



2201 Laverne Avenue  
Klamath Falls, OR. 97603  
Phone 541.882.5744 Fax 541.882.5013  
**WWW.SSSD.ORG**

### **Board of Directors**

Position 1 – Mike Griffith  
Position 2 - James L. Hainline  
Position 3 – Charles R. Dehlinger

### **General Manager/Secretary**

Michael Fritschi

## **Why Did My Sewer Rate Increase?**

Seems like everywhere you turn costs of services are going up, right? Seems like your sewer bill goes up every year? Well the answers to those questions are unfortunately, yes.

### **How much did my bill go up?**

Your bill has increased 5%, for a typical single family home that amounts to an additional \$1.47 per month.

### **Why does my sewer bill have to increase? Is this reasonable?**

There are two primary reasons that the District has increased sewer fees:

- Inflation in Operational Costs and Costs Associated with Maintaining Aging Infrastructure
- Future Multi-Million Dollar Wastewater Treatment Plant Expansion

Similar to the goods and services you utilize in your private life, such as energy, fuel, groceries, housing, medical, auto, and household products, so do the operating costs increase to the District, often times at a greater increase than the consumer price index. District staff has done an incredible job attempting to reduce costs in order to fight inflation on your behalf. As an example, the District has reduced Energy/Utility usage by an average of 50%, resulting in an annual savings of \$75,000 on average!

The District collection system is getting close to 60 years old. Maintaining capital infrastructure and operating a sewer system is an expensive endeavor. As your home requires upkeep and maintenance, so does the public sewer system. And with your home, if maintenance is not performed, you are likely faced with much more expensive repairs in the future. Sewer systems are no different; not investing in the upkeep and maintenance of your sewer system and not reinvesting funds in strategic replacement of important sewer system infrastructure will cost much more in the long run!

**The Bad News:** As you may have heard the Upper Klamath Total Maximum Daily Load (TMDL) has been finalized requiring entities with National Pollutant Discharge Elimination System (NPDES) discharges in the Klamath River to significantly reduce nitrogen and phosphorus. A “TMDL” is a regulatory term in the U.S. Clean Water Act, describing a value of the maximum amount of a pollutant that a body of water can receive while still meeting water quality standards. Alternatively, a TMDL is an allocation of that water pollutant deemed acceptable to the subject receiving waters. The “NPDES” permit program controls water pollution by regulating point sources that discharge pollutants into waters of the United States. Industrial, municipal, and other facilities must obtain NPDES permits if their discharges go directly to surface waters. Based on the District’s allocation of nitrogen and phosphorus from the TMDL, the resulting NPDES permit is expected to be very stringent and require substantial investment in the District wastewater treatment facility

*Protecting Tomorrow's Environment!*



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***At minimum***, the cost to complete the future TMDL driven compliance project is estimated at \$45 million. That cost is substantial for a small population of approximately 25,000 people to shoulder!

Borrowing money for the project from the Clean Water State Revolving Fund Loan, even at a (very) low 3% rate, would increase the average sewer bill by as much as \$35 per month. At 3%, the cost to borrow is \$330,000 for every \$1,000,000 financed over a twenty year period. For a \$45 million project, that is \$15 million spent just in interest alone!

**The Good News:** Your money is being invested wisely and you will see a return on your investment! Through a history of foresight and sound financial management, the District has saved a substantial down payment for the impending project. Utilizing a \$20 million “down payment” will allow the District to take on less debt, of which almost \$7 million would be saved in interest alone. By having the cash on hand to partially fund the project, the average single family sewer rate would end up about **\$15 less** per month than if the District did not boost capital savings prior to the project. This will likely be the difference between a \$60-\$65 per month sewer bill and a \$40-\$45 per month sewer bill after project completion. As a frame of reference, \$60-\$80/month sewer bills are unfortunately becoming the new norm for rural cities with similar populations to the South Suburbs.

As previously explained, there is no getting away from increased costs. The elected District Board, who are ratepayers themselves, feel that customers would prefer a small steady increase in rates verses unpredictable large rate increases in the future, as experienced by similar public agencies.

It is a pleasure to serve a municipality and a Board of Directors that have established a strong foundation of value consciousness and fiscal conservatism. District Staff will continue to work hard to keep your rates as low as possible while providing a high quality service, and adding value to the community.

Sincerely,

Michael Fritschi, P.E.  
General Manager  
South Suburban Sanitary District

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