



# **City of Yukon, Oklahoma**

## **Fiscal Year 2024**

Water, Wastewater, and Sanitation Cost of Service Study

PREPARED FOR

**City of Yukon**

April 2024



# City of Yukon, Oklahoma Fiscal Year 2024

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## Water, Wastewater, and Sanitation Cost of Service Study



April 24, 2024

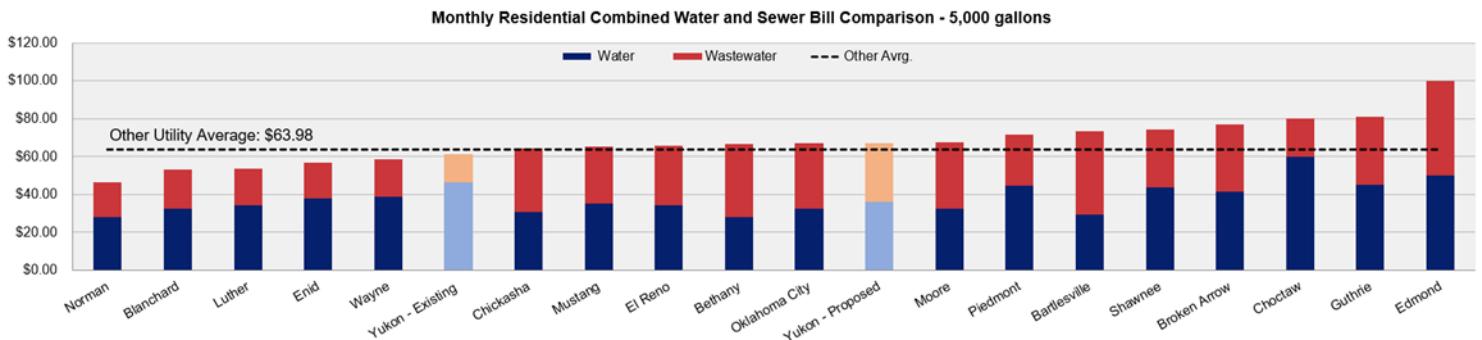
Ms. Tammy Kretchmar  
City Manager  
City of Yukon – Yukon Municipal City  
500 W Main Street  
Yukon, OK 73099

Subject: **Fiscal Year 2024 Water, Wastewater, and Sanitation Cost of Service Study**

Dear Ms. Kretchmar:

Garver, LLC (Garver) and Ryper Water Analytics, LLC (Ryper and on a combined basis with Garver, herein referred to as the Project Team) have completed the Fiscal Year 2024 Water, Wastewater, and Sanitation Cost of Service Study (Study or Report) on behalf of the City of Yukon, Oklahoma (City) and has presented the results of our analyses, assumptions, and recommendations in this Report for your consideration. The focus of the Study was to prepare: 1) a forecast of operations and the corresponding expenditure and funding needs (revenue requirements) to evaluate the sufficiency of the City's Yukon Municipal Authority, which operates a water and wastewater utility enterprise fund (Utility System) and sanitation enterprise fund (Sanitation System) revenues to meet these requirements for the Fiscal Years 2024 through 2028 (Forecast Period); 2) design alternative retail service rates to recover the cost of providing individual services (e.g., water, wastewater, and sanitation); and 3) design water and wastewater impact fees to recover the embedded cost of capital installed to provide service to prospective customers. The principal objective of the Study is to provide recommendations as to the level of rate revenues needed to reasonably recover the cost of providing specific services, as well as to promote the financial sustainability and creditworthiness of the Utility System and Sanitation System.

The following table illustrates a comparison of monthly residential water and wastewater charges of the Utility System and other neighboring utilities to provide an indication of the competitiveness of the existing and proposed residential rates. Based on this analysis, which can be seen below, the existing rates produce an average monthly bill for residential single-family that is consistent with the average of the other surveyed utilities.



Based on our analysis and assumptions, as delineated in this Report, the recommended rate adjustments and proposed retail service rates are expected to: 1) maintain the strong creditworthiness of the Utility and Sanitation Systems; 2) ensure adequate funding for the projected funding requirements of the Utility System and Sanitation System, including additional indebtedness for the wastewater treatment facilities upgrades; and 3) provide competitive retail service rates to the customers of the City.

Following this letter is the Report documenting our principal assumptions and findings for your consideration.

Respectively,

Garver, LLC

Ryper Water Analytics, LLC

Cole Niblett, PE  
Project Manager

Ryan Smith  
Rate Consultant

## PRIMARY ASSUMPTIONS AND RECOMMENDATIONS

### Table of Contents

List of Figures.....	5
List of Tables .....	6
List of Appendices.....	7
List of Acronyms.....	7
Executive Summary .....	8
1.0 Water and Wastewater System Revenue Sufficiency .....	13
1.1 Forecast of Water and Wastewater Revenues .....	13
1.2 Forecast of Water and Wastewater Expenditures .....	14
1.3 Operating Expenses.....	14
1.4 Capital Expenditures .....	16
1.5 Capital Funding (Renewal and Replacement Fund).....	17
1.6 Debt Service.....	18
1.7 Revenue Requirements .....	19
1.8 Debt Services Coverage .....	20
1.9 Projected Fund Balances .....	21
1.10 Customer Bill Comparison .....	21
2.0 Principal Findings: Water and Wastewater System Revenue Sufficiency .....	23
3.0 Proposed Water and Wastewater Retail Rates .....	26
3.1 General.....	26
4.0 Principal Findings: Proposed Water and Wastewater Rates .....	27
4.1 Residential Bill Impact.....	31
4.2 Revenue Collection Attributes.....	33
5.0 Calculation of Water and Wastewater Impact Fees.....	35
5.1 Development of Proposed Impact Fees.....	36
5.2 Capital Investment .....	36
5.3 Existing Plant-in-Service .....	37
5.4 Capital Improvement Program (CIP).....	39
5.5 Allocation of Water System Costs to Service Function.....	40
Allocation of Wastewater System Costs to Service Function.....	41

5.6	Capacity of Water and Wastewater Facilities .....	41
5.7	Level of Service Requirement.....	42
6.0	Principal Findings: Calculation of Water and Wastewater Impact Fees .....	43
7.0	Sanitation System Cost of Service Analysis .....	45
7.1	Forecast of Sanitation Revenues.....	45
7.2	Forecast of Expenditures .....	46
7.3	Operating Expenses.....	47
7.4	Transfers .....	47
7.5	Internal Transfer to Vehicle Replacement Fund .....	48
7.6	External Transfers to the City's General Fund.....	48
7.7	Vehicle Replacement Plan .....	49
8.0	Principal Findings: Sanitation System Cost of Service Analysis.....	50
8.1	Revenue Requirements .....	50
8.2	Projected Fund Balances .....	51
8.3	Customer Bill Comparison .....	52
8.4	Proposed Sanitation Retail Service Rates .....	52
8.5	Proposed Fiscal Year 2025 Solid Waste Rates .....	54
8.6	Sanitation System Recommendations .....	56

## **List of Figures**

Figure 1-1: Utility Revenues Requirements and Existing vs. Proposed Revenues .....	20
Figure 1-2: Monthly Residential Combined Water and Sewer Bill Comparison - 5,000 Gallons.....	22
Figure 2-1: Operating Fund - Ending Cash Balance.....	24
Figure 2-2: Capital Funds (R&R Fund) - Fund Balance.....	25
Figure 4-1: Residential Annual Bill at 7,500 Gallons as Percent of Median Household Income .....	32
Figure 4-2: Annual Change in Cost of Clean Water .....	33
Figure 4-3: Average Revenue Collected Per 1,000 Gallons Per Customer Class .....	34
Figure 5-1: Connection Fee Equation .....	36
Figure 5-2: Residential Single-Family - Monthly Bills Rendered by Usage .....	43
Figure 8-1: Sanitation Revenues Requirements and Existing vs. Proposed Revenues.....	50
Figure 8-2: Comparison of Monthly Solid Waste Collection and Disposal Rates .....	52

Figure 8-3: Vehicle Replacement Fund Balance ..... 58

## **List of Tables**

Table ES-1: Summary of Projected Utility System Rate Adjustments <sup>1</sup> .....	9
Table ES-2: Proposed Fiscal Year 2025 Monthly Water and Wastewater Retail Rates <sup>1</sup> .....	10
Table ES-3: Proposed Water and Wastewater Impact Fees <sup>1</sup> .....	11
Table ES-4: Summary of Projected Sanitation System Rate Adjustments - Forecast Period <sup>1</sup> .....	11
Table ES-5: Proposed Monthly Residential Sanitation Rates <sup>1</sup> .....	12
Table ES-6: Proposed Monthly Commercial Sanitation Rates <sup>1</sup> .....	12
Table 1-1: Summary of Projected Utility System Revenues - Forecast Period <sup>1</sup> .....	14
Table 1-2: Summary of Projected Utility Operating Expenses - Forecast Period <sup>1</sup> .....	15
Table 1-3: Summary of Utility System Capital Improvement Plan - Forecast Period <sup>1</sup> .....	16
Table 1-4: Summary of Annual Deposits to the Renewal and Replacement Fund - Forecast Period <sup>1</sup> .....	18
Table 1-5: Summary of Proposed Debt Service Payments - Forecast Period <sup>1</sup> .....	19
Table 1-6: Summary of Estimated Debt Service Coverage Requirement Compliance - Forecast Period <sup>1</sup>	21
Table 1-7: Summary of Projected End-of-Year Fund Balances - Forecast Period <sup>1</sup> .....	21
Table 4-1: Summary of Fiscal Year 2025 Revenue Requirement Allocation to Water and Wastewater Service Functions <sup>1</sup> .....	28
Table 4-2: Summary of Water and Wastewater Revenue Collection Attributes <sup>1</sup> .....	29
Table 4-3: Proposed Fiscal Year 2025 Monthly Water and Wastewater Retail Rates <sup>1</sup> .....	30
Table 4-4: Comparison of Combined Monthly Water and Wastewater Bills under the Existing and Proposed Rates for Fiscal Year 2025 for Single-family Residential Service <sup>1</sup> .....	31
Table 4-5: Summary of Rate Revenues Under Existing and Proposed Rates by Class <sup>1</sup> .....	35
Table 5-1: Functional Plant Categories.....	37
Table 5-2: Functionalization of Existing Assets to Water & Wastewater Systems <sup>1</sup> .....	39
Table 5-3: Functionalization of Capital Improvement Plan Projects to Water & Wastewater Systems <sup>1</sup> .....	40
Table 5-4: Functionalization of Water System Costs to Service Functions <sup>1</sup> .....	40
Table 5-5: Functionalization of Wastewater System Costs to Service Functions <sup>1</sup> .....	41
Table 5-6: Summary of Water System Capacity - Average Daily Flow Basis <sup>1</sup> .....	41
Table 5-7: Summary of Wastewater System Capacity - Average Daily Flow Basis <sup>1</sup> .....	42
Table 6-1: Proposed Water and Wastewater Impact Fees <sup>1</sup> .....	44
Table 7-1: Summary of Projected Operating and Maintenance Expenditures - Forecast Period.....	47

Table 7-2: Summary of Annual Deposits to the Vehicle Replacement Fund- Forecast Period <sup>1</sup> .....	48
Table 7-3: Summary of Annual External Transfers to City's General Fund <sup>1</sup> .....	49
Table 7-4: Summary of Vehicle Replacement Plan Expenditures and Funding Sources- Forecast Period <sup>1</sup> .....	49
Table 8-1: Sanitation System Projected Fund Balances (Cash) and Interest Earnings - Forecast Period <sup>1</sup>	51
Table 8-2: Existing Monthly Residential Sanitation Rates <sup>1</sup> .....	53
Table 8-3: Existing Monthly Commercial Sanitation Rates <sup>1</sup> .....	54
Table 8-4: Summary of Test Year Revenue Requirements <sup>1</sup> .....	54
Table 8-5: Proposed Monthly Residential Sanitation Rates <sup>1</sup> .....	56
Table 8-6: Proposed Monthly Commercial Sanitation Rates <sup>1</sup> .....	56
Table 8-7: Example - Calculation of Inflationary Rate Indexing Policy .....	57

## **List of Appendices**

Appendix A      Data Tables

## **List of Acronyms**

Acronym	Definition
<b>CIP</b>	Capital Improvement Program
<b>ERC</b>	Equivalent Residential Connection
<b>LOS</b>	Level of Service
<b>MHI</b>	Median Household Income
<b>OKC</b>	Oklahoma City
<b>R&amp;R</b>	Renewal and Replacement Fund
<b>SRF</b>	State Revolving Fund

## Executive Summary

Garver, LLC (Garver) and Ryper Water Analytics, LLC (Ryper and on a combined basis with Garver, herein referred to as the Project Team) have completed our analyses, including: 1) the Financial Forecast comprising the Fiscal Years 2024 through 2028 (Forecast Period) on an individual basis for the City of Yukon's (the City) Yukon Municipal Authority which operates a water and wastewater utility enterprise fund (Utility System) and sanitation enterprise fund (Sanitation System); 2) design of cost justified retail service rates for the Utility System and Sanitation System; and 3) design of water and wastewater impact fees. This Report presents the results of our analyses, assumptions, and recommendations (Report or Study). The principal goals and objectives of the Study were to:

- Evaluate the sufficiency of the City's revenues derived from existing rates for the Utility System and the estimated rate adjustments necessary to fund the projected expenditures and funding requirements.
- Identify a funding plan that will support the financing of the Utility System's capital improvement plan (CIP) during the Forecast Period, balance the use of external and internal funding sources, and identify the effects of the plan on System rates. The funding plan relies on additional indebtedness to be secured through the Oklahoma Department of Environmental Protection Drinking Water State Revolving Fund's loan program (SRF), the use of capital reserves (cash), and funds generated from ongoing capital reinvestment derived from annual operations.
- Develop alternative water and wastewater monthly retail service rates that are cost justified and reflect the actual cost of providing each service type, thus strengthening the rational nexus between the amounts charged to each customer and the Utility System services being provided.
- Calculate impact fees for water and wastewater services to recover the pro-rata share of allocated capital costs that are considered as growth-related coming from both new customers connecting to the System or from existing customers that are requesting an increase in the reserved water and/or wastewater capacity associated with increased development on their property.
- Evaluate the sufficiency of the City's revenues derived from existing rates for the Sanitation System, and the estimated rate adjustments necessary to fund the projected expenditures and funding requirements.
- Identify a funding plan that will support the Sanitation System's vehicle replacement plan during the Forecast Period, while balancing the use of internal funding sources and identifying the effects of the plan on the Sanitation System rates.
- Develop alternative sanitation monthly retail service rates that are cost justified and reflect the actual cost of providing collection and disposal services, thus strengthening the rational nexus between the amounts charged to each customer and the Sanitation System services being provided.

The Financial Forecast was developed based on information provided by City staff including, but not limited to:

1. Financial information related to the Utility System's CIP and anticipated funding sources
2. The Fiscal Year 2024 adopted operating budget
3. The recently completed financial results for Fiscal Year 2023
4. Fiscal-Year-to-Date 2024 financial information
5. Customer billing or statistical data for the Fiscal Year 2023
6. Other financial or statistical information

### **Observations and Recommendations**

Based on the results of the Utility System revenue sufficiency analysis which prepared a forecast of the Utility System's revenue requirements, including the capital improvement funding plan (Financial Forecast) which encompassed a five year period beginning July 1, 2024, and ending June 30, 2028. The Financial Forecast identified that the existing rates in effect for Fiscal Year 2024 will not be sufficient to meet such needs of the Utility System and that the rates for monthly utility service will need to be increased. It is recommended the City annually adjust the monthly retail service rates to recover the identified revenue requirements and effects of inflation. The Financial Forecast estimated that the following rate adjustments would be applied for each fiscal year during the Forecast Period:

**Table ES-1: Summary of Projected Utility System Rate Adjustments<sup>1</sup>**

Description	2025	2026	2027	2028
<b>One-Time Rate Adjustment</b>	12.00%	0.00%	0.00%	0.00%
<b>Inflationary Rate Adjustments</b>	0.00%	5.50%	5.50%	5.50%
<b>Total Rate Adjustments</b>	12.00%	5.50%	5.50%	5.50%
<b>[1] Amounts shown derived from information presented in Section 1 of this Report.</b>				

A review of the recovery of costs by rate structure component (monthly base fee, OKC Subsidy, and the volumetric charge) for the Fiscal Year 2024 was performed and it is recommended that the rate structure be modified to:

1. Reflect a structure that is more common in the industry, and which generally follows the ratemaking methods
2. That more equitably recover the costs of providing service based on the demographics of the customers and the demands of such customer
3. Provide a stronger water conservation pricing incentive

With respect to the monthly base charge, which serves as a “readiness-to-serve” charge, the fees are recommended be adjusted to remove the minimum use allotment (2,000 gallons of water and 4,000 gallons of wastewater). Additionally, it is recommended that the OKC Subsidy charge be eliminated, and the cost of wholesale water purchases be recovered through the volumetric charges. Furthermore, it is recommended that the volumetric charges and tiers be adjusted to recognize the capacity reserved for each customer and wholesale rates billed to the City for use above the Utility System’s allotment with Oklahoma City. The following table presents the recommended water and wastewater monthly rates for residential and commercial service:

**Table ES-2: Proposed Fiscal Year 2025 Monthly Water and Wastewater Retail Rates<sup>1</sup>**

Description	Water Rates	Wastewater Rates
<b>Residential Services (Per Dwelling Unit)</b>		
<b>Base Charge</b>	\$18.48	\$10.00
<b>Volumetric Charges (Per 1,000 Gallons)</b>		
<b>0 – 8,000 Gallons</b>	\$3.53	\$4.22
<b>8,001 Gallons and Above</b>	7.85	4.22
<b>Commercial Services (All Meter Sizes)</b>		
<b>Base Charge</b>	\$18.48	\$10.00
<b>Volumetric Charges (Per 1,000 Gallons)</b>		
<b>0 – 8,000 Gallons</b>	\$3.53	\$5.28
<b>8,001 Gallons and Above</b>	7.85	5.28

[1] Amounts shown derived from information presented in Appendix Table 2-3 and Appendix Table 2-4.

It is recommended that the City implement water and wastewater impact fees in order to account for the significant existing investment the City has in its water and wastewater system infrastructure and the planned improvements to the Utility System in the near future. Impact fees are fees that assessed to new development (customer growth) which recover the cost of capacity in the Utility System. A utility must build and maintain water and wastewater treatment and transmission capacity and have it available when a new customer or development requests service; impact fees help to link that cost to the new customer. Based on a detailed analysis of the Utility System’s existing fixed assets and the CIP, the following impact fees were calculated and are being proposed.

**Table ES-3: Proposed Water and Wastewater Impact Fees<sup>1</sup>**

	<b>Water</b>	<b>Wastewater</b>
<b>Single-Family Residential</b>	\$610.00	\$1,530.00
<b>Multi-Family (Per Dwelling Unit)</b>	\$610.00	\$1,530.00
<b>Commercial / Non-Residential</b>		
<b>5/8th and 3/4th Inch Meter</b>	\$610.00	\$1,530.00
<b>1-Inch Meter</b>	1,019.00	2,555.00
<b>1&amp;1/2 Inch Meter</b>	2,031.00	5,095.00
<b>2 Inch Meter</b>	3,251.00	8,155.00
<b>3 Inch Meter</b>	6,100.00	15,300.00
<b>4 Inch Meter</b>	10,169.00	26,505.00
<b>6 Inch Meter</b>	20,331.00	50,995.00
<b>All Meters Greater Than 6 Inch – Per Gallon of Capacity Reserved</b>	\$2.44	\$6.13

**[1] Amounts shown derived from information provided in Appendix Table 3-7.**

Based on the results of the Sanitation System revenue sufficiency analysis which prepared a forecast of the Sanitation System's revenue requirements, including the vehicle replacement funding plan (Financial Forecast) which encompassed a five year period beginning July 1, 2024, and ending June 30, 2028. The Financial Forecast identified that the existing rates in effect for Fiscal Year 2024 will not be sufficient to meet such needs of the Sanitation System and that the rates for monthly sanitation service will need to be increased. It is recommended that the City annually adjust the monthly retail service rates to recover the identified revenue requirements and effects of inflation on the Sanitation System. The Financial Forecast estimated that the following rate adjustments would be applied for each fiscal year during the Forecast Period:

**Table ES-4: Summary of Projected Sanitation System Rate Adjustments - Forecast Period<sup>1</sup>**

<b>Description</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>	<b>2028</b>
<b>One-Time Rate Adjustment</b>	20.00%	0.00%	0.00%	0.00%
<b>Inflationary Rate Adjustments</b>	0.00%	5.50%	5.50%	5.50%
<b>Total Rate Adjustments</b>	20.00%	5.50%	5.50%	5.50%
<b>[1] Amounts shown derived from information presented in Section 4 of this Report.</b>				

A review of the Sanitation System cost recovery for the Fiscal Year 2024 was performed and it is recommended that the sanitation rate structure be modified to reflect full costs which more equitably recover the costs of providing service based on the demographics of the customers and the collection and disposal requirements of such customer. Recognizing that the estimated revenue requirements for serving residential customers with water consumption of less than 3,000 gallons per month (no correlation to sanitation service) was estimated to be approximately 95% of the total revenue requirements, it is recommended that all residential customers be billed on a consistent (average unit) cost basis. Additionally, for commercial customers, no correlation between number of carts collected from a single parcel and a reduction in the cost of providing commercial collection and disposal services was identified. Recognizing these attributes, it is recommended that all commercial customers be billed on a consistent (average unit) cost basis. The following tables present the recommended Sanitation System rates for residential and commercial services:

**Table ES-5: Proposed Monthly Residential Sanitation Rates<sup>1</sup>**

Fiscal Year 2025	
<b>Single-Family Residential</b>	\$16.57
<b>[1] Amounts shown derived from information provided in Appendix Table 4-11.</b>	

**Table ES-6: Proposed Monthly Commercial Sanitation Rates<sup>1</sup>**

Weekly Pick-Ups	95-Gallon Cart	2-Yard Dumpster	4-Yard Dumpster	6-Yard Dumpster	8-Yard Dumpster
<b>1</b>	\$20.47	\$48.38	\$75.54	\$97.59	\$131.58
<b>2</b>	25.99	66.02	111.36	159.45	208.16
<b>3</b>	31.65	83.45	145.49	201.65	255.18
<b>4</b>	40.06	105.18	177.55	243.56	307.63
<b>5</b>	50.40	126.12	206.50	280.86	355.50
<b>6</b>	65.01	162.34	259.30	352.50	446.30
<b>[1] Amounts shown derived from information provided in Appendix Table 4-11.</b>					

## 1.0 Water and Wastewater System Revenue Sufficiency

The City has established the operation, management and financial reporting of the Utility System as an enterprise fund (enterprise fund), which is also referred to as the Yukon Municipal Authority. Being an enterprise fund, all revenues and expenses are reported separately for the System, and it should generally have revenues equal to the costs of the services provided. The City should endeavor to establish rates that are sufficient to cover the operating expenses, identified capital expenses, and the maintenance of operating, capital and other reserves as may be necessary based on the strategic plans and objectives of the City. With respect to establishing the Utility System as an enterprise fund, according to the Governmental Accounting Standards Board:

*"Enterprise Funds should be used to account for operations that are financed and operated in a manner similar to private business enterprises – where the intent of the governing body is that costs of providing services to the general public on a continuing basis should be financed or recovered primarily through user charges."*

General accounting policies and prudent utility management recommend that the Utility System have revenues (financial resources) at least equal to the costs of providing services by the Utility System.

