

Losing optional sales tax could prompt increase, official warns

Water rates could jump 15 percent

By PETE NICKEAS - Star-Tribune staff writer | Posted: Tuesday, January 12, 2010 12:00 am |

City water rates could spike 15 percent if voters don't approve the optional 1-cent sales tax this November, according to Casper Public Utilities Manager David Hill.

City council members and top city officials for months have warned of higher water bills if the optional 1-cent sales tax isn't approved by voters.

The city of Casper has used a chunk of its optional 1-cent sales tax revenues to subsidize water rates. If the annual \$1.5 million payment to the water fund disappears, the city would have to raise rates or spend less money repairing and replacing water mains.

Any 1-cent money provided to the water fund offsets future rate increases because it's money rate payers don't have to pay through their water bills.

Hill's statement came at a city council work session Monday night, which agreed to raise water rates 1.9 percent for calendar year 2010. A city estimate pegged the increased cost at less than \$1 per month, from \$52.02 to \$52.97 per month for the average residential customer.

Utility officials had planned on asking for a 6.5 percent increase in water rates but an infusion of stimulus money offset some construction costs, allowing officials to ask for the lower rate. The rate structure will be formally approved later this month.

The optional 1-cent sales tax was first approved by Natrona County voters in 1974 and has been approved 12 times since. The tax is applied on top of the statewide 4-cent sales tax, and the money raised is used by Casper and other governments within Natrona County.

You can reach city reporter Pete Nickeas at pete.nickeas@trib.com or (307) 266-0639. You can read more about Casper politics and government at <http://tribtown.trib.com/redtape>