

Despite proposed rate hikes, we have a good deal



Written by Marty Carlson

Tuesday, 06 November 2007

As last Tuesday's City Council workshop concerning the results of a utility rate study demonstrated, it's getting harder to keep up with the elements of Bossier City's progressive and forward momentum these days.

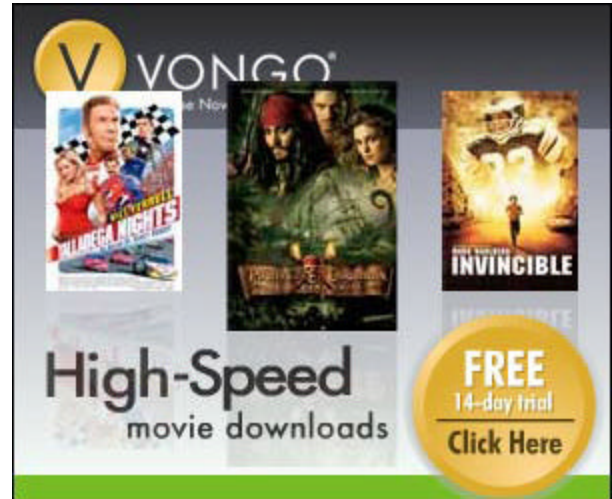
The workshop culminated months of evaluation of the city's water treatment processes and known need to increase the capacity of the system, along with how to pay for the expansion.

The study was conducted by engineering firm Camp, Dresser & McKee, Inc. (CDM).

While CDM representatives presented four alternatives for increasing the city's treated water capacity from 25 to 45 million gallons per day (MGD), the recommended plan is an upgrade to the existing water treatment plant, and construction of a 25 MGD plant using a membrane filtration process. Additionally this plan includes additional capital improvements to the existing system, and a variety of new water lines. The total cost of the recommended plan is \$99.8 million.

Given that the city's water and utility service is provided through an enterprise fund, which generally means the system and its maintenance, improvements, and expansions are funded by system user rates, the funding for the upgrading the system will necessarily involve increased rates.

CDM compared utility rates around the state, and based on a system user's consumption of 5,000 gallons of water a month, found Bossier rate payers near the bottom of a 10 city list. Baton Rouge rates were \$19.88, per 5,000 gallons per month; Shreveport came in at \$17.23; and Bossier City rates were \$10.47. This difference was noted to be the result of subsidizing Bossier City's enterprise fund - thus keeping rates lower. Absent those subsidies, according to the CDM study, Bossier system users would have been paying \$14.36 per 5,000 gallons per month consumption.



Again, according to the study, funding of the water system expansion and additional capital improvements would necessitate a rate hike (per that same 5,000) to \$14.86 in 2008, and an additional rate hike in 2010 to \$23.69 per month. It's possible, however, that the council will opt to adopt the entire scope of the rate hikes to become effective in 2008, instead of the two-step study recommendation.

Rate hikes are likely to generate some opposition to this plan, but before that happens a couple of thoughts for consideration are offered.

First, the plan to vastly improve the city's water system (and, eventually, wastewater system) isn't new. It's predicated on the Hydraulic Analysis and Master Plan for the Bossier City Water System, adopted several years ago by the City Council, which is founded on the basis of "growth paying for growth." Over those several years, significant improvements have been made to the system - and the council took the additional step of adding an "impact fee" for new residential users outside of the city. Those users also pay "time and a half" for their water.

Next, Expanding the water treatment plant's capacity was an element of the master plan, and it's critical to do so, but not just for residential and commercial use. As part of the council's Tuesday workshop, Bossier City Fire Department representative Buddy Caskey reviewed results of the department's last two rating inspections by the Property Insurance Association of Louisiana. Caskey's report noted that "water supply counts for 40 percent of the overall fire rating." In both the 2000 and 2004 inspections, a reduction in water supply and distribution was noted.

In order for Bossier City to retain its Class 1 Fire Department ranking, that trend in reduced supply and capacity must be reversed.

Finally, as noted by Council member David Jones, "If we truly believe in Cyberspace, some portion of this (water system expansion) is something we need to prepare for, like the roads we're proposing, this is just the next step in that preparation."

Jones alludes to the city's recently adopted measures to commit \$100 million in funding to construct the Cyberspace Innovation Center, significantly improve the city's transportation system, and make measurable improvements to the city's recreation and sports facilities.

This is all in addition to the nearly completed Benton Road Overpass, and countless other city driven improvements to Bossier City.

Bossier City improvements appear to be on all fronts, and notably simultaneously addressed by city officials. Yet, Bossier City residents have seen no increase in property or sales taxes. The only increase we will see is in water - and though not mentioned above - sewer rates.

That's really not a bad deal given the scope of work and improvement underway.

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