The remainder of this section provides a discussion of the analysis methodology, the water and wastewater rates for service, the projected customer statistics or billing demographics, identification of the revenue requirements and estimated sufficiency of the existing rates and provides a summary of the financial trends and position of the System.

### 1.1 Forecast of Water and Wastewater Revenues

The revenues for the Utility System are primarily generated from the rates for water and wastewater service. Such revenues account for approximately 93.5% of gross revenues over the Forecast Period and are the primary source of operating revenues. The remaining 6.5% of gross revenues are generated from miscellaneous service charges and interest income on investments.

The development of the revenue forecast was based on: 1) a review of historical trends in operating revenues; 2) the Fiscal Year 2024 operating budget; 3) a detailed statistical analysis of the Fiscal Year 2023 and year-to-date customer billing data and demographics; 4) identified growth in the total amount of water and wastewater sales based on known development within the Utility System's service territory; 5) assumed implementation of the identified rate adjustments to fund the projected revenue requirements; and 6) discussions with City staff.

The revenue forecast can be categorized into three primary groups of revenues comprising of: 1) revenues derived from monthly service charges to customers; 2) miscellaneous fee revenues; and 3) investment income earned on fund balances. Appendix Tables 1-1, 1-2, 1-3, 1-4, and 1-13 show the calculation of the projected customers and revenues for the Forecast Period and are summarized below:

**Table 1-1: Summary of Projected Utility System Revenues - Forecast Period<sup>1</sup>**

Description	2024	2025	2026	2027	2028
<b>Rate Revenues<sup>1</sup></b>					
<b>Water Rate Revenues</b>	\$6,430,653	\$6,451,099	\$6,471,545	\$6,491,991	\$6,512,437
<b>Wastewater Rate Revenues</b>	\$2,860,382	\$2,860,382	\$2,860,382	\$2,860,382	\$2,860,382
<b>Total Rate Revenues</b>	\$9,291,035	\$9,311,481	\$9,331,927	\$9,352,373	\$9,372,819
<b>Other Revenues<sup>2</sup></b>	\$549,892	\$567,803	\$586,298	\$605,394	\$625,113
<b>Investment Income<sup>3</sup></b>	\$76,012	\$55,869	\$57,824	\$65,622	\$74,670
<b>Total Existing Revenues</b>	\$9,916,938	\$9,935,153	\$9,976,048	\$10,023,389	\$10,072,602

[1] Amounts shown derived from information presented in Appendix Table 1-1 through 1-3. The amounts shown do not include the effects of proposed rate adjustments.

[2] Amounts shown derived from information presented in Appendix Table 1-4.

[3] Amounts shown derived from information presented in Appendix Table 1-13.

## 1.2 Forecast of Water and Wastewater Expenditures

The expenditure forecast can be categorized into four primary groups of expenditures: 1) operation and maintenance expenses; 2) proposed debt service to fund capital improvements; 3) transfers for capital funding; and 4) transfers to the City's General Fund. For the Forecast Period, operating expenses accounted for 56% of the total revenue requirements, proposed annual debt service payments accounted for 1.0% of the total revenue requirements, transfers to the proposed Renewal and Replacement Fund (to fund capital upgrades, improvements, and re-investment) accounted for 4% of the total revenue requirements, and annual transfers to the City's General Fund accounted for the remaining 39% of the total revenue requirements. The remainder of this section of the Report provides a discussion of each of these primary categories of revenue requirements.

## 1.3 Operating Expenses

The forecast of Utility System operating expenses was developed based upon: 1) a review of the recent trends in historical expenses; 2) the adopted Fiscal Year 2024 budget, including a review of year-to-date expenditures; 3) adjustments to recognize incremental expenses associated with the wastewater treatment plant upgrade project; 4) adjustments to recognize changes in the cost of wholesale water purchases from the city of Oklahoma City; 5) assumed growth rates/escalation factors based on industry trends in such costs; 6) inflationary data published by the Bureau of Labor Statistics and Congressional Budget Office; and 7) discussions with the City staff.

The forecast of operating expenses relied upon various escalation factors ranging from approximately 2.2% to 6.3% depending on both the assumed costs being escalated, and discussions with City staff. The forecast of Utility System operating expenses can be seen in greater detail on Appendix Tables 1-5 through 1-8 and is summarized by the Utility System's cost centers below:

**Table 1-2: Summary of Projected Utility Operating Expenses - Forecast Period<sup>1</sup>**

Description	2024	2025	2026	2027	2028
<b>Water Distribution Department</b>					
<b>Personnel Services</b>	\$543,902	\$491,019	\$510,735	\$531,246	\$552,585
<b>Materials and Supplies</b>	\$37,390	\$39,314	\$41,338	\$43,480	\$45,756
<b>Services and Charges</b>	\$211,954	\$216,706	\$221,353	\$226,103	\$231,179
<b>Utility Billing Department</b>					
<b>Personnel Services</b>	\$658,735	\$603,382	\$627,643	\$652,883	\$679,143
<b>Materials and Supplies</b>	\$20,902	\$22,016	\$23,190	\$24,433	\$25,756
<b>Services and Charges</b>	\$370,544	\$379,620	\$388,597	\$397,812	\$407,633
<b>Treatment &amp; Supply Department</b>					
<b>Materials and Supplies</b>	\$63,000	\$64,386	\$65,738	\$67,119	\$68,595
<b>Services and Charges</b>	\$1,778,288	\$1,817,410	\$1,855,576	\$1,894,543	\$1,936,223
<b>Water Purchases (OKC)<sup>2</sup></b>	\$2,350,689	\$2,469,772	\$2,594,711	\$2,725,995	\$2,863,897
<b>Other Services and Charges</b>					
<b>Total Operating Expenses</b>	\$6,035,404	\$6,103,625	\$6,328,881	\$6,563,614	\$6,810,767
<b>[1] Amounts shown derived from information presented in Appendix Table 1-5 through 1-7.</b>					
<b>[2] Amounts shown derived from information presented in Appendix Table 1-8.</b>					

On average, the annual compound growth rate for operating and maintenance expenses is approximately 3.1% per year. It should be noted that the largest single expenditure is the purchase of wholesale water from the city of Oklahoma City, which accounts for approximately 41% of the total operating and maintenance expenses during the Forecast Period. The cost of wholesale water purchases was projected based on the terms and conditions of Wholesale Service Agreement and subsequent amendments to such agreement, which governs the capacity reserved, delivery, and charges for wholesale water delivered to the Utility System from Oklahoma City along with recent trends in metered wholesale water received. It should be noted that Oklahoma City has published projected wholesale water rates for the next two fiscal years, which increase the wholesale rates by approximately 5.0% per year (subsequent years assume a continuation of these adjustments). It is estimated that the cost of wholesale water will increase by approximately \$513,000 during the Forecast Period, which accounts for approximately 66% of the total increases to Operating and Maintenance expenses. The calculation of projected cost of wholesale water purchases can be seen in greater detail in Appendix Table 1-8.

## 1.4 Capital Expenditures

Capital Improvements for Utility System upgrades, resiliency, and reinvestment are integral to the continuity and quality of service delivered to the Utility System's customers. These expenditures are generally one of the largest drivers of increases to forecasted revenue requirements for water and wastewater utilities (and corresponding rate adjustments). It should be considered that the Utility System currently has approximately \$33.5 million of gross assets, which are used to provide service to its customers. The average asset age, based on information published in the Fiscal Year 2022 Annual Financial Report is estimated to be approximately 33 years. Furthermore, it is estimated that the current value of the Utility System's assets (inflated to today's dollars) ranges between \$95 - \$115 million. Maintenance of the Utility System's existing assets coupled with the need to upgrade the Utility System's wastewater treatment facility to provide redundancy and meet the demands of the existing and future customer base, contributed to the total CIP of approximately \$11.6 million during the Forecast Period.

The capital expenditures to be funded during the Forecast Period were based on the current CIP as identified by City staff, which encompasses the Forecast Period (Fiscal Years 2024 through 2028) along with the identified funding sources. Appendix Table 1-9, summarized below, provides a summary of the capital expenditures by type and corresponding funding source:

**Table 1-3: Summary of Utility System Capital Improvement Plan - Forecast Period<sup>1</sup>**

Description	2024	2025	2026	2027	2028
<b>Capital Projects</b>					
<b>Water System Projects</b>	\$75,000	\$155,000	\$75,000	\$235,000	\$245,000
<b>Wastewater System Projects</b>	\$105,000	\$425,500	\$240,500	\$458,000	\$361,000
<b>Wastewater Treatment Plant</b>	\$4,774,347	\$2,315,218	\$1,105,218	\$1,005,218	\$0
<b>Total Capital Projects</b>	\$4,954,347	\$2,895,718	\$1,420,718	\$1,698,218	\$606,000
<hr/>					
<b>Funding Sources</b>					
<b>Renewal &amp; Replacement Fund</b>	\$180,000	\$580,500	\$315,500	\$693,000	\$606,000
<b>Grant Funding</b>	\$4,774,347	\$560,000	\$0	\$0	\$0
<b>Proposed SRF Loan</b>	\$0	\$1,755,218	\$1,105,218	\$1,005,218	\$0
<b>Total Funding Sources</b>	\$4,954,347	\$2,895,718	\$1,420,718	\$1,698,218	\$606,000
<b>[1] Amounts shown derived from information presented in Appendix Table 1-9.</b>					

The capital improvement plan is shown in greater detail in Appendix Table 1-9. It should be noted that much of the capital funding is associated with upgrades to the Utility System's wastewater treatment plant project which is currently estimated to at approximately \$9.2 million.

The City has secured grant funding from both the state (Oklahoma) and federal funding via the America Rescue Plan Act grant program. Funding from these grant programs totaled approximately \$5.3 million which has been recognized to as an initial funding source for the wastewater treatment plant upgrade project. The remainder of the funding required for the wastewater treatment plant upgrade project (estimated to equal \$3.87 million) has been assumed to be secured through the Oklahoma Water Resources Board's Clean Water State Revolving Fund loan program (SRF). A subsequent section of this Report will discuss this proposed loan in greater detail. In addition to grant and proposed loan funding, the remainder of capital funding during the Forecast Period, which is estimated to be approximately \$1.77 million, is assumed from internal sources. For the purposes of this Report, it has been assumed that the Utility System will establish the Renewal and Replacement Fund as a dedicated account to provide monies available for capital reinvestment. A subsequent section of this Report will discuss the proposed Renewal and Replacement Fund in greater detail.

The overall amount of projected capital expenditures for Utility System infrastructure is estimated to average approximately \$2.3 million in annual funding. When compared to the annual depreciation expense of approximately \$1.23 million, as reported in the Fiscal Year 2022 Annual Financial Report, this demonstrates an active plan of capital investment.

It should be noted that the CIP is a planning document, which is presented on an appropriations basis, and the timing and completion of projects are subject to changes or delays. As a result, it is recommended that staff continue to annually re-evaluate the impact of the CIP and funding plan on the Financial Forecast and the need for adoption of additional rate adjustments.

### **1.5 Capital Funding (Renewal and Replacement Fund)**

For the purposes of this Report, it has been assumed that the Utility System will establish the Renewal and Replacement Fund (R&R Fund), which will be used as a mechanism to provide dedicated monies for capital reinvestment from annual rate revenues (i.e., Pay-Go funding). It should be noted that the Utility System does not have a prescribed requirement (e.g., Bond Resolution or Loan Agreement covenants) to establish or deposit a specific number of monies into a capital related fund. However, for the purposes of this Report, annual deposits have been assumed to provide a dedicated capital funding mechanism, and for the benefit of establishing a linear capital funding requirement for rate setting purposes. Appendix Table 1-10, summarized below, provides the assumed transfers for capital reinvestment from rate revenues to the R&R Fund:

**Table 1-4: Summary of Annual Deposits to the Renewal and Replacement Fund - Forecast Period<sup>1</sup>**

Description	2024	2025	2026	2027	2028
<b>Annual Operating Revenues</b>					
<b>Rate Revenues</b>	\$9,291,035	\$10,428,858	\$11,024,016	\$11,651,908	\$12,314,333
<b>Other Revenues</b>	\$549,892	\$567,803	\$586,298	\$605,394	\$625,113
<b>Investment Income</b>	\$76,012	\$55,869	\$57,824	\$65,622	\$74,670
<b>Total Operating Revenues</b>	\$9,916,938	\$11,052,531	\$11,668,138	\$12,322,924	\$13,014,116
<b>Calculation of Annual Deposit</b>					
<b>Percent of Operating Revenues</b>	0.00%	6.00%	7.00%	7.50%	8.00%
<b>Calculated Annual Deposit</b>	\$0	\$663,152	\$816,770	\$924,219	\$1,041,129

[1] Amounts shown derived from information presented in Appendix Table 1-10.

The amount of capital reinvestment from annual revenues is estimated to average approximately \$860,000 annually during the remainder of the Forecast Period (Fiscal Years 2025 – 2029, with no deposit assumed in Fiscal Year 2024 which is almost finished at the date of this Report). It should be noted that the total deposits to the R&R Fund do not surpass the System's annual depreciation expense recorded for Fiscal Year 2022 (\$1,230,714). However, recognizing the Utility System's other capital funding mechanisms (e.g., ARPA, grant funding, and additional indebtedness) the total average annual capital reinvestment is approximately \$2.3 million per year, which exceeds depreciation and demonstrates an active capital reinvestment plan. Going forward, the City should work to develop a long-term reinvestment goal based on the estimated: 1) 5-year CIP; 2) replacement value of its assets; 3) useful service lives; and 4) internal funding percentage.

## 1.6 Debt Service

The Utility System currently does not have any debt outstanding. However, the CIP developed as a component of this Study assumed additional indebtedness in the form of a Proposed SRF Clean Water Loan in Fiscal Year 2025 (secured by the Oklahoma Water Resources Board). The SRF Loan program provides low-interest rate loans to local governments to fund infrastructure improvements. For the purposes of this Study, it was assumed that the City would acquire the additional loan through this program recognizing the following assumptions:

- Proposed SRF Clean Water Loan 2025 to provide funding for approximately \$3.87 million of wastewater treatment plant upgrades and improvements. This loan is assumed to have a 20-year repayment (amortization) period, 1 year of interest only payments (during construction), an average interest rate of 2.5%, loan administration (origination) fee equal to 2.0% of the total loan amount, and annual payments of \$243,625 commencing in Fiscal Year 2027.

The acquisition of the Proposed SRF Clean Water Loan 2025 is expected to increase the annual revenue requirements starting in Fiscal Year 2026 (interest only payments commencing in Fiscal Year 2026 and full amortization in Fiscal Year 2027). The following table provides a summary of the anticipated debt service payments assumed in the development of the Utility System revenue requirements recognized in this Report:

**Table 1-5: Summary of Proposed Debt Service Payments - Forecast Period<sup>1</sup>**

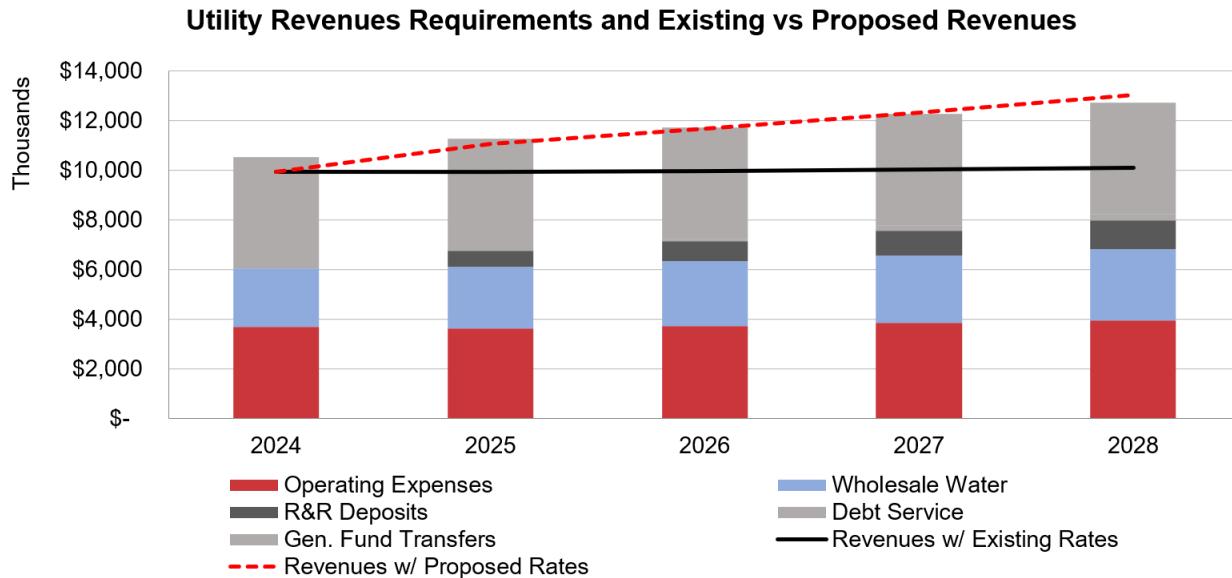
Description	2024	2025	2026	2027	2028
<b>Debt Service Payments</b>					
<b>Existing Loans</b>	\$0	\$0	\$0	\$0	\$0
<b>Proposed SRF Clean Water Loan 2025</b>	\$0	\$0	\$98,574	\$243,625	\$243,625
<b>Total Debt Service Payments</b>	\$0	\$0	\$98,574	\$243,625	\$243,625
<b>[1] Amounts shown derived from information presented in Appendix Table 1-12.</b>					

As can be seen from the prior table, it is assumed that the City will acquire additional debt during the Forecast Period, which is expected to incrementally increase the amount of the annual revenue requirements by approximately \$244,000 above Fiscal Year 2024 levels during the Forecast Period.

### 1.7 Revenue Requirements

Based on the key assumptions of the Study, the Project Team has determined that the Utility System projected revenues generated under the current Fiscal Year 2024 rates for retail water and wastewater service will not be sufficient to fund the identified revenue requirements for the Forecast Period.

For the purposes of this Study and based on discussions with City staff, it has been identified that the Utility System will implement additional rate adjustments over the remainder of the Forecast Period. Recognizing the application of the recommended rate adjustments, it is projected that the Utility System will generate sufficient revenues to fund the projected revenue requirements (needs) for the Forecast Period. Furthermore, it should be noted that without the utilization of the low-interest SRF Loan, the City would need to identify alternative funding for the CIP (e.g., Public Bonds [which may have higher interest costs or less favorable repayment terms]), implement additional rate adjustments above what has been assumed in this Report, or reduce the total amount of the CIP recognized in the Forecast Period. Appendix Table 1-12, presented graphically below, contains the projected revenue requirements for the Utility System:



**Figure 1-1: Utility Revenues Requirements and Existing vs. Proposed Revenues**

As can be seen above, the projected growth in: 1) operating expenses from the increased cost of purchased water (from OKC) and inflation; 2) additional debt service; 3) deposits to the Renewal and Replacement Fund; and 4) transfers to the City's General Fund, are the key rate increase drivers during the Forecast Period.

The Financial Forecast recognized in this Report assumes the need for future rate adjustments along with rate structure revisions (discussed in detail in Section 2 of this Report) to recover the actual cost of water and wastewater services on an individual basis. While Section 2 further discusses rate structure changes, this section has identified rate adjustments that will be required if the City moves forward with the existing CIP. However, it is recommended that the City recalculate the subsequent fiscal year rate adjustments as it refines its CIP and evaluates alternative funding mechanisms (e.g., grants, other forms of indebtedness, etc.)

## 1.8 Debt Services Coverage

Recognizing the application of the recommended rate adjustments, it is anticipated that the City will maintain compliance with the probable rate covenants that would be required for the Proposed SRF Clean Water Loan 2025 agreement covenants, which are not known at the time of this Report. While the City has not yet commenced the application process for the Proposed SRF Clean Water Loan 2025, certain requirements (debt service coverage) have been assumed. The City should recalculate compliance once the actual covenants have been defined by the Oklahoma Water Resources Board. Shown in greater detail in Appendix Table 1-14 and summarized below is the estimated debt service coverage ratios for each year of the Forecast Period:

**Table 1-6: Summary of Estimated Debt Service Coverage Requirement Compliance - Forecast Period<sup>1</sup>**

Description	2024	2025	2026	2027	2028
<b>Pledged Revenues</b>	\$9,916,938	\$11,052,531	\$11,668,138	\$12,322,924	\$13,014,116
<b>Less: Operating Expenses</b>	(\$6,035,404)	(\$6,103,625)	(\$6,328,881)	(\$6,563,614)	(\$6,810,767)
<b>Income Available</b>	\$3,881,534	\$4,948,906	\$5,339,257	\$5,759,310	\$6,203,349
<b>Total Debt Service (Accrual Basis)</b>	\$0	\$0	\$98,574	\$243,625	\$243,625
<b>Calculated Ratio</b>	0.00%	0.00%	5,416.49%	2,364.00%	2,546.27%
<b>Estimated Requirement</b>	100.00%	100.00%	100.00%	100.00%	100.00%

[1] Amounts shown derived from information presented in Appendix Table 1-14.

