

Vista West residents dispute rate hike

By TOM MORTON
Star-Tribune staff writer

Wednesday, July 8, 2009 9:05 PM MDT

Some residents of the Vista West subdivisions west of Casper don't believe the private company that supplies their water deserves a nearly 60 percent rate increase

Ann Robinson told the Wyoming Public Service Commission on Wednesday in Casper that the 589 customers of the Vista West Water Co. have little recourse to appeal the \$100,076 rate increase request filed by the company in December.

"You're the only checks and balances we have," Robinson said.

She and resident Don Wolcott joined the hearing as formal intervenors.

The hearing will resume at 10 a.m. today at the Hansen Building, 2515 Warren Ave., Cheyenne, according to PSC Chairman Alan Minier.

Robinson and Wolcott have criticized the company's intent to buy new equipment, its \$350,000 debt, proposed raises for its two employees, and paying more for water from the city of Casper than the Regional Water System.

The proposed rate increases would be 59.4 percent from \$22.43 per month to \$35.75 per month for active meters; 55.2 percent from \$18.43 per month to \$28.60 per month for dry meters; and non-commodity charges would rise 30.8 percent from 72 cents per 1,000 gallons to \$1.04.

On Wednesday, the company's president, CEO and sole shareholder Paul Lowham told the three-member commission the proposed rate increase -- the first since 2000 -- was necessary for important equipment purchases and other reasons.

Vista West Water Co. has about \$5.7 million invested in its infrastructure, and the rate increases are necessary to sustain its quality, Lowham said. "We need sustainability or we don't have a company."

The company wants to buy a radio reading system for the water meters to make data collection more efficient, a device to diffuse water pumped at high volume through fire hydrants so nearby houses would not be flooded, valve cleaning equipment, and a new computer for the field office.

Part of the rate increase would go toward salaries, he said.

He's been making \$36,000 a year, and his two part-time maintenance employees who work at the Casper-Natrona County International Airport have been making about \$12,000 a year, he said.

Those salaries would increase to \$50,228 and about \$25,000 respectively, Lowham said.

When questioned by Robinson, Lowham defended the pay increases for himself and his two employees because he's competing against other companies for jobs, he said. "You just don't go down to the Manpower Office; our salaries are appropriate and reasonable."

After his testimony, Minier asked why the Vista West Water Co. had no reserve funds like other water utilities.

Lowham said he had his hands full running the company, but agreed that Minier had a point.

Minier, he said, also had a point that extra money should have gone to reserves for future development instead of dividends.

Minier also suggested Lowham and the ratepayers could share the pain of the debt by he and his employees foregoing salary increases.

Lowham responded it would affect the company's ability to continue, he said. "I don't like that idea."

Reach Tom Morton at (307) 266-0592, or at tom.morton@trib.com. Read his blog at tribtown.trib.com/TomMorton/blog.