

## Port residents face 3% hike for sewer, water

Written by Kristyn Halbig Ziehm  
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### City officials say utility rate increases are needed in 2011 to offset decline in use, cover rising costs

Port Washington residents will see their sewer and water bills increase 3% next year under the proposed 2011 utility budgets.

If approved, the increase would add \$3.60 to the bimonthly bill of homeowners whose current sewer and water charge is \$120, officials said.

The increases, which would be the first since 2008, are reflected in the proposed 2011 budgets for the water and sewer departments, officials told the Board of Public Works Tuesday.

For the water department, the proposed increase would bring in about \$75,000 in additional revenue next year, Water Supt. Dave Ewig said.

The proposed sewer rate increase would result in about \$47,000 more revenue for the wastewater department, Wastewater Supt. Dan Buehler said.

There are two main reasons for the proposed increases, the department heads said — people are using less water while costs are increasing, and the amount of industry in the city is decreasing.

“A lot of people are conserving water these days,” Buehler said. “We continue to see a drop in our revenue, but the vast majority of our costs are fixed.”

If residents were using the same amount of water they used in 2005 or 2006, he noted, “There would not need to be a rate increase this year.”

Ewig concurred, noting that residents are using about the same amount of water they did a decade ago.

Although revenue is decreasing, he said, costs continue to climb. Electricity is expected to increase about 5% next year, he noted, and the cost of the chemicals used in treating the water also continues to increase.

The number of major businesses using water is also decreasing significantly. When Simplicity closed its doors, Buehler said, the wastewater utility lost about \$100,000 in annual revenue.

The water department lost about \$60,000, Ewig estimated.

“We’re fortunate we have revenue from the power plant,” he noted, adding that because the water used by the utility is discharged into Lake Michigan, there is little impact on the wastewater department.

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“Our costs are spread across a relatively small base,” Ewig said. “We need more customers.”

The only good thing about people conserving water is that it will delay any future expansion of the plant, Buehler added.

Ewig noted that Port Washington isn't the only community being hurt by the conservation movement and loss of industry. Saukville recently received approval for a 22% water rate hike, he said, and the cities of Milwaukee and South Milwaukee are both seeking double-digit increases.

“It's really a statewide issue,” he said.

Another factor in the proposed rate increase is the lack of interest income, Buehler said. In 2008, he said, the wastewater utility received about \$50,000 in interest. Next year, it will receive an estimated \$8,000.

The departments also need to build up their reserve accounts, the superintendents said. Ewig said his department's reserve account is about \$1.4 million, but with bills for the Division, Wisconsin and Chestnut street projects outstanding. The Public Service Commission recommends a \$1.5 to \$2 million reserve fund, he said.

Buehler said his reserve fund is at about \$1 million, but he would like to see it increase to at least \$1.2 million as recommended by the Department of Natural Resources.

To help increase the reserve fund, Ewig recommended that after the Highway 33 reconstruction is completed in the coming year, the city focus on fixing roads that won't require utility work for the next several years.

“We've taken on some very large projects in the last couple of years,” he said.

Because the proposed 3% water rate increase falls within parameters set by the PSC, the city will be able to approve the hike without going through a longer, more complicated hearing process, Ewig said.

In the past, the water department has put off asking for increases for longer periods, but the rate hikes have been significantly larger and required the more complicated process, he said.

“We were told by the Common Council (in 2008) that in the future they wanted us to come in more often with these smaller requests,” Ewig said. “They did not want those double-digit increases.”

The Common Council is expected to consider the water department request when it meets

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Tuesday, Oct. 5. It will then go to the PSC for final approval.

The sewer rate increase does not require PSC approval. It will be approved as part of the 2011 budget, City Administrator Mark Grams said.