

Bond Case Briefs

Municipal Finance Law Since 1971

In American Towns, Private Profits From Public Works.

In American Towns, Private Profits From Public WorksDesperate towns have turned to private equity firms to manage their waterworks. The deals bring much-needed upgrades, but can carry hefty price tags.

BAYONNE, N.J. — Nicole Adamczyk’s drinking water used to slosh through a snarl of pipes dating from the Coolidge administration — a rusty, rickety symbol of the nation’s failing infrastructure.

So, in 2012, this blue-collar port city cut a deal with a Wall Street investment firm to manage its municipal waterworks.

Four years later, many of those crusty brown pipes have been replaced by shiny cobalt-blue ones, reflecting a broader infrastructure overhaul in Bayonne. But Ms. Adamczyk’s water and sewer bill has jumped so much that she is thinking about moving out of town.

“My reaction was, ‘Oh, so I guess I’m screwed now?’” said Ms. Adamczyk, an accountant and mother of two who received a quarterly bill for almost \$500 this year. She’s not alone: Another resident’s bill jumped 5 percent, despite the household’s having used 11 percent less water.

[Continue reading.](#)

THE NEW YORK TIMES

By DANIELLE IVORY, BEN PROTESS and GRIFF PALMERDEC. 24, 2016