### 1.9 Projected Fund Balances

In order to provide additional information, Appendix Table 1-13, presented graphically below, summarizes the projected cash balances for the Utility System's Operating Fund and Renewal and Replacement Funds for each year of the Forecast Period:

**Table 1-7: Summary of Projected End-of-Year Fund Balances - Forecast Period<sup>1</sup>**

Description	2024	2025	2026	2027	2028
<b>Operating Fund</b>	\$1,690,494	\$1,488,580	\$1,424,823	\$1,528,620	\$1,959,545
<b>Renewal and Replacement Fund</b>	\$20,000	\$102,652	\$603,922	\$835,141	\$1,270,270
<b>Debt Service Account (Sinking Fund)</b>	\$0	\$0	\$49,287	\$121,813	\$121,813
<b>Customer Deposits</b>	\$68,196	\$68,196	\$68,196	\$68,196	\$68,196
<b>Total End-of-Year Fund Balances</b>	\$1,778,690	\$1,659,427	\$2,146,228	\$2,553,769	\$3,419,824

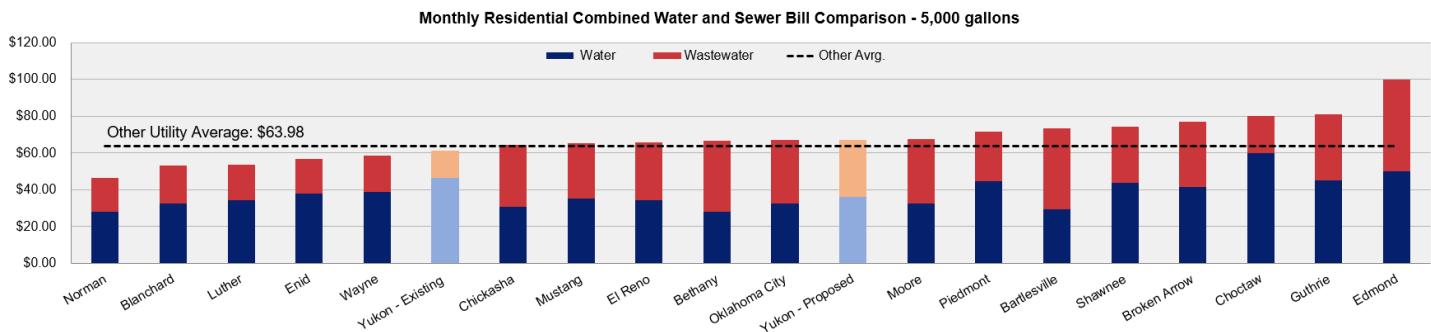
[1] Amounts shown derived from information presented in Appendix Table 1-13.

It is anticipated that the use of existing cash reserves to finance the capital needs of the Utility will be required. While the cash balances are projected to grow during the Forecast Period, it should be noted that cash reserves are projected based on an appropriations basis for capital funding. This assumes that all monies must be appropriated for capital funding prior to the beginning of the fiscal year.

### 1.10 Customer Bill Comparison

For the purpose of this analysis, a comparison of residential water and wastewater charges with other neighboring utilities was prepared to provide an indication of the competitiveness of the existing and

proposed residential rates charged by the Utility System. Based on this analysis, which is shown below, the existing and proposed rates for residential services produce monthly bills that are competitive with the average for the other surveyed utilities. Furthermore, it should be noted that many of the other surveyed utilities will be adjusting rates with the onset of Fiscal Year 2025, which will further increase the competitiveness of the Utility System's rates.



**Figure 1-2: Monthly Residential Combined Water and Sewer Bill Comparison - 5,000 Gallons**

## **2.0 Principal Findings: Water and Wastewater System Revenue Sufficiency**

Based on the assumptions, considerations, and analyses as summarized herein, we are of the opinion that:

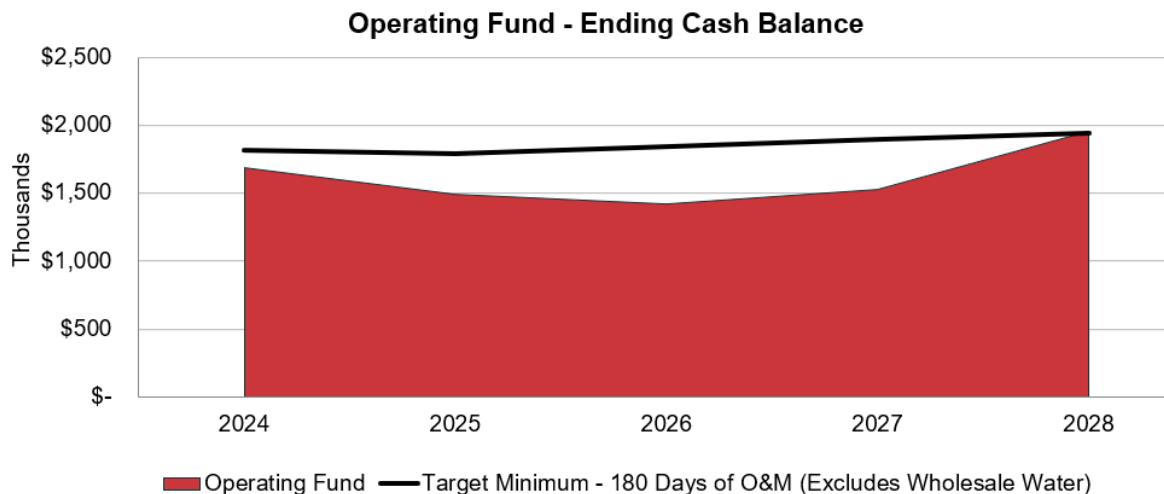
- The Utility System's existing Fiscal Year 2024 rates (at the time of this Report) for service for the water and wastewater services are not anticipated to recover the projected revenue requirements (Utility expenditure and capital funding needs) for the Forecast Period. Therefore, as of the date of this Report it is recommended that the City implement an alternative rate structure and retail service rates (discussed in further detail in Section 2 of this Report) for the upcoming Fiscal Year 2025. For the purposes of this Report, it has been calculated that the alternative rates will increase rate revenues by approximately 12.0% above current levels for the upcoming Fiscal Year 2025. Without the alternative rate structure, it is recommended that the Utility System adjust all monthly water and wastewater by 12.0%.
- To account for continued purchased water expenditure increases and the effects of inflation on the Utility System's internal costs, it is recommended that the City implement an inflationary rate indexing policy. This policy would allow the City to annually adjust all Utility System rates and fees based on the calculated change in the Consumer Price Index, All Urban Consumers, All Items, U.S. City Average (series ID CUSR0000SA0) as published by the United States Department of Labor Statistics. In addition to the recovery of inflationary related expenditure increases, it is recommended that the rate indexing policy recognize an additional adjustment of 2.4% for Fiscal Years 2026 through 2028. This adjustment will allow the net revenues generated from this policy to maintain pace with the increased cost of wholesale water purchases from Oklahoma City (assumed to be 5.5% annually based on Oklahoma City's adopted rate ordinance). Furthermore, it is recommended that these increases be capped at a maximum of 5.5% and never less than 0.0%. Additionally, it is recommended that the City sunset this inflationary rate indexing policy after five fiscal years (assumed to be Fiscal Year 2029). The Project Team has prepared the following policy language for consideration by the City:

*The City shall adjust rates annually beginning July 1, 2024 (beginning of fiscal year 2025). The annual rate index adjustment should be based on the sum of i) the percentage change in the Consumer Price Index for all Urban Areas (CPI-U) as published by the United States Department of Labor from January of the preceding calendar year until January of the current calendar year; and ii) two and four tenths percent. The calculated rate of change shall be applied to all Yukon Municipal Authority rates, fees, and charges. However, the adjustment shall never be greater than 5.5% or less than 0.0% per annum. An example of the annual index rate adjustment is calculated as follows:*

**Table 2-1: Example - Calculation of Inflationary Rate Indexing Policy**

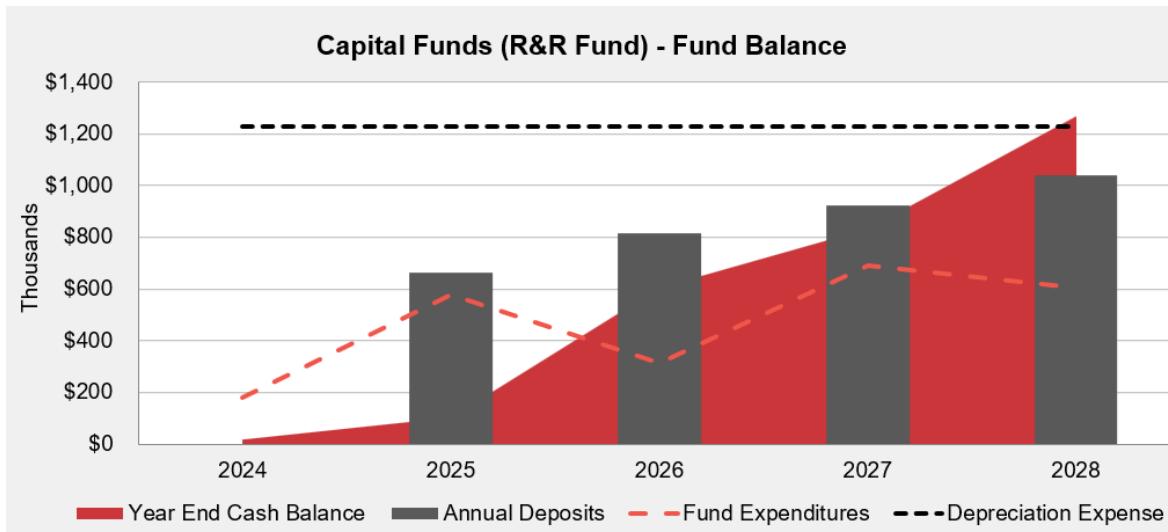
Description	Calculation
<b>Consumer Price Index – January 2023</b>	300.356
<b>Consumer Price Index – January 2024</b>	309.685
<b>Annual Change</b>	9.329
<b>Calculated Consumer Price Index Change – Jan.23 to Jan.24</b>	3.11%
<b>Additional Adjustment – Fiscal Years 2026 - 2029</b>	+2.40%
<b>Calculated Adjustment Inflationary Rate Indexing Policy</b>	5.51%
<b>Less Than Policy Maximum (5.5%)</b>	No
<b>Greater Than Policy Minimum (0.0%)</b>	Yes
<b>Estimated Inflationary Rate Adjustment – Fiscal Year 2026</b>	5.50%

1. It is recommended that the Utility System work to increase total amount of unappropriated System operating reserves held in the Operating Fund to an amount equal to 180 days of internal operating expenses (total operating expenses - wholesale water purchases / 365 days = 1 day of OpEx) by the end of the Forecast Period. This reserve target was developed with input received from City staff with the goal being to build up prudent reserves for potential Utility System emergency events. It is projected, based on the results of this Study, that this reserve target is estimated to equal approximately \$2,000,000 by the end of the Forecast Period. The following graph presents the plan of maintaining this reserve target over the Forecast Period:



**Figure 2-1: Operating Fund - Ending Cash Balance**

2. It is recommended that the Utility System establish an internal working capital reserve fund that is dedicated to capital improvements, replacements, and repairs. For the purposes of this Study and based on discussions with City staff, it was assumed that the City would establish the Renewal and Replacement Fund. Annual deposits to the R&R Fund were assumed in Fiscal Years 2025 - 2028. These deposits were developed based on: 1) the City's Capital Improvement Plan; 2) an initial deposit from the Operating Fund to establish the R&R Fund; 3) assumed annual deposits ranging between 6% - 9% of gross revenues during Fiscal Years 2025-2028; and 4) discussions with City staff. Based on the application of these assumptions, it is projected that the Utility System will be able to provide funding for the remainder of the CIP and establish an unappropriated reserve within the fund equal to one year's depreciation expenses. The following graph illustrates the plan of reaching this reserve target by the end of the Forecast Period:



**Figure 2-2: Capital Funds (R&R Fund) - Fund Balance**

3. It should be noted that the projected results and assumptions contained in this Study may vary from actual results. As such, City staff should continue to perform annual evaluations to validate that the identified rate adjustments will be sufficient to meet the needs of the utility.

### **3.0 Proposed Water and Wastewater Retail Rates**

#### **3.1 General**

The City requested that the Project Team develop alternative rates for consideration by the Council to promote water conservation, increase revenue stability, promote fairness in use amongst customer classes, provide rate consistency among all customer demographics and other factors. Rate design involves the development of monthly rates and charges for each customer classification (e.g., single-family residential, commercial, etc.) that recover the net revenue requirements of the System and meet the financial objectives of the Utility System and promote fairness among the customer classes. The proposed utility rates, to the extent practical, should meet the following criteria for service provided by publicly owned utilities:

- Utility rates should fully recover the cost of providing service.
- Utility rates should be based on a policy that calls for the lowest possible prices consistent with the requirements of providing quality service on an ongoing and sustainable basis.
- Utility rates should be simple and understandable.
- Utility rates should reasonably recover the cost of providing service to customers, taking into consideration the cost of providing service to the various users of the Utility System.
- Utility rate and cost recovery strategies should recognize the System's current financial needs, when rates were last adjusted, and where possible help develop approaches to avoid "rate shock" in the future.
- Utility rates should be designed to encourage water conservation during drought season.
- Utility rates should provide sufficient revenues to comply with the rate covenants as delineated in the bond resolution and loan agreements or documents as well as promote the financial creditworthiness of the Utility (including revenue stability).
- Other considerations that often have an effect on the design of the user fees include historical rate form and comparability with rates of neighboring utility systems.

The Utility System currently classifies its customer base into two categories, which include:

1. Single-Family Residential Customers who are generally provided service through a domestic water meter that is equal to or less than  $\frac{3}{4}$ -inch in diameter. It should be noted that this class of customer makes up approximately 92% of the total number of accounts served during the most recently completed fiscal year (2023). Additionally, this customer class exhibit usage characteristics that contribute to the coincident peak demands (maximum hourly peaking demands) of the Utility System, thus requiring the Utility System to develop the water transmission and wastewater treatment and transmission systems to meet those peaks; and
2. Non-residential customers who are provided service through a domestic water meter that range between  $\frac{3}{4}$ -inch and 10-inches in diameter. However, the current rate structure does not reflect any application or policy to recognize the demographics of providing service to these larger customers, whose usage characteristics can vary substantially.

## 4.0 Principal Findings: Proposed Water and Wastewater Rates

The Utility System's current retail water rates include three separate rate structure (cost recovery) components. These components include:

- A monthly base charge that serves as a readiness-to-serve charge that recovers a portion on the revenue requirements considered as being fixed (links to capacity) and which includes a minimum billing threshold of 2,000 gallons of water. This monthly \$14.45 charge is billed to all customers on a consistent basis regardless of customer type. During the Fiscal Year 2023 this charge recovered approximately 26.4% of the total water rate revenues.
- A monthly OKC Water Subsidy charge that serves as a fixed charge that recovers a portion on the revenue requirements associated with the purchase of wholesale water from the city of Oklahoma City. This monthly \$20.00 charge is billed to all customers on a consistent basis regardless of customer type or monthly consumption. During the Fiscal Year 2023 this charge recovered approximately 35.3% of the total water rate revenues.
- An inclining tiered volumetric or flow charge for each 1,000 gallons of use above the minimum monthly flow included in the base charge (2,000 gallons per month). This charge is scaled based on the total monthly metered water consumption for each customer. For the Fiscal Year 2024, the rates for this charge were: 1) \$4.05 per thousand gallons for consumption rendered between 2,001 – 12,000 gallons; and 2) \$4.77 for consumption rendered above 12,000 gallons. During the Fiscal Year 2023 this charge recovered approximately 38.3% of the total water rate revenues.

The Utility System's current retail wastewater rates include two separate rate structures (cost recovery) components. These components include:

- A monthly base charge that serves as a readiness-to-serve charge that recovers a portion on the revenue requirements considered as being fixed (links to capacity) and which includes a minimum billing threshold of 4,000 gallons of wastewater. This monthly \$10.00 charge is billed to all customers on a consistent basis regardless of customer type. During the Fiscal Year 2023 this charge recovered approximately 39.2% of the total wastewater rate revenues.
- An inclining tiered volumetric or flow charge for each 1,000 gallons of use above the minimum monthly flow included in the base charge (4,000 gallons per month). This charge is scaled based on: 1) the total monthly metered water consumption for each customer (serves as a proxy for wastewater contributed); and 2) the season in which the flow is rendered (e.g., summer or winter). For the Fiscal Year 2024, the summer rates for this charge were: 1) \$4.50 per thousand gallons for consumption rendered between 4,001 – 12,000 gallons; and 2) \$4.75 for consumption rendered above 12,000 gallons. The winter rates for this charge were: 1) \$4.50 per thousand gallons for consumption rendered between 4,001 – 12,000 gallons; 2) \$4.75 per thousand gallons for consumption rendered between 12,001 – 20,000 gallons; 3) \$5.00 per thousand gallons for consumption rendered between 20,001 – 50,000 gallons; and 4) \$5.25 for consumption rendered above 50,000 gallons. It should be noted, that during the Fiscal Year 2023, the addition of the winter tier rates recovered less than 0.96% (\$27,655) of the total wastewater revenues above the summer tier rates. In total, this rate component, during the Fiscal Year 2023, recovered approximately 60.8% of the total wastewater rate revenues.

In the development of the proposed monthly rates for the forecast period, a two-step process was recognized. The first step was to adjust the rate structure to improve cost recovery (sufficiency) and equitability between classes based on industry guidelines and practices used by both public and private utilities. The second step was then to adjust the restructured rates to recover the estimated full cost of providing water and wastewater services during the Forecast Period as discussed in Section 1 of this Report.

With respect to the first step, was to adjust the structure of the rates. As discussed in Section 1, for the Fiscal Year 2025, it is recommended that the Utility System increase the total rate revenues by approximately 12.0% to recover the identified Utility System revenue requirements. Specifically, the Utility System is projected to collect total combined water and wastewater rate revenues of approximately \$10,428,858 under the proposed Financial Forecast in Fiscal Year 2025 (Section 1 recommendation = 12% rate adjustment). The proposed rate structure is calculated to collect the same amount of revenue in total (\$10.43 million). However, the collection of the revenues will shift between the utility service (water or wastewater), customer classes, and the users within the class (e.g., higher revenue recovery from the volumetric charges, which will provide a stronger rational nexus between the service provided and the charges rendered). These changes will be discussed in further detail later in this section.

In order to design water and wastewater rates to recover the actual cost of providing each service on an individual basis, the second step was to allocate all revenue requirements, on an individual basis, between the two Utility System functions (e.g., water or wastewater). The Project Team worked with City staff to review and allocate operating expenses (on a line-item basis), Renewal and Replacement Fund transfers, General Fund transfers, and other operating revenues (serves as a deduction) to the water and wastewater functions. Appendix Tables 2-1 and 2-2 present this cost allocation analysis in greater detail and are summarized below:

**Table 4-1: Summary of Fiscal Year 2025 Revenue Requirement Allocation to Water and Wastewater Service Functions<sup>1</sup>**

Description	Allocation Reference	Water	Wastewater
<b>Operating Expenses</b>			
<b>Water Distribution Department</b>	Consumption	\$385,887	\$361,152
<b>Utility Billing Department</b>	Accounts	\$513,000	\$492,018
<b>Treatment and Supply Department</b>			
<b>Disposal Costs</b>	Wastewater	\$0	\$64,386
<b>Special Services</b>	Water	\$153	\$0
<b>Consultant Fees</b>	Wastewater	\$0	\$1,531,692
<b>Water Usage (OKC)</b>	Water	\$2,469,772	\$0
<b>Contractual Agreements</b>	Water	\$106,715	\$0
<b>Water Well Rentals</b>	Water	\$178,850	\$0
<b>Total Operating Expenses</b>		\$3,654,378	\$2,449,247
<b>Transfer to R&amp;R Fund</b>	R&R	\$277,640	\$385,512
<b>Transfer to General Fund</b>	Indirect	\$2,607,681	\$1,879,988

Description	Allocation Reference	Water	Wastewater
<b>Utility System Surplus / (Deficiency)</b>	Indirect	(\$117,328)	(\$84,587)
<b>Less: Other Revenues</b>	Indirect	(\$362,402)	(\$261,271)
<b>Allocated Revenue Requirements</b>		\$6,059,969	\$4,368,890
<b>Existing Rate Revenues</b>		\$7,225,230	\$3,203,628
<b>Implied Surplus / (Deficiency) – Amount</b>		\$1,165,262	(\$1,165,262)
<b>Implied Surplus / (Deficiency) – Percent</b>		16.1%	(36.4%)

**[1] Amounts shown derived from information presented in Appendix Tables 2-1 and 2-2.**

As can be seen in the prior table, this cost allocation analysis identified that the water rate revenues recovered \$1.13 million above the allocated water related revenue requirements and the wastewater rate revenues under-recovered \$1.13 million below the allocated water related revenue requirements. To recognize this inequity between the water and wastewater functions, the Project Team has designed the proposed rates to generate annual revenues that target the implied revenue requirements.

The next step in the rate design process was to evaluate the existing level of fixed vs. variable revenue recovery realized by the Utility System's existing rate structure. The Project Team summarized the billing demographics for the Utility System for the Fiscal Year 2023, which served as the basis for the design of the proposed rates. A summary of the revenue collection attributes is shown below:

**Table 4-2: Summary of Water and Wastewater Revenue Collection Attributes<sup>1</sup>**

Description		FY-2023
<b>Water Charge Type</b>	Amount	Percent
<b>Base Charge</b>	\$1,692,908	26.4%
<b>OKC Subsidy</b>	\$2,262,720	35.3%
<b>Volumetric Charges</b>	\$2,461,752	38.4%
<b>Total Water Revenue</b>	\$6,417,380	100.0%
<b>Wastewater Charge Type</b>		
<b>Base Charge</b>	\$1,132,070	39.2%
<b>Volumetric Charges</b>	\$1,753,913	60.8%
<b>Total Wastewater Revenue</b>	\$2,885,983	100.0%

**[1] Amounts shown derived from information presented in Appendix Tables 2-1 and 2-2.**

Based on discussions with City staff and our evaluation of the Utility System's existing rate structure, revenue collection attributes, customer demographics, and industry norms, the Project Team identified the following objectives for the proposed retail water and wastewater rates:

- Rates should be based on the actual cost of providing services and should exclude minimum use allotments, which may not have been consumed.
- Recovery of wholesale water expenditures (from OKC) should have a rational nexus to the customers using the wholesale water received.
- The proposed rates should incentivize customers to conserve water were possible and limit the need to purchase wholesale water above the City's existing allotment (2 million gallons per day).
- The proposed rates should reduce the total revenue collected from the water fixed charges (currently water base charge and OKC Subsidy = 61.6% of total water rate revenues).
- Volumetric water tiers should account for water reserved for each account and recover increased cost associated with consumption more than individual account reservations. Recognizing the cost per 1,000 gallons of wholesale water received above the Utility System's capacity allotment with Oklahoma City (\$7.85 vs. \$2.78 per thousand gallons).
- Wastewater volumetric rates should account for higher strength wastewater (which requires additional treatment time/expense) received from commercial customers.

Recognizing these criteria, the proposed rates were developed to recover the identified cost of providing water and wastewater services on an individual basis, where all units (1,000 gallons) are billed (no minimum use provisions) and the derived bills generally produce an average unit cost which is consistent amongst customer classes. The following table presents the proposed water and wastewater rates, which are recommended for implementation at the start of Fiscal Year 2025:

**Table 4-3: Proposed Fiscal Year 2025 Monthly Water and Wastewater Retail Rates<sup>1</sup>**

Description	Water Rates	Wastewater Rates
<b>Residential Services (Per Dwelling Unit)</b>		
Base Charge	\$18.48	\$10.00
<b>Volumetric Charges (Per 1,000 Gallons)</b>		
0 – 8,000 Gallons	\$3.53	\$4.22
8,001 Gallons and Above	7.85	4.22
<b>Commercial Services (All Meter Sizes)</b>		
Base Charge	\$18.48	\$10.00
<b>Volumetric Charges (Per 1,000 Gallons)</b>		
0 – 8,000 Gallons	\$3.53	\$5.28
8,001 Gallons and Above	7.85	5.28

[1] Amounts shown derived from information presented in Appendix Tables 2-3 and 2-4.

