

CITY OF HAYDEN Sewer Rate Increase – Fact Sheet

On August 13, 2019, Hayden City Council held a Public Hearing to discuss a proposed sewer rate increase. This fact sheet is intended to answer some frequently asked questions related to the sewer rate increase.

Q: Why are the rates going up?

A: The largest portion of the rate increase will be spent on upgrades to the sewer treatment plant. The Hayden Area Regional Sewer Board (HARSB), the owner of the treatment plant, has been mandated by the federal Environmental Protection Agency to make upgrades to the existing system to meet new water quality standards for the water discharged from the treatment plant. The City of Hayden's share of the financial burden to complete the Phase II work for this project will be approximately \$9.5 million. If the new water quality standards are not met in a timely manner, the fine will be \$36,500 per day, or about \$1 million per month.

B: In addition, the City was sued by the North Idaho Builders & Contractors Association (NIBCA) over sewer capitalization fees and the City has paid \$1.4 million to defend that lawsuit. The City has added a 5-year surcharge of \$3.50 per month to pay for the lawsuit defense which will end in September 2024.

C: To provide funding for "system reinvestment". The purpose of system reinvestment funding is to provide for the replacement of aging sewer system facilities (including lift stations and collection lines) to ensure sustainability of the system for ongoing operation.

Q: What are the proposed new rates?

A: The new base rate structure is shown below. This base rate is used for residences; commercial accounts may have a multiplier assigned.

2019	\$91.00 bi-monthly, \$45.50 monthly	(\$84 sewer fee + \$7 lawsuit surcharge)
2020	\$98.00 bi-monthly, \$49.00 monthly	(\$91 sewer fee + \$7 lawsuit surcharge)
2021	\$105.00 bi-monthly, \$52.50 monthly	(\$98 sewer fee + \$7 lawsuit surcharge)
2022	\$110.00 bi-monthly, \$55.00 monthly	(\$103 sewer fee + \$7 lawsuit surcharge)
2023	\$115.00 bi-monthly, \$57.50 monthly	(\$108 sewer fee + \$7 lawsuit surcharge)
2024	\$116.00 bi-monthly, \$58.00 monthly	(\$116 sewer fee, no lawsuit surcharge)

The City Council approved the first year of the proposed changes at the Public Hearing on August 13, 2019 at 5:00 p.m. in the City Council chambers. Each year, the Council will revisit the proposed changes with tentative increases over the next five years. Increases are proposed to occur on September 15th each year.

Q: What if I have pre-paid my account?

A: Credits will be processed at the new rate, which means your credit will be depleted faster than at the old rate. Please double check your balance to avoid late fees.

Q: Will funds be used for expansion of the system for new users?

A: No. System expansion is paid for by capitalization fees collected when building permits for new construction are issued.

Q: Were customers notified of the increase?

A: Notice of the public hearing was printed on your July bill. A "Special Notice of Public Hearing" was mailed to all sewer customers in early August. Notice of the hearing was published in the Coeur d'Alene Press on July 29, 2019 and August 5, 2019 and was posted at City Hall. Information about the proposed increase and the public hearing were available on the City website. The Public Hearing was held at the regular City Council meeting on August 13, 2019.

2019 Surrounding Area Residential Sewer Rates

CITY	MONTHLY RATE
COEUR D'ALENE	\$40.46
HAYDEN	\$45.50 (as of 09-15-2019)
HAYDEN LAKE	\$58.00 (as of 10-01-2019)
KOOTENAI-PONDERAY SEWER DISTRICT	\$46.96
LIBERTY LAKE	\$60.39
POST FALLS	\$53.12
PRIEST RIVER	\$33.44
RATHDRUM	\$68.00
SANDPOINT (AVERAGE)	\$61.93
SPIRIT LAKE	\$31.00
SPOKANE – INSIDE CITY	\$31.46
SPOKANE – OUTSIDE CITY	\$62.92
SPOKANE VALLEY	\$48.01
AVERAGE	\$49.22