

Sewer Overhauls Drive Fee Hikes

By Larry Copeland
 Special Report from USA Today
 (Reprinted with Permission)

ATLANTA — Most Americans don't give a second thought to wastewater once it swirls down the drain or toilet and out of their lives. As the sewage treatment professionals say, we flush and forget it.

But where that wastewater goes next affects daily life in many ways. A city's sewer system determines whether residents can fish and swim in their rivers and streams. And for 40 million residents in 772 communities in the Northeast, South, Midwest and Pacific Northwest, it could make a big dent in their wallets.

The sewage treatment systems in many cities are outdated. Many were built more than a century ago. They need costly upgrades to meet federal clean-water standards. But the federal money available for such updates is a fraction of what it was a generation ago.

The problem is part of the challenge the nation faces in overhauling highways, bridges, mass transit and other public works systems that are straining from decades of wear and tear and the demands of a rapidly increasing population. The question is how such improvements can be made and who will pay for them.

Rates Keep Rising

Many communities that have antiquated sewer systems are passing the costs of up-

Atlanta's bills

Residents of many cities face sharply higher sewer bills in coming years to finance improvements in water treatment. Projected monthly fees for the average home-owner in Atlanta:

Year	Rate	Increase from previous year
2003	\$35.60	13%
2004	\$51.60	45%
2005	\$74.80	45%
2006	\$82.96	11%
2007	\$92.08	11%
2008	\$102.16	11%

Rate does not include cost of water
 Sources: Atlanta Mayor's Office; Atlanta Office of Watershed Management

grades directly to residents through higher sewer bills:

- Residents of Atlanta could see their sewer bills almost triple over the next five years as the city tries to pay for \$3 billion in improvements. Unless the city gets federal or state help, the average homeowner's sewer bill could go from about \$36 a month to \$102 in 2008. Equally alarming in a city that relies heavily on convention business, the monthly water-sewer bill for a downtown hotel could rise from \$27,000 to \$77,000.
- Indianapolis, Indiana, which has some of the nation's lowest sewer bills, expects to triple rates over the next 15 years to pay for a \$1 billion update.
- Providence, Rhode Island has raised rates four times in the past four years to fund the first phase of a 20-year, \$700 million project. The average annual residential bill has gone from \$135 in 2001 to \$235 this year. "People are definitely not happy about it," says

Jamie Samons, spokeswoman for the Narragansett Bay Commission, which runs Providence's sewer system.

- The Northeast Ohio Regional Sewer District in Cleveland, Ohio must complete a \$1.3 billion update over the next 30 years. Rates there are about \$35 a month. But "without any type of other source of funding, we're projecting a doubling of sewer rates over the next 10 years," says William Schatz, the district's general counsel.

The problems in these and about 770 other communities are systems that blend sewage from homes and businesses with runoff from streets, roofs and parking lots when it rains. For generations, these cities dumped untreated waste into rivers and streams whenever heavy rainfall overwhelmed the systems' ability to carry the load to treatment plants.

Mandate For Clean Water

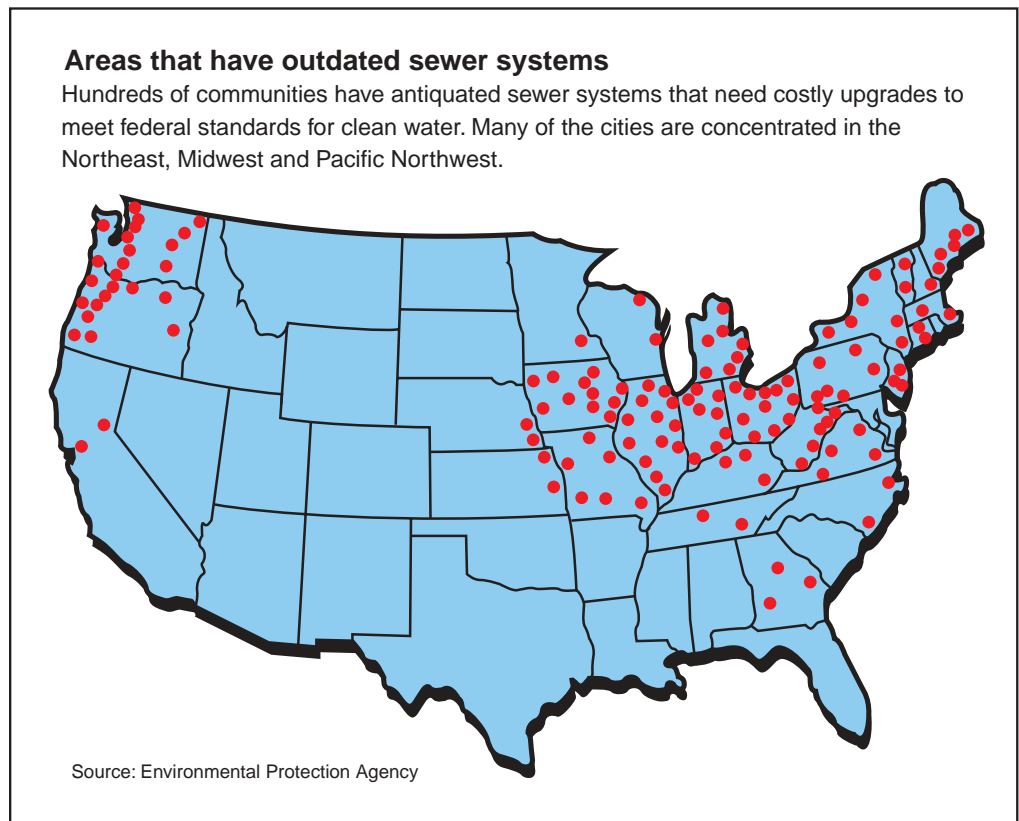
Then, in June 1969, the Cuyahoga River in Cleveland caught fire and all that began to change. Schatz notes that it was grease and oil on the river that caught fire — not the river itself. But the nation saw a river seemingly so polluted that it was in flames. That indelible image led to a national push to clean up America's waterways and to congressional passage of the Clean Water Act in 1972.