#### 4.1 Residential Bill Impact

In order to provide additional information to the Utility System regarding the effects of the recommended change in rates for water and wastewater service, an analysis to illustrate the impact for a typical residential customer was prepared. The typical or average single-family residential customer used approximately 5,200 gallons per month. The potential effects of the proposed rates and structure for Fiscal Year 2025 for the average single-family residential customer would be as follows:

**Table 4-4: Comparison of Combined Monthly Water and Wastewater Bills under the Existing and Proposed Rates for Fiscal Year 2025 for Single-family Residential Service<sup>1</sup>**

Metered Gallons	Existing Rates	Proposed Rates	Difference
<b>0</b>	\$44.45	\$28.48	(\$15.97)
<b>1,000</b>	\$44.45	\$36.23	(\$8.22)
<b>2,000</b>	\$44.45	\$43.98	(\$0.47)
<b>3,000</b>	\$48.50	\$51.73	\$3.23
<b>4,000</b>	\$52.55	\$59.48	\$6.93
<b>5,000</b>	\$61.10	\$67.23	\$6.13
<b>6,000</b>	\$69.65	\$74.98	\$5.33
<b>7,000</b>	\$78.20	\$82.73	\$4.53
<b>8,000</b>	\$86.75	\$90.48	\$3.73
<b>9,000</b>	\$95.30	\$102.55	\$7.25
<b>10,000</b>	\$103.85	\$114.62	\$10.77
<b>11,000</b>	\$112.40	\$126.69	\$14.29
<b>12,000</b>	\$120.95	\$138.76	\$17.81
<b>13,000</b>	\$130.47	\$150.83	\$20.36
<b>14,000</b>	\$139.99	\$162.90	\$22.91

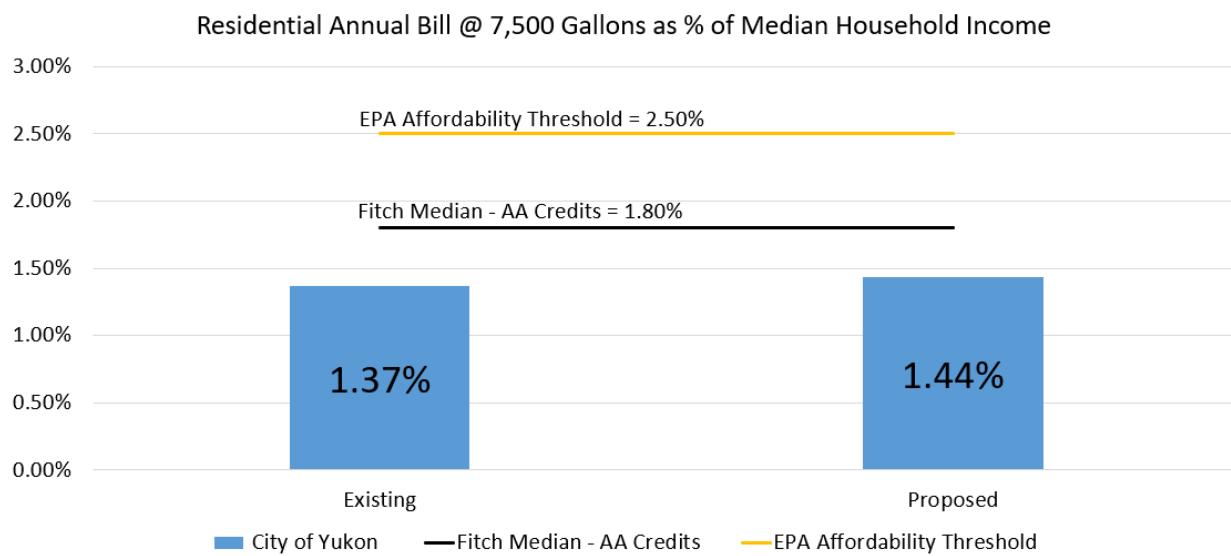
**[1] Amounts shown derived from information presented in Appendix Table 2-6.**

When compared to the total Utility System rate adjustment of 12.0%, many of the single-family residential customers will realize lower overall impacts than would be experienced from level rate adjustments to the existing rates. It should be noted that the average single-family residential use per month is 5,200 gallons and approximately 85% of residential customers' bills are rendered equal to or below 8,000 gallons per month. Furthermore, approximately 29% of all residential bills rendered will reflect a reduction in their monthly bill for service. This reduction will greatly increase the affordability of the Utility System's water and wastewater services to its single-family customers and provide affordable service to the Utility System's most impoverished and vulnerable citizens.

Another aspect that was analyzed by Project Team in the development of the proposed rates was affordability. In order to assess the level of affordability of the existing and proposed rates, the Project Team calculated the monthly bill for a single-family residential customer assuming 7,500 gallons per month as a percent of the Median Household Income (MHI) for the City. These ratios were compared to two published metrics, including:

- The Affordability Threshold, published by United States Environmental Protection Agency (EPA) which assumes that water and wastewater services are unaffordable if its annual cost is above 2.5% of the MHI.
- Median Combined Water/Sewer Utility Average Annual Bill as % of Median Household Income for AA credit utilities, published by FitchRatings that identifies the median assuming 7,500 gallons of monthly water and wastewater services for all surveyed AA credit utilities in the United States.

The graph below presents the results of this analysis and demonstrates the level of affordability of the Utility System's existing and proposed rates. It should be noted how both of these metrics compare to national averages:

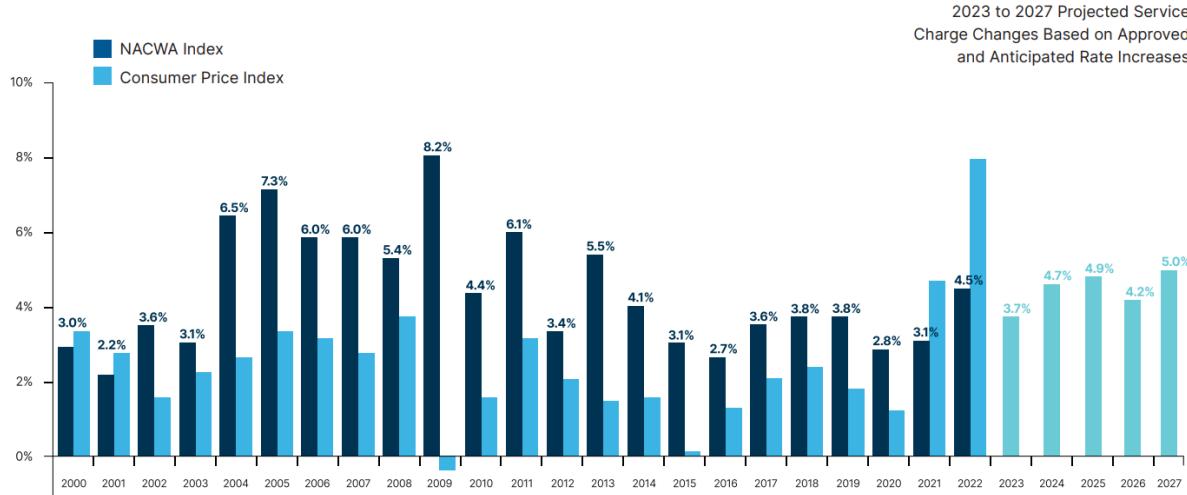


**Figure 4-1: Residential Annual Bill at 7,500 Gallons as Percent of Median Household Income**

To provide additional information to the Utility System and its stakeholders with regards to historical and projected increases to the cost of water and wastewater services nationwide, the Project Team has included the following chart which presents the Cost of Clean Water Index as published by the National Association of Clean Water Agencies. The Cost of Clean Water Index is a measure of the average annual rate adjustments for 176 surveyed utilities and provides an estimate for future adjustments in the industry, in addition the chart identifies the historical change in the Consumer Price Index, which is generally considered as a reasonable tracking of inflation:

**Annual Change in Cost of Clean Water**

Index vs. Inflation

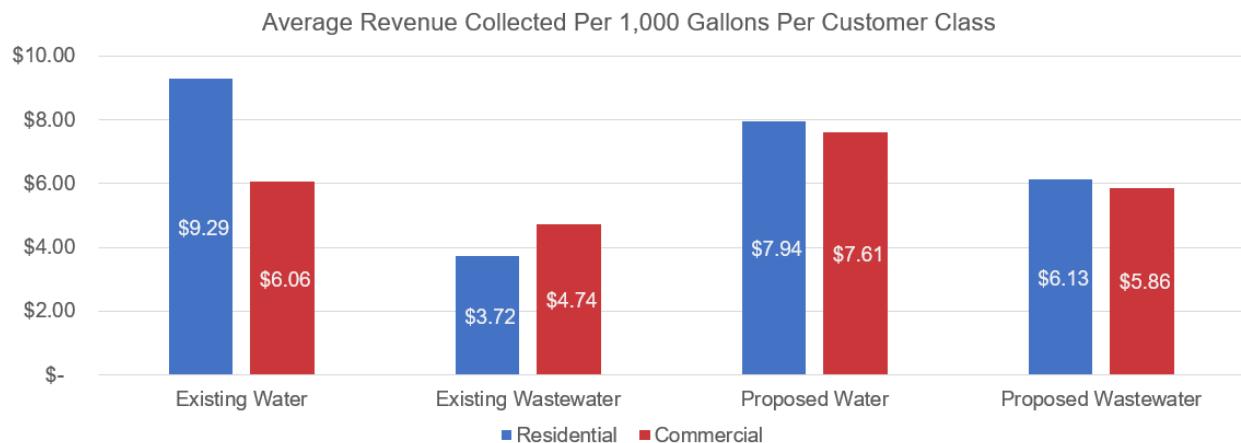


**Figure 4-2: Annual Change in Cost of Clean Water**

As can be seen above the Cost of Clean Water Index has historically been higher than inflation (excluding 2021 and 2022) and is projected to range between 3.7% and 5.0% during the next five years. The Project Team believes that this trend is directly related to the need for water and wastewater utilities to replace aging infrastructure and maintain compliance with regulations. By July 1, 2024, it is likely that many of the Utility System's neighboring utilities will have adjusted rates as well.

#### 4.2 Revenue Collection Attributes

In order to provide additional information to the Utility System regarding the effects of the recommended change in rates for water and wastewater service, the Project Team prepared a comparison of the revenues collected from each customer class in order to illustrate the changes to each class individually. One metric that is typically used to compare cost recovery amongst customer classes is the average revenue collected per 1,000 gallons of metered water and wastewater for each class type. The chart below provides a comparison of the different customer classes:



**Figure 4-3: Average Revenue Collected Per 1,000 Gallons Per Customer Class**

As can be seen above the single-family residential customers are paying on average \$13.00 on a combined basis for each 1,000 gallons of water delivered and wastewater treated, which is approximately 17% greater than the average for commercial customers (\$10.80). Based on our experience, it is typical for commercial customers to have a lower average cost as compared to residential service; this often occurs because those customers consume more water per account and deliver more wastewater which spreads the cost of their base charge over more water / wastewater billed sales units (lowering the average). Additionally, it should be noted that the commercial class generally uses water on a more level and consistent basis during a typical day. Residential classes typically have peak usage periods during certain hours of the day (7:00 am-9:00 am and 6:00 pm-9:00 pm), which typically coincides with residential occupancy and irrigation demands which is also consistent with the System's peak hourly demands. These peak hourly demands are recognized in the sizing of the transmission and distribution systems, which must be designed to handle the customers peak contributions and, therefore, these customers should generally be charged a higher amount to recognize the increase costs of oversizing the conveyance system. Because of this it is typical to see residential service pay a higher average cost compared to the commercial class; however, we typically see single-family residential customer class exhibiting an average unit rate that is consistent between the two classes. The proposed rates produced an average rate of \$14.07 residential customer class and the commercial class average rate increased to \$13.48 which is approximately 96% of the average unit cost for residential service.

In order to provide further information in regard to the changes amongst the customer classes, Project Team prepared a comparison of the overall revenue collected by class under the existing and proposed rates which is shown below and can be seen in further detail in Appendix Table 2-5:

**Table 4-5: Summary of Rate Revenues Under Existing and Proposed Rates by Class<sup>1</sup>**

Description	Existing	Proposed	Difference
<b>Residential Customer Class</b>	\$7,121,199	\$7,677,172	\$555,973
<b>Commercial Customer Class</b>	\$2,190,282	\$2,734,303	\$544,021
<b>[1] Amounts shown derived from information presented in Appendix Table 2-5.</b>			

As can be seen above the single-family residential customer class in total will see an increase to their overall charges equal to approximately 7.8% and the commercial customer class is projected to see an increase to their overall charges of approximately 24.8%.

## 5.0 Calculation of Water and Wastewater Impact Fees

The purpose of impact fees is to recover the pro-rata share of allocated capital costs that are considered as growth-related from new customers connecting to the Utility System or from existing customers that are requesting an increase in the water and/or wastewater capacity associated with increased development on their property. To the extent that new development imposes identifiable added capital costs to Utility System services, capital funding practice is to include the assignment of such costs to those users responsible for those costs rather than to the existing population base. This practice is reasonable and provides for the proper match of the capital investment to capacity used. Generally, this practice has been labeled as "growth paying its own way" without burdening users. The application of impact fees to finance capital infrastructure allocated to such new capacity requests is very common in the country and has been used as a source of contributed capital by the majority of water and wastewater utilities in the country.

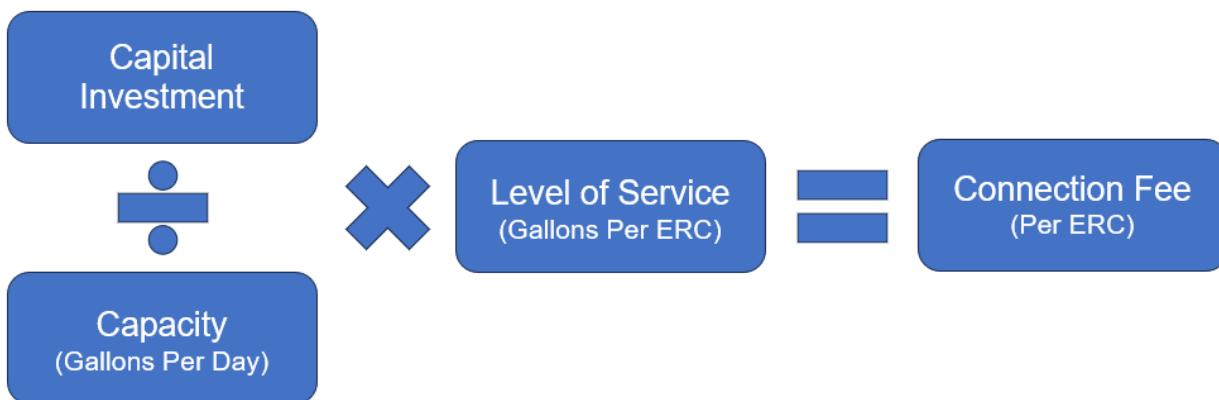
Certain conditions were considered during the development of the proposed impact fees, including the following:

- The impact fees should recognize the "dual rational nexus" test. First, impact fees, when a rationale exists between the anticipated need for the capital facilities and the growth in population. Second, impact fees provide a reasonable association, or rational nexus, between the expenditure of the impact fee proceeds and the benefits accruing to the growth from the use of the proceeds.
- The administrative system of impact fee assessments should be set up so that there is not an intentional windfall to existing users.
- The impact fee should only recover the capital cost of construction and related costs thereto for capital expansions or other system-related capital requirements that have been or are anticipated to be constructed, which are required or available to serve growth.

Based on the criteria above, the proposed impact fees, which are set forth subsequently in this section: i) include only the estimated allocated capital cost of facilities considered as being necessary to provide capacity to serve anticipated growth; ii) do not reflect costs associated with renewal and replacement of any existing capital assets (except for any portion of upgrades or betterments allocable to growth, such as "upsizing" or "looping" of certain transmission lines or for assets that have capacity allocated to serve new development, of which a portion of the cost could be considered as being allocable to new growth); and iii) do not include any operation and maintenance expenses of any facilities.

### **5.1 Development of Proposed Impact Fees**

There are three significant components addressed in the design of the proposed impact fees. These three components include: i) the total capital investment recognized as a cost component that may be recovered from a new applicant requesting capacity; ii) the total estimated dependable capacity associated with the capital investment; and iii) the level of service to be apportioned to the applicant requesting capacity. The recognition of these components provides the general basis to recover the allocated capital costs from a new applicant requesting service and is depicted below:



**Figure 5-1: Connection Fee Equation**

The following is a discussion of these impact fee components.

### **5.2 Capital Investment**

In the evaluation of the impact fees, the development of the estimated facility or infrastructure costs associated with the facility capacity is a primary component of the fee development. The determination of the facility or infrastructure costs was based on Existing Assets and the Capital Improvement Plan to identify the estimated localized cost of the infrastructure necessary to meet the near-term future capacity needs associated with new development during the next five years. The following is a discussion of the existing utility plant and new capital facility evaluation considered in the development of the impact fee for the Utility System.

### 5.3 Existing Plant-in-Science

In the determination of the proposed impact fees associated with the servicing of future customers, the existing treatment and transmission infrastructure that is available to serve such growth were considered. Since this capacity was constructed and is available to serve the near-term incremental growth of the Utility System, it is appropriate to recognize the capacity availability and the corresponding cost of such facilities. To evaluate the availability of the existing utility plant-in-service to meet or provide for near-term future capacity needs, it was necessary to functionalize the existing utility plant by specific function or purpose (water vs. wastewater, and treatment vs. transmission, etc.). It should be noted that the existing utility plant represents the original cost of when these assets were installed and not the current replacement value of these asset. By using the original cost in the fee development analysis, the capital cost allocated to new development is less and is more reasonable recognizing that the Utility System is not replacing the existing capacity in the near term. The "functionalization" of the existing utility plant is necessary to: i) identify those assets that should be considered or included in the determination of the impact fee; and ii) match existing plant type to the capital improvements to meet future service needs.

The functional cost categories are based on the purpose of the assets and the service that such assets provide. The following is a summary of the functional cost categories for the utility plant-in-service identified in this Report:

**Table 5-1: Functional Plant Categories**

Water Service	Wastewater Service	Other Plant
Water Supply	Treatment and Disposal	General Plant
Potable Water Treatment	Effluent/Irrigation Quality Water	Administrative Buildings
Transmission and Storage	Transmission and Lift Stations	Equipment
Distribution, Hydrants, and Meters	Collection (Manholes and Laterals)	Vehicles

It was necessary to functionalize the utility plant into these cost categories so that Utility System infrastructure costs can be identified and the fee could be developed. Utility System improvements generally relate to capacity for the Utility System and are needed to serve new growth and development. The capital infrastructure that is not generally included in the determination of the impact fee would include site improvements and facilities that are planned and designed to provide service for a particular development project or specific property and that are necessary for the use and convenience of the occupants or users of the project; the costs would also not include any routine and periodic maintenance expenditures, personnel training, and other operating costs. Therefore, the costs of onsite facilities that serve a specific development or customer are not considered as a "System" cost that is proportionately allocable to all users; these expenditures would include meters, local lift stations, sewer laterals, and fire hydrants that are usually: 1) donated by a developer as part of the Utility System's utility extension or development process (a contribution of the plant); or 2) funded from the customer directly.

Such utility plant should not be a capital cost included in the impact fee calculation. Additionally, assets or utility plant with short service lives that are replaced on a recurring or frequent basis should also not be included since these assets are considered to essentially be attributable to the existing customers of the Utility System.

The Utility System provided the Project Team with reported utility plant asset information as of June 30, 2023 (the most recently completed fiscal year at the time of this analysis) that served as the basis of the functionalization of the existing utility plant-in-service. Appendix Table 3-1 provides a listing of all assets and represents the original installed cost of such assets (gross book value). This information represents the most current information available relative to the plant-in-service to serve the existing and near-term future customer base of the Utility System. The assets represent "installed costs" and have not been restated to account for any fair market value adjustments that would reflect current replacement costs. If an asset had been replaced by the Utility System as of June 30, 2023, and is now in-service, such assets were recognized in the fee determination since they are physically in-service and represent the current capital costs that were incurred by the Utility System to provide capacity, and which is considered as being available to provide service to future development. In total, the Utility System has \$17,347,751 in assets associated with gross plant investment, not including assets deemed "excluded assets" as discussed in more detail below.

In the identification of the capital costs associated with constructed infrastructure to be considered in the development of the impact fee, certain assets were not considered, which include the following asset categories:

- Assets that would be recovered through or from a specific alternative revenue stream such as meters, hydrants, and services to the customer property were excluded.
- The Utility System has also recognized a significant investment in what is referred to as General Plant, which consists of equipment, vehicles, furniture, and other assets that have generally short service lives and are replaced frequently. Because of the nature of this capital investment and the frequency of asset turnover, these expenditures were assumed to benefit only the existing customers being served and were not included in the impact fee determination analysis.
- Any assets that were contributed to the Utility System (e.g., developer-contributed), funded from grants, or related to non-tangible assets (e.g., capitalized interest), and other items which were not directly related to providing water and/or wastewater service have been excluded from the impact fee determination analysis.

The functionalization of the total Utility System assets between the water and wastewater systems can be seen below and in more detail in Appendix Table 3-1:

**Table 5-2: Functionalization of Existing Assets to Water & Wastewater Systems<sup>1</sup>**

	<b>Gross Value</b>	<b>Adjustments</b>	<b>Adjusted Cost</b>	<b>Water Allocated</b>	<b>Wastewater Allocated</b>
<b>Total Existing Assets</b>	\$33,507,692	(\$16,192,829)	\$17,314,862	\$9,689,930	\$7,653,433
<b>[1] Amounts shown derived from information provided in Appendix Table 3-1 and are based on fixed asset records as of June 30, 2023, as provided by the City.</b>					

#### **5.4 Capital Improvement Program (CIP)**

As with any utility, the Utility System is continually in the process of updating and expanding the water and wastewater plant facilities to serve capacity and regulatory requirements and to improve and upgrade existing infrastructure, which will provide service to new development. To develop an impact fee that links the Utility System's CIP that is either budgeted or is in the process of design or construction, the fee determination process has recognized these projects in the proposed impact fee calculation. It should be noted that the Utility System annually develops a five (5) year CIP which identifies the infrastructure projects that are reasonably assumed to be required. To include these costs, the Project Team has recognized the CIP as prepared by the Utility System's staff. Only projects that are for; i) improvements to the treatment and transmission systems which will provide capacity to meet anticipated service area demands; and ii) upgrades to existing assets that may provide a benefit to future users of the Utility System (e.g., wastewater treatment plant upgrades) where included. Projects that were identified as being primarily replacements to assets or capital programs that only benefit current users of the System were not included in the impact fee determination analysis.

