

Oklahoma City Water Utilities Trust

EXECUTIVE SUMMARY

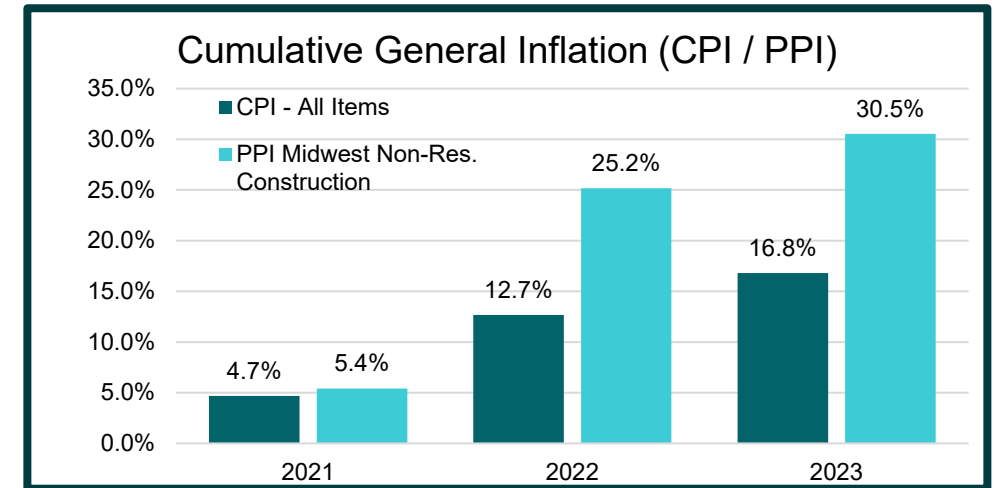
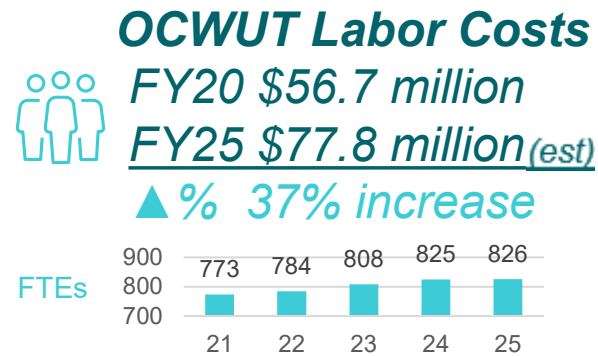
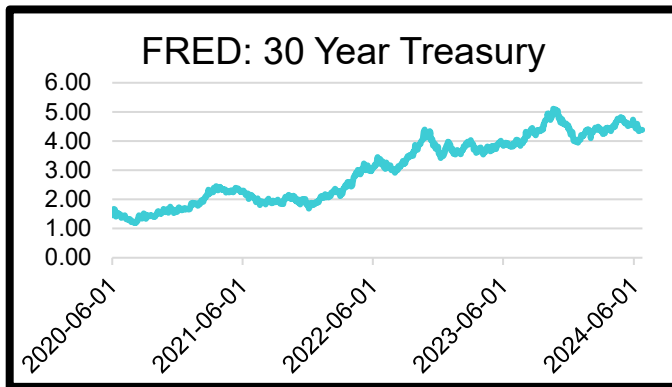
Water, Wastewater, and Solid Waste Management Rate Study

October 2024



Study Update: Key Changes Since Prior Study

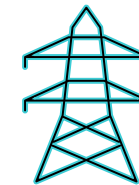
- Since the Prior Study the Utility has observed significant inflation
- Reduces cashflows available for capital investment



Recent Inflation

17% General Inflation (CPI)
85% OCWUT Electricity
37% Labor Cost Increase

31% Construction Costs
155% OCWUT Chemicals
200% Interest Rate Rise



OCWUT Electricity Costs
FY20 \$11.0 million
FY25 \$20.3 million (est)
▲ % 85% increase



