

## **SAWS to eye final OK on Rate Hikes**

By Josh Mitchell, Staff Reporter

The Sheridan Press

The Sheridan Area Water Supply Joint Powers Board on Wednesday will consider giving final approval to rate hikes that officials say are necessary to cover budget shortfalls.

The bimonthly base rate would jump to \$74 from \$59 under the proposal. SAWS Administrator, Jay Stender, told The Sheridan Press this morning.

Tap fees (one-time charges for hooking into the SAWS system) would rise to \$6,088 from \$3,280, Stender said.

The usage rate would increase from the current 95 cents per 1,000 gallons to a new tiered rate as follows (per 1,000 gallons):

0-6,000 gallons - \$1.45

6,001 to 11,000 gallons - \$1.75

11,001 to 16,000 gallons - \$2.10

16,001 to 21,000 gallons - \$2.50

21,001 to 26,000 gallons - \$3.26

26,000 to 31,000 gallons - \$3.60

31,001 gallons and up - \$4.35

Most of SAWS' approximately 1,568 customers use between 10,000 and 12,000 gallons every two months, Stender said.

The rate hikes are needed because the board wants to set aside more money for possible equipment repair or replacement.

SAWS currently has \$170,000 set aside for equipment replacement and repair, whereas SAWS' auditor said about \$800,000 should be budgeted, Stender said.

The rate hikes will also help cover increased operational costs, Stender said.

The main operational expenses, he said, is paying the city of Sheridan to operate the system. He said SAWS budgeted \$557,000 this year for that expense.

Last year SAWS' operations account ran a deficit of about \$340,000 largely due to construction of a new water line at the airport, Stender said.

To cover the deficit, SAWS had to take money from its cash reserves. SAWS currently has about \$420,000 in cash reserves, Stender said.