

Council says yes to 3% water rate hike

Written by Kristyn Halbig Ziehm
Wednesday, 20 October 2010 19:50

Port aldermen OK increase despite voicing concern about impact on residents, businesses

Port Washington water rates will go up 3% on Jan. 1, the Common Council unanimously agreed Tuesday.

Aldermen, who two weeks ago tabled action on the increase after concerns were expressed about its effect on residents and businesses in the city, said the rate hike is needed.

The small increase is preferable to waiting several years and then imposing a much larger rate hike on water users, aldermen said.

"I had a lot of complaints when this came up, people saying 'You shouldn't be doing this to me,'" Ald. Jim Vollmar said. "It's very personal when people are having difficulties."

The utility needs to continue to seek efficiencies and additional customers to help bring down the water rates, he said.

Ald. Paul Neumyer said he spoke to a number of his constituents, particularly senior citizens, and they were of a like mind.

"They don't like the idea of an increase," he said, but they prefer the small increase to a large one.

There are two main reasons for the proposed increases, officials said. Although revenue is decreasing, costs continue to climb. The utility's customers are also using less water, and the number of major industrial users is declining.

The rate hike is expected to increase the water utility's revenue by \$77,000, said Ald. Tom Hudson, chairman of the Finance and License Committee.

Even with the additional revenue, the water department will run a deficit next year of about \$108,000, he said.

That increase would allow the utility to build its reserve fund and save for future projects, Hudson said. That would help the city avoid borrowing for future water projects, eliminating interest charges that are passed onto customers.

Communities are allowed by the Public Service Commission to impose an across-the-board 3% rate increase without a formal hearing and case study, a process that would cost the city considerably more money to prepare, Hudson noted.

Although some aldermen had suggested the city impose a smaller rate hike, that is not allowed under the simplified process, he added.

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With the rate increase, the average residential customer is expected to see his bimonthly bill increase about \$1.95, City Administrator Mark Grams said.

The average bimonthly water bill — which includes charges for both the water and wastewater utilities — is about \$120, Grams said. About \$70 of that amount is for water.

Several aldermen expressed concern about how the increase would affect businesses such as Kleen Test Products when the rate hike was proposed two weeks ago, suggesting that the city consider a smaller increase for business users.

Water Supr. Dave Ewig said he and several other officials visited Kleen Test officials, who indicated the increase is not a major concern for the company.

Kleen Test Products, the city's second largest water user, is expected to pay \$59,900 for water this year, Ewig said.

We Energies is by far the city's largest water user, using 20% to 30% of the 1.3 million gallons pumped each day, he said. The utility is expected to pay \$280,000 for water this year.

The Port Washington-Saukville School District is the third-highest user and will pay an estimated \$48,500 for water in 2010.