

Why
increase
rates?

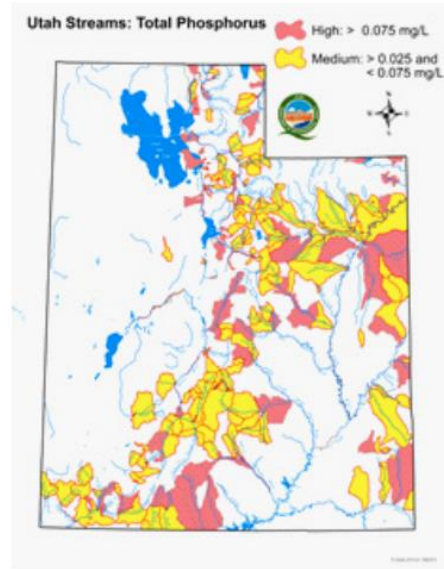


SOUTH DAVIS SEWER DISTRICT

November 2021

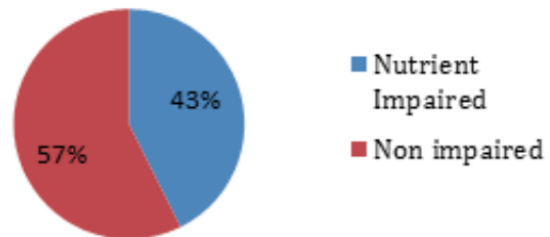


NEW PHOSPHORUS LIMIT



June 2014

**Utah Lakes and Reservoirs
(total acres)**



Phosphorus Rule Highlights

Under the proposed rule, all wastewater treatment plants will play a role in reducing phosphorus discharges into state waters.

- Mechanical plants will be required to produce treated wastewater that contains 1.0 mg/L or less before that water can be discharged.

EPA: Aquatic Life Ambient Water Quality Criteria for Ammonia - Freshwater (2013)

Ammonia Criterion Duration	1999 Criteria	2013 Updated Criteria
Acute (1-hour Average)	24	17
Chronic (30-day Rolling Average)	4.5*	1.9*
*Not to exceed 2.5 times the criterion continuous concentration as a 4-day average within a 30-day period		
Criteria frequency: Not to be exceeded more than once in three years on average.		

OVERALL 45% REDUCTION IN DISCHARGE LIMITS

SDSD Timeline

- New Phosphorus Rule: 2014 (Effective 2020)
- New Permits 2017 (Includes Ammonia reductions)
- Begin Planning 2014
- Begin Engineering 2015
- Bond for South Plant Improvements: 2019: \$12M @ 2.1%
- Approved for \$14.176 M North Plant SRF Loan @ 0.11%
- Additional project funding will be acquired after rate increases


SDSD Rate Benchmarking

How do we stack up against our peers?



SDSD Rate Facts

- From 1987 through 2020, adjustments decreased the SDSD tax rate by **76%**
- From 1988 through 2020 (32 years) SDSD did not increase any rates (Tax or user fee)
- In 2020 SDSD total user fees and taxes were 36% of the Wasatch Front Average
- In 2022, after all increases, SDSD will be approximately 64% of the projected Wasatch Front average*... however...
- All Wasatch Front rates will be increasing in the near term for similar projects

The background of the entire slide is a scenic landscape featuring a calm river or lake in the foreground, with rocky banks on the left. In the distance, there are rolling hills or mountains under a bright blue sky with scattered white clouds. Overlaid on the center of the image is a large, stylized white water drop logo composed of several horizontal segments.

*In a 2007 survey, the
British Medical Journal found
that sanitary sewer systems were
considered the most important
medical milestone since 1840.*

RECLAIM60

www.reclaim60.org

WATER QUALITY FOR THE NEXT 40 YEARS

The US Environmental Protection Agency has stated, "The collection and treatment of domestic sewage and wastewater is vital to public health and clean water. It is among the most important factors responsible for the general level of good health enjoyed in the United States."