Cities that built separate systems for sew-

age and storm water in the first place also must meet the standards of the law and subsequent amendments. But the rules hit particularly hard at cities and suburbs that have combined systems.

Those communities were left with two options:

- They could build separate systems for sewage and storm runoff, which would mean huge disruptions and costs. "I'm not sure even God has enough money to do that," Schatz says.
- Or they could build massive under-



ground tanks to hold the combined flows during storms. After the storm, the wastewater could be pumped to treatment plants and released into rivers. Most cities have picked the second option.

The federal government once paid 75% to 95% of the cost of such projects, industry

experts say. That share has dropped to about 5%. The Environmental Protection Agency estimates that the cost of clean-water improvements from 2000 to 2019 will be \$388 billion more than federal money currently planned.”

The federal government must re-commit to funding,” says Adam Krantz, managing director for government affairs of the Association of Metropolitan Sewerage Agencies, which represents 300 public agencies and other groups involved in sewage treatment. Unless that investment takes place, he says, water pollution may increase to levels before the Clean Water Act took effect.

But there is little movement in Congress to finance major clean water initiatives at a time when the federal budget deficit is at record levels.

Many cities, already struggling from a weak economy that has hurt their finances, say drastic increases in utility bills could risk driving out residents and businesses.

“We need a national water policy and we need financing for clean water,” Atlanta Mayor Shirley Franklin says. “Atlanta is a poster child for how badly we need that.”

But some experts say the federal government is already doing enough. “Water and sewer systems are local services that should be paid for by the people who use them,” says Adrian Moore, executive director of the Reason Public Policy Institute, a Los Angeles-based think tank that promotes privatizing water and sewer systems. Charging users the full cost of water and sewer services encourages conservation and efficiency, he argues.

Moore says Congress could help local governments by letting private companies issue tax-exempt bonds for water and sewer projects. Now, only local governments can issue such bonds.

Atlanta’s Worries

Atlanta needs to overhaul its sewers not just to meet federal clean water rules but also to handle population growth in Georgia’s largest city and its suburbs.

Franklin is seeking financial help from federal, state and suburban officials to ease the burden on city residents, but they have been cool to her pleas. Gov. Sonny Perdue has said he might ask the Legislature to help but says he doubts the state will chip in the \$500 million Franklin seeks.

Atlanta officials say that De Kalb and Fulton counties, each of which includes parts of Atlanta, use the city’s water treatment system but haven’t helped pay for improvements.

Franklin is pushing a 1-cent sales tax increase in Fulton County. But officials in Fulton twice have refused to put the tax on the county ballot.

Some political observers say that Atlanta’s sewer rates certainly will rise but that the huge increase Franklin is floating is a political gambit.

“I think this is a worst-case scenario,” says William Boone, a political science professor at Clark Atlanta University. “You’re just now beginning to attract people back to the city who can afford to expand the tax base in a positive way. So (Franklin) can’t be thinking about increasing utility fees in a way that would frighten people away.”

But Franklin rarely bluffs. She already has balanced the budget by hiking taxes and laying off city employees.

Franklin says she will pursue alternatives to the large fee hikes and appeal to the EPA on the grounds that the costs will make her city unaffordable for many residents.

The goal for Atlanta and hundreds of other cities and counties is how to keep more pollution from flooding into rivers, streams, lakes and bays.

Says Samons of the Providence system: “I think we’re at a real turning point in terms of how we’re going to set the priorities and how we’re going to fund them.” ☺

*Contributing: Dennis Cauchon
in Granville, Ohio.*

(Reproduced with permission of the USA Today, October 27, 2003 Issue. Further reproduction or distribution is prohibited without permission.)