OCWUT Chemical Costs
FY20 \$5.3 million
FY25 \$13.5 million (est)
▲ % 155% increase

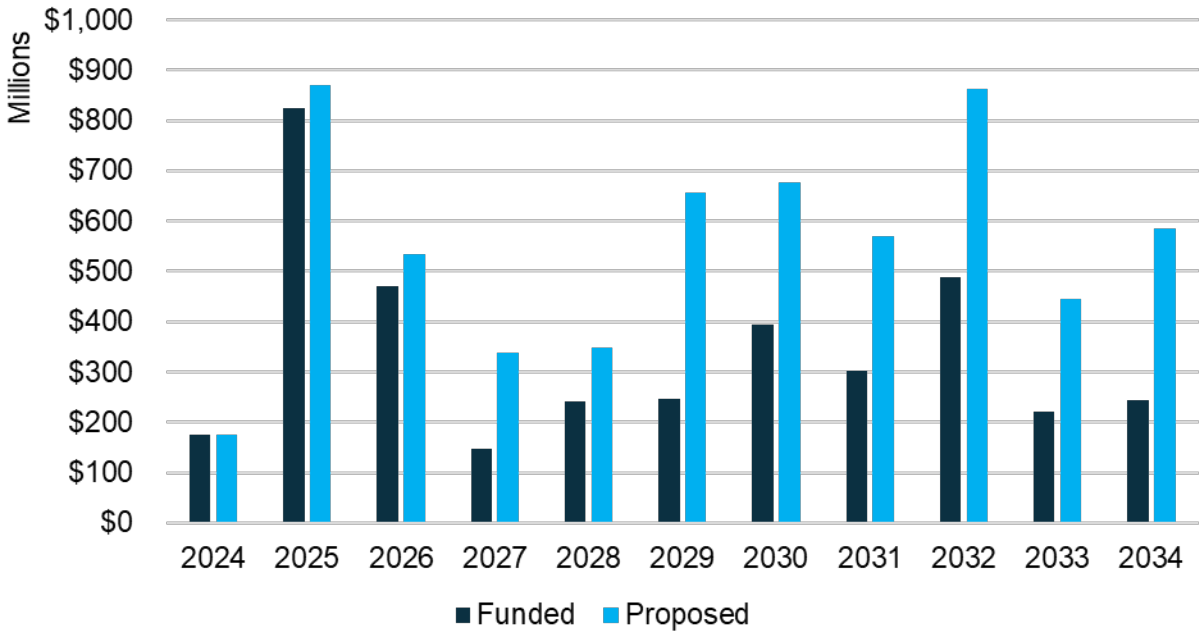
Study Update: Key Changes Since Prior Study

- **Portions of Adopted CIP Deferred Due to Lack of Funding**
 - › Deferred Atoka / Water Supply Project due to Financing Challenges
 - › Will provide Generational Water Supply for Central Oklahoma
- **If We Continue with Adopted Plan:**
 - › Deferred Capital Improvements
 - › Higher Costs for Future Projects
 - › Impacts Utility Resiliency and Reliability

