

Financial reports, direction on 2013 water and sewer rates and proposed 2013 electric rates were reviewed Monday, Sept. 10, by the Auburn Board of Public Works.

General Manager Dave Hunter said he was not seeking a definite commitment from the board. Hunter said he was seeking direction from the board to help compile the 2013 budget.

A 3 percent increase may be considered because a tighter increase would run the electric department into the red, Hunter said.

Dick Hahn, board chairman, said many people are struggling to survive but know there was work to be done.

Hunter said he disliked rate increases anymore than anyone else.

"The cost of everything is going up. We need somewhere to get the money. We operate a tight ship. We're frugal. We only buy what we need. We have a responsibility to the ratepayers to provide service. It's a lot easier to do 2 to 3 percent increases than 10 to 15 percent rate increases. We depend on the electric department to carry the load, but it has a load it needs to carry. The biggest problem, especially with the water, is it's not ahead of the curve. The wells plug up with iron," Hunter said.

Hahn said that BPW did the right thing building the new water and wastewater treatment plants. The electric department is the only one that keeps its head above water, Hunter said. The water department is in the red while the wastewater department breaks even, he said.

Figures presented by Hunter showed that Auburn's electrical rate was comparable to other Nebraska Public Power District municipalities.

Residential service charge is \$8.70 for both summer and winter. Rates for the first 1000 kilowatt hours are \$0.0810 per kilowatt in the summer and \$0.0864 in the winter. Rates for more than 1000 kilowatt hours are \$0.0810 per kilowatt hours in the summer and \$0.0468 per kilowatt hour in the winter.

General service service charge is \$15.30 for both summer and winter. Rates for the first 3,500 kilowatt hours are \$0.0847 per kilowatt hour in the summer and \$0.0920 per kilowatt hour in the winter. Rates for more than 1000 kilowatt hour are \$0.0847 per kilowatt hour in the summer and \$0.0620 per kilowatt hour in the winter. The Auburn rates are the lowest of six municipalities of similar size.

In service charges, only Holdrege has a lower rate.

The actual value of electrical building and contents is more than \$35,626,986 with only 1 percent placed into depreciation.

Hunter said the water department runs into the red monthly. The department faces huge cost because of infrastructure that is old, worn out and needs replacement.

The average age of the city's wells is more than 40 years. The newest well was installed in 2003. Seven wells were installed during the 1980s. The other wells were installed in 1946, 1957, 1964 and 1966, respectively. As the wells age, Hunter said pumping capacity increases. The water quality of wells decreases over their useful life, he said.

Hunter said Auburn officials have treated water since 1941, removing iron and manganese. The water is high in both elements. Officials of cities along the lower river basin or the Missouri River face that issue, he said.

It is not uncommon to pull wells every year because of iron levels. That makes maintenance costs high, Hunter said.

Treating water involves removing iron and manganese. Since 1989, officials have had to

Written by www.anewspaper.net  
Friday, 28 September 2012 13:05 -

---

chlorinate the water. The local aquifer is shallow and has limited supply. Auburn's water is under the influence of surface water. Hunter said Auburn is among the few cities where water under the influence is treated. He said Fairbury officials do not have to deal with iron and manganese. Falls City officials face iron and manganese issues because of the 2011 flooding. Monthly average use of water is: residential rural, 7,326 gallons; residential, 4,541 gallons; commercial-rural, 14,381 gallons; commercial, 48,342 gallons and irrigation, 830 gallons. Hunter said the wastewater department overall is operating well. Rates cover expenses but that was about it, he said. There are numerous manholes which need rehabilitation, and blocks of sewer line needs lining or replacement. Additional funding from the U.S. Department of Agriculture on the wastewater plant fixed the largest problem within the collection system, he said.