

City Council Action Financial Impact Report

Title of Item: Ordinance relating to Sewers and Sewage Disposal, Solid Wastes, Utilities, and the General Schedule of Fees, amending Chapters 47, 49, 55, and 60 of the Oklahoma City Municipal Code, 2020, by amending Chapter 47 Sewer and Sewage Disposal, Article VIII, Division 2, Section 47-501 Generally, by amending Chapter 49 Solid Wastes of the Oklahoma City Municipal Code, 2020, Article II, Division 1 Section 49-28 Rates and charges established, by amending Chapter 55 of the Oklahoma City Municipal Code, 2020, Article II, Division 4, Section 55-62 Usage charges inside and outside city, Section 55-63 Water usage charge(s), and by amending Chapter 60 the General Schedule of Fees of the Oklahoma City Municipal Code, 2020, Title 47 Sewers and Sewage Disposal, Article VIII, Section 60-47-29 Sanitary sewer user charges and Treated wastewater user, Section 60-47-30 Additional surcharge for industrial users with assessable concentrations, Section 60-47-31 Monthly sanitary sewer customer service charge, Title 49 Solid wastes Article II Section 60-49-6 Refuse rates and charges, Title 55 Utilities Article II Section 60-55-15 Monthly housekeeping unit charges, Section 60-55-16 Water user and water service charges, Section 60-55-18 Monthly water customer service charge(s), and Section 60-55-26 Fire service charges – monthly (for each connection), and providing for an effective date.

Originating Department: Utilities

Description of Impact:

Adjusts water, wastewater, and solid waste management service fees and charges to meet operating, debt, and capital expenditures for fiscal year 2022 through 2026. The water residential four-tier volumetric rate structure will have the fourth tier threshold adjust from 30,000 gallons down to 25,000 gallons to further encourage efficient use of water resources and cost of service recovery based on demand on the utility system. Approximately 88 percent of water bills fall within the first two tiers, which typically represents indoor and essential water usage. Only 2.3 percent of the bills fall within tier four, which represents high outdoor watering usage. The average residential water customer (7,000 gallons per month) will see a \$2.37 average annual adjustment to the monthly bill. The average residential wastewater customer (5,000 gallons per month) will see a \$1.14 average annual adjustment to the monthly bill. The solid waste management residential customer will see a \$0.75 average annual adjustment to the monthly bill. These residential monthly bill impacts include both base charge and volumetric rate adjustments.

Utility rate adjustments typically are effective January 1 of each year. Due to timing delays in finalizing recommendations, customers experienced six months of savings on their utility bills. Rate adjustments are recommended to go in effect June 1, 2022, and each January 1st thereafter through 2026.

Summary of Impact

a. Cost to City Organization (include indirect costs): City water accounts are considered non-residential. See Cost to Business Community.

b. Cost to Citizens: A typical residential customer will see an average annual adjustment of \$4.26 to their monthly bill for water, wastewater, and solid waste services. Bill impacts will vary depending on customers response to conservation pricing signals.

Typical residential customer defined as 7,000 gallons water, 5,000 gallons wastewater, and two big blue trash carts and one big green cart.

c. Cost to Business Community: Non-residential customers are subject to same minimum customer service charges by meter size/connection as residential customers. Sample water and wastewater bill impacts were analyzed for various non-residential customers. A large hospital would experience an average annual adjustment of \$2,165 per month. A shopping center would see an average annual adjustment of \$605 per month. An office would see an average annual adjustment of \$39 per month. A restaurant would see a \$80 average annual adjustment per month.

Solid waste services for non-residential customers are primarily serviced by private contractors.

d. Revenue Produced: Average annual revenue:

\$16.6 million Water

\$7.1 million Wastewater

\$2.1 million Solid Waste Management

Source of Funds

Fund Name: OCWUT - Water Revenue Fund (360-3000), Sewer Revenue Fund (360-3500), and Solid Waste Management Revenue Fund (360-3375)

Agency Name: Oklahoma City Water Utilities Trust (OCWUT)

Department Head Signature: *Chris Browning*

Date: 3/22/22

Date Submitted to OMB:

OMB Review Completed by: *Lori Hind*

Date: 3/23/22