<https://www.epa.gov/npdes/municipal-wastewater>

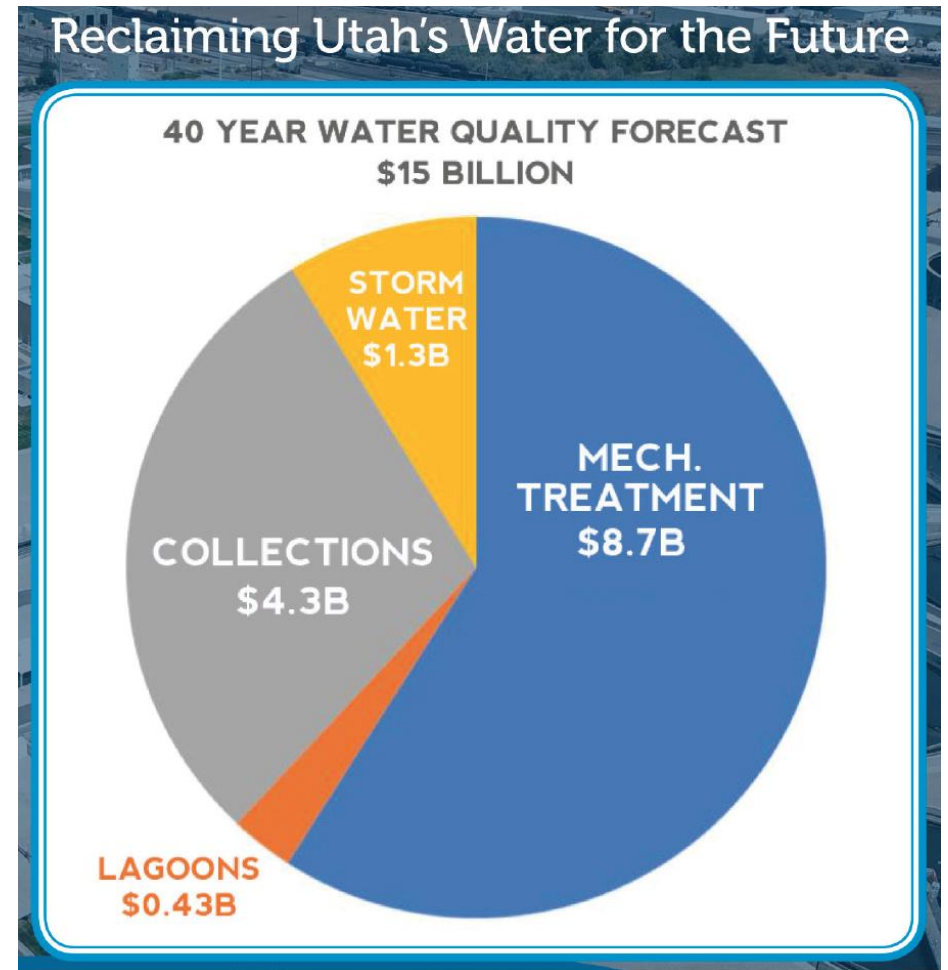
Renewal & replacement of Existing Facilities
New or Increased Regulatory Requirements
New Treatment to Serve Population Growth
40 Year Cost Demand

\$5.3 Billion
\$1.3 Billion
\$2.1 Billion
\$8.7 Billion



Renewal & Replacement of Existing Pipelines
Trunkline Expansion to Support Population Growth
40 Year Cost Demand

\$2.9 Billion
\$1.4 Billion
\$4.3 Billion



Recent and Current Wasatch Front Wastewater Upgrades

• Salt Lake City	\$700 Million
• Central Valley Water Reclamation Facility	\$250 Million
• Provo	\$250 Million
• Central Weber Sewer Improvement District	\$120 Million
• North Davis Sewer District	\$120 Million
• Snyderville Basin Water Reclamation District	\$50 Million
• Jordan Basin Water Reclamation Facility	\$150 Million
• Salem City	\$20 Million
• Payson City	\$17 Million
• Logan City	\$150 Million
• South Davis Sewer (North and South Plants)	\$70 Million

• **Wasatch Front total Wastewater Upgrades to date:** **~\$2 Billion**

- NOTE: THESE ARE CAPITAL COSTS ONLY. DOES NOT CONSIDER COST OF OPERATION

These project costs are pre-pandemic. Inflation rates on construction have been as high as 30% due to labor shortages and supply chain issues, which will drive these costs higher.