Fiscal Year 2024 – 2034 Capital Spending

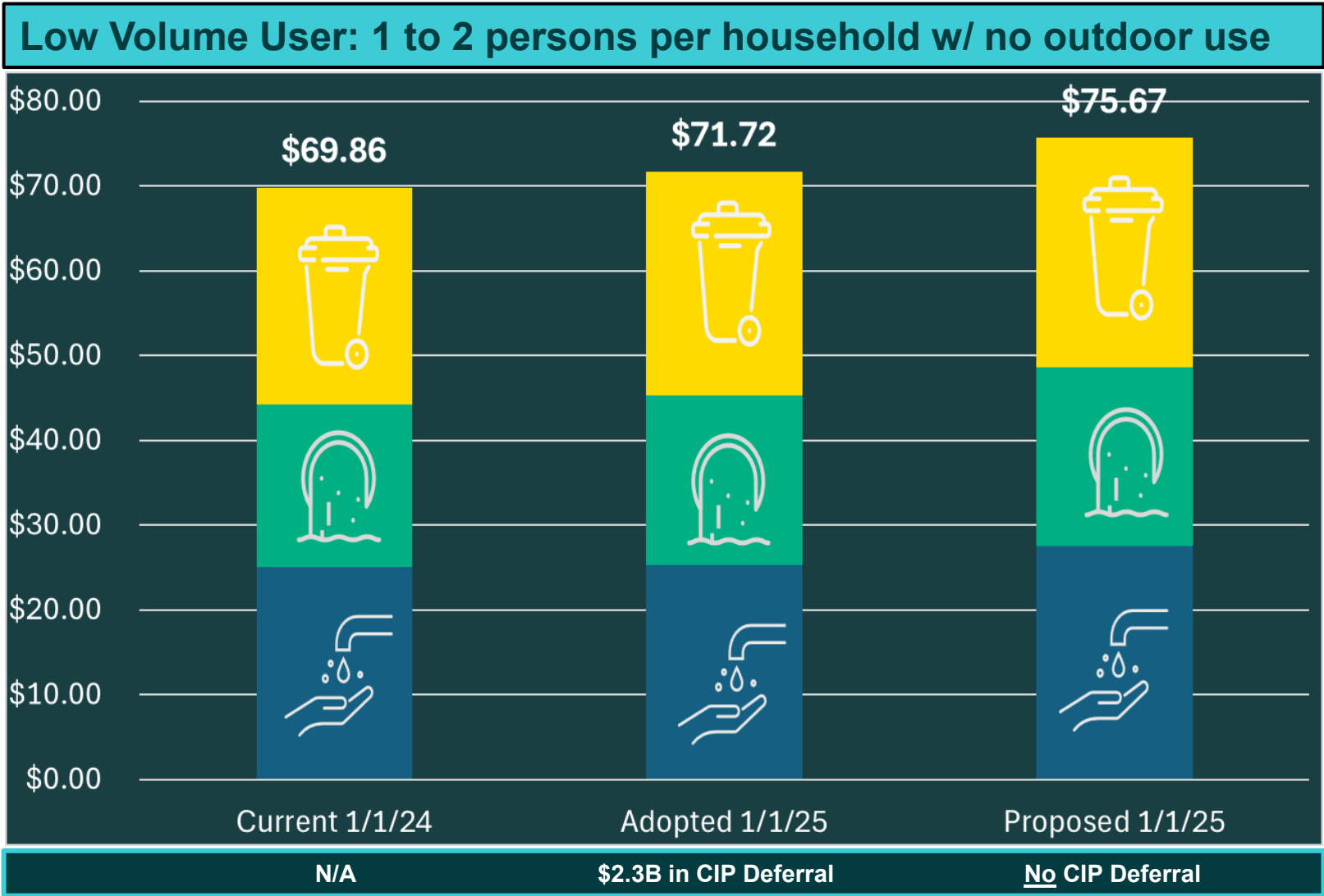
CIP Priorities	Original Rate Plan	Proposed
Funded	\$3.6B	\$3.8B
Proposed	-	\$2.3B
Total	\$3.6B	\$6.1B

Capital Spending Comparison



Total monthly bill comparison: low volume user

Single Family Residential – 2,000 gal water/wastewater, trash collection (two blue carts/one green cart/bulky)



