



# CITY NEWS



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## City Seeks Water Rate Hike, Other Measures for Shortfall

Wichita City Manager Robert Layton on Thursday said he would seek City Council approval for higher customer water rates, an independent audit of a major capital project and other measures to cover operational and capital project costs in the Water Utilities Department.

Layton said the department needs a 15 percent rate increase to generate \$8 million to cover operational and capital expenses for the remainder of 2010. He said future rate increases are needed. The revenue from the rate increase means the average monthly residential bill would increase \$3 for low users (3,000 gallons a month) to \$18 for high users (22,500). Bills for commercial customers utilizing 100,000 gallons a month would increase approximately \$52 per month; industrial customers using 10 million gallons a month would see a monthly increase of approximately \$4,900.

The revenue would largely cover expenses related to the Aquifer Storage and Recovery Project, or ASR, which is designed to provide the city's water supply through 2050. The project takes excess flows from the Little Arkansas River, treats the water and pumps it back into the Equus Beds Aquifer.

"I want an independent audit of ASR to determine operational capacity and financing options," Layton said.

The ASR is part of the Water Supply Plan that the City Council approved in 1993. Depending on the scope of the four-phase project and other factors, the ASR is estimated to cost up to \$400 million over multiple years. A review of the project in January and February uncovered the revenue shortfall, stemming from decreasing customer water use, flawed financial projections and other factors.

In response to the department's financial conditions, Mayor Carl Brewer requested the formation of a blue-ribbon panel to serve in a permanent oversight function. The panel would consist of area residents who have financial and technical knowledge as well as a record of civic involvement.

"The City Council will review the Manager's recommendations and explore all options for restoring the health of the Utility," Brewer said. "We want to limit the impact on customers while responsibly ensuring a clean water supply."

In addition to the rate increase and independent audit, Layton also announced that the department is under the direction of Interim Director Chris Carrier, who replaced former Water Utilities Director David Warren who retired on Tuesday. Carrier is the City's Public Works Director.