

# Water, electric rates will go up steeply

**By The News-Record staff**

Published: Tuesday, April 21, 2009 12:46 PM MDT

The City Council took its first step Monday toward raising water and electric rates.

The council voted unanimously to increase rates over several years for both services beginning July 1. Electric rates will go up in two installments and water costs in three.

In both cases, the city is passing on costs to residents in order to avoid budget shortfalls.

Here's a breakdown of what will happen:

- **WATER:** The city's water fund now sits at a negative balance and will have an even greater deficit in years to come, City Administrator Mike Muirhead told the council.

The increases are needed to make the fund solvent and to cover the costs to deliver water to residents, he said.

The typical monthly residential water bill would be anywhere from \$13.11 to \$25.64 higher at the end of two years.

- In the winter: The typical residential winter water use bill is now about \$15.54 for 7,000 gallons of water. The three increases will add another \$13.11 to the bill in two years. The first increase would come July 1 and boost rates by 22 percent. That translates into an extra \$3.66, pushing the monthly bill to \$19.20.

The second increase, another 22 percent boost, would go into effect April 1, 2010. That would add another \$4.20 to the monthly bill, raising it to \$23.40.

The third 22 percent increase would go into effect April 1, 2011. It would add another \$5.25 the bill for a total of \$28.65.

- In the summer: The typical summer residential water customer uses about 14,000 gallons of water a month. The July 1 increase would boost that bill by \$6.74, raising it from \$30.66 to \$37.40.

The April 1, 2010, increase would tack on another \$8.40, bringing monthly costs to \$45.80.

The April 1, 2011, increase would raise the monthly summer bill another \$10.50 to \$56.30.

- **ELECTRIC:** The two proposed electric rate hikes are driven by the increase in wholesale prices and transmission rate increases the city pays, Muirhead said. Those costs will be passed on to residents. The new rate is expected to reverse the negative trend in the city's power fund, bringing it into the black in 2012.

In another year, residents will pay an extra \$8.50 for the typical monthly electric bill.

The first rate change will come July 1. The typical monthly residential bill for 750 kilowatts of power will go up by 9 percent. That means a monthly bill of \$61.88 will increase by \$6.62 to \$68.50.

The second rate hike is set for April 1, 2010. Rates would go up about 3 percent. That typical monthly bill then would increase by \$1.88, from \$68.50 to \$70.38.

The proposals must pass two more readings for final approval.