FY25 Adopted to Proposed

↑ \$3.95 / 5.5%

FY25-29 Average Increase Adopted to Proposed

↑ \$3.27/3.7%

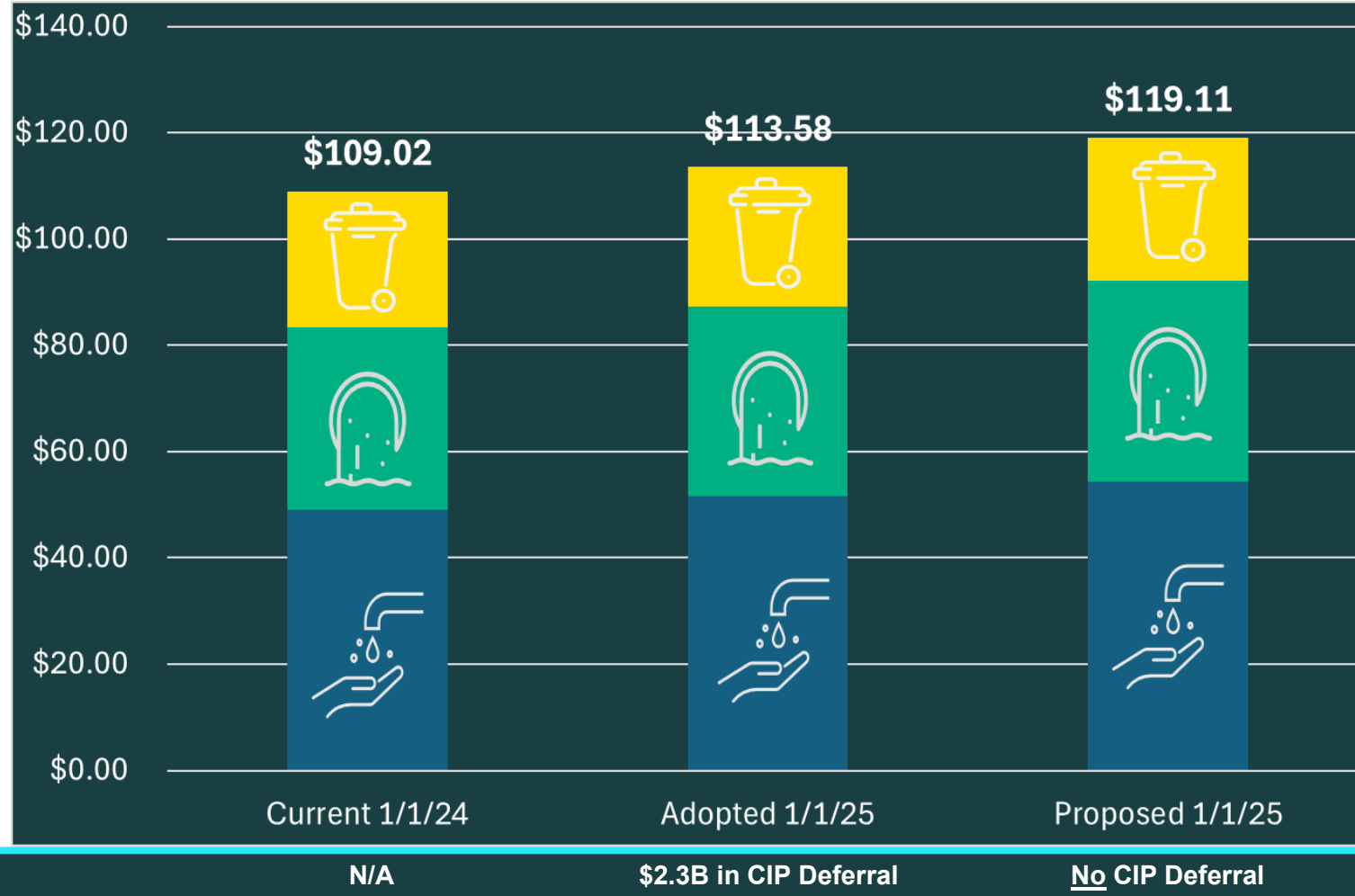
Total monthly bill comparison: average volume user

Single Family Residential – 7,000 gal water, 5,000 gal wastewater, trash collection
(two blue carts/one green cart/bulky)



