

### **By Tim Linscott**

*Managing Editor*

Local utility customers will see a rate increase soon.

At the Aug. 27 Grant City Council meeting city officials looked at raising rates for sewer and water for the coming fiscal year.

Dana Harris, Grant city administrator, explained the fiscal policy is to maintain a 15 percent margin on rates, which is used for operating expense, reserves and for large projects. To maintain the 15 percent margin, a 33 percent increase (\$4 per month per customer) would be necessary for sewer rates, as an example. To maintain water department percentages, the rate increase would be 32 percent (\$9.27 per month per customer for residential water users and \$13 for some commercial users within city limits.

Council member Bob Tatum figured the 32 percent increase for the upcoming fiscal year would be necessary because of several projects, including a new generator and water tower repairs.

"In three years we will see a significant drop in projects. That is what is putting us out of balance right now, the generator and the water tower," Tatum said.

Jessie Faber, Grant city clerk, said that it seemed to her that annually the city was being hit by big projects and the city can budget for projects, but unforeseen costs can swallow up funds quickly.

An example she used was a part that was ordered for a project at \$70 was \$40 more this year for the same part.

The water tower project will be paid for over three years. With on-going maintenance and with required changes to some systems (such as water testing) having increased costs to the city, Harris felt new projects will be necessary every year and just the logistics of running a water system will necessitate the increase staying put. She explained that percentage may be justified to stay 'above water' for the water system.

Harris asked city officials if the water rates could be weighted against large water users within the municipality in order to reduce the percentage imposed on residential users.

Gary Beckler, water utility superintendent for the City of Grant, noted that some of the larger water users have meters but they have not been used in 10 years or better.

"If they work, it may be the way to go," Grant City Attorney Phillip Pierce advised.

Kirk York suggested a 25 percent increase for water users, not 32 percent.

Tatum suggested a 25 percent increase to water users and explore whether the meters that are installed locally are functional.

Council members agreed to a 32 percent increase on water rates with a \$4 per customer per month increase in sewer rates (a 33 percent increase). Electric rates were not decided upon at the meeting.

Council members instructed Beckler to look into if the meters in town still work and possibly monitoring them one year to get a baseline for future guidance in determining rates.

The budget hearing is scheduled for Sept. 10 at 7:15 p.m. at the council chambers inside the city offices.

