

# City water rates to increase by \$8 a month

By Tom Betz  
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Construction continues on the water treatment plant and more main water lines are to be installed in the next month, but the city commissioners spent time on Tuesday looking at the water rates and approved an increase of \$8 a month to be implemented in October.

“We have been here before,” City Manager Doug Gerber said. “I am bringing this up because the commission has not made a formal decision on raising the water rates. As we talked during the budget the assumption was to include an increase of \$5 a month to go into effect this fall.”

The \$5 increase would increase the monthly base from \$7.60 to \$12.60, and leave the consumption at \$1.07 per 100 cubic feet used over the first 300 cubic feet each month.

The \$5 increase would bring in an additional \$133,560 each year.

An increase of \$10 per month would bring in \$267,120 each year. Another option was to increase the base to \$15 and increase the usage to \$1.50 per 100 cubic feet.

Gerber said while the commission was reviewing the rates he wanted to look at where the \$5 would put the city in reference to the water improvement project.

“I believe we have the capacity to borrow from ourselves to pay the water project,” he said. “The total cost is about \$5 million and we will get 32 percent forgiven with the federal stimulus money (\$1.6 million). With the maximum engineering cost of \$750,000 the total debt would be \$4,150,000. Over 20 years it would take about \$300,000 to pay that back with interest. It is about \$210,000 without interest.”

Gerber said paying the state over the 20 years at 3.63 percent interest would cost the city \$1,997,984 in interest.

“There are a large number of options between these numbers,” he said. “I want to make sure everyone understands where we are and what that would mean.”

Commissioner Dave Daniels said the increase would be per month on the base rate.

Mayor Josh Dechant said if the city goes with the \$5 a month that is about \$70,000 short of paying off the water project.

Gerber said for easy math he was using that the city has 2,000 water customers. We do have a few more, but with this increasing everyone \$10 a month will get you about \$250,000 a year, he said.

Dechant said he thought the commission was looking at the combination of a raise on the base and on the usage.

Daniels asked if the city paid off half the loan and got half from the state would that be any less to have to raise rates to cover.

Gerber said they had talked about paying the whole loan off and then paying the city back. A \$5 a month raise is not an aggressive schedule, he said.

Billinger said the \$5 brings in an additional \$133,000 and said with the increase the water department would be bringing in \$864,000 a year.

“There is not any room to pay anything out of the water fund,” Gerber said.

“We have some of the small stuff covered,” Billinger said. “I want to be comfortable with the figures. This is not a fun deal. It is hard especially when times are tough.”

“I think loaning ourselves the money is a great deal, and it will save us almost \$2 million in interest.

“What about paying off the existing water loan. That might eliminate the \$184,000 payment. We might be able to use that to help cash flow the repayment to ourselves.”

Gerber said he was hesitant to add in the existing water loan as paying that off would bring the city reserves down to about \$5 million.

Billinger said he could understand that, but he was suggesting it as another tool

in the box. We have to be willing to pay ourselves back, he said. It would be about \$300,000 a year.

Gerber said it is a great idea, but the city has to be sure to follow through and the commission is committed to paying the city back.

“It is good sound economics,” Billinger said.

Dechant asked if the city could pay the water loan off.

“Yes,” Gerber said, “The state said it is good we are thinking about paying off the new loan so they can reuse the money quicker.”

Billinger said the other side is yes, we are running our reserves down, but that is what we have reserves for.

“It is good for the citizens that we are in a position to do this,” he said. “The question is how much are you comfortable with and what can you handle.”

Daniels said he figured at 20 years with no interest about \$7 a month would cover it.

Commissioner John Garcia said he figures it and \$8 would make it work.

Gerber suggested the commission might step the fee with a \$5 increase this fall and another \$3 next spring.

“If you tell the people the water project is going to cost \$8 a month I think the people

will be OK with that,” Daniels said. “I think it is easier to sell one time than doing it in steps. It is a mental thing.”

Gerber said \$8 a month would bring in \$213,800.

“I think most people will be OK as long as we keep it between \$8 and \$10,” Billinger said, “for the clean water.”

“For the increase I agree and for the quality of water most people will say they can live with it,” Garcia said. “We can put it out there and let them get used to it. Whatever numbers the commission arrives at is the way to go.”

“There is not a good answer,” Commissioner Annette Fairbanks said, “but I can see some good in stair stepping. However, the people may forget and it is better to go with one shot. They are seeing what is happening and that will make it an easier explanation.”

With the \$8 raise Billinger said it would keep the average household below \$30, and felt that would probably be below average for what most communities are paying.

Dechant asked Gerber if that was the discussion he was looking for and with the \$8 the plan would be to have it go into effect in October.

## Building planned to enclose cemetery kiosk

CITY, from Page 1

Commissioner Dave Daniels said he did not see a problem with the scouts and volunteers doing the work.

City Manager Doug Gerber said Hayden had asked, and that under city code the work should be done by a licensed contractor. Gerber, himself an Eagle Scout, said he felt it was a good project and did not believe it was a problem to let them do the work.

Billinger said he felt the commission ought to let the scouts do the project.

Hayden said one of the people helping is a licensed contractor, and

his son is a scout.

Garcia said that ought to cover the requirement.

Hayden asked about hooking power up to the building.

Daniels said the city ought to be able to do that.

“It is a go for me,” he said.

Charlie Bandel, electrical distribution superintendent said he thought getting power to the building would not be a problem as power is already at the nearby chapel.

Billinger made the motion to approve the project and it passed unanimously with Commissioner Annette Fairbanks joining the other four to vote in favor.

## Victims in Topeka tax fraud case should register to seek restitution

Restitution may be available for victims of a tax fraud scheme operated by Topeka-based Renaissance, The Tax People, U.S. Attorney Barry Grissom said.

Michael Craig Cooper, the founder and president of Renaissance, was sentenced in April to 20 years in federal prison after being convicted of mail fraud, wire fraud, money laundering and conspiracy.

His sentence included restitution of \$10 million and a forfeiture

money judgment of \$75 million.

During a trial in 2008 in U.S. District Court in Kansas City, Kan., prosecutors presented evidence that from 1997 to 2002 Cooper and others conspired to defraud the United States and their clients by marketing a program to sell individuals tax deductions through false or misleading representations.

Anyone who believes they have suffered a monetary loss resulting from the offenses in the Cooper

case may be eligible for restitution. To determine whether you are eligible, click on the link “US v. Cooper” at the U.S. Attorney’s Web site – [www.justice.gov/usao/ks/](http://www.justice.gov/usao/ks/). Follow the instructions to print out the form and mail it to the U.S. Attorney’s office.

For more information, call (316) 269-6481 and explain you are calling about the Cooper case.

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**Start Time: 7:30 a.m. Elementary “Mile”**  
**8:00 a.m. 5K Run and Family Fun Run/ Walk, starting at Steever Park at Cherry and 16th, Goodland**

**REGISTRATION:** Registration through Saturday, September 18th, 2010. If mailing, Entry forms must be postmarked by Saturday, September 18th, 2010.

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Goodland Activities Center

**For more information contact Sarah King at 785-890-7242 or [sarah@goodlandgac.com](mailto:sarah@goodlandgac.com) or visit [goodlandgac.com](http://goodlandgac.com) or [flatlandersfestival.com](http://flatlandersfestival.com)**



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