**ORDINANCE NO. 62** - **SEWER FEES AND PENALTIES**

AN ORDINANCE DECLARING THE INTENTION OF SOUTH SUBURBAN SANITARY DISTRICT OF KLAMATH COUNTY, OREGON, TO ESTABLISH FEES FOR SEWER SERVICE, AND PENALTIES FOR DELINQUENT PAYMENT OF FEES AND TO ESTABLISH THE EFFECTIVE DATE OF THE ORDINANCE.

SOUTH SUBURBAN SANITARY DISTRICT ORDAINS AS FOLLOWS:

**Increase in Sewer Fees Assessed by the South Suburban Sanitary District**

In March of 2022, the current Board of Directors adopted Ordinance #60 – Sewer Fees. This was necessary because the previous Board of Directors had adopted Resolution #221, which temporarily reduced rates by 10% for FY 2021-2022, which was to expire on June 30, 2022. However, through the passing of Ordinance #60, the current Board of Directors did not permit the Resolution to expire due to the high CPI (7.4%) that year because it would have resulted in an approximate 18% increase in sewer rates.

In an attempt to restore the financial position of the District, it is crucial that the District recover the lost revenue from Resolution #221; particularly in advance of the District being required to spend tens of millions of dollars over the next couple of years in upgrades to our treatment plant required to satisfy new permit regulations imposed by Oregon DEQ, it is hereby necessary to restore sewer rates to where they should be, had Resolution #221 been allowed to expired as directed. It is also the desire of the Board of Directors to continue to minimize the future long-term financing costs to District ratepayers by increasing capital reserves.

In May of 2024, the current Board of Directors adopted Ordinance #61 – Sewer Fees and Change to Payment Structure. This was necessary in order to establish the monthly payment schedule and approve the expiration of the temporary 10% reduction in rates. 5% of the 10% rate reduction was allowed to expire in fiscal year 2024/2025.

On July 1, 2025 there shall be a 7.4% increase (2.4% CPI plus the remaining 5% expiration of the 10% temporary reduction in Resolution #221) on all sewer fees, based on the explanation in the paragraph above. Thereafter, all sewer fees shall be adjusted based on the previous year’s December Western Consumer Price Index (CPI) on July 1st of each year unless the CPI goes above 4%. The current rates will be posted on the District’s website at www.sssd.org.

Residential sewer fees are due regardless of the occupancy status of the residence.

In addition to the base sewer fee, a water use fee shall be computed based on water consumption for users **other than residential units** (Non-Residential) as illustrated below:

**Non-Residential Water Use Fees**

|  |  |
| --- | --- |
| First 24,000 CF1/Year | Per 100 CF after 24,000CF/Year |
| $0 | $2.49 |

124,000 Cubic Feet = 179,520 Gallons

A non-residential building shall be charged the minimum base sewer fee for each individual occupant regardless of the specific number or location of plumbing facilities. Water usage for each occupant shall be based on water usage for the building divided by the number of occupants. At minimum, a building shall be charged (1) base sewer fee. An occupant is generally defined as a separate business or office space.

For any non-residential building, the water volume used for the calculation of fees shall be reduced by the water volume that can be proven to not enter the District sewer system. Examples would be any water used that meets Oregon Department of Environmental Quality criteria for the direct discharge to the storm drain system or water that is used for irrigation. Flow measuring shall be required in all cases in order to provide the District with evidence that water is not entering the District sewer system.

Any user who **discharges industrial wastewater** shall be charged an initial increase of 7.4%, after which annual increases shall be per the previous year’s December Western Consumer Price Index (CPI) on a basis relating to the existing charges for industrial wastewater previously computed by the District. In general, industrial wastewater is defined as being of significant volume or pollutant concentration over typical domestic or commercial wastewater levels and is typically generated by industry. Industrial users shall be charged according to water volume consumption plus a pollutant related fee to defray costs arising from any waste that may cause increased treatment and/or conveyance costs.

Monthly service fees charged by the District shall be due by the 25th of each month. Early payment discounts shall no longer be offered.

A 15% discount shall be applied to those senior citizens that meet all the following criteria:

1. Are 65 years of age or older within the fiscal year in which the discount is applied for
2. Are listed as the owner of their residence
3. Must occupy their residence for the entire fiscal year (July 1 through June 30)
4. Have completed a Senior Citizen Sewer Discount application and provided proof of age

Delinquent sewer service fees, connection fees and construction fees which are not paid by the delinquent date as shown on the District billing form shall be subject to **a penalty of 3% of the delinquent amount, or $3.00, whichever is greater.** In the event that sewer service fees, connection fees or construction fees remain unpaid after the delinquent date as shown on the District billing form, such delinquent accounts may be certified to the Klamath County Tax Assessor for collection (ORS 450.130 & 454.225).

There shall be imposed a penalty upon all delinquent accounts for sewer service fees, System Development fees and construction fees in an additional amount of 18% of the delinquent fees on all accounts which are not paid in full by June 30th. These accounts will be certified to the Tax Assessor of Klamath County, Oregon, for collection by that office. Such penalties shall be a lien upon the property served.

**MISCELLANEOUS SEWER FEES**

On July 1, 2025 there shall be a 7.4% increase on **Sewer Reconnection** fees. Thereafter, all Sewer Reconnection fees shall be adjusted based on the prior year’s December Western Consumer Price Index (CPI) on July 1st of each year.

**Sewer Disconnection** fee rates shall be evaluated annually based on the current estimated cost to the District and shall be increased, if applicable, at the beginning of each fiscal year (July 1st).

**Plan Review** fee rates shall be charged at the current actual cost to the District.

**Construction or other reimbursable expenses** involving **District labor** or **Equipment** shall be charged at the current actual cost to the District.

Provisions detailed in this ordinance cannot be modified in any way except by the adoption of another ordinance. Any change to fees, fee structures or formulas, whether temporary or permanent, are modifications to this ordinance, and can only be enacted by adopting a new ordinance.

Ordinance No. 61 – Sewer Fees and Change to Payment Structure, shall be repealed in its entirety.

**Adopted this 18th of March, 2025; shall take effect on the 30th day after the date of its adoption.**

ATTEST:

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Joe Spendolini, Chairman Kenneth DeCrans, Director Michael Koger, Director

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Brett Blofsky

District Manager and Secretary to the Board