

Auburn BPW to Consider Efficiency Study on Wastewater, Water Rates

Written by www.anewspaper.net
Saturday, 15 December 2012 17:38 -

Dave Hunter, Auburn Board of Public Works (BPW) general manager, will ask League of Nebraska Municipalities officials about an efficiency study of wastewater and water rates. BPW members continued discussing 2013 rates Monday, Dec. 10. A 3 percent increase in both areas was proposed for 2013. The rates were not increased the past couple of years. While the proposed increase would keep up with the cost of living, it would not bring the department out of the red, Hunter said.

Auburn Mayor Scott Kudrna suggested asking League officials how officials in other municipalities approach such a study and let the board decide. Board members Tom Gulizia and Rich Wilson favored considering an efficiency study. Hunter said he would do research on who conducts such studies.

Kudrna said Auburn's rates are many times higher than in other municipalities and need to be seriously addressed. He said he would like to have a consultant take a look at how BPW can reduce costs.

"We can't stop rate increases, but we can keep them more manageable," Hunter said.

Factors in high rates include incurred debt, payroll increases, and increases in the costs of such items as materials, gasoline and health insurance. While expenses have increased, Hunter said BPW officials are being more accountable for expenses.

Hunter said while customer count has remained about the same, he noticed the biggest factor since rates were increased was usage has decreased.

Dick Hahn, BPW chair, said his first concern was Auburn residents and many people have been part of the city for years. He asked if anything can be done to lower rates because the existing ones have caused people to move elsewhere. Hahn said he did not regret approving building the new wastewater and water plants.

Hunter said BPW would be discussing a new water plant if it had not acted when it did on building the new waste and wastewater plants. By building the new plants, BPW also was able to complete \$3 million in sewer line repairs. The wastewater plant is large enough so it can handle a potential large business which could move to Auburn, the general manager said.

"Low rates do not always mean an efficient utility. Rate surveys don't give all the figures. A lot of cities are not paying what we're paying for," Hunter said in referring to the new facilities.

Wilson said Auburn is one of the few cities which built both facilities simultaneously. Both water and wastewater rates are three times above the average in the state, which BPW officials saw before the new plants were built, he said.

"We know they're high (rates) and we need to get them lower. We need to control debt to get back on track so we don't have to raise rates every year. We need to restructure debt to keep rates where they are or a small increase for operating expenses. We need to take care of the debt side and then we can consider the operating side," Gulizia said.

Gulizia said potential tenants have asked about average bills, and he said the rates have caused some to locate elsewhere.

Melissa Sierks, BPW accounting and finance manager, said current staff were informed at conferences they had attended that utility officials need to set money aside for repairs and future projects. She added previous board members should have set aside funds for water and sewer upgrades and improvements to meet standards of the Department of Environmental Quality and Health and Human Services.

"We've trimmed costs every way we can at present. We have been told by conference speakers

Auburn BPW to Consider Efficiency Study on Wastewater, Water Rates

Written by www.anewspaper.net
Saturday, 15 December 2012 17:38 -

we need to stay on top of our costs," she said.