The Utility System has identified a total CIP budget amount of approximately \$11,575,000 which are planned to commence between Fiscal Year 2024 and Fiscal Year 2028. It should be noted that some of these projects began prior to Fiscal Year 2024 and monies have been spent or appropriated for such projects, however this analysis has excluded construction-work-in-process and recognized the total appropriations (total project cost). This recognizes that the Utility System will not add these costs to the fixed assets ledger until after the project has been completed (commencing the accrual of depreciation expense on such asset). Based on discussions with Utility System staff, each CIP project was either identified as: 1) a project which adds additional capacity which is held for future growth; 2) a project that improves an existing asset which has additional capacity for future growth; or 3) a renewal and replacement project, which does not provide any benefit to new development requesting capacity in the System. The functionalization of the CIP between the water and wastewater systems can be seen below and in more detail in Appendix Table 3-1:

**Table 5-3: Functionalization of Capital Improvement Plan Projects to Water & Wastewater Systems<sup>1</sup>**

	<b>Gross Value</b>	<b>Adjustments</b>	<b>Adjusted Cost</b>	<b>Water Allocated</b>	<b>Wastewater Allocated</b>
<b>Total Capital Projects</b>	\$11,575,000	(\$6,725,347)	\$4,849,653	\$140,000	\$4,709,653
<b>[1] Amounts shown derived from information provided in Appendix Table 3-1 and are based on the Utility System's CIP for Fiscal Year 2024.</b>					

Based on the functionalization of the existing fixed assets, and CIP projects of the Utility System, it was identified that the total amount to be included in the impact fee determination analysis was approximately \$9,832,190 and \$12,363,086 for the water and wastewater systems, respectively.

### **5.5 Allocation of Water System Costs to Service Function**

Once the total cost of the water system capital investment was identified, then the costs were allocated to the various water service functions or types to estimate the cost of the investment that would be considered as a "System" cost. The allocation of each cost considered the description of such cost, the department which the cost was housed in, and discussions with Utility System staff about the use of such assets or projects. The water system service functions recognized in the impact fee determination analysis include: 1) treatment and supply; and 2) transmission. All items associated with the treatment and production of potable water were allocated to the treatment and supply function (e.g., water storage infrastructure, water supply, wells, etc.). Water transmission related assets and projects were allocated to the transmission functions. Assets and projects which only benefit existing customers or had relatively short service lives (e.g., meters) were excluded from the impact fee determination process. The allocation of the water system assets and capital projects to the service functions is summarized on the following page and shown in further detail in Appendix Table 3-3:

**Table 5-4: Functionalization of Water System Costs to Service Functions<sup>1</sup>**

	<b>Water Costs</b>	<b>Treatment /Supply Allocated</b>	<b>Transmission Allocated</b>
<b>Existing Fixed Assets</b>	\$9,689,930	\$4,578,398	\$5,111,533
<b>Capital Improvement Program</b>	\$140,000	\$90,000	\$50,000
<b>Total Assets and CIP</b>	\$9,829,930	\$4,668,398	\$5,161,533
<b>[1] Amounts shown derived from information provided in Appendix Table 3-3.</b>			

### Allocation of Wastewater System Costs to Service Function

Once the total cost of the wastewater system capital investment was identified, then the costs were allocated to the various wastewater service functions to estimate the cost of the investment that would be considered as a "System" cost. The allocation of each cost considered the description of such cost, the department which the cost was housed in, and discussions with Utility System staff about the use of such asset or project. The wastewater system service functions recognized in the impact fee calculation analysis include: 1) treatment and disposal; and 2) transmission or conveyance. Assets and projects which only benefit existing customers, had relatively short service lives, or were funded from external sources (e.g., Grants and ARPA funds) were excluded from the impact fee determination process. The allocation of the wastewater system assets and capital projects to the service functions is summarized below and shown in further detail in Appendix Table 3-5:

**Table 5-5: Functionalization of Wastewater System Costs to Service Functions<sup>1</sup>**

	Wastewater Costs	Treatment Allocated	Transmission Allocated
<b>Existing Fixed Assets</b>	\$7,653,433	\$1,629,415	\$6,024,018
<b>Capital Improvement Program</b>	\$4,709,653	\$3,975,653	\$634,000
<b>Total Assets and Projects</b>	\$12,363,086	\$5,605,068	\$6,658,018

[1] Amounts shown derived from information provided in Appendix Table 3-5.

### 5.6 Capacity of Water and Wastewater Facilities

Another important component in the development of the impact fee is the amount of capacity that links to the capital investment such that a unit cost (i.e., \$ per gallon) can be estimated. In the development of the capacity for the Water System, the amount was based on the sum of permitted capacity of the Utility System's Wells and the contractually reserved wholesale water capacity with the city of Oklahoma City expressed on an average daily flow basis.

As shown in Appendix Table 3 and as summarized below, the estimated water system capacity was estimated equal to 3.60 MGD-ADF.

**Table 5-6: Summary of Water System Capacity - Average Daily Flow Basis<sup>1</sup>**

	Gallons Per Day
<b>Existing Wholesale Capacity Reserved</b>	2,000,000
<b>Existing Well Capacity</b>	2,000,000
<b>Total Estimated Water System Capacity</b>	4,000,000

[1] Amounts shown derived from information provided in Appendix Table 3-3.

A similar analysis for the Wastewater System was prepared and is shown in Appendix Table 3-5. As shown in Appendix Table 3-5 and as summarized below, the estimated dependable capacity for the Wastewater System expressed on an average daily flow basis (which is consistent with the capacity of the Utility System's existing wastewater treatment facility) is 2.0 MGD. It should be noted that the Utility System is in the process of completing the wastewater treatment plant upgrade project. However, it is not anticipated that this project will increase the total available capacity to serve future growth and thus no additional capacity has been assumed in this Study.

**Table 5-7: Summary of Wastewater System Capacity - Average Daily Flow Basis<sup>1</sup>**

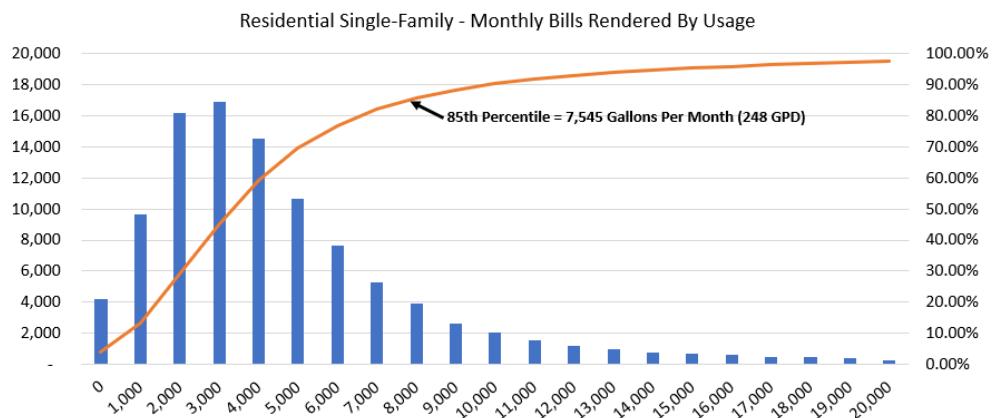
Gallons Per Day	
Permitted Wastewater Plant Capacity	2,000,000
Total Estimated Water System Capacity	2,000,000

[1] Amounts shown derived from information provided in Appendix Table 3-5.

## 5.7 Level of Service Requirement

Level of Service (LOS) means an indicator of the extent or degree of service provided by a facility based on its operational characteristics and shall indicate the capacity on a per unit basis. Essentially, the LOS standards is established to ensure that sufficient capacity will be available for future development and for purposes of issuing development orders or permits. With respect to the determination of the water and wastewater impact fees, the LOS was assumed on a System-wide basis since all of the water and wastewater treatment and transmission facilities are interconnected from an individual service concept and serve as a single water and wastewater system. This is also consistent with the fee application of other local governments throughout the State of Oklahoma.

For water and wastewater service, the LOS that is commonly used in the industry is the amount of capacity (service) allocable to an Equivalent Residential Connection (ERC) expressed as the amount of usage (gallons) allocated on an average daily basis. This allocation of capacity would generally represent the amount of daily dependable capacity allocable to an ERC, whether or not such capacity is actually used (commonly referred to as "readiness-to-serve"). Based on our analyses of the single-family residential customers and discussions with City staff, the LOS for a single ERC was identified to be 248 gallons per day for both water and wastewater service (expressed on an average daily flow basis). It is recommended that this LOS be rounded to 250 gallons per day. This class of users represents the largest number of customers served by a public utility such as the City and generally represents the lowest (and most common) level of usage requirements for a specifically metered account. Based on the review of the recent usage trends of the City's customers, the Project Team is of the opinion that the LOS is indicative of the average monthly usage of existing City's customers and is reasonable. The following chart presents the results of this analysis:



**Figure 5-2: Residential Single-Family - Monthly Bills Rendered by Usage**

## 6.0 Principal Findings: Calculation of Water and Wastewater Impact Fees

Appendix Tables 3-3 through 3-5 provide the basis for the determination of the proposed impact fees for the water and wastewater systems, respectively. The calculation of the impact fees was based on the cost and capacity components as presented earlier in this Report. In the development of the proposed impact fees, several assumptions were used or incorporated. The major assumptions used in the design of the calculated impact fees included:

1. In the development of the proposed fees, the "System Buy-in" approach was recognized using the original cost method, adjusted for near-term improvements (projects included in the CIP) to match the estimated installed cost of infrastructure during the Forecast Period. This method allocates the estimated proportionate share of capacity at cost (value) of the existing assets – the applicant requesting capacity pays (buys) for its share of the infrastructure constructed to serve System growth. Under this approach, the applicant paying the impact fee is essentially reimbursing the System for only the applicant's proportionate share of the: 1) constructed facilities that are currently in-service as of June 30, 2023; 2) facilities which are either currently under; or 3) capital projects which are planned for the next five fiscal years.
2. The LOS for a water and wastewater ERC, was based a detailed analysis of the Utility System's customer usage demographics which identified that the 85th percentile of single-family residential customers was equal to 248 gallons per day. Essentially, 85% of the single-family residential customers use 248 gallons per day or less. For purposes of this analysis, such amounts have been rounded to 250 gallons per day.
3. In the development of the proposed impact fees, no credit for the payment of future debt service was recognized because: 1) the Utility System is operated as an enterprise fund; and 2) the costs reflected in the fee are at original/planned cost and not adjusted for any fair market value to reflect current cost conditions.

Based on the analysis of the water and wastewater system costs and the corresponding estimated capacity for each system, the following impact fees were calculated and are being proposed:

**Table 6-1: Proposed Water and Wastewater Impact Fees<sup>1</sup>**

	<b>Water</b>	<b>Wastewater</b>
<b>Single-Family Residential</b>	\$610.00	\$1,530.00
<b>Multi-Family (Per Dwelling Unit)</b>	\$610.00	\$1,530.00
<b>Commercial / Non-Residential</b>		
<b>5/8th and 3/4th Inch Meter</b>	\$610.00	\$1,530.00
<b>1-Inch Meter</b>	1,019.00	2,555.00
<b>1&amp;1/2 Inch Meter</b>	2,031.00	5,095.00
<b>2 Inch Meter</b>	3,251.00	8,155.00
<b>3 Inch Meter</b>	6,100.00	15,300.00
<b>4 Inch Meter</b>	10,169.00	26,505.00
<b>6 Inch Meter</b>	20,331.00	50,995.00
<b>All Meters Greater Than 6 Inch – Per Gallon of Capacity Reserved</b>	\$2.44	\$6.13

[1] Amounts shown derived from information provided in Appendix Table 3-7.

As can be seen in the table above, the impact fees have been calculated to equal \$610 and \$1,530 per ERC for water and wastewater service, respectively. In order to assess the impact fees to the commercial (non-residential) customer class, the Project Team identified the instantaneous demand relationships for commercial meters equal to or less than 6-inch in diameter. It should be noted that the practice of using instantaneous demand when calculating commercial impact fees is the norm in the utility industry and reflects the potential capacity required to service customers. For all development or customers requesting water and wastewater service through a meter with a diameter greater than 6-inch, it is recommended that the impact fee be determined on an individual basis where the customer or developer requesting capacity shall submit an estimate of daily water and wastewater demand requirements expressed in gallons per day as prepared by a professional engineer licensed in the State of Oklahoma. The City shall review the estimate and will have final discretion as to the acceptance or rejection of such estimates. Additionally, if within two years after the certificate of occupancy is issued, the City may audit the account and if the City finds the daily demand estimate was 10% under the average daily water or wastewater demand used during any consecutive six-month period, the City shall give notice to the customer that additional impact fees are due.

## **7.0 Sanitation System Cost of Service Analysis**

The City has established the operation, management and financial reporting of the solid waste collection and disposal system operating and financial activities as an enterprise fund (Sanitation System). Being an enterprise fund, all revenues and expenses are generally reported separately for the Sanitation System, and it should generally have revenues equal to the costs of the services provided. The City should attempt to establish rates that are always sufficient to cover the operating expenses, identified vehicle expenditures, and the maintenance of operating and vehicle reserves as may be necessary based on the strategic plans and objectives of the City. With respect to establishing the Sanitation System as an enterprise fund, according to the Governmental Accounting Standards Board:

“Enterprise Funds should be used to account for operations that are financed and operated in a manner similar to private business enterprises – where the intent of the governing body is that costs of providing services to the general public on a continuing basis should be financed or recovered primarily through user charges.”

General accounting policies and prudent utility management recommend that the Sanitation System have revenues (financial resources) at least equal to the costs of providing solid waste services by the Sanitation System.

The remainder of this section provides a discussion of the analysis methodology, the solid waste rates for service, the projected customer statistics or billing demographics, identification of the revenue requirements, estimated sufficiency of the existing rates, design of the proposed solid waste rates, and provides a summary of the financial trends and position of the System.

### **7.1 Forecast of Sanitation Revenues**

The revenues for the Sanitation System are primarily generated from the solid waste retail service rates. Such revenues accounted for approximately 97% of gross revenues over the Forecast Period. While the remaining 3% of gross revenues are generated from miscellaneous service charges, and interest income on investments.

The revenue forecast was based on: 1) a detailed analysis of historical customer demographics; 2) the Fiscal Year 2024 operating budget; 3) year-to-date operating results as of December, 2023; 4) compound annual growth in the number of customers services of approximately 0.48%, which is consistent with recent historical trends and known developments within the City's service territory 5) solid waste rates in effect during Fiscal Year 2024; 6) assumed implementation of identified rate adjustments to fund the projected revenue requirements; and 7) discussions with City staff. The revenue forecast can be categorized into three primary groups of revenues comprising of: 1) revenues derived from monthly solid waste service charges to customers; 2) other revenues; and 3) investment income on fund balances. The calculation of the projected rate revenues under the existing rates (no rate adjustments), other operating revenues, and investment income during the Forecast Period are shown in Appendix Tables 4-1, 4-2, 4-9, and 4-10 and is summarized on the following page:

**Table 7-1: Summary of Projected Revenues - Forecast Period**

Description	2024	2025	2026	2027	2028
<b>Residential Service<sup>1</sup></b>					
<b>Residential Garbage</b>	\$1,404,012	\$1,412,197	\$1,419,563	\$1,426,929	\$1,433,477
<b>Extra Cart</b>	\$14,178	\$14,178	\$14,178	\$14,178	\$14,178
<b>Rural Residential Garbage</b>	\$26,237	\$26,237	\$26,237	\$26,237	\$26,237
<b>Total Residential Service</b>	\$1,444,427	\$1,452,612	\$1,459,978	\$1,467,344	\$1,473,892
<b>Commercial Services<sup>1</sup></b>					
<b>95-Gallon Cart</b>	\$73,114	\$73,114	\$73,114	\$73,114	\$73,114
<b>2-Yard Dumpster</b>	\$274,082	\$274,082	\$274,082	\$274,082	\$274,082
<b>4-Yard Dumpster</b>	\$77,554	\$77,554	\$77,554	\$77,554	\$77,554
<b>6-Yard Dumpster</b>	\$83,775	\$83,775	\$83,775	\$83,775	\$83,775
<b>8-Yard Dumpster</b>	\$258,501	\$258,501	\$258,501	\$258,501	\$258,501
<b>Total Commercial Services</b>	\$767,026	\$767,026	\$767,026	\$767,026	\$767,026
<b>Other Revenues<sup>2</sup></b>	\$76,891	\$78,583	\$80,233	\$81,918	\$83,720
<b>Investment Income<sup>3</sup></b>	\$23,602	\$16,303	\$13,257	\$16,155	\$19,885
<b>Total Existing Revenues</b>	\$2,311,946	\$2,314,523	\$2,320,494	\$2,332,443	\$2,344,523

**[1]** Amounts shown derived from information presented in Appendix Table 4-1. The amounts shown do not include the effects of proposed rate adjustments or rate structure changes.  
**[2]** Amounts shown derived from information presented in Appendix Table 4-2.  
**[3]** Amounts shown derived from information presented in Appendix Table 4-10.

## 7.2 Forecast of Expenditures

The expenditure forecast can be categorized into five primary groups of expenditures: 1) internal operation and maintenance expenses; 2) disposal expenditures incurred from the delivery of refuse to the land fill; 3) transfers to an internal Vehicle Replacement Fund (used to provide a levelized funding mechanism for the replacement of solid waste vehicles); and 5) transfers to the City's General Fund for indirect cost allocations. For the Forecast Period, internal operating expenses accounted for the majority, at 54%, while disposal expenditures accounted for 15%, transfers to the Vehicle Replacement Fund accounted for 16%, and transfers to the City's General Fund accounted for the remaining 15% of the total revenue requirements for the Forecast Period.

### 7.3 Operating Expenses

The forecast of operating expenses was developed based upon: 1) a review of the recent trends in historical expenses; 2) the adopted Fiscal Year 2024 budget, including a review of year-to-date expenditures; 3) the preliminary Fiscal Year 2025 Budget; 4) historical disposal expenses and calculations of projected disposal; 5) current costs and useful lives of 95-gallon carts and dumpsters 6) adjustments to recognize one-time and capitalized expenses in the Fiscal Year 2024 Budget; 7) assumed growth rates/escalation factors based on industry trends in such costs; 8) inflationary data published by the Bureau of Labor Statistics and Congressional Budget Office; and 9) discussions with the City staff. The largest category of operating expenses (including disposal) was associated with personnel and related costs, which accounted for over 57% of the total for the Forecast Period. It should be noted that these personnel related costs included salaries, other wages, benefits, insurance, and other employee related expenditures.

However, the single largest expenditure was related to waste disposal, which accounted for approximately 22% of the total operating expenses during the Forecast Period. During the Forecast Period, it is projected that operating expenses will increase by an average annual growth rate of approximately 3.3% per year. The forecast of operating expenses can be seen in greater detail in Appendix Tables 4-3, 4-4, and 4-5 and is summarized below:

**Table 7-1: Summary of Projected Operating and Maintenance Expenditures - Forecast Period**

Description	2024	2025	2026	2027	2028
<b>Internal Operating Expenses<sup>1</sup></b>					
<b>Salaries &amp; Other Personnel Costs</b>	\$1,042,683	\$1,086,557	\$1,132,303	\$1,180,021	\$1,229,818
<b>Materials and Supplies</b>	\$144,100	\$147,527	\$150,903	\$154,367	\$158,067
<b>Services and Charges</b>	\$248,483	\$254,000	\$259,389	\$264,894	\$270,780
<b>Total Internal Operating Expenses</b>	\$1,435,266	\$1,488,084	\$1,542,595	\$1,599,282	\$1,658,664
<b>Disposal Expense</b>	\$414,960	\$424,089	\$432,995	\$442,088	\$451,814
<b>Total Operating Expenditures</b>	\$1,850,226	\$1,912,173	\$1,975,590	\$2,041,370	\$2,110,478
<b>[1] Amounts shown derived from information presented in Appendix Table 4-4 and 4-5.</b>					

### 7.4 Transfers

The forecast of revenue requirements includes the projection of both internal transfers to a Vehicle Replacement Fund and Operating Fund, as well as external transfers to the City's General Fund. It should be noted that these transfers are typical in the utility industry and are generally in place to provide dedicated funding for vehicle replacements, funding of prudent reserves for emergencies (disaster related disposal expenditures), or to recover the cost of providing overhead and administrative services by the General Fund to the Sanitation System.

## 7.5 Internal Transfer to Vehicle Replacement Fund

With regard to the sources of funding for the City's vehicle replacement plan (discussed in a subsequent section of this Report), which identified approximately \$2.69 million in anticipated vehicle replacement and capital expenditures during the Forecast Period, it has been assumed that the City will establish a dedicated funding mechanism to maintain consistent funding requirements across each Fiscal Year. To account for this change in funding strategy, it is recommended the City establish the Vehicle Replacement Fund and make appropriate deposits to the fund annually based on the projected 5-year vehicle replacement and capital needs of the Sanitation System.

A major driver of rate adjustments during the Forecast Period is the need to provide dedicated funding for vehicle replacements and sanitation related capital improvements. It is recommended that the System annually deposit, approximately 16% of its total revenues into the Vehicle Replacement Fund for Fiscal Year 2024 through 2028. Appendix Table 4-7, summarized below, contains the assumed transfers for vehicle replacements from rate revenues to the Vehicle Replacement Fund:

**Table 7-2: Summary of Annual Deposits to the Vehicle Replacement Fund- Forecast Period<sup>1</sup>**

Description	2024	2025	2026	2027	2028
<b>Calculation of Deposit</b>					
<b>Estimated Annual Revenues</b>	\$2,311,946	\$2,758,450	\$2,911,322	\$3,078,657	\$3,255,030
<b>Percent of Revenues</b>					
<b>Vehicle Replacement Fund Deposit</b>	16%	16%	16%	16%	16%
[1] Amounts shown derived from information presented in Appendix Table 4-7.					