Avg

Avg Volume User: +2 persons per household w/ some outdoor use



FY25 Adopted to Proposed



\$5.53 / 4.9%

FY25-29 Average Increase

Adopted to Proposed



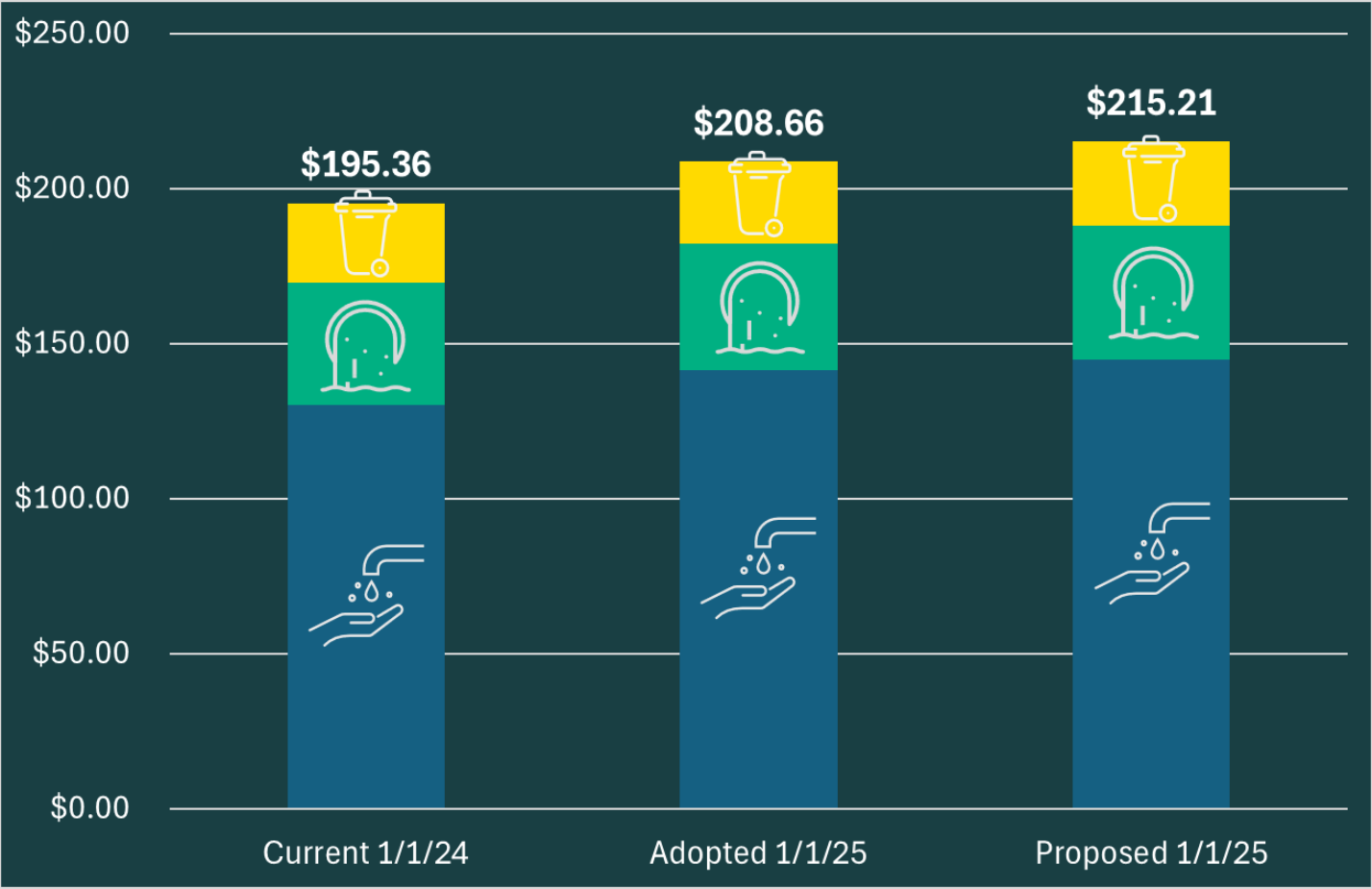
\$4.90 / 3.5%

Total monthly bill comparison: **seasonal irrigation user**

Inside city residential – 20,000 gal water, 6,000 gal wastewater, trash collection
(two blue carts/one green cart/bulky)



