

New debt for sewer work will raise rates 10 percent

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Jefferson County went to the bond market Tuesday to borrow \$275 million, its second trip in two years, and will raise sewer rates by 10 percent to finance construction and repairs.

The County Commission at its regular meeting approved the rate hike, the fifth in two years. It will take effect April 1.

The commission also approved the bond issue, plus another \$110 million issue that will be closed next year.

Commission President Gary White said the rate increases are needed to keep the county in good financial standing with investors financing the county's \$1.97 billion sewer rehabilitation project.

"There will be no more increases until the first of next year," White said.

Sewer customers began seeing large rate increases two years ago, when the county embarked on the most expensive phase of its 12-year program to overhaul every sewer system in Jefferson County.

The county in 1999 borrowed \$152.7 million on the bond market for sewer projects.

Since Jan. 1 of that year, the sewer rate has gone from \$1.88 per 100 cubic feet of water used to the coming rate of \$3.01.

At the new rate, the average residential sewer bill will be about \$25.58 - 60 percent higher than the average bill of \$15.98 in 1998, according to county figures.

Sewer rates for Jefferson County residents remain low to mid-range compared with rates paid by people living in similarly populated areas, according to a report by bond-rating agency Standard & Poor.

But the increases have some customers complaining. At a public hearing last week, residents said revenue from rate hikes should go toward fixing Jefferson County's broken sewer system, not subsidizing over-the-mountain development.

Tricia Sheets, director of administration for the Cahaba River Society, said Tuesday that she was stunned commissioners passed the resolution without addressing the complaints her group raised at the hearing.

The society questions why the increases are paying for nearly \$900 million in sewer projects not required by a 1996 court order that settled an environmental lawsuit. Among the projects that has angered the society is a \$141 million sewer line being tunneled underneath the Cahaba River.

Commissioner Mary Buckelew called the assertion that ratepayers will foot the bill for developers "a bunch of crock."

"Everybody wants a clean environment, and the last time I checked, it wasn't free," she said.

Harry Chandler, assistant director of environmental services, said the county is doing everything it can to ensure that no part of the sewer system overflows and dumps untreated sewage into waterways.

Doing that means greatly expanding the capacity of sewage treatment plants and enlarging sewer trunk lines, he said.

"This won't be the last bond issue. There will be at least one, if not several, to finish the rest of the work," Chandler said.

The county is scheduled to complete all the court-ordered work in 2007.

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