## 7.6 External Transfers to the City's General Fund

The Sanitation System annually budgets an external transfer to the City's General Fund to pay for expenditures associated with direct overhead cost allocations. Examples of direct overhead cost allocations would include, but are not limited to, finance department time, city administration, Information and Technology assistance, etc. These transfers were projected based on: 1) the adopted Fiscal Year 2024 Budget; 2) the preliminary Fiscal Year 2025 Budget; and 3) discussions with the City staff. These external transfers accounted for approximately 14.7% of the System's total revenue requirements for the Forecast Period. Based on discussions with City staff, the Project Team has not assumed an increase in the amount of the annual transfer for the remainder of the Forecast Period (essentially, level transfers based on the adopted Fiscal Year 2024 budget). Appendix Table 4-8, summarized below, provides the estimated external transfers to the City's General Fund for the Forecast Period:

**Table 7-3: Summary of Annual External Transfers to City's General Fund<sup>1</sup>**

Description	2024	2025	2026	2027	2028
<b>Calculation of Deposit</b>					
<b>Estimated Annual Revenues</b>	\$2,311,946	\$2,758,450	\$2,911,322	\$3,078,657	\$3,255,030
<b>Percent of Revenues</b>	19.8%	16.6%	15.8%	14.9%	14.1%
<b>Annual General Fund Transfers</b>	\$458,723	\$458,723	\$458,723	\$458,723	\$458,723

**[1] Amounts shown derived from information presented in Appendix Table 4-8.**

As can be seen in the prior table, the external transfers are not projected to increase for the remainder of the Forecast Period. For additional detail concerning the forecast of external transfers, please reference Appendix Table 4-8.

## 7.7 Vehicle Replacement Plan

Vehicle replacements and funding of such expenditures is integral to the continuity and quality of service delivered to the Sanitation System's customers. These expenditures, coupled with the need to maintain consistent and high-quality service, contributed to the Vehicle Replacement Plan. The estimated vehicle costs of the System were based on the existing 5-year replacement plan as identified by Sanitation System staff, which is used in the development of the City's preliminary Fiscal Year 2025 Budget. The Vehicle Replacement Plan encompasses the forecast period (Fiscal Year 2024 through Fiscal Year 2028). Additionally, to account for capital outlays for other non-vehicle capital expenditures, the Project Team has recognized these costs in the vehicle replacement plan based on discussions with City staff. Appendix Table 4-6, summarized below, contains the Vehicle Replacement Plan expenditures by type and corresponding sources of funding:

**Table 7-4: Summary of Vehicle Replacement Plan Expenditures and Funding Sources- Forecast Period<sup>1</sup>**

Description	2024	2025	2026	2027	2028
<b>Vehicle Replacements<sup>1</sup></b>					
<b>Dumpsters &amp; 95-Gallon Carts</b>	\$80,000	\$80,000	\$80,000	\$80,000	\$80,000
<b>Vehicles</b>	\$0	\$470,000	\$208,000	\$326,480	\$302,000
<b>Other Capital</b>	\$0	\$106,000	\$40,000	\$30,000	\$30,000
<b>Total Vehicle Replacement Plan</b>	\$80,000	\$656,000	\$328,000	\$436,480	\$412,000
<b>Funding Sources</b>					
<b>Operating Fund</b>	\$0	\$0	\$0	\$0	\$0
<b>Vehicle Replacement Fund</b>	\$80,000	\$656,000	\$328,000	\$436,480	\$412,000

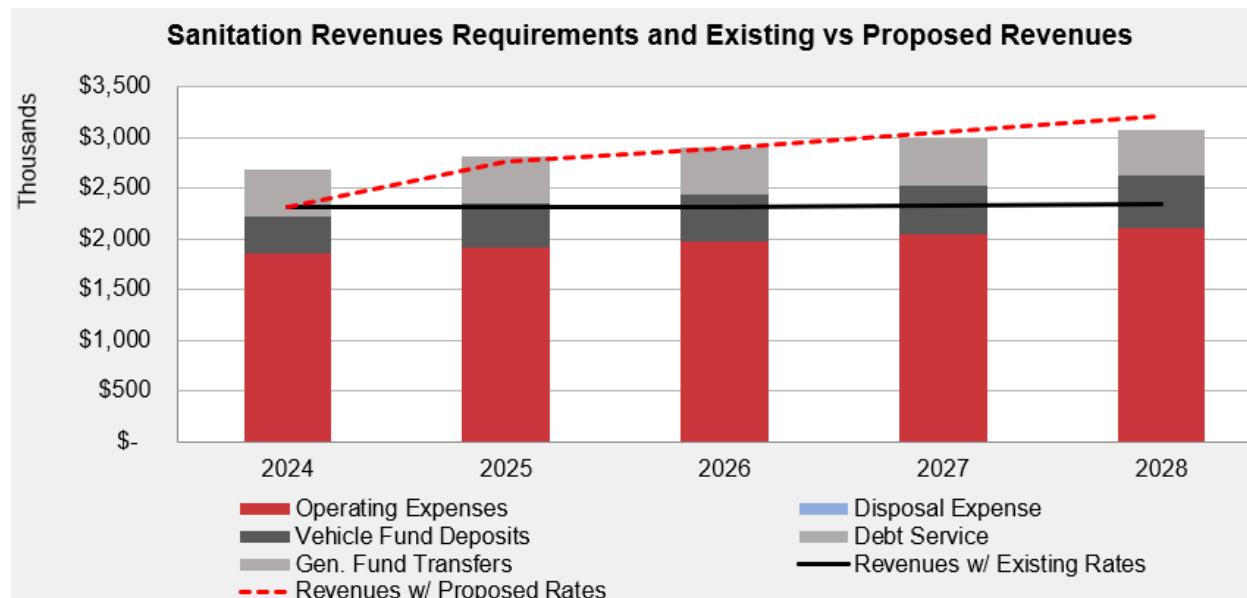
Description	2024	2025	2026	2027	2028
<b>Total Funding Sources</b>	\$80,000	\$656,000	\$328,000	\$436,480	\$412,000
<b>[1] Amounts shown derived from information presented in Appendix Table 4-6.</b>					

The Vehicle Replacement Plan is shown in greater detail in Appendix Table 4-6. It should be noted that the majority of funding is associated with the replacement of existing vehicles and is representative of the needs of a mature utility.

## 8.0 Principal Findings: Sanitation System Cost of Service Analysis

### 8.1 Revenue Requirements

Based on the key assumptions of the Study, the Project Team has determined that the existing rates for retail solid waste services will not generate sufficient revenues to fund the projected needs of the Sanitation System. It should be noted that the recommended rate adjustments have been calculated assuming the application of the recommended rates (discussed in subsequent sections of this Report). Without the additional revenue produced from these rate changes, the Sanitation System would need to identify alternative funding or reduce the total Sanitation System outlays (e.g., vehicle purchases, deposits to the Vehicle Replacement Fund, etc.). Appendix Table 4-9, summarized below, contains the projected revenue requirements for the System:



**Figure 8-1: Sanitation Revenues Requirements and Existing vs. Proposed Revenues**

As can be seen above, the projected growth in: 1) operating expenses from inflation; 2) internal deposits to the Vehicle Replacement Fund; and 3) external transfers to the City's General Fund are the key rate drivers within the Forecast Period.

## 8.2 Projected Fund Balances

In order to provide additional information, Appendix Table 4-10, summarized below, summarizes the projected cash balances by System fund for each year of the Forecast Period:

**Table 8-1: Sanitation System Projected Fund Balances (Cash) and Interest Earnings - Forecast Period<sup>1</sup>**

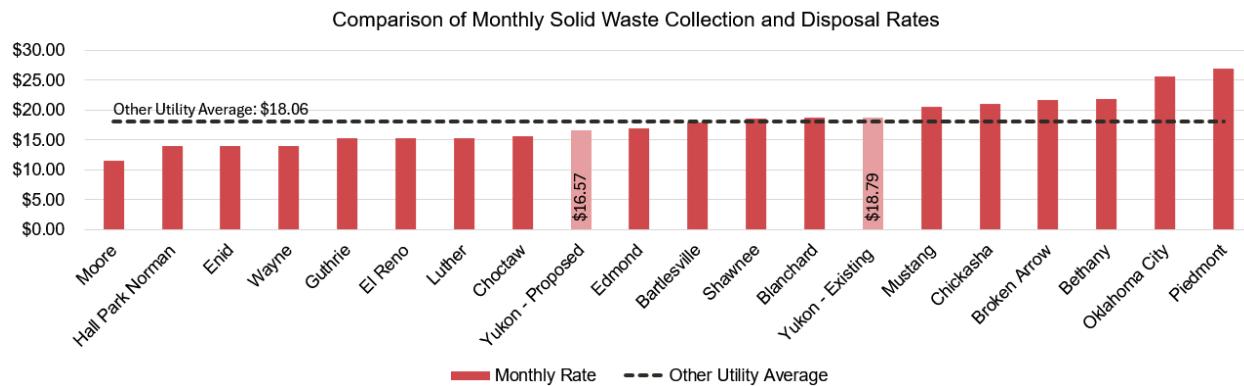
Description	2024	2025	2026	2027	2028
<b>Summary of End-of-Year Balances</b>					
<b>Operating Fund</b>	\$345,941	\$292,143	\$303,340	\$389,320	\$554,343
<b>Vehicle Replacement Fund</b>	\$289,911	\$75,263	\$213,075	\$269,180	\$377,985
<b>Total End-of-Year Balances</b>	\$635,852	\$367,406	\$516,415	\$658,500	\$932,328
<b>Interest Earnings</b>	\$23,602	\$16,303	\$13,257	\$16,155	\$19,885

[1] Amounts shown derived from information presented in Appendix Table 4-10.

It is anticipated that the cash reserves will increase over the Forecast Period. The goal of these increases is to: 1) provide adequate funding for the Vehicle Replacement Plan; 2) increase the total unappropriated reserves in the Operating Fund for potential emergencies (weather events); and 3) increase the total unappropriated reserves in the Vehicle Replacement Fund for unscheduled vehicle replacements.

It is anticipated that the cash reserves will increase over the Forecast Period. The goal of these increases is to: 1) provide adequate funding for the Vehicle Replacement Plan; 2) increase the total unappropriated reserves in the Operating Fund for potential emergencies (weather events); and 3) increase the total unappropriated reserves in the Vehicle Replacement Fund for unscheduled vehicle replacements.

### 8.3 Customer Bill Comparison



**Figure 8-2: Comparison of Monthly Solid Waste Collection and Disposal Rates**

### 8.4 Proposed Sanitation Retail Service Rates

The City requested that the Project Team evaluate the cost recovery of the existing Sanitation System rates and provide recommended rates based on full cost of service for consideration by the City Council to promote fairness amongst customer classes and to identify the actual cost of providing residential and commercial services. Rate design involves the development of monthly rates and charges for each customer classification that recover the net revenue requirements of the Sanitation System, meet the financial objectives of the City, and promote fairness among the customer classes. The proposed solid waste rates, to the extent possible, should meet the following criteria for service provided by publicly owned utilities:

- Solid Waste rates should fully recover the cost of providing service.
- Solid Waste rates should be based on a policy that calls for the lowest possible prices consistent with the requirements of providing quality service on an ongoing and sustainable basis.
- Solid Waste rates should be simple and understandable.
- Other considerations that often influence the design of the user fees include historical rate form and comparability with rates of neighboring Solid Waste systems.

The Sanitation System currently classifies its customer base into two primary categories, which include:

- 1. Residential Customers** – This customer classification includes residential customers who receive service at a single-family residence or single parcel. These customers receive a consistent LOS every month. These services include the collection and disposal of: 1) two 95-gallon garbage carts picked up twice a week; 2) vegetation once a week; and 3) recycling once a week. The Sanitation System currently uses a two-tiered rate structure, which applies a monthly rate based on if the customer or parcel's monthly water consumptions is greater than or less than 3,000 gallons per month. Below is a summary of the Fiscal Year 2024 monthly residential sanitation rates:

**Table 8-2: Existing Monthly Residential Sanitation Rates<sup>1</sup>**

Fiscal Year 2024	
<b>Single-Family Residential</b>	
<b>0-3,000 Gallons</b>	\$5.46
<b>3,000 Gallons and Up</b>	18.79

**[1] Amounts shown represent existing residential rates in effect at the time of this Report.**

- 2. Commercial Customers** – This customer classification includes all non-single-family customers or parcels (e.g., commercial, retail, institutional, and industrial customers) that use 95-gallon cart or dumpster for disposal of refuse or garbage. These customers are billed by the Sanitation System based on the cubic volume of the receptacle and the frequency of weekly pick-ups. Both the receptacle size and pick-up frequency are selected by the customer when services commence. The Sanitation System currently offers these customers a choice of 1) 95-gallon wheeled carts; or 2) dumpsters ranging in volume of 2, 3, 4, 6, and 8 cubic yards. Additionally, these customers can choose the frequency of weekly pick-ups ranging between 1 and 6 days. This rate and service structure is consistent with solid waste industry norms and is generally consistent with other Oklahoma solid waste utilities. The Sanitation System currently uses a two-tiered rate structure, which applies a fixed monthly rate for the 1st receptacle and a reduced (or discounted) rate for all additional receptacles of the same size and frequency of pick-up. Below is a summary of the Fiscal Year 2024 monthly commercial sanitation rates:

**Table 8-3: Existing Monthly Commercial Sanitation Rates<sup>1</sup>**

Weekly Pick-Ups	95-Gallon Cart		2-Yard Dumpster		4-Yard Dumpster		6-Yard Dumpster		8-Yard Dumpster	
	1st Cart	Additional	1st Cart	Additional	1st Cart	Additional	1st Cart	Additional	1st Cart	Additional
1	\$20.47	\$17.40	\$48.38	\$43.19	\$75.54	\$61.00	\$97.59	\$81.40	\$131.58	\$109.76
2	\$25.99	\$20.81	\$66.02	\$50.01	\$111.36	\$102.24	\$159.45	\$138.97	\$208.16	\$181.42
3	\$31.65	\$23.74	\$83.45	\$57.15	\$145.49	\$115.12	\$201.65	\$161.30	\$255.18	\$204.13
4	\$40.06	\$28.04	\$105.18	\$65.65	\$177.55	\$135.96	\$243.56	\$183.70	\$307.63	\$232.34
5	\$50.40	\$33.40	\$126.12	\$73.18	\$206.50	\$154.44	\$280.86	\$200.63	\$355.50	\$253.95
6	\$65.01	\$39.01	\$162.34	\$87.91	\$259.30	\$192.43	\$352.50	\$241.98	\$446.30	\$306.40

[1] Amounts shown represent existing commercial rates in effect at the time of this Report.

## 8.5 Proposed Fiscal Year 2025 Solid Waste Rates

In the development of the proposed monthly rates for the forecast period, a two-step process was recognized. The first step was to identify the total amount of revenue to be targeted for the Test Year (Fiscal Year 2025). The second step was to evaluate the LOS provided to each customer or cart and assess if the existing rate structure attributes are consistent with the cost of providing such services.

With respect to the first step, the Project Team performed a cost analysis, which among other things, identified all System revenue requirements for the upcoming Fiscal Year 2025. Fiscal Year 2025 was chosen as the “Test Year” for the determination of the cost analysis as this is the fiscal year for which rate structure changes are contemplated. For the Test Year (Fiscal Year 2025), the Project Team identified that Sanitation System would require rate revenues of approximately \$2,664,000. This level (amount) of rate revenues represents a 20% increase when compared to the revenues estimated to be generated under the existing rate structure for the current Fiscal Year 2024. Appendix Table 4-9 shows the calculation of the Test Year revenue requirements and is summarized below:

**Table 8-4: Summary of Test Year Revenue Requirements<sup>1</sup>**

Description	Fiscal Year 2025
<b>Operating Expenses</b>	
<b>Internal</b>	\$1,488,084
<b>Disposal</b>	\$424,089
<b>Transfer to Vehicle Replacement Fund</b>	\$441,352
<b>Transfer to City General Fund</b>	\$458,723
<b>Less: Other Revenues</b>	(\$94,886)
<b>Net Revenue Requirements</b>	\$2,717,362

Description	Fiscal Year 2025
<b>Existing Sanitation Rate Revenues</b>	\$2,219,637
<b>Surplus / Deficiency - Amount</b>	(\$497,725)
<b>Surplus / Deficiency - Percent</b>	(22.42%)
<b>[1] Amounts shown derived from information presented in Appendix Table 4-9.</b>	

Once the cost of providing service was identified, the second step was to identify the cost of providing service to each customer or cart (commercial dumpsters). The Project Team worked with City staff to identify any differences in attributes for providing service to: 1) residential customers using above or below 3,000 gallons per month (existing rate structure tiers); and 2) commercial customers using multiple dumpsters of a single size and frequency of weekly pick-up. This analysis concluded without finding material differences in the service provided or the cost of providing such services. Specifically, it was identified that for:

- **Residential Service** - there was no correlation between monthly water consumption of less than 3,000 gallons and a reduction in the cost of providing residential collection and disposal services. As more than 85% of the total Sanitation System revenue requirements were related to garbage collection and minimum disposal requirements (estimated for 3,000 gallons or less) accounted for approximately 9% of the total revenue requirements. Recognizing that the estimated revenue requirements for serving residential customers with water consumption of less than 3,000 gallons per month (no correlation to sanitation service) was estimated to be approximately 95% of the total revenue requirements, it is recommended that all residential customers be billed on a consistent (average unit) cost basis.
- **Commercial Service** - there was no correlation between number of carts collected from a single parcel and a reduction in the cost of providing commercial collection and disposal services. Specifically, it was identified by City staff, that the commercial customers are primarily located within two sectors of the City's jurisdictional boundaries and vehicle travel times between parcels accounted for less than 15% of the total vehicle operating hours (majority of vehicle operating hours used in actual dumpster collections and waste disposal). Additionally, City staff noted that no difference in waste to receptacle volume should be assumed, as the commercial customer requests additional receptacles on an as-needed basis. Recognizing these attributes, it is recommended that all commercial customers be billed on a consistent (average unit) cost basis.

## 8.6 Sanitation System Recommendations

1. Recognizing the results of the analyses and results as discussed previously in this section and which can be seen in greater detail in Appendix Table 4-11, it is recommended that the City implement the following residential and commercial sanitation rates for the upcoming Fiscal Year 2025:

**Table 8-5: Proposed Monthly Residential Sanitation Rates<sup>1</sup>**

Fiscal Year 2025	
<b>Single-Family Residential</b>	\$16.57
[1] Amounts shown derived from information provided in Appendix Table 4-11.	

**Table 8-6: Proposed Monthly Commercial Sanitation Rates<sup>1</sup>**

Weekly Pick-Ups	95-Gallon Cart	2-Yard Dumpster	4-Yard Dumpster	6-Yard Dumpster	8-Yard Dumpster
1	\$20.47	\$48.38	\$75.54	\$97.59	\$131.58
2	25.99	66.02	111.36	159.45	208.16
3	31.65	83.45	145.49	201.65	255.18
4	40.06	105.18	177.55	243.56	307.63
5	50.40	126.12	206.50	280.86	355.50
6	65.01	162.34	259.30	352.50	446.30

[1] Amounts shown derived from information provided in Appendix Table 4-11.

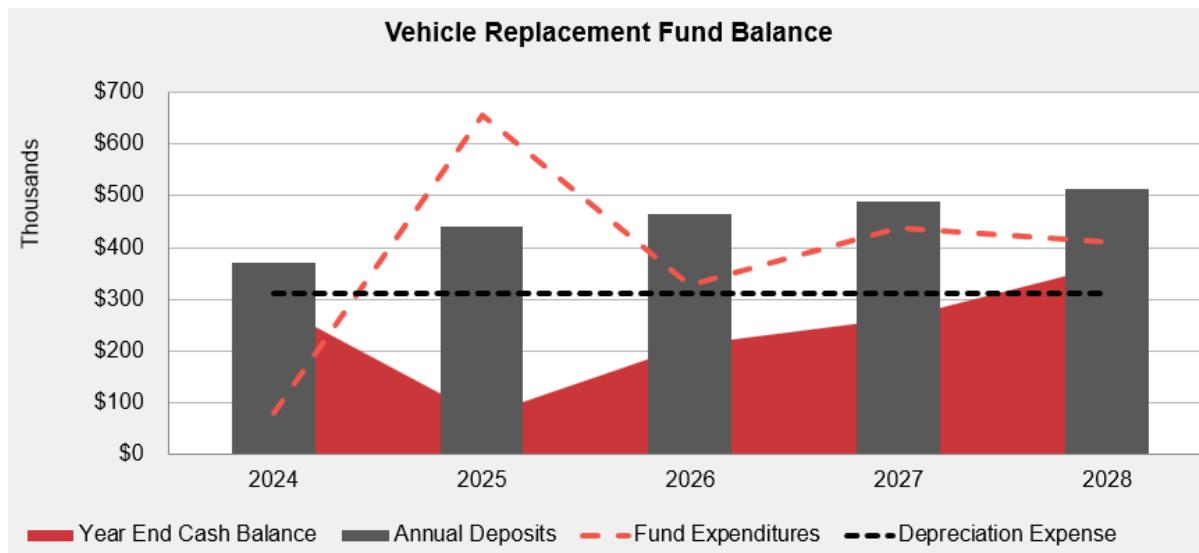
2. To account for continued vehicle and disposal expenditure increases and the effects of inflation on the Sanitation System's internal costs, it is recommended that the City implement an inflationary rate indexing policy (consistent with the recommendation for the Utility System). This policy would allow the City to annually adjust all Sanitation System rates and fees based on the calculated change in the Consumer Price Index, All Urban Consumers, All Items, U.S. City Average (series ID CUSR0000SA0) as published by the United States Department of Labor Statistics). In addition to the recovery of inflationary related expenditure increases, it is recommended that the rate indexing policy recognize an additional adjustment of 2.4% for Fiscal Years 2026 through 2028 in order to allow the net revenues generated from this policy to maintain pace with the increased cost of vehicle purchases, maintenance, and refuse disposal. Furthermore, it is recommended that these increases be capped at a maximum of 5.5% and never less than 0.0%. Additionally, it is recommended that the City sunset this inflationary rate indexing policy after five fiscal years (assumed to be Fiscal Year 2029). The Project Team has prepared the following policy language for consideration by the City:

*The City shall adjust rates annually beginning July 1, 2024 (beginning of fiscal year 2025). The annual rate index adjustment should be based on the sum of: i) the percentage change in the Consumer Price Index for all Urban Areas (CPI-U) as published by the United States Department of Labor from January of the preceding calendar year until January of the current calendar year; and ii) two and four tenths percent. The calculated rate of change shall be applied to all sanitation rates, fees, and charges. However, the adjustment shall never be greater than 5.5% or less than 0.0% per annum. An example of the annual index rate adjustment is calculated as follows:*

**Table 8-7: Example - Calculation of Inflationary Rate Indexing Policy**

Description	Calculation
Consumer Price Index – January 2023	300.356
Consumer Price Index – January 2024	309.685
Annual Change	9.329
Calculated Consumer Price Index Change – Jan.23 to Jan.24	3.11%
Additional Adjustment – Fiscal Years 2026 - 2029	+2.40%
Calculated Adjustment Inflationary Rate Indexing Policy	5.51%
Less Than Policy Maximum (5.5%)	No
Greater Than Policy Minimum (0.0%)	Yes
<b>Estimated Inflationary Rate Adjustment – Fiscal Year 2026</b>	<b>5.50%</b>

3. It is recommended that the City establish an internal working capital reserve fund that is dedicated to vehicle replacement. For the purposes of this Study and based on discussions with City staff, it was assumed that the Sanitation System would establish the Vehicle Replacement Fund. Annual deposits to the Vehicle Replacement Fund were assumed in each Fiscal Year of the Forecast Period. These deposits were developed based on: 1) the Sanitation System's preliminary vehicle replacement plan for Fiscal Year 2024 – 2028; 2) assumed annual deposits equal to approximately 16.0% of gross; and 3) discussions with City staff. Based on the application of these assumptions, it is projected that the Sanitation System will be able to provide funding for its 5-year vehicle replacement plan and establish an unappropriated reserve within the fund for unanticipated vehicle replacements. The following graph illustrates the plan of reaching this reserve target by the end of the Forecast Period:



**Figure 8-3: Vehicle Replacement Fund Balance**

It should be noted that the projected results and assumptions contained in this Study may vary from actual results. As such, City staff should continue to perform annual evaluations to validate that the identified rate adjustments will be sufficient to meet the needs of the System.

