SOUTH FORK
EST 1965
★ COEUR D'ALENE RIVER ★
SEWER DISTRICT

1020 POLARIS AVE
P.O. BOX 783
OSBURN, ID 83849

OFFICE (208) 753-8041
www.southforksd.com

**DECEMBER 2025 SEWER RATE INCREASE**

# Frequently Asked Questions (FAQs)

1. **What is the Sewer District and how is it funded?**
   The South Fork Coeur d'Alene River Sewer District (SFSD or District) is an **independent government entity** that operates as an **Enterprise Utility**—it is run like a business but focuses on keeping rates low instead of making a profit. The District **does not receive any tax revenue**; it is funded entirely through **customer rates, one-time connection fees,** and **grants** or **loans**.

2. **Why is the District increasing sewer rates now?**
   The rate increase is necessary to help us pay for aging infrastructure, rising operational costs, and stricter environmental regulations. Delaying action would risk system reliability and will lead to higher costs later.

3. **What is the purpose of the rate study?**
   The study ensures that rates are sufficient, fair, and equitable by aligning them with the true cost of service. It provides a multi-year financial plan that balances funding needs with minimizing customer impact.

4. **When will the first rate increase take effect?**
   The first rate change will go into effect on **December 1, 2025**, with annual adjustments phased in through December 2030.

5. **How much will my bill increase?**
   For a typical residential customer:
   - **Treatment-only** (you pay a separate bill to Kellogg, Osburn, Wallace or Mullan):
     $109.50 → $112.65 per quarter (2025), increasing to $128.40 by Dec. 2030
   - **Treatment + Collection:**
     $115.50 → $125.55 per quarter (2025), increasing to $175.80 by Dec. 2030

6. **Why is there a difference between Treatment-only and Treatment + Collection customers?**
   Customers who live in the cities of Kellogg, Osburn, Wallace, or Mullan already pay their city for sewer collection services. The District only provides (and charges for) wastewater treatment. Other customers receive both collection and treatment services directly from the District and are charged for the full service. The rate difference reflects the actual cost of the services provided to each group.

7. **How were the proposed rates determined?**
   Rates are based on comparison of current revenue versus our actual operating costs and improvement needs. The methodology follows industry best practices and legal requirements to be fair and keep our utility sustainable.

8. **What is the New User Facility Fee (NUFF), and who pays it?**
   The NUFF is a **one-time connection fee** (also called a "hook-up" fee) paid by new users when they connect to the sewer system. It ensures that new growth contributes a fair share toward the cost of existing infrastructure. Importantly, **NUFF revenue can only be used to fund future capital projects**, such as system expansions or upgrades – it cannot be used for day-to-day operations or maintenance. Existing customers do not pay this fee. It increases from $5,811 to:
   - $11,020 for full-service connections (Treatment + Collection)
   - $6,945 for Treatment-only connections

9. **Can the grant funding that the District received cover operating costs?**
   No. The **$21.7 million in grant funding** that the District received is **restricted to specific capital projects** that are already planned and approved—such as treatment plant upgrades for phosphorus removal and other improvements. These funds **cannot be used for regular operating expenses**, maintenance, or staff costs due to state and federal funding rules. They do help keep rates low, though, by reducing our overall costs for system improvements.

10. **What steps has the District taken to reduce the rate impact?**
    - Delayed implementation until December 1, 2025
    - Phased increases over 6 years
    - Used $1.2 million in reserves to buffer early years, reducing the amount of rate increases
    - Secured over $21.7 million in grant funding to reduce long-term borrowing and interest expense

11. **Will rates continue to increase after 2031?**
    The current plan only includes rate increases through 2031. Future rate adjustments will depend on actual financial needs, cost trends, and infrastructure condition, and will be reviewed annually by the SFSD Board of Trustees.

12. **How does SFSD compare to other sewer providers in Idaho?**
    The 2026 rate of $125.55 per quarter ($41.85 per month) is among the lowest in the region. Even with the projected 2031 rate of $58.60 per month, SFSD will remain among the lowest in the state for sewer service.

13. **How can I provide input on the proposed changes?**
    You can attend one of the upcoming workshops (April 30, May 6, and May 15, 2025) or contact the District directly. Visit www.southforksd.com, or contact the District office at (208) 753-8041.