~\$2.6 Billion?

2020

Cost of Clean Water Index



104 Million

POPULATION SERVED

174

UTILITY RESPONDENTS

\$527

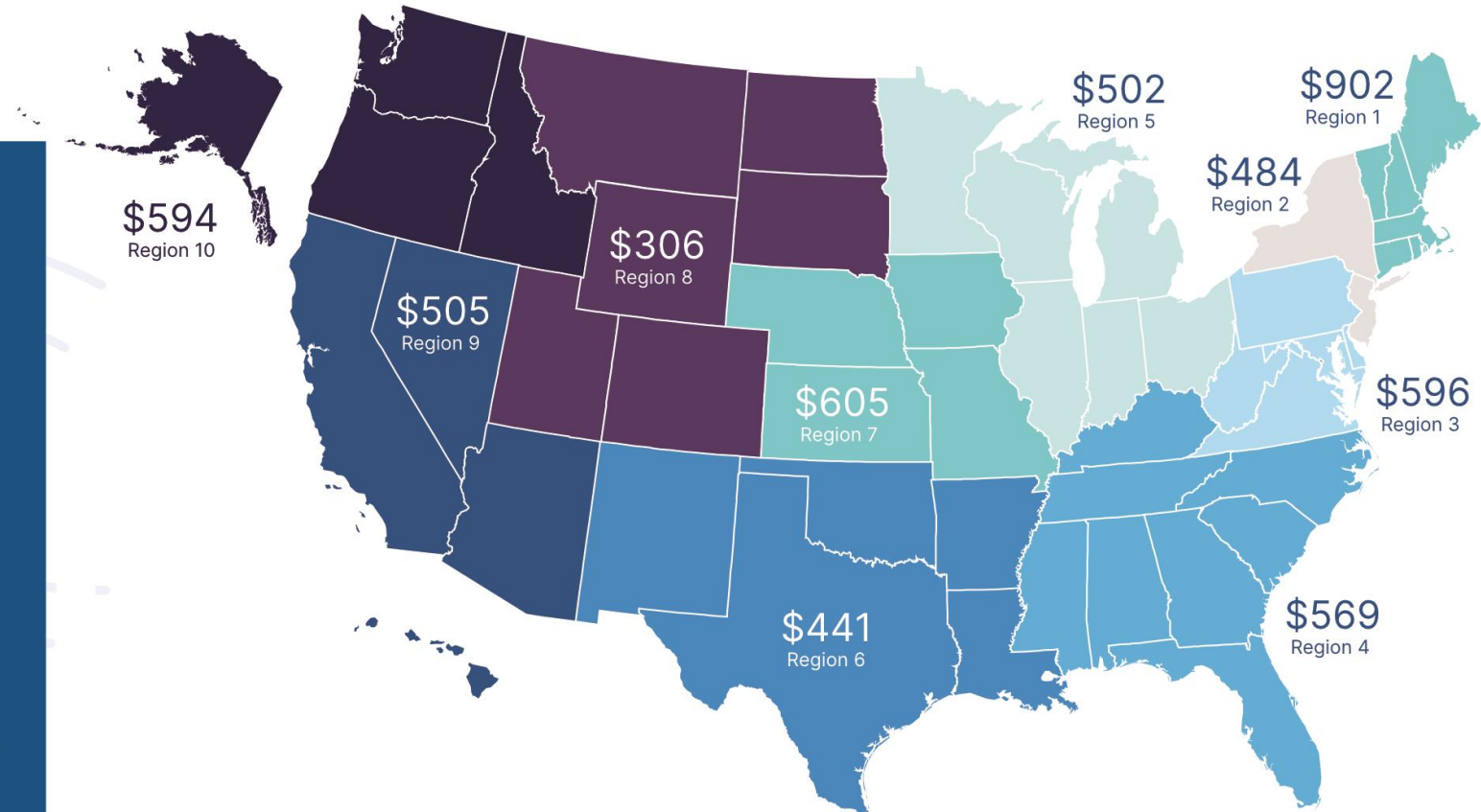
AVERAGE NATIONAL ANNUAL
SEWER SERVICE CHARGE