## Appendix A

### Data Tables

**CITY OF YUKON, OKLAHOMA**  
**FISCAL YEAR 2024**  
**WATER, WASTEWATER, AND SANITATION COST OF SERVICE STUDY**

**LIST OF TABLES**

Table No.	Description
Section 1	
1-1	Calculation of Projected Water Customer Demands
1-2	Calculation of Projected Wastewater Customer Demands
1-3	Summary of Projected Water and Wastewater Rate Revenues
1-4	Summary of Projected Other Operating Revenues
1-5	Summary of Operating Expenses Budget and Recognized Operating Expenses
1-6	Calculation of Projected Operating Expenses
1-7	Summary of Operating Expense Escalation Assumptions
1-8	Calculation of Wholesale Water Purchases From the City of Oklahoma City
1-9	Summary of Capital Improvement Plan and Funding Sources
1-10	Calculation of Transfers to Renewal & Replacement Fund
1-11	Calculation of Transfers to City's General Fund
1-12	Summary of Utility System Net Revenue Requirements
1-13	Calculation of Projected Utility System Fund Balances and Interest Income
1-14	Calculation of All-In Debt Service Coverage Ratio

Table No.	Description
Section 2	
2-1	Allocation of Utility System Revenue Requirements to Water and Wastewater Functions
2-2	Calculation of Utility System Revenue Requirements Allocation Factors
2-3	Design of Proposed Water Base Charges and Volumetric Rates
2-4	Design of Proposed Wastewater Base Charges and Volumetric Rates
2-5	Utility System Revenues by Class under Existing and Proposed Rates
2-6	Comparison of Residential Customer's Monthly Water and Wastewater Bill Under Existing and Proposed Rates

Table No.	Description
Section 3	
3-1	Allocation of Fixed Assets & Capital Improvement Projects to Water and Wastewater System Functions
3-2	Calculation of Water and Wastewater Systems Allocation Factors
3-3	Allocation of Water Fixed Assets & Capital Improvement Projects to Water System Functions
3-4	Calculation of Water System Functional Allocation Factors
3-5	Allocation of Wastewater Fixed Assets & Capital Improvement Projects to Wastewater System Function
3-6	Calculation of Wastewater System Functional Allocation Factors
3-7	Summary of Proposed Water and Wastewater Impact Fees

**Table No.**

Table No.	Description
Section 4	
4-1	Calculation of Projected Sanitation Customers and Rate Revenues
4-2	Summary of Sanitation System Projected Other Operating Revenues
4-3	Summary of Sanitation System Operating Expense Budget & Recognized Operating Expenses
4-4	Calculation of Projected Sanitation System Operating Expenses
4-5	Summary of Sanitation System Operating Expense Escalation Assumptions
4-6	Summary of Sanitation System Vehicle Replacement Plan and Funding Sources
4-7	Calculation of Transfers to Vehicle Replacement Fund
4-8	Calculation of Transfers to City's General Fund
4-9	Summary of Sanitation System Net Revenue Requirements
4-10	Calculation of Sanitation System Projected Fund Balances and Interest Income
4-11	Summary of Sanitation System Existing and Proposed Rates and Rate Revenues

City of Yukon, Oklahoma - Utility System  
Calculation of Projected Water Customer Demands

Line No.	Description	Historical		Projected - Fiscal Year Ending June 30.				
		2023	2024	2025	2026	2027	2028	
<b>Water System</b>								
<u>Residential Single-Family (Code R-010-1)</u>								
1	Estimated Annual Customer Growth		40	35	35	35	35	
2	Average Annual Customers	8,644	8,684	8,719	8,754	8,789	8,824	
3	Total Billed Sales - Kgals	542,630	541,882	544,066	546,250	548,434	550,618	
4	Avg. Monthly Demand Per Acnt. - Gallons	5,231	5,200	5,200	5,200	5,200	5,200	
<u>Residential 2nd Independent MTR (Code R-010-2)</u>								
5	Estimated Annual Customer Growth		-	-	-	-	-	
6	Average Annual Customers	4	4	4	4	4	4	
7	Total Billed Sales - Kgals	293	293	293	293	293	293	
8	Avg. Monthly Demand Per Acnt. - Gallons	6,113	6,100	6,100	6,100	6,100	6,100	
<u>Residential Sprinkler (Code R-010-SPR)</u>								
9	Estimated Annual Customer Growth		-	-	-	-	-	
10	Average Annual Customers	28	28	28	28	28	28	
11	Total Billed Sales - Kgals	3,976	3,965	3,965	3,965	3,965	3,965	
12	Avg. Monthly Demand Per Acnt. - Gallons	11,833	11,800	11,800	11,800	11,800	11,800	
<u>Commercial Water (Code C-010-1)</u>								
13	Estimated Annual Customer Growth		-	-	-	-	-	
14	Average Annual Customers	641	641	641	641	641	641	
15	Total Billed Sales - Kgals	155,629	155,378	155,378	155,378	155,378	155,378	
16	Avg. Monthly Demand Per Acnt. - Gallons	20,233	20,200	20,200	20,200	20,200	20,200	
<u>Commercial 2nd Independent MTR (Code C-010-2)</u>								
17	Estimated Annual Customer Growth		-	-	-	-	-	
18	Average Annual Customers	18	18	18	18	18	18	
19	Total Billed Sales - Kgals	7,955	7,949	7,949	7,949	7,949	7,949	
20	Avg. Monthly Demand Per Acnt. - Gallons	36,831	36,800	36,800	36,800	36,800	36,800	
<u>Commercial 3rd Independent MTR - Multifamily (Code C-010-3)</u>								
21	Average Annual Accounts	1	1	1	1	1	1	
21	Estimated Annual Dwelling Units Growth		-	-	-	-	-	
22	Average Annual Dwelling Units	33	33	33	33	33	33	
23	Total Billed Sales - Kgals	748	748	748	748	748	748	
24	Avg. Monthly Demand Per Acnt. - Gallons	1,889	1,890	1,890	1,890	1,890	1,890	
<u>Commercial Compound Meter (Code C-10-1CM)</u>								
25	Estimated Annual Customer Growth		-	-	-	-	-	
26	Average Annual Customers	11	11	11	11	11	11	
27	Total Billed Sales - Kgals	23,653	23,654	23,654	23,654	23,654	23,654	
28	Avg. Monthly Demand Per Acnt. - Gallons	179,191	179,200	179,200	179,200	179,200	179,200	
<u>Commercial Spanish Cove (Code C-10-1SP)</u>								
29	Estimated Annual Customer Growth		-	-	-	-	-	
30	Average Annual Customers	1	1	1	1	1	1	
31	Average Annual Dwelling Units	194	194	194	194	194	194	
31	Total Billed Sales - Kgals	7,895	7,892	7,892	7,892	7,892	7,892	
32	Avg. Monthly Demand Per Acnt. - Gallons	3,391	3,390	3,390	3,390	3,390	3,390	
<u>Commercial High Flow (Code C-10-CM)</u>								
33	Estimated Annual Customer Growth		-	-	-	-	-	
34	Average Annual Customers	1	1	1	1	1	1	
35	Total Billed Sales - Kgals	1,703	1,703	1,703	1,703	1,703	1,703	
36	Avg. Monthly Demand Per Acnt. - Gallons	141,917	141,900	141,900	141,900	141,900	141,900	
<u>Commercial Sprinkler (Code C-10-SPR)</u>								
37	Estimated Annual Customer Growth		-	-	-	-	-	
38	Average Annual Customers	79	79	79	79	79	79	
39	Total Billed Sales - Kgals	20,961	20,951	20,951	20,951	20,951	20,951	
40	Avg. Monthly Demand Per Acnt. - Gallons	22,111	22,100	22,100	22,100	22,100	22,100	
<b>Total Water System</b>								
41	Average Annual Accounts	9,460	9,500	9,535	9,570	9,605	9,640	
42	Total Billed Sales - Kgals	765,445	764,415	766,599	768,783	770,967	773,151	

Table 1-2

City of Yukon, Oklahoma - Utility System  
Calculation of Projected Wastewater Customer Demands

Line No.	Description	Historical		Projected - Fiscal Year Ending June 30,				
		2023	2024	2025	2026	2027	2028	
<b>Wastewater System</b>								
<u>Residential Summer Rate (Code R-040-1S)</u>								
1	Estimated Annual Customer Growth							
2	Average Annual Customers	4,276	4,276	4,276	4,276	4,276	4,276	
3	Total Billed Sales - Kgals	307,867	307,872	307,872	307,872	307,872	307,872	
4	Avg. Monthly Demand Per Acnt. - Gallons	6,000	6,000	6,000	6,000	6,000	6,000	
<u>Residential Sewer Rate (Code R-040-S1)</u>								
5	Estimated Annual Customer Growth							
6	Average Annual Customers	4,266	4,266	4,266	4,266	4,266	4,266	
7	Total Billed Sales - Kgals	224,685	225,245	225,245	225,245	225,245	225,245	
8	Avg. Monthly Demand Per Acnt. - Gallons	4,389	4,400	4,400	4,400	4,400	4,400	
<u>Commercial Summer Rate (Code C-040-1S)</u>								
9	Estimated Annual Customer Growth							
10	Average Annual Customers	298	298	298	298	298	298	
11	Total Billed Sales - Kgals	93,626	93,691	93,691	93,691	93,691	93,691	
12	Avg. Monthly Demand Per Acnt. - Gallons	26,182	26,200	26,200	26,200	26,200	26,200	
<u>Commercial Sewer Rate (Code C-040-S1)</u>								
13	Estimated Annual Customer Growth							
14	Average Annual Customers	303	303	303	303	303	303	
15	Total Billed Sales - Kgals	88,246	88,355	88,355	88,355	88,355	88,355	
16	Avg. Monthly Demand Per Acnt. - Gallons	24,270	24,300	24,300	24,300	24,300	24,300	
<u>Commercial Sewer Fixed Rate (Code C-040-SF)</u>								
17	Estimated Annual Customer Growth							
18	Average Annual Customers	1	1	1	1	1	1	
19	Total Billed Sales - Kgals	-	292	292	292	292	292	
20	Avg. Monthly Demand Per Acnt. - Gallons	-	24,300	24,300	24,300	24,300	24,300	
<u>Commercial Sewer Fixed 2500 Rate (Code C-040-SF1)</u>								
21	Estimated Annual Customer Growth							
22	Average Annual Customers	1	1	1	1	1	1	
23	Total Billed Sales - Kgals	-	292	292	292	292	292	
24	Avg. Monthly Demand Per Acnt. - Gallons	-	24,300	24,300	24,300	24,300	24,300	
<b>Total Water System</b>								
25	Average Annual Accounts	9,145	9,145	9,145	9,145	9,145	9,145	
26	Total Billed Sales - Kgals	714,424	715,746	715,746	715,746	715,746	715,746	

City of Yukon, Oklahoma - Utility System  
Summary of Projected Water and Wastewater Rate Revenues

Line No.	Description	Historical		Projected - Fiscal Year Ending June 30.					
		2023	2024	2025	2026	2027	2028		
<b>Water System</b>									
<u>Residential</u>									
<u>Residential Single-Family (Code R-010-1)</u>									
1	Base Charge Revenue	\$ 1,498,870	\$ 1,505,806	\$ 1,511,875	\$ 1,517,944	\$ 1,524,013	\$ 1,530,082		
2	OKC Subsidy Revenue	\$ 2,074,560	\$ 2,084,160	\$ 2,092,560	\$ 2,100,960	\$ 2,109,360	\$ 2,117,760		
2	Volumetric Charge Revenue	\$ 1,485,029	\$ 1,482,979	\$ 1,488,956	\$ 1,494,933	\$ 1,500,910	\$ 1,506,887		
3	Total Class Revenue	\$ 5,058,458	\$ 5,072,945	\$ 5,093,391	\$ 5,113,837	\$ 5,134,283	\$ 5,154,729		
<u>Residential 2nd Independent MTR (Code R-010-2)</u>									
4	Base Charge Revenue	\$ 1,387	\$ 1,387	\$ 1,387	\$ 1,387	\$ 1,387	\$ 1,387	\$ 1,387	
5	OKC Subsidy Revenue	\$ 960	\$ 960	\$ 960	\$ 960	\$ 960	\$ 960	\$ 960	
5	Volumetric Charge Revenue	\$ 996	\$ 994	\$ 994	\$ 994	\$ 994	\$ 994	\$ 994	
6	Total Class Revenue	\$ 3,343	\$ 3,341	\$ 3,341	\$ 3,341	\$ 3,341	\$ 3,341	\$ 3,341	
<u>Residential Sprinkler (Code R-010-SPR)</u>									
7	Base Charge Revenue	\$ 4,855	\$ 4,855	\$ 4,855	\$ 4,855	\$ 4,855	\$ 4,855	\$ 4,855	
8	OKC Subsidy Revenue	\$ 6,720	\$ 6,720	\$ 6,720	\$ 6,720	\$ 6,720	\$ 6,720	\$ 6,720	
8	Volumetric Charge Revenue	\$ 16,185	\$ 16,139	\$ 16,139	\$ 16,139	\$ 16,139	\$ 16,139	\$ 16,139	
9	Total Class Revenue	\$ 27,760	\$ 27,714	\$ 27,714	\$ 27,714	\$ 27,714	\$ 27,714	\$ 27,714	
<u>Commercial</u>									
<u>Commercial Water (Code C-010-1)</u>									
10	Base Charge Revenue	\$ 129,533	\$ 129,533	\$ 129,533	\$ 129,533	\$ 129,533	\$ 129,533	\$ 129,533	
11	OKC Subsidy Revenue	\$ 153,840	\$ 153,840	\$ 153,840	\$ 153,840	\$ 153,840	\$ 153,840	\$ 153,840	
11	Volumetric Charge Revenue	\$ 670,001	\$ 668,920	\$ 668,920	\$ 668,920	\$ 668,920	\$ 668,920	\$ 668,920	
12	Total Class Revenue	\$ 953,374	\$ 952,293	\$ 952,293	\$ 952,293	\$ 952,293	\$ 952,293	\$ 952,293	
<u>Commercial 2nd Independent MTR (Code C-010-2)</u>									
13	Base Charge Revenue	\$ 3,121	\$ 3,121	\$ 3,121	\$ 3,121	\$ 3,121	\$ 3,121	\$ 3,121	
14	OKC Subsidy Revenue	\$ 4,320	\$ 4,320	\$ 4,320	\$ 4,320	\$ 4,320	\$ 4,320	\$ 4,320	
14	Volumetric Charge Revenue	\$ 35,799	\$ 35,769	\$ 35,769	\$ 35,769	\$ 35,769	\$ 35,769	\$ 35,769	
15	Total Class Revenue	\$ 43,240	\$ 43,210	\$ 43,210	\$ 43,210	\$ 43,210	\$ 43,210	\$ 43,210	
<u>Commercial 3rd Independent MTR - Multifamily (Code C-010-3)</u>									
16	Base Charge Revenue	\$ 5,722	\$ 5,722	\$ 5,722	\$ 5,722	\$ 5,722	\$ 5,722	\$ 5,722	
17	OKC Subsidy Revenue	\$ 240	\$ 240	\$ 240	\$ 240	\$ 240	\$ 240	\$ 240	
17	Volumetric Charge Revenue	\$ 3,368	\$ 3,369	\$ 3,369	\$ 3,369	\$ 3,369	\$ 3,369	\$ 3,369	
18	Total Class Revenue	\$ 9,330	\$ 9,331	\$ 9,331	\$ 9,331	\$ 9,331	\$ 9,331	\$ 9,331	
<u>Commercial Compound Meter (Code C-10-1CM)</u>									
19	Base Charge Revenue	\$ 1,907	\$ 1,907	\$ 1,907	\$ 1,907	\$ 1,907	\$ 1,907	\$ 1,907	
20	OKC Subsidy Revenue	\$ 2,640	\$ 2,640	\$ 2,640	\$ 2,640	\$ 2,640	\$ 2,640	\$ 2,640	
20	Volumetric Charge Revenue	\$ 110,742	\$ 110,747	\$ 110,747	\$ 110,747	\$ 110,747	\$ 110,747	\$ 110,747	
21	Total Class Revenue	\$ 115,289	\$ 115,295	\$ 115,295	\$ 115,295	\$ 115,295	\$ 115,295	\$ 115,295	
<u>Commercial Spanish Cove (Code C-10-1SP)</u>									
22	Base Charge Revenue	\$ 33,640	\$ 33,640	\$ 33,640	\$ 33,640	\$ 33,640	\$ 33,640	\$ 33,640	
23	OKC Subsidy Revenue	\$ 240	\$ 240	\$ 240	\$ 240	\$ 240	\$ 240	\$ 240	
23	Volumetric Charge Revenue	\$ 37,458	\$ 37,444	\$ 37,444	\$ 37,444	\$ 37,444	\$ 37,444	\$ 37,444	
24	Total Class Revenue	\$ 71,338	\$ 71,323	\$ 71,323	\$ 71,323	\$ 71,323	\$ 71,323	\$ 71,323	
<u>Commercial High Flow (Code C-10-CM)</u>									
25	Base Charge Revenue	\$ 173	\$ 173	\$ 173	\$ 173	\$ 173	\$ 173	\$ 173	
26	OKC Subsidy Revenue	\$ 240	\$ 240	\$ 240	\$ 240	\$ 240	\$ 240	\$ 240	
26	Volumetric Charge Revenue	\$ 7,983	\$ 7,982	\$ 7,982	\$ 7,982	\$ 7,982	\$ 7,982	\$ 7,982	
27	Total Class Revenue	\$ 8,396	\$ 8,395	\$ 8,395	\$ 8,395	\$ 8,395	\$ 8,395	\$ 8,395	
<u>Commercial Sprinkler (Code C-10-SPR)</u>									
28	Base Charge Revenue	\$ 13,699	\$ 13,699	\$ 13,699	\$ 13,699	\$ 13,699	\$ 13,699	\$ 13,699	
29	OKC Subsidy Revenue	\$ 18,960	\$ 18,960	\$ 18,960	\$ 18,960	\$ 18,960	\$ 18,960	\$ 18,960	
29	Volumetric Charge Revenue	\$ 94,193	\$ 94,146	\$ 94,146	\$ 94,146	\$ 94,146	\$ 94,146	\$ 94,146	
30	Total Class Revenue	\$ 126,851	\$ 126,804	\$ 126,804	\$ 126,804	\$ 126,804	\$ 126,804	\$ 126,804	
31	<b>Total Water System Rate Revenues</b>	<b>\$ 6,417,380</b>	<b>\$ 6,430,653</b>	<b>\$ 6,451,099</b>	<b>\$ 6,471,545</b>	<b>\$ 6,491,991</b>	<b>\$ 6,512,437</b>		

Table 1-3

**City of Yukon, Oklahoma - Utility System  
Summary of Projected Water and Wastewater Rate Revenues**

City of Yukon, Oklahoma - Utility System  
Summary of Projected Other Operating Revenues

Line No.	Account No.	Description	2024		Recognized 2024	Escalation Reference	Projected - Fiscal Year Ending June 30,			
			Budget	Adjustments			2025	2026	2027	2028
1	46110	System Other Operating Revenues	\$ 6,751,294	\$ (6,751,294)	\$ -	CPI Rates	\$ -	\$ -	\$ -	\$ -
2	46115	Water Fees	\$ 3,121,197	\$ (3,121,197)	\$ -	CPI Rates	\$ -	\$ -	\$ -	\$ -
3	46116	Sewer Fees	\$ 29,674	\$ -	\$ 29,674	CPI Rates	\$ 30,641	\$ 31,639	\$ 32,669	\$ 33,733
4	46118	Re-Connect Fees	\$ 223,300	\$ -	\$ 223,300	CPI Rates	\$ 230,573	\$ 238,084	\$ 245,838	\$ 253,846
5	46123	Interest and Penalty	\$ 30,693	\$ -	\$ 30,693	CPI Rates	\$ 31,693	\$ 32,725	\$ 33,791	\$ 34,892
6	46125	Water Deposit Transfer	\$ 2,058	\$ -	\$ 2,058	CPI Rates	\$ 2,125	\$ 2,194	\$ 2,266	\$ 2,340
7	46127	NSF Check Fee	\$ -	\$ -	\$ -	CPI Rates	\$ -	\$ -	\$ -	\$ -
8	46130	Fire Hydrant Rental Fee	\$ 4,242	\$ -	\$ 4,242	CPI Rates	\$ 4,380	\$ 4,523	\$ 4,670	\$ 4,822
9	46140	Water Tap Fees	\$ 2,155	\$ -	\$ 2,155	CPI Rates	\$ 2,225	\$ 2,298	\$ 2,373	\$ 2,450
10	46150	Sewer Tap Fees	\$ 39,011	\$ -	\$ 39,011	CPI Rates	\$ 40,282	\$ 41,594	\$ 42,949	\$ 44,347
11	46164	Water Meters	\$ 27,007	\$ -	\$ 27,007	CPI Rates	\$ 27,887	\$ 28,795	\$ 29,733	\$ 30,701
12	46199	Sludge Hauling Reimbursement	\$ 1,751	\$ -	\$ 1,751	CPI Rates	\$ 1,808	\$ 1,867	\$ 1,928	\$ 1,991
13	47100	Bad Debt Revenue	\$ 190,000	\$ -	\$ 190,000	CPI Rates	\$ 196,189	\$ 202,579	\$ 209,177	\$ 215,991
14	48110	Credit Card Service Fees Collection	\$ 1	\$ -	\$ 1	CPI Rates	\$ 1	\$ 1	\$ 1	\$ 1
15	48250	Interest	\$ -	\$ -	\$ -	CPI Rates	\$ -	\$ -	\$ -	\$ -
16	48706	Miscellaneous	\$ -	\$ -	\$ -	CPI Rates	\$ -	\$ -	\$ -	\$ -
		Total System Other Operating Revenues	\$ 10,422,383	\$ (9,872,491)	\$ 549,892		\$ 567,803	\$ 586,298	\$ 605,394	\$ 625,113

