual inspections. Daren Anderson replied that

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people would have to test everything that requires electricity such as appliances etc. The Board thanked Engineering Services for their diligence on this project. Sonja Norton asked what was done on the apartment style units. Ken Bassett stated that eventually the water department staff put each unit on its own meter which the owners were not charged for. Gary Showalter asked if there have been any problems with any of the lines freezing. Daren Anderson answered that he was not aware of any problems. There being no additional comments, the hearing was closed.

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Mayor Gary Showalter

ATTEST:

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Roxanne Behunin, Deputy Recorder

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