



# MEMORANDUM

Council Agenda  
Item No. IX.B.  
2/17/2015

## The City of OKLAHOMA CITY

TO: Mayor and City Council

FROM: James D. Couch, City Manager

Ordinance to be introduced, set for public hearing February 24, 2015, and final adoption March 3, 2015, relating to Sewer and Sewage Disposal, Utilities, and the General Schedule of Fees, amending Chapter 47 of the Oklahoma City Municipal Code, 2010, by amending Article I, in General, Section 47-1 Definitions, Article VII, Industrial or Harmful Discharges, Section 47-431 Generally, Section 47-432 Surcharges for BOD and Suspended Solids, Section 47-451 Charges and Fees Generally, Section 47-452 Schedule of Fees, Section 47-453 Additional Charges and Fees, and Article XII, Pretreatment Facility Service and Wastewater Transporting and Disposal, Section 47-800 Definitions, Section 47-801 Pretreatment Facility Service and Wastewater Transporting License, Section 47-802 Identification, Section 47-803 License Fee, Section 47-804 Equipment, Vehicles and Receptacles, Section 47-805 Inspection and Registration Fee, Section 47-806 Disposal of Wastewater, and Section 47-820 Inspection of Wastewater Source or Site, and amending Chapter 60, Title 47, Section 60-47-21 Industrial Pretreatment Fee Structure, and Section 60-47-22 Permit for Discharge of Industrial Waste.

**Purpose** To provide adequate revenues to recover the costs expended by the Oklahoma City Water Utilities Trust (OCWUT) for services related to the industrial waste pretreatment program.

**Background** Industrial Pre-Treatment Program  
Federal Regulations require municipalities to establish a Pretreatment Program to assure protection of waterways by controlling wastewater discharge from industry and non-domestic sources to municipal sewer collection systems and treatment facilities. These programs require municipalities to regulate and monitor the quality of wastewater discharged to the sanitary sewer system by certain customers.

**Cost of Service**  
The cost of service study found we are under-recovering the cost of the Industrial Waste Pretreatment Program. The total cost of the program is approximately \$1.1 million per year with about two-thirds of these costs recovered by waste strength fees (BOD and TSS) covered in the General Schedule of Fees and by savings in wastewater treatment plant operating costs from reduced strength waste. Current permit fee revenues are approximately \$53,000, leaving a program deficiency of \$328,000. EPA requires in 40 CFR that the City recover the costs of this Program from the industries that discharge to the sanitary sewer.

Proposed Fee Amendments

In December, OCWUT adopted a resolution authorizing the General Manager and General Counsel to finalize and forward the ordinance amendment to implement the Industrial Waste Pretreatment Permit fee adjustments.

The ordinance amendment has been prepared and is attached for City Council's consideration. Industrial users will pay a monthly fee for each thousand gallons of wastewater discharged. The fee will be phased in over a three year period. In year one, fees will be effective from the ordinance effective date through December 31, 2015; year two fees will be effective January 1 through December 31, 2016; and year three fees will be effective January 1, 2017 and thereafter.

	Proposed Permit Fees (\$ / 1000 Gallons)		
	Year	Year	Year
	1	2	3
Categorical	\$0.04	\$0.07	\$0.10
Significant	\$0.03	\$0.05	\$0.07
Non-Significant	\$0.02	\$0.04	\$0.06

The proposed permit fees will result in monthly bill impacts ranging from \$1 to \$1,132 (0.18 to 0.71%) for federal categorical customers, \$7 to \$210 (0.25 to 0.45%) for significant customers, \$1 to \$13 (0.22 to 0.31%) for non-significant/minor customers, in year one. Total customer impacts by year three range from \$2 to \$2,830 (0.46 to 1.78%)

The Oklahoma City Water Utilities Trust recommended the ordinance be approved by City Council at their February 3, 2015 meeting.

Source of Funds                      OCWUT – Sewer Revenue Fund (360-3500)

Review                                      Utilities Department

Recommendation: Ordinance be introduced and set for public hearing on February 24, 2015 and final hearing on March 3, 2015.

Attachment