2.9%

INCREASE IN SEWER CHARGES
FROM 2019-2020

1.2%

INCREASE IN CONSUMER
PRICE INDEX 2019-2020

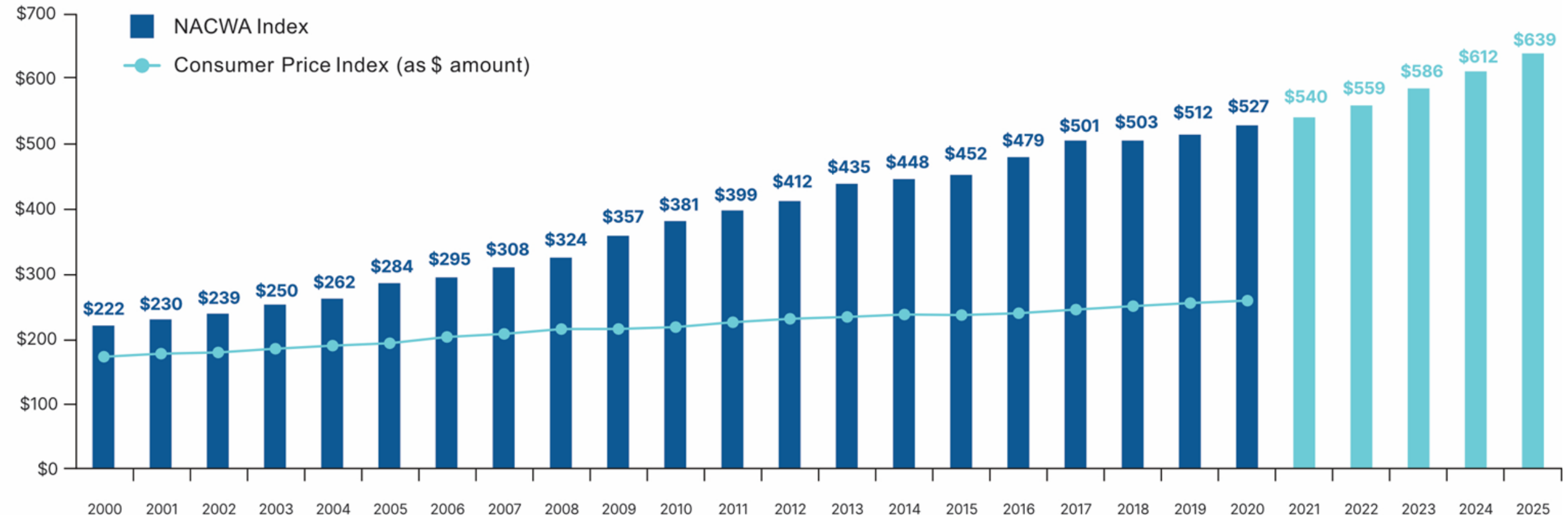


Regional Average Annual Charges, 2020

All Respondents

