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Sewer district must change to get rate increase

\$16 million debt leads to challenge

By Andrea Uhde

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Oldham County leaders formed a sewer district in 1996 in hopes that they could eventually bulldoze a batch of problem-riddled treatment plants.

They also hoped for cleaner water, less impact on the environment and a more regionalized sewage system.

"One of the things we had to do was simply grab control of the (sewage) problem," said John Malueg, a former district board member.

County officials now say the projects have contributed to the district's \$16 million debt, and something has to change.

Fiscal Court gave the district an ultimatum last month, saying it will allow the district to increase rates only if its meets several requirements, including either cutting operating expenses by \$400,000 or having another group take over the operations.

County Treasurer Stan Clark said the rate increase could be around 25 percent, meaning the 5,700 district customers could pay an average of \$7.30 more each month for 6,000 gallons of water.

The increase would not affect residents on the La Grange or Crestwood sewer systems.

The sewer board discussed its options last week but made no decisions. Board Chairman Dennis Deibel said district officials have had discussions with Louisville's Metropolitan Sewer District and hope to meet with the La Grange Utilities Commission about outsourcing operations, but he doubts a decision will be made in the next month.

MSD, which already handles sewage in Crestwood, has expressed interest but has more issues to consider, said Vincent Bowlin, the Oldham County Sewer District's chief engineer and executive director.

He said he still doesn't know whether outsourcing operations will cut expenses as much as Fiscal Court wants and what kind of rate increase may be imposed.

"We can't reduce our operating expenses by \$400,000," Bowlin said. "We have too much to do. Now is really not the time for us to cut back."

The district has purchased 14 sewage-treatment plants since 1996, and some are as many as 44

years old and deteriorating, he said.

The district has eliminated three plants, including the notoriously smelly Trails End plant in the Goshen area, and built two plants, including a \$4.5 million sub-regional plant along the Ohio River.

The district is looking at \$13 million in long-term projects over the next six years. In addition, it is facing a state decree that Bowlin said will require it to beef up employee training and preventative maintenance and make improvements on the nine or 10 plants that sometimes overflow after a hard rain.

He said he's not sure of the timeline or costs to address those problems.

Clark recently said the district needs to make changes "to keep the ship from sinking."

Fiscal Court, which has the final word on any rate increase, adopted a resolution June 17 that would allow a rate increase if the district reduces its operating expenses and restructures its debt payments into a 30-year plan instead of the current 10-year plan.

It also calls for Crestwood's system to no longer be part of the district.

The district has been addressing the debt structure, and at its next meeting Aug. 12 may again discuss its other options.

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