

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF ALABAMA
SOUTHERN DIVISION**

In re:)	
)	
JEFFERSON COUNTY, ALABAMA,)	Case No. 11-05736-TBB
a political subdivision of the State of)	
Alabama,)	Chapter 9
)	
Debtor.)	

**FOURTH PERIODIC STATUS REPORT
CONCERNING THE SEWER RATEMAKING PROCESS**

Pursuant to the *Interim Order on Motion to Lift or Condition the Automatic Stay Filed by Financial Guaranty Insurance Company* [Docket No. 967] entered May 7, 2012 (the “Interim Order”), Jefferson County, Alabama (the “County”), the debtor in the above-captioned chapter 9 case, respectfully submits this Fourth Periodic Status Report Concerning the Sewer Ratemaking Process (the “Status Report”).¹

1. On October 29, 2012, the Administrative Services Committee (the “Committee”) of the Jefferson County Commission (the “Commission”) heard testimony and recommendations from Mr. Eric Rothstein, Mr. David Denard, and Dr. Stephanie Rauterkus (collectively, the “Witnesses”) concerning the Commission’s responsibility to make reasonable and nondiscriminatory rules and regulations fixing rates and charges in respect of the County’s sanitary sewer system (the “System”). Specifically, the Witnesses reported on the work they have undertaken during and in connection with the public hearing process pursued by the Commission, including: (i) analysis of pertinent

¹ The County’s *First Periodic Status Report Concerning the Sewer Ratemaking Process* [Docket No. 1070] (the “First Report”) was filed June 18, 2012. The County’s *Second Periodic Status Report Concerning the Sewer Ratemaking Process* [Docket No. 1190] (the “Second Report”) was filed August 2, 2012. The County’s *Third Periodic Status Report Concerning the Sewer Ratemaking Process* [Docket No. 1299] (the “Third Report”) was filed September 12, 2012. The First, Second, and Third Reports are available free of charge at www.jeffcosewerhearings.org.

data from the Environmental Services Department (“ESD”); (ii) review of the testimony, evidence, materials, and public comments received during and in connection with the public hearing process (the “Record”) – including, in particular, consideration of certain creditors’ “‘effort to correct a number of the County’s current assumptions and conclusions about sewer bills and the impact on System customers,’” Third Report at 8 (quoting creditors’ correspondence); (iii) design of a proposed new sewer rate structure and associated rates and charges; (iv) revisions to the ordinances that govern the System; and (v) consideration of an appropriate conservation program to help System users calibrate their water usage to their budget constraints.²

2. Following these presentations, the Committee voted to place a *Resolution of the Jefferson County Commission* (the “Proposed Resolution”) on the agenda for the November 6, 2012 regular meeting of the full Commission.³ The Proposed Resolution provides for, *inter alia*: (i) the repeal of the *Jefferson County Sewer Use/Pretreatment Ordinance* adopted May 11, 1982, including all amendments thereto; (ii) the repeal of the *Grease Control Program Ordinance* adopted October 3, 2006, including all amendments thereto; (iii) the repeal of *Resolution No. Feb-12-1997-Bess-1*, adopted February 12, 1997; (iv) the adoption of a new *Jefferson County Sewer Use Administrative Ordinance* (the “Proposed Administrative Ordinance”)⁴; and (v) the adoption of a new *Jefferson County*

² Copies of the presentation and handouts used during the Committee meeting are attached hereto as Exhibits A, B, C, and D, and are also available free of charge at www.jeffcosewerhearings.org.

³ A copy of the Proposed Resolution is attached hereto as Exhibit E, and is also available free of charge at www.jeffcosewerhearings.org.

⁴ A copy of the Proposed Administrative Ordinance is attached hereto as Exhibit F, and is also available free of charge at www.jeffcosewerhearings.org.

Sewer Use Charge Ordinance (the “Proposed Charge Ordinance”).⁵

3. Consistent with Act 619, 1949 Ala. Acts 949, *et seq.* (approved Sept. 19, 1949) (“Act 619”), notice of the Proposed Resolution will be published on or before October 30, 2012 (*i.e.*, at least seven days prior to the November 6, 2012 public hearing on the Proposed Resolution, *see* Act 619 § 6(a)).

Respectfully submitted this 29th day of October, 2012.

By: /s/ J. Patrick Darby

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⁵ A copy of the Proposed Administrative Ordinance is attached hereto as Exhibit G, and is also available free of charge at www.jeffcosewerhearings.org.