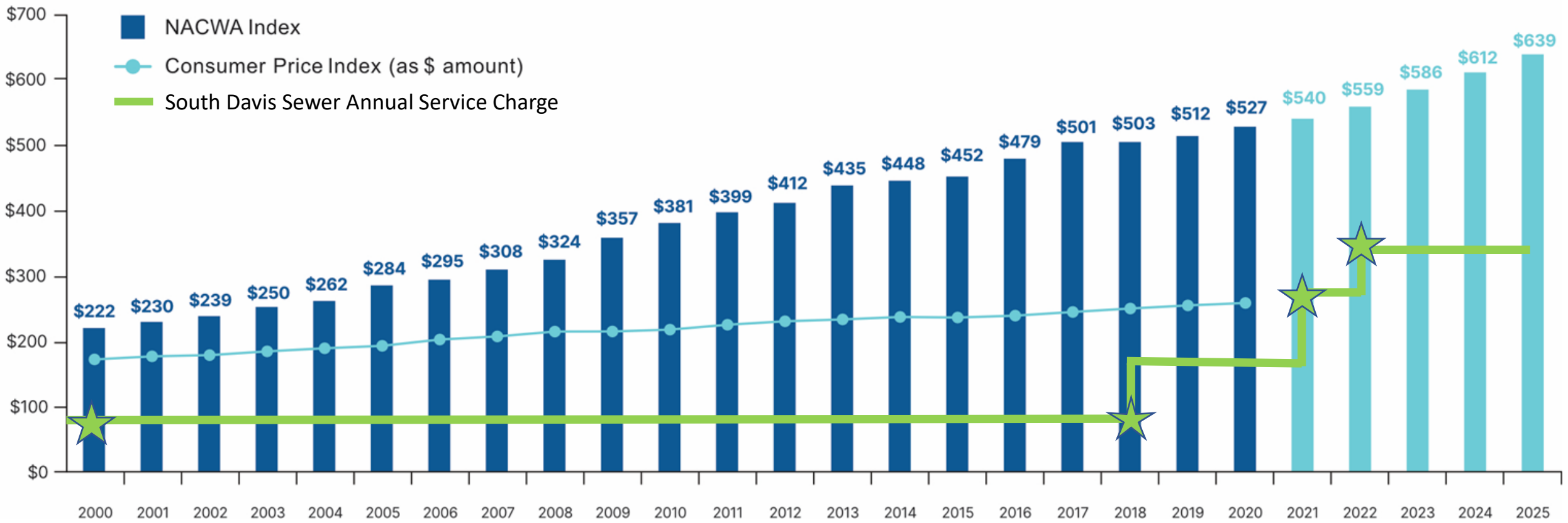
Average Annual Service Charge

2000 – 2020 & Projected



Average Annual Service Charge

2000 – 2020 & Projected

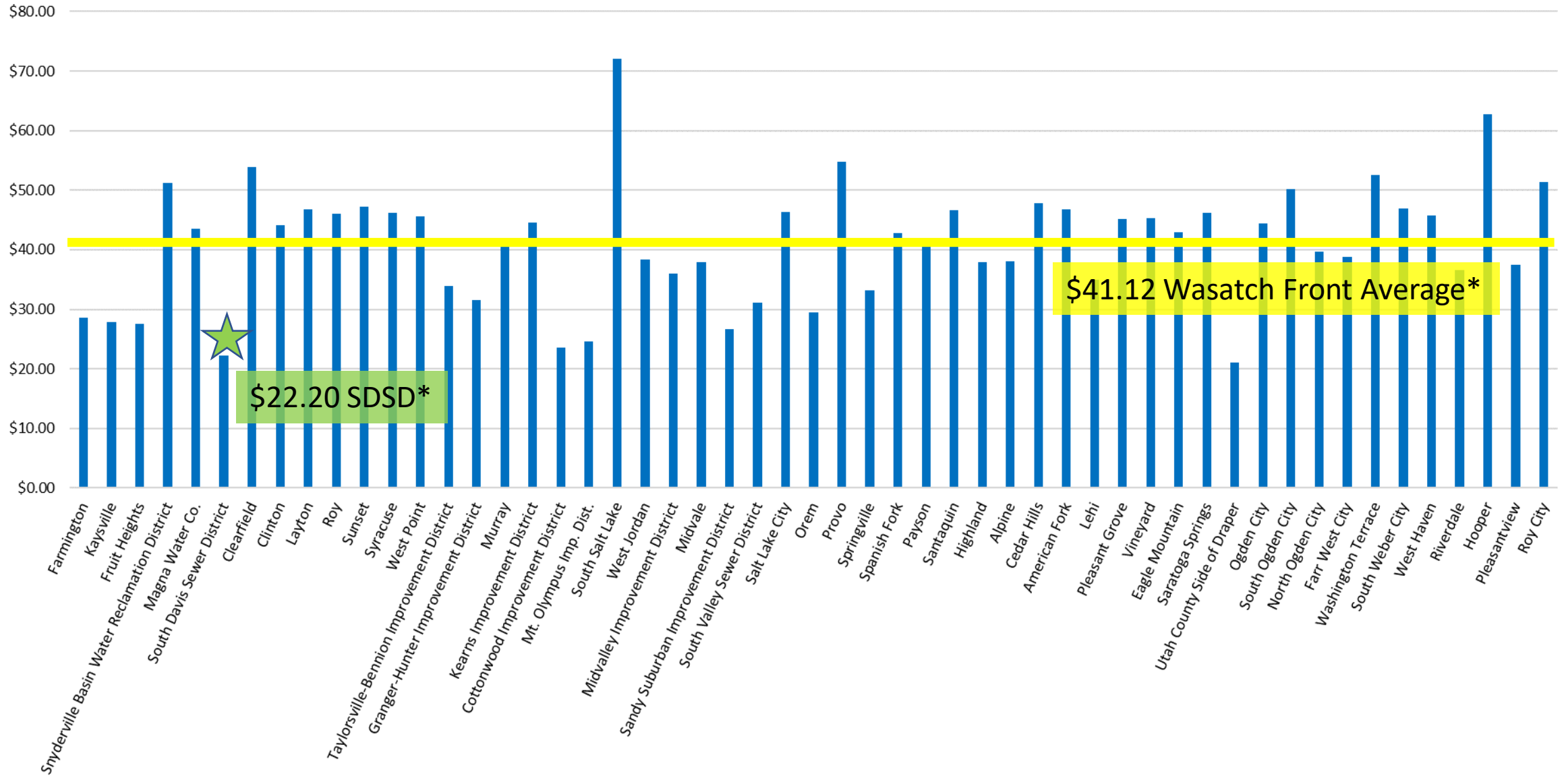


2000: SDSD is 38% of National Average
