

## **Code Modification Summary:**

### **Overview**

In 2018, the Water Operational Fund was provided a \$1.2m loan from the General Fund to pay the City of Columbus for back charges due to a slow running meter. The water rate increases to cover both the additional expense of a fully operational meter and the General Fund repayment were spread out over the past 4 years to reduce any sharp spikes in rates. Water operational rate increases have normalized, and the final General Fund repayment will occur in 2023. Sanitary Sewer and Water Capital Improvement rates are increasing to cover current and future sanitary sewer evaluations, improvement projects, and other projects to improve and maintain reliable service.

The City of Columbus Department of Public Utilities recently announced that they are raising Sewer Rates by 5% and Water Rates by 4% for all of its customers. Over the next few years, they project that sewer increases will peak at 7%, and water increases will peak at 6%. 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, additional projects within our water and sewer system, and operational expenses, we are proposing a 5.4% rate increase. This rate increase equates to a \$3.88 increase per month based on average consumption (4,000 gallons per month). Even with this proposed increase, Gahanna's 2022 rates will remain competitive and will fall mid-range compared to our surrounding communities.

Despite reduced staffing levels and the pandemic, the Department implemented a transition to monthly billing earlier this year. This transition already has generated a positive result, as delinquency rates already have decreased to one-third of what they were for quarterly billing.

Below is a summary of the related proposed code changes.

### **TITLE THREE – PUBLIC UTILITIES**

#### **Section 921.11 Sewer Rental Rates**

- Sanitary Sewer Operational Rate: **\$8.66/1,000 gal** (was \$7.95/1,000 gal in 2021)
  - The City of Columbus continues to offer a pass-thru 20% low-income discount.

- Sanitary Sewer Capital Improvement Rate: **\$0.94/1,000 gal** (was \$0.84/1,000 gal in 2021)
  - Sanitary Sewer Capital Improvement rates are increasing to cover current and future sanitary sewer evaluations, improvement projects, and other projects to improve and maintain reliable service.
- Various updates for monthly billing.
- 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: **\$3.31/ERU/month** (was \$3.03/ERU/month in 2021)

## CHAPTER 927 – Storm Sewer

### **Section 927.17 CLASSIFICATION OF PROPERTY AND ERU ASSIGNMENT AND RATE.**

- Updated language for monthly billing

## CHAPTER 929 – WATER CONNECTIONS AND RATES

### **Section 929.12 Water Rates**

- Water Operational Rate: **\$8.92/1,000 gal** (*was \$8.79/1,000 gal in 2021*)
  - The City of Columbus continues to offer a pass-thru 20% low-income discount.
- Water Capital Improvement Rate: **\$0.36/1,000 gal** (*was \$0.33/1,000 gal in 2021*)
- In 2018, the Water Operational Fund was provided a \$1.2m loan from the general fund to pay the City of Columbus for back charges due to a slow running meter. The water rate increases to cover the additional expense of a fully operational meter, and the general fund repayment was spread out over the past 4 years to reduce any sharp spikes in rates. Water operational rate increases have normalized, and the final general fund repayment will occur in 2023.
- Various updates for monthly billing.

### **Section 929.15 Private Fire Protection Service**

- Updated unmetered fire line rate using 2022 rates.
- Various updates for monthly billing.

### **Section 929.17 Special Charges**

- Updated door hanger and disconnection charges to include charges for noncompliant backflow prevention.

## CHAPTER 941 – GARBAGE AND RUBBISH COLLECTION

### Section 941.15 Pickup and Disposal Fees

- Curb Pickup Rate: **\$22.07/Monthly** (*was \$20.17/Monthly in 2021*)
- Carryout Service Rate: **\$47.07/Monthly** (*was \$40.17/Monthly in 2021*)
- Pickup and Disposal rates are based on contract terms and include the recycling processing and administrative fees.
- Various updates for monthly billing.
- The switch to Local Waste's is \$1.84 cheaper than the Rumpke bid for the first three years, and will be \$3.43 cheaper by the end of the extension years. This equates to a savings of more than \$220k per year (and a savings of more than \$1 million over the life of the contract).
  - In addition, Local Waste will provide a 95-Gallon trash cart to all residents, providing a much cleaner look on collection day. The trash cart would be owned and maintained by Local Waste. Collection of ALL items (yard, trash and recycling) would occur for half of the City on Monday, while the second half of the City would be collected on Tuesday. Having all items collected together will allow residents to put everything on the curb for collection only one time and collect the can(s) all at once. Splitting the City in half over two days will help to ensure more reliable collection with fewer chances for delays.