

Use of federal funds means rates won't increase as much

## Stimulus used to speed fixes on Casper water mains

PETE NICKEAS Casper Star-Tribune | Posted: Thursday, December 31, 2009 12:00 am |



KERRY HULLER/Casper Star-Tribune

A crew works to fix a 12-inch water-main break in the 1000 block of Beverly Street on July 22. (Courtesy photo)

CASPER — This summer, ductil iron pipes below Beverly Street cracked and spilled water into the ground around the pipe, pushing a chunk of the street upward before city crews turned off the water, excavated the area and replaced the pipe.

Other leaks in the area, including on the same section of pipe that crews replaced, kept portions of Beverly Street closed for days.

Construction costs from that water-main rupture and other water-main replacement projects are absorbed each year by anyone who uses city water. The city builds construction costs into water rates, paid by customers across Natrona County.

But instead of passing the entire cost along to water customers this year, city officials say an infusion of stimulus money used for water-main construction projects this year will reduce the need for a rate hike next year.

The Casper Public Utilities Advisory Board was considering asking for a 6.5 percent rate hike next year, according to board members.

That bump will likely come in at less than 2 percent. The advisory board will recommend a 1.9 percent increase, and the Casper City Council is to consider the recommendation and set the rate.

In past years, according to Ward 3 Councilman Paul Bertoglio, the council has set the rate lower than recommended by the advisory board.

A large portion of the city's rate structure is based on how many miles of water main need to be fixed. The more leaky pipes there are, the more construction needs to be done, and more construction results in higher rates.

Bertoglio and Public Services director Gary Clough said that in the 1990s, the city was losing between 12 and 14 percent of its water to leaky pipes. The city still has to pay for the water but can't charge customers for it because, as Bertoglio said, "you can't sell what you don't have."

Replacing portions of the city's 300-mile water-main network has become an increasing priority over the years, Bertoglio said. Each year, the city has tried to expand its construction efforts to reduce the amount of water it loses to leaky pipes.

Clough said the replacement schedule is a balancing act between keeping rates reasonable while addressing needs not included in a long-term plan, like the Beverly Street water-main break.

The stimulus money allowed the city to jump ahead in its replacement schedule while taking advantage of cheap construction rates. Two water-main replacement projects, estimated earlier to cost \$7.2 million, cost the city \$6.5 million.

"The stimulus funds came in and ... it allowed us to accelerate a lot of those projects. It's almost like we jumped 2<sup>f</sup> to three years out. It allowed us to do all those (projects) very quickly," Bertoglio said. "It basically brought the rate down so that 6.5 percent (bump) was no longer necessary."

The water mains, by far the biggest water-main replacement project contracted this year, were paid for using \$2.3 million of stimulus money. The rest was paid for using a low-interest loan from the state.

Dick Webb, also a member of the advisory board, said he hopes the loan can be paid back soon.

"When the city manager had spoken with council, it was with the stipulation that if we accepted those funds, we'd repay those loans as quickly as possible so we didn't have debt out there," Webb said. "That's projected into the rate."

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