2018: SDSD is 17% of National Average

2021: SDSD is 49% of National Average*
2022: SDSD is 59% of National Average*

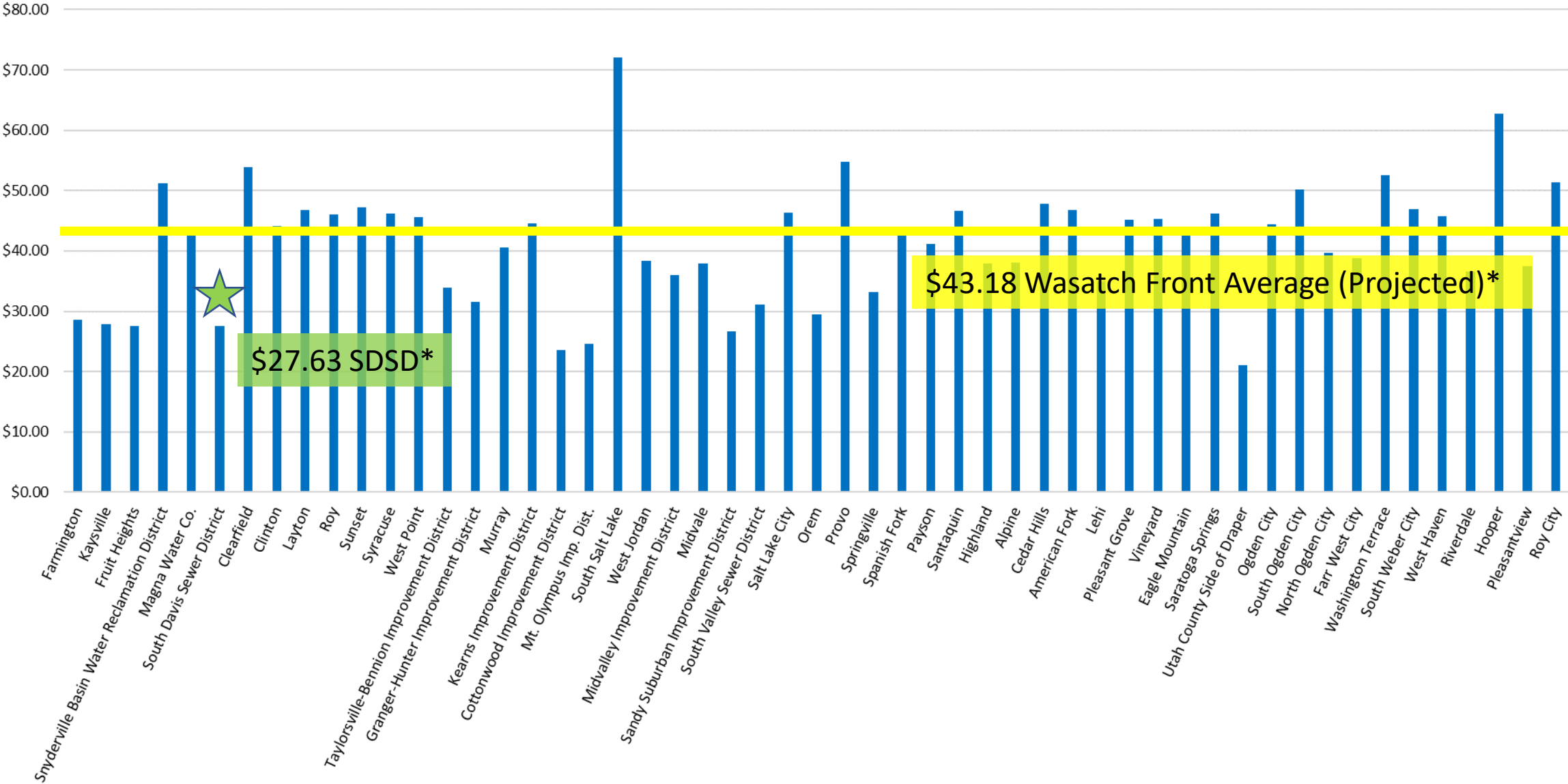
*Based on an average home value of \$494,000

