

## New Sewer Rates

**Base Charge\***  
**\$10.00**

### **Residential Sewer Volume Rates Per Hundred Cubic Feet (CCF)**

0 – 3 CCF

\$4.50

4 – 6 CCF

\$7.00

7 CCF & Above

\$8.00

### **Non-Residential Sewer Volume Rates**

All CCF

\$7.60

\* Base charges graduated by meter size

# 2013 Jefferson County Sewer Rate Restructuring Frequently Asked Questions



## **Why is the County making these changes?**

*The County is making these changes so that sewer rates will more fairly charge customers for services provided based on the advice of its rate expert and following months of study and public hearings. Rates for sewer service have not been increased since 2008.*

## **How are the rate changes related to the County's bankruptcy?**

*The filing of the County's bankruptcy blocked the power of John Young, the sewer receiver, to raise rates. However, the bankruptcy judge could allow the sewer receiver to take control of rates again if the Commission does not take necessary actions like this rate restructuring. The new rates provide a fair, reasonable rate structure so the Commission can move toward an exit from bankruptcy.*

## **Is there a non-user fee or clean water charge?**

*No. There is no non-user fee or clean water charge.*

## **How will my sewer bill change?**

*The box on the following page shows how much bills will increase for various levels of water use. For most residential customers, those increases will be less than \$2 / month.*

## **Will the 15 percent credit for residential water use still apply?**

*Yes. The credit still applies for residential users.*

## **What is the new "Base Charge" and why is it being charged?**

*The Base Charge applies to all active sewer accounts. The amount of the Base Charge depends on the size of a customer's water meter (most residential customers have a 5/8" water meter, and will therefore have a \$10 Base Charge). The Base Charge recovers a portion of the fixed costs of providing sewer service.*

## **Do other utilities impose base charges?**

*Yes. Water, sewer and other utilities commonly impose base charges – largely because they are a fair way to recover costs for serving customers. For example, Birmingham Water Works Board's rates feature a \$17.34 base charge for most residential users.*

**How do the rate blocks for residential users work?**

Customers are charged for the volume of sewage they discharge to the sewer system. Usually, this volume is measured in units of one hundred cubic feet (CCF). Every residential user will pay \$4.50 per CCF for the first three CCF of sewage discharged to the sewer system. If a residential customer discharges more than three CCF, the fourth, fifth, and sixth CCFs will each cost \$7 per CCF. If a residential customer discharges seven CCFs or more, each additional CCF will cost \$8 per CCF.

**How did you determine the amount of usage for each block?**

The first block of water use is charged at the lowest rate because it is meant to cover basic human health and sanitary needs for a family of 4 persons. The second block includes the average level of discharge for residential customers in Jefferson County. The third block includes above-average use and recognizes the corresponding burdens on the system.

**Why are industrial waste and septic hauler waste rates being increased?**

Unlike charges for general sewer service, these charges have not been increased since 1991. Also, septage rates do not currently recover the costs to provide service. The increases correct these long-standing inequities and enable the County to more nearly recover its costs.

**Will there be more sewer rate changes?**

Yes. Water and sewer rates around the country have been increasing at roughly double the rate of inflation for years and are expected to continue to do so. Jefferson County’s sewer system is not insulated from the factors that are driving these rate increases, including generally rising costs, stricter regulatory requirements, and the need to renew and rehabilitate aging infrastructure. The new rate structure is expected to generate a 5.9% overall revenue increase; however, the exact effect of this structure on revenues is not yet certain. These factors, along with any changes that may be appropriate in connection with the County’s exit from bankruptcy, are likely to require future rate adjustments. Jefferson County is committed to working diligently to continue to impose fair, reasonable, and lawful rates for all the system’s customers.

<b>Monthly Effect on Residential Sewer Bills</b>	
<b>Use</b>	<b>Monthly Effect</b>
0 CCF	\$8.00
1	\$7.54
2	\$5.07
3	\$2.61
4	\$1.14
5	\$0.80
6	\$0.46
7	\$0.12
8	\$0.58
9	\$1.09
10	\$1.60
11	\$2.11
12	\$2.62
13	\$3.13
14	\$3.64
15	\$4.15
16	\$4.66
17	\$5.17
18	\$5.68
19	\$6.19
20	\$6.70