

2024 Recommendations for Utility Rates and Code Modification Summary:

Overview

The City of Columbus Department of Public Utilities recently announced that they are recommending in the 2024 budget to raise Sewer Rates by 6% and Water Rates by 5% for all customers.

Over the next few years, they project that sewer increases will peak at 6% now through 2026 and remain around a 6% annual increase beyond 2026, and water increases will peak at 8% between 2027 and 2030. These rate increases are a result of many factors - increased prices of materials/chemicals, meeting EPA requirements, and an increase in debt repayment for capital projects. In the early 2000s, the EPA issued a Consent Decree to Columbus, along with many other communities around the Nation. Unlike many of the other communities, Columbus immediately went into action to address the EPA's orders, which allowed them to take gradual debt to make the required improvements. As a result, their rates are increasing gradually, whereas many other communities throughout the State and Nation now have significantly higher rates that include double-digit rate increases.

To cover the City of Columbus rate increases (Water, Sanitary and CCO), operational expenses and to minimize future rate spikes for enhanced capital expenses (infrastructure projects), the Administration is proposing a 7% overall utility rate increase. This rate increase equates to a \$7.63 increase per month based on average consumption (4,000 gallons per month). With this proposed increase, Gahanna's 2024 rates will remain competitive and will fall mid-range compared to our surrounding communities. No rate increase for refuse service is being recommended.

Below is a summary of the related proposed code changes.

TITLE THREE – PUBLIC UTILITIES

Section 921.04 Sewerage System Capacity Charge

- Update to language (Adjustment of Director title)
- Update to table language (year)
- Update of table to include 10", 12" and 16" System Capacity Charges. Removed offsetting language.

Section 921.05 Sewer Footage Fees

- Update to frontage fees **\$45.00** per front foot (was \$30.00 per front foot)
- Update to language (Adjustment of Director title)

Section 921.11 Sewer Rental Rates

- Sanitary Sewer Operational Rate: **\$9.18/1,000 gal** (was \$9.18/1,000 gal in 2023)
 - The City of Columbus continues to offer a pass-thru 20% low-income discount.
- Sanitary Sewer Capital Improvement Rate: **\$1.53/1,000 gal** (was \$0.94/1,000 gal in 2023)
- Columbus Consent Order (CCO): The City of Columbus is under a consent order with the Environmental Protection Agency (EPA) to separate their combined storm and sanitary sewers. Because the satellite communities utilize Columbus' sewer system, we are all responsible to contribute to these projects. The revenue that we collect for this consent order is passed-thru to Columbus, and Gahanna does not keep any of this money. CCO Rate: **\$3.55/ERU/month** (was \$3.38/ERU/month in 2023)

CHAPTER 927 – Storm Sewer

Section 927.17 CLASSIFICATION OF PROPERTY AND ERU ASSIGNMENT AND RATE.

- Sanitary Sewer Equivalent Residential Unit Rate: **\$4.72 per ERU** (was \$4.33 per ERU 2023)
- Update to language (Adjustment of Director title)

CHAPTER 929 – WATER CONNECTIONS AND RATES

Section 929.02 Permit Required; Multiple Use Connections Prohibited

- No changes

Section 929.03 Water Tap Charge

- Addition of language to be comparative to meter purchase charges and removal of table.
- Update to frontage fees **\$45.00** per front foot (was \$30.00 per front foot)

Section 929.08 Meter Service Fee

- Update to deduct meter inspection fee **\$45.00** (was \$40.00 in 2023)

Section 929.12 Water Rates

- Water Operational Rate: **\$9.65/1,000 gal** (was \$9.19/1,000 gal in 2023)
 - The City of Columbus continues to offer a pass-thru 20% low-income discount.
- Water Capital Improvement Rate: **\$1.08/1,000 gal** (was \$0.36/1,000 gal in 2023)

- Update to language and corresponding adjustment to table
- Update to language (Adjustment of Director title)

Section 929.14 System Capacity Charge

- Update to language (Adjustment of Director title)
- Adjustment of table to include 5/8" and 12" Tap Diameter and adjustment of 3/4" and 1" rates

Section 929.15 Private Fire Protection Service

- Adjustment of table to rates established in 929.12.

Section 929.17 Special Charges

- Update to language (Adjustment of Director title)

CHAPTER 941 – GARBAGE AND RUBBISH COLLECTION

Section 941.15 Pickup and Disposal Fees

- No changes