Total Monthly Service Charge (Current)



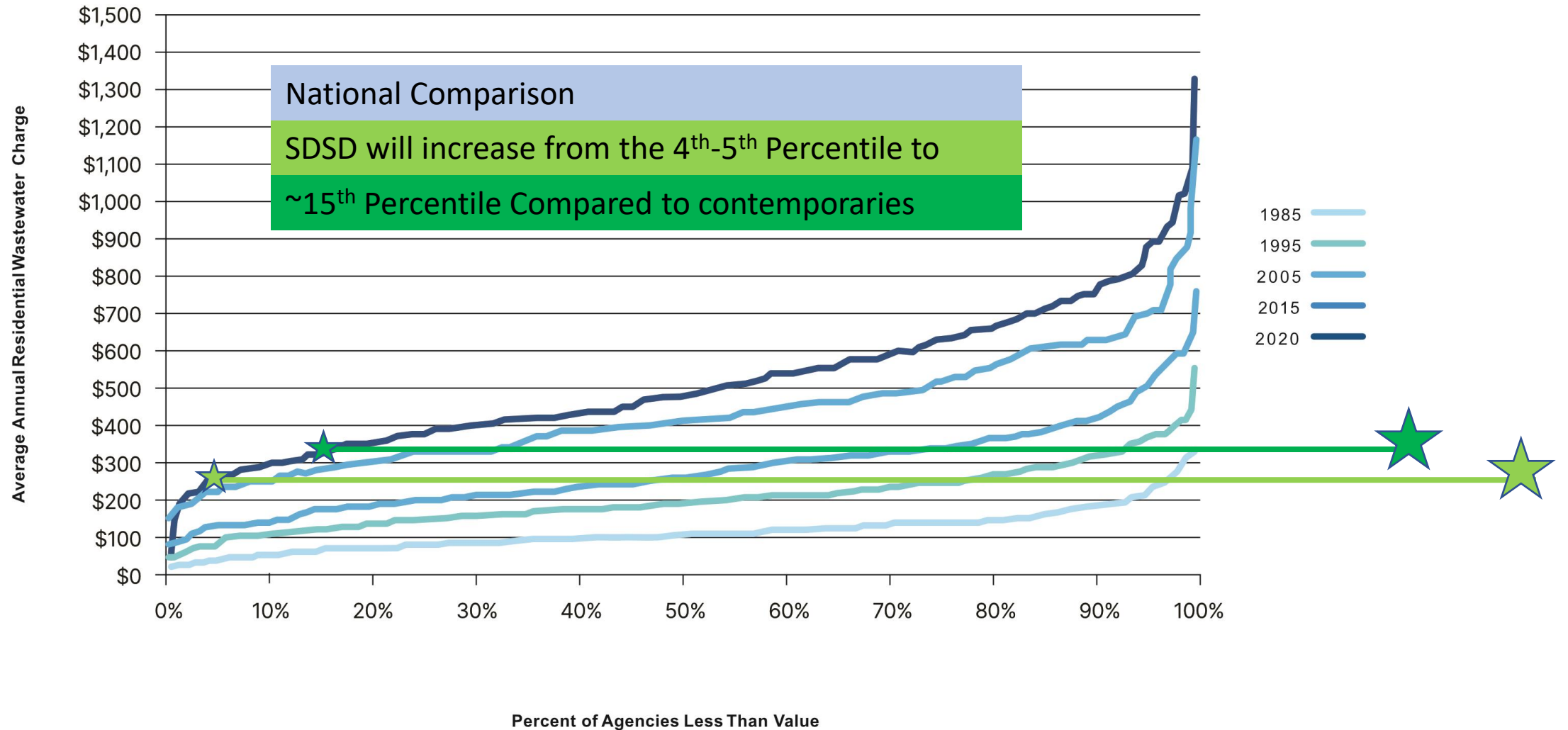
*Based on an average home value of \$494,000