Typical Seasonal Irrigation User – +2 persons per household w/ avg. irrigation use



N/A \$2.3B in CIP Deferral No CIP Deferral

FY25 Adopted to Proposed

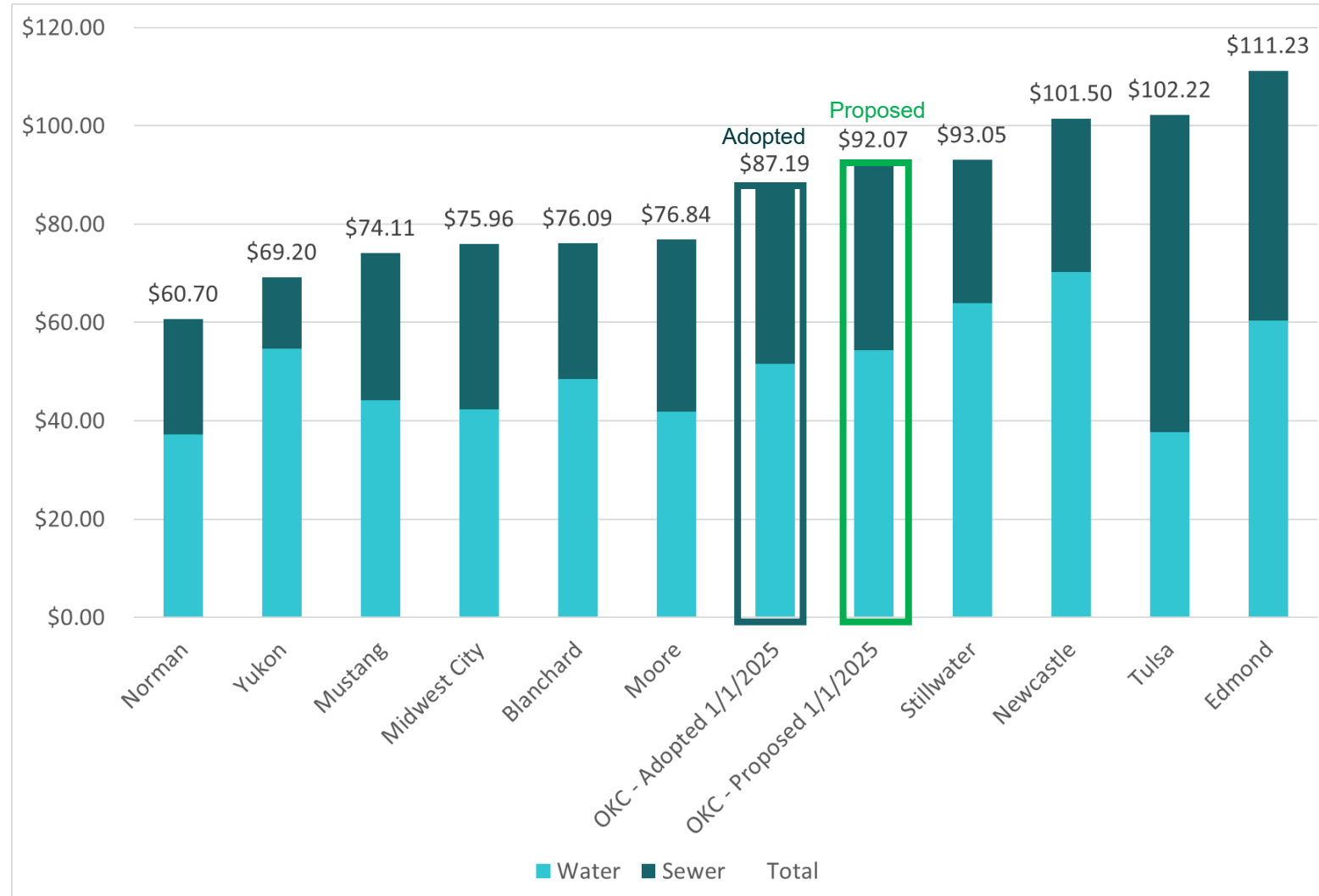
↑ \$6.55 / 3.1%

FY25-29 Average Increase Adopted to Proposed

↑ \$7.49 / 2.9%

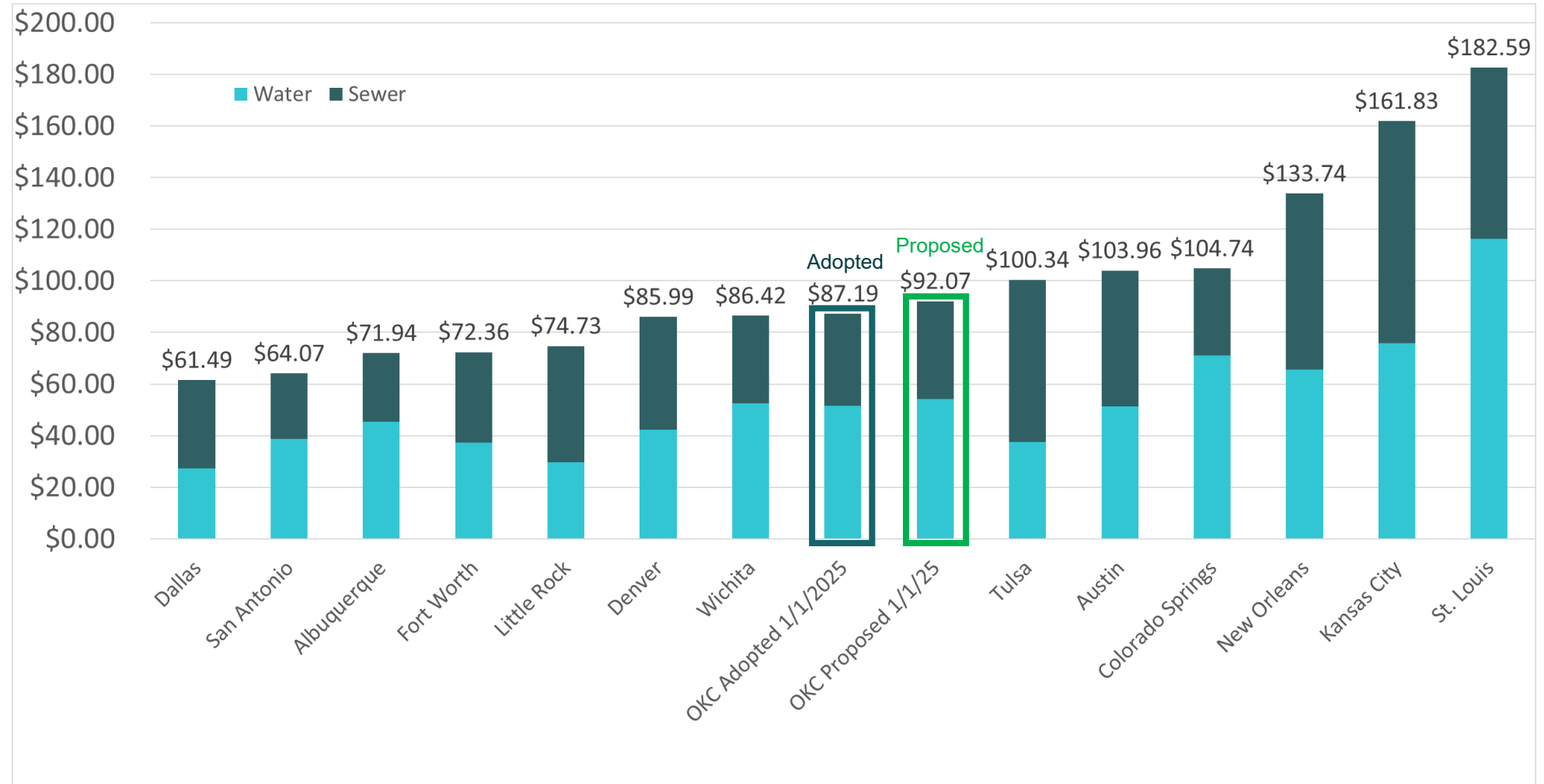
Local W&S Bill Comparison – 5/8”