Total Monthly Service Charge (After 2022 Increase)



*Based on an average home value of \$494,000

Distribution Trend of Average Annual Residential Wastewater Charge (National)



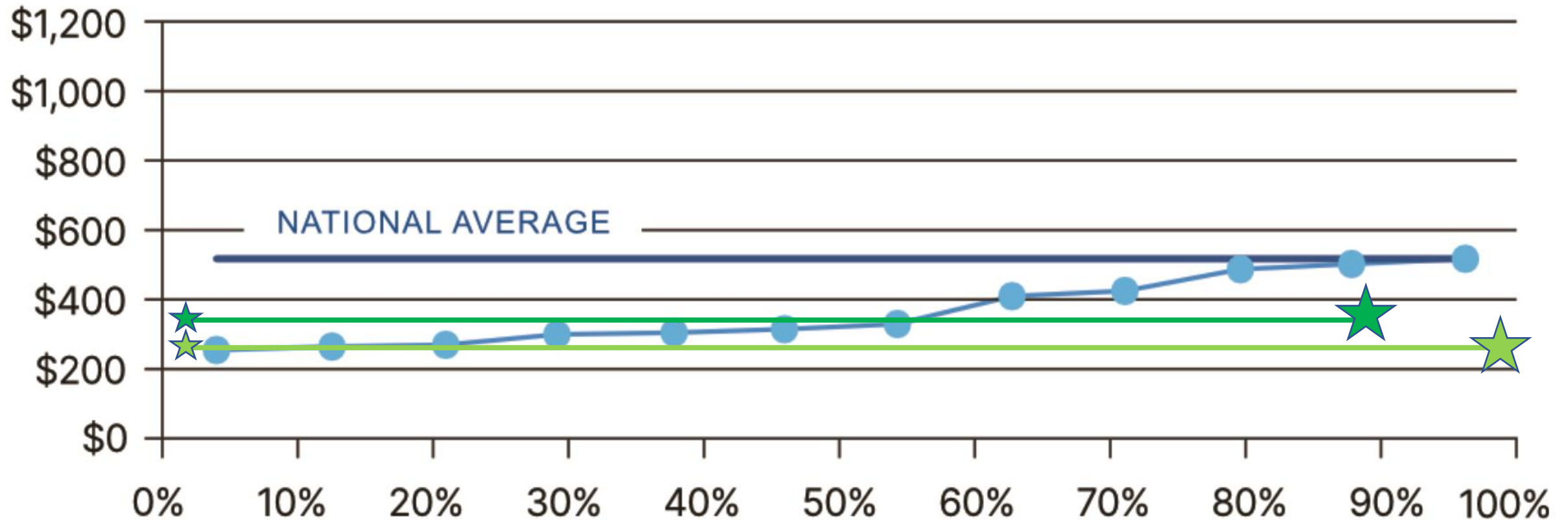
*Based on an average home value of \$494,000

EPA REGION 8

Regional Comparison

SDSD will increase from the 6th-8th Percentile to

~55th Percentile Compared to contemporaries



*Based on an average home value of \$494,000