- 5/8” Meter
- Water 7,000 gallons
- Wastewater 5,000 gallons



Regional W&S Bill Comparison – 5/8”

- 5/8” Meter
- Water 7,000 gallons
- Wastewater 5,000 gallons



Total monthly bill comparison: Nonresidential customers



Commercial



Hospital



Hotel



Sm Multi
Fam



Lg Multi
Fam



Office



Restaurant

1/1/25 Adopted

\$15,997

\$61,455

\$12,253

\$415

\$2,918

\$11,929

\$2,048

1/1/25 Proposed

\$17,162

\$65,976

\$13,147

\$439

\$3,132

\$12,633

\$2,190

\$ ▲

\$1,166

\$4,520

\$894

\$24

\$215

\$704

\$142

% ▲

7.3%

7.4%

7.3%

5.7%

7.4%

5.9%

6.9%

Solid Waste Forecast Update - Rates

Recommended Adjustments to Monthly Charges for Service							
<u>Effective Date</u>		Proposed Monthly Fee (1-2 Carts of Service)			Proposed Monthly Additional Cart Fee		
<u>Proposed</u>	<u>Adopted</u>	<u>Proposed</u>	<u>Adopted</u>	<u>\$ Change</u>	<u>Fee</u>	<u>YOY \$ Change</u>	<u>\$ Change</u>
1/1/2025	1/1/2025	\$27.04	\$26.39	\$0.65	\$2.75	\$2.73	\$0.02
11/1/2025	1/1/2026	\$28.46	\$27.18	\$1.28	\$2.92	\$2.89	\$0.03
11/1/2026	1/1/2027	\$29.88	\$28.00	\$1.88	\$3.10	\$3.06	\$0.04
11/1/2027	1/1/2028	\$31.30	\$28.84	\$2.46	\$3.28	\$3.22	\$0.06
11/1/2028	1/1/2029	\$32.72	\$29.71	\$3.01	\$3.46	\$3.38	\$0.08

- Previously Adopted 5 Year Rate Plan for FY22-FY26
- Proposed Plan for FY25-FY29



OCWUT and wholesalers

True Partnership



Benefits

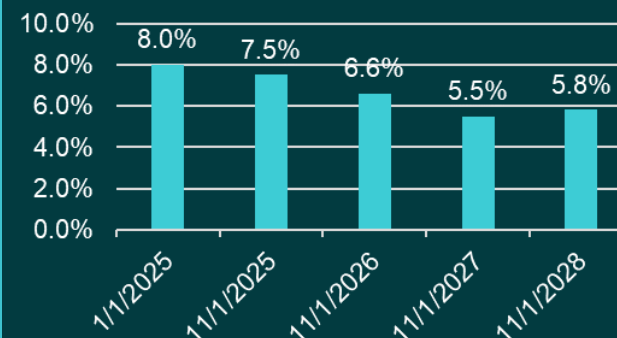


Avg Adjustment



Adopted Plan 5%
Proposed Plan 7%

Average Wholesale Customer Rate
Revenue Adj.



Key Takeaway: Current Rate Plan will Result in Unfunded CIP

Current Rate Plan Update



**>15% Annual
Increase to O&M**



**Higher CIP from Prior
Deferrals / Inflation**



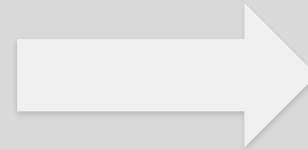
**Higher Interest /
Debt Payments**



**Higher CIP from
Additional Projects**



**Current Rate Plan
Results in Unfunded
Capital**



Recommend



**Consider
Proposed Rate
Plan Scenario**



**Phase-in increases to
limit customer
impact**



**Proposed Plan
Achieves Policy
Objectives**

Q&A