Table 1-5

City of Yukon, Oklahoma - Utility System  
Summary of Operating Expense Budget and Recognized Operating Expenses

Line No.	Account #	Description	Operating Budgets				
			Adopted 2024	Adjustments	Adjusted 2024		
<b>Water &amp; Sewer Enterprise Fund</b>							
<u>Water Distribution Department</u>							
		Personal Services					
1	5201-101	Regular Employees	\$ 357,302	\$ -	\$ 357,302		
2	5201-103	Overtime	\$ 21,000	\$ -	\$ 21,000		
3	5201-106	Expense Allowance	\$ 2,100	\$ -	\$ 2,100		
4	5201-108	Employee Group Insurance	\$ 70,437	\$ -	\$ 70,437		
5	5201-110	Unemployment Insurance	\$ 1,400	\$ -	\$ 1,400		
6	5201-112	Employee Retirement	\$ 57,485	\$ -	\$ 57,485		
7	5201-113	FICA	\$ 28,711	\$ -	\$ 28,711		
8	5201-117	Employee Dental Insurance	\$ 5,467	\$ -	\$ 5,467		
	5201-121	Sick Leave Buy-Back	\$ -	\$ -	\$ -		
9		Total Personal Services	\$ 543,902	\$ -	\$ 543,902		
		Materials & Supplies					
10	5201-201	Office Supplies	\$ -	\$ -	\$ -		
11	5201-202	Duplication/Computer Suppli	\$ -	\$ -	\$ -		
12	5201-204	Fuel, Oil and Lubricants	\$ 25,000	\$ -	\$ 25,000		
13	5201-205	Nondurable Supplies	\$ 5,000	\$ -	\$ 5,000		
14	5201-206	Building Maintenance Suppli	\$ 500	\$ -	\$ 500		
15	5201-207	Chemicals	\$ 2,500	\$ -	\$ 2,500		
	5201-213	Food Supplies	\$ -	\$ -	\$ -		
16	5201-217	Wearing Apparel	\$ 2,990	\$ -	\$ 2,990		
17	5201-218	Protective Clothing/Safety	\$ 1,400	\$ -	\$ 1,400		
18		Total Materials & Supplies	\$ 37,390	\$ -	\$ 37,390		
		Services & Charges					
19	5201-302	Buildings	\$ 2,500	\$ -	\$ 2,500		
	5201-304	Sewage Disposal-Plant and Li	\$ -	\$ -	\$ -		
20	5201-305	Sanitary Sewers	\$ 20,000	\$ -	\$ 20,000		
21	5201-306	Sidewalks, Steps, Curbs, an	\$ 15,000	\$ -	\$ 15,000		
22	5201-312	Water Lines	\$ 50,000	\$ -	\$ 50,000		
23	5201-317	Durable Tools	\$ 5,000	\$ -	\$ 5,000		
24	5201-318	Motor Vehicles/Small Equip	\$ 15,000	\$ -	\$ 15,000		
25	5201-319	Water Meter and Settings	\$ 65,000	\$ -	\$ 65,000		
26	5201-321	Air Condition/Heating System	\$ 1,500	\$ -	\$ 1,500		
27	5201-340	Postage and Shipping	\$ -	\$ -	\$ -		
28	5201-346	Rentals and Leases	\$ 1,000	\$ -	\$ 1,000		
29	5201-347	Special Services	\$ 12,500	\$ -	\$ 12,500		
30	5201-348	Consultant Fees	\$ 10,000	\$ -	\$ 10,000		
31	5201-354	Assoc Memberships & Conf R	\$ 7,796	\$ -	\$ 7,796		
32	5201-356	Training	\$ 2,020	\$ -	\$ 2,020		
33	5201-362	Judgments and Damages	\$ 750	\$ -	\$ 750		
34	5201-365	Maintenance Agreements	\$ 1,890	\$ -	\$ 1,890		
35	5201-377	Licenses	\$ 1,998	\$ -	\$ 1,998		
36		Total Total Materials & Supplies	\$ 211,954	\$ -	\$ 211,954		
		Transfers					
37	5201-601	Transfer to General Fund	\$ 1,858,965	\$ (1,858,965)	\$ -		
38		Total Transfers	\$ 1,858,965	\$ (1,858,965)	\$ -		
39		Total Water Distribution Department	\$ 2,652,211	\$ (1,858,965)	\$ 793,246		

Table 1-5

**City of Yukon, Oklahoma - Utility System**  
**Summary of Operating Expense Budget and Recognized Operating Expenses**

Line No.	Account #	Description	Operating Budgets		
			Adopted 2024	Adjustments	Adjusted 2024
<b>Utility Billing Department</b>					
		Personal Services			
40	5202-101	Regular Employees	\$ 456,991	\$ -	\$ 456,991
41	5202-103	Overtime	\$ 4,700	\$ -	\$ 4,700
42	5202-106	Expense Allowance	\$ 1,200	\$ -	\$ 1,200
43	5202-108	Employee Group Insurance	\$ 76,874	\$ -	\$ 76,874
44	5202-110	Unemployment Insurance	\$ 1,800	\$ -	\$ 1,800
45	5202-112	Employee Retirement	\$ 75,181	\$ -	\$ 75,181
46	5202-113	FICA (Social Security)	\$ 34,960	\$ -	\$ 34,960
47	5202-117	Employee Dental Insurance	\$ 7,029	\$ -	\$ 7,029
48	5202-121	Sick Leave Buy Back	\$ -	\$ -	\$ -
49		Total Personal Services	\$ 658,735	\$ -	\$ 658,735
		Materials & Supplies			
50	5202-201	Office Supplies	\$ 800	\$ -	\$ 800
51	5202-202	Duplication/Computer Suppl	\$ 2,200	\$ -	\$ 2,200
52	5202-204	Fuel, Oil and Lubricants	\$ 16,000	\$ -	\$ 16,000
53	5202-205	Nondurable Supplies	\$ 250	\$ -	\$ 250
54	5202-213	Food Supplies	\$ 117	\$ -	\$ 117
55	5202-217	Wearing Apparel	\$ 1,310	\$ -	\$ 1,310
56	5202-218	Protective Clothing/Safety	\$ 200	\$ -	\$ 200
57	5202-220	Medical Supplies	\$ 25	\$ -	\$ 25
58		Total Materials & Supplies	\$ 20,902	\$ -	\$ 20,902
		Services & Charges			
59	5202-315	Office Equipment	\$ 750	\$ -	\$ 750
	5202-316	Furniture, Fixtures, Misc	\$ -	\$ -	\$ -
60	5202-317	Durable Tools	\$ 500	\$ -	\$ 500
61	5202-318	Motor Vehicles/Small Equip	\$ 1,500	\$ -	\$ 1,500
62	5202-328	Document Destruction	\$ 475	\$ -	\$ 475
63	5202-331	Travel Expense	\$ 1,500	\$ -	\$ 1,500
64	5202-340	Postage and Shipping	\$ 4,500	\$ -	\$ 4,500
65	5202-341	Telephones, Teletype, Internet	\$ 2,365	\$ -	\$ 2,365
66	5202-346	Rentals and Leases	\$ 3,310	\$ -	\$ 3,310
67	5202-349	Printing	\$ 100	\$ -	\$ 100
68	5202-354	Assoc Memberships & Conf R	\$ 1,500	\$ -	\$ 1,500
69	5202-357	Collection Services	\$ 1,200	\$ -	\$ 1,200
70	5202-365	Maintenance Agreements	\$ 33,354	\$ -	\$ 33,354
71	5202-376	Licensing & Software	\$ 4,490	\$ -	\$ 4,490
	5202-377	Licenses	\$ -	\$ -	\$ -
72	5202-385	Utility Bill Processing	\$ 125,000	\$ -	\$ 125,000
73	5202-387	Credit Card Processing Fees	\$ 190,000	\$ -	\$ 190,000
74		Total Services & Charges	\$ 370,544	\$ -	\$ 370,544
		Transfers			
	5202-601	Transfer to General Fund	\$ 1,468,646	\$ (1,468,646)	\$ -
		Total Transfers	\$ 1,468,646	\$ (1,468,646)	\$ -
75		Total Utility Billing Department	\$ 2,518,827	\$ (1,468,646)	\$ 1,050,181

Table 1-5

City of Yukon, Oklahoma - Utility System  
Summary of Operating Expense Budget and Recognized Operating Expenses

Line No.	Account #	Description	Operating Budgets		
			Adopted 2024	Adjustments	Adjusted 2024
<u>Treatment &amp; Supply Department</u>					
		Materials & Supplies			
76	5203-219	Disposal Cost	\$ 63,000	\$ -	\$ 63,000
77		Total Total Transfers	\$ 63,000	\$ -	\$ 63,000
		Services & Charges			
78	5203-347	Special Services	\$ 150	\$ -	\$ 150
79	5203-348	Consultant Fees	\$ 1,498,720	\$ -	\$ 1,498,720
80	5203-352	Water Usage	\$ 2,250,000	\$ 100,689	\$ 2,350,689
81	5203-504	Contractual Agreements	\$ 104,418	\$ -	\$ 104,418
82	5203-505	Water Well Rentals	\$ 175,000	\$ -	\$ 175,000
83		Total Services & Charges	\$ 4,028,288	\$ 100,689	\$ 4,128,977
		Debt Service			
84		Total Debt Service	\$ -	\$ -	\$ -
		Transfers			
85	5203-601	Transfer to General Fund	\$ 1,160,058	\$ (1,160,058)	\$ -
86		Total Transfers	\$ 1,160,058	\$ (1,160,058)	\$ -
87		Total Treatment & Supply Department	\$ 5,251,346	\$ (1,059,369)	\$ 4,191,977
88		Total Water and Sewer Fund - Operating Budget	<u>\$ 10,422,384</u>	<u>\$ (4,386,980)</u>	<u>\$ 6,035,404</u>

Table 1-6

City of Yukon, Oklahoma - Utility System  
Calculation of Projected Operating Expenses

Line No.	Description	Fiscal Year Ending June 30,					
		2024	Esc. Reference	2025	2026	2027	2028
	<b>Water &amp; Sewer Enterprise Fund</b>						
	<b>Water Distribution Department</b>						
	Personal Services						
1	Regular Employees	\$ 357,302	Labor	\$ 371,594	\$ 386,458	\$ 401,916	\$ 417,993
	Additional Personnel	\$ -	Calculated	\$ -	\$ -	\$ -	\$ -
2	Overtime	\$ 21,000	Labor	\$ 21,840	\$ 22,714	\$ 23,622	\$ 24,567
3	Expense Allowance	\$ 2,100	Inflation	\$ 2,146	\$ 2,191	\$ 2,237	\$ 2,287
4	Employee Group Insurance	\$ 70,437	Insurance	\$ -	\$ -	\$ -	\$ -
5	Unemployment Insurance	\$ 1,400	Insurance	\$ -	\$ -	\$ -	\$ -
6	Employee Retirement	\$ 57,485	Labor	\$ 59,784	\$ 62,176	\$ 64,663	\$ 67,249
7	FICA	\$ 28,711	Labor	\$ 29,859	\$ 31,054	\$ 32,296	\$ 33,588
8	Employee Dental Insurance	\$ 5,467	Health	\$ 5,795	\$ 6,143	\$ 6,511	\$ 6,902
	Sick Leave Buy-Back	\$ -	Labor	\$ -	\$ -	\$ -	\$ -
9		\$ 543,902		\$ 491,019	\$ 510,735	\$ 531,246	\$ 552,585
	Materials & Supplies						
	Office Supplies	\$ -	Inflation	\$ -	\$ -	\$ -	\$ -
	Duplication/Computer Suppli	\$ -	Inflation	\$ -	\$ -	\$ -	\$ -
10	Fuel, Oil and Lubricants	\$ 25,000	Fuel	\$ 26,570	\$ 28,239	\$ 30,012	\$ 31,897
11	Nondurable Supplies	\$ 5,000	Inflation	\$ 5,110	\$ 5,217	\$ 5,327	\$ 5,444
12	Building Maintenance Suppli	\$ 500	Inflation	\$ 511	\$ 522	\$ 533	\$ 544
13	Chemicals	\$ 2,500	Chem	\$ 2,636	\$ 2,780	\$ 2,931	\$ 3,091
	Food Supplies	\$ -	Inflation	\$ -	\$ -	\$ -	\$ -
14	Wearing Apparel	\$ 2,990	Inflation	\$ 3,056	\$ 3,120	\$ 3,185	\$ 3,256
15	Protective Clothing/Safety	\$ 1,400	Inflation	\$ 1,431	\$ 1,461	\$ 1,492	\$ 1,524
16		\$ 37,390		\$ 39,314	\$ 41,338	\$ 43,480	\$ 45,756
	Services & Charges						
17	Buildings	\$ 2,500	Inflation	\$ 2,555	\$ 2,609	\$ 2,663	\$ 2,722
	Sewage Disposal-Plant and Li	\$ -	Inflation	\$ -	\$ -	\$ -	\$ -
18	Sanitary Sewers	\$ 20,000	Inflation	\$ 20,440	\$ 20,869	\$ 21,307	\$ 21,776
19	Sidewalks, Steps, Curbs, an	\$ 15,000	Inflation	\$ 15,330	\$ 15,652	\$ 15,981	\$ 16,332
20	Water Lines	\$ 50,000	Inflation	\$ 51,100	\$ 52,173	\$ 53,269	\$ 54,441
21	Durable Tools	\$ 5,000	Inflation	\$ 5,110	\$ 5,217	\$ 5,327	\$ 5,444
22	Motor Vehicles/Small Equip	\$ 15,000	Inflation	\$ 15,330	\$ 15,652	\$ 15,981	\$ 16,332
23	Water Meter and Settings	\$ 65,000	Inflation	\$ 66,430	\$ 67,825	\$ 69,249	\$ 70,773
24	Air Condition/Heating System	\$ 1,500	Inflation	\$ 1,533	\$ 1,565	\$ 1,598	\$ 1,633
	Postage and Shipping	\$ -	Inflation	\$ -	\$ -	\$ -	\$ -
25	Rentals and Leases	\$ 1,000	Inflation	\$ 1,022	\$ 1,043	\$ 1,065	\$ 1,089
26	Special Services	\$ 12,500	Inflation	\$ 12,775	\$ 13,043	\$ 13,317	\$ 13,610
27	Consultant Fees	\$ 10,000	Inflation	\$ 10,220	\$ 10,435	\$ 10,654	\$ 10,888
28	Assoc Memberships & Conf R	\$ 7,796	Inflation	\$ 7,968	\$ 8,135	\$ 8,306	\$ 8,488
29	Training	\$ 2,020	Labor	\$ 2,101	\$ 2,185	\$ 2,272	\$ 2,363
30	Judgments and Damages	\$ 750	Inflation	\$ 767	\$ 783	\$ 799	\$ 817
31	Maintenance Agreements	\$ 1,890	ENR	\$ 1,984	\$ 2,083	\$ 2,186	\$ 2,295
32	Licenses	\$ 1,998	Inflation	\$ 2,042	\$ 2,085	\$ 2,129	\$ 2,175
33		\$ 211,954		\$ 216,706	\$ 221,353	\$ 226,103	\$ 231,179
	Transfers						
	Transfer to General Fund	\$ -	Inflation	\$ -	\$ -	\$ -	\$ -

Table 1-6

City of Yukon, Oklahoma - Utility System  
Calculation of Projected Operating Expenses

Line No.	Description	Fiscal Year Ending June 30,					
		2024	Esc. Reference	2025	2026	2027	2028
<b>Utility Billing Department</b>							
34	Personal Services	\$ 456,991	Labor	\$ 475,271	\$ 494,281	\$ 514,053	\$ 534,615
35	Regular Employees	\$ -	Calculated	\$ -	\$ -	\$ -	\$ -
36	Additional Personnel	\$ 4,700	Labor	\$ 4,888	\$ 5,084	\$ 5,287	\$ 5,498
37	Overtime	\$ 1,200	Inflation	\$ 1,226	\$ 1,252	\$ 1,278	\$ 1,307
38	Expense Allowance	\$ 76,874	Insurance	\$ -	\$ -	\$ -	\$ -
39	Employee Group Insurance	\$ 1,800	Insurance	\$ -	\$ -	\$ -	\$ -
40	Unemployment Insurance	\$ 75,181	Labor	\$ 78,188	\$ 81,316	\$ 84,568	\$ 87,951
41	Employee Retirement	\$ 34,960	Labor	\$ 36,358	\$ 37,813	\$ 39,325	\$ 40,898
42	FICA (Social Security)	\$ 7,029	Health	\$ 7,451	\$ 7,898	\$ 8,372	\$ 8,874
43	Employee Dental Insurance	\$ -	Labor	\$ -	\$ -	\$ -	\$ -
44	Sick Leave Buy Back	\$ 658,735		\$ 603,382	\$ 627,643	\$ 652,883	\$ 679,143
<b>Materials &amp; Supplies</b>							
45	Office Supplies	\$ 800	Inflation	\$ 818	\$ 835	\$ 852	\$ 871
46	Duplication/Computer Suppl	\$ 2,200	Inflation	\$ 2,248	\$ 2,296	\$ 2,344	\$ 2,395
47	Fuel, Oil and Lubricants	\$ 16,000	Fuel	\$ 17,005	\$ 18,073	\$ 19,208	\$ 20,414
48	Nondurable Supplies	\$ 250	Inflation	\$ 256	\$ 261	\$ 266	\$ 272
49	Food Supplies	\$ 117	Inflation	\$ 120	\$ 122	\$ 125	\$ 127
50	Wearing Apparel	\$ 1,310	Inflation	\$ 1,339	\$ 1,367	\$ 1,396	\$ 1,426
51	Protective Clothing/Safety	\$ 200	Inflation	\$ 204	\$ 209	\$ 213	\$ 218
52	Medical Supplies	\$ 25	Health	\$ 27	\$ 28	\$ 30	\$ 32
53		\$ 20,902		\$ 22,016	\$ 23,190	\$ 24,433	\$ 25,756
<b>Services &amp; Charges</b>							
54	Services & Charges	\$ 750	Inflation	\$ 767	\$ 783	\$ 799	\$ 817
55	Office Equipment	\$ -	Inflation	\$ -	\$ -	\$ -	\$ -
56	Furniture, Fixtures, Misc	\$ 500	Inflation	\$ 511	\$ 522	\$ 533	\$ 544
57	Durable Tools	\$ 1,500	Inflation	\$ 1,533	\$ 1,565	\$ 1,598	\$ 1,633
58	Motor Vehicles/Small Equip	\$ 475	Inflation	\$ 485	\$ 496	\$ 506	\$ 517
59	Document Destruction	\$ 1,500	Inflation	\$ 1,533	\$ 1,565	\$ 1,598	\$ 1,633
60	Travel Expense	\$ 4,500	Inflation	\$ 4,599	\$ 4,696	\$ 4,794	\$ 4,900
61	Postage and Shipping	\$ 2,365	Inflation	\$ 2,417	\$ 2,468	\$ 2,520	\$ 2,575
62	Telephones, Teletype, Internet	\$ 3,310	Inflation	\$ 3,383	\$ 3,454	\$ 3,526	\$ 3,604
63	Rentals and Leases	\$ 100	Inflation	\$ 102	\$ 104	\$ 107	\$ 109
64	Printing	\$ 1,500	Inflation	\$ 1,533	\$ 1,565	\$ 1,598	\$ 1,633
65	Assoc Memberships & Conf R	\$ 1,200	Inflation	\$ 1,226	\$ 1,252	\$ 1,278	\$ 1,307
66	Collection Services	\$ 33,354	ENR	\$ 35,012	\$ 36,752	\$ 38,578	\$ 40,496
67	Maintenance Agreements	\$ 4,490	Inflation	\$ 4,589	\$ 4,685	\$ 4,784	\$ 4,889
68	Licensing & Software	\$ -	Inflation	\$ -	\$ -	\$ -	\$ -
69	Licenses	\$ 125,000	Inflation	\$ 127,750	\$ 130,433	\$ 133,172	\$ 136,102
70	Utility Bill Processing	\$ 190,000	Inflation	\$ 194,180	\$ 198,258	\$ 202,421	\$ 206,874
71		\$ 370,544		\$ 379,620	\$ 388,597	\$ 397,812	\$ 407,633
<b>Transfers</b>							
72	Transfers to General Fund	\$ -	Inflation	\$ -	\$ -	\$ -	\$ -
<b>Treatment &amp; Supply Department</b>							
73	Personal Services	\$ -	Calculated	\$ -	\$ -	\$ -	\$ -
74	Additional Personnel	\$ -					
<b>Materials &amp; Supplies</b>							
75	Disposal Cost	\$ 63,000	Inflation	\$ 64,386	\$ 65,738	\$ 67,119	\$ 68,595
<b>Services &amp; Charges</b>							
76	Special Services	\$ 150	Inflation	\$ 153	\$ 157	\$ 160	\$ 163
77	Consultant Fees	\$ 1,498,720	Inflation	\$ 1,531,692	\$ 1,563,857	\$ 1,596,698	\$ 1,631,826
78	Water Usage	\$ 2,350,689	Calculated	\$ 2,469,772	\$ 2,594,711	\$ 2,725,995	\$ 2,863,897
79	Contractual Agreements	\$ 104,418	Inflation	\$ 106,715	\$ 108,956	\$ 111,244	\$ 113,692
80	Water Well Rentals	\$ 175,000	Inflation	\$ 178,850	\$ 182,606	\$ 186,441	\$ 190,542
81		\$ 4,128,977		\$ 4,287,182	\$ 4,450,287	\$ 4,620,538	\$ 4,800,120
<b>Transfers</b>							
82	Transfers to General Fund	\$ -	Inflation	\$ -	\$ -	\$ -	\$ -
83	Total Water and Sewer Enterprise Fund	\$ 6,035,404		\$ 6,103,625	\$ 6,328,881	\$ 6,563,614	\$ 6,810,767

Table 1-7

City of Yukon, Oklahoma - Utility System  
Summary of Operating Expense Escalation Assumptions

Line No.	Description	Alloc. Reference	Fiscal Year Ending June 30,				
			2024	2025	2026	2027	2028
1	General Inflation (Consumer Price Index)	Inflation	100.00%	102.20%	102.10%	102.10%	102.20%
2	CPI Inflationary Rate Adjustments	CPI Rates	100.00%	103.26%	103.26%	103.26%	103.26%
3	Annual COL Adjustments to Labor	Labor	100.00%	104.00%	104.00%	104.00%	104.00%
4	Bureau of Labor Statistics - Electricity	Electric	100.00%	105.72%	105.72%	105.72%	105.72%
5	Bureau of Labor Statistics - Industrial Chemicals	Chem	100.00%	105.45%	105.45%	105.45%	105.45%
6	Bureau of Labor Statistics - Fuel Oil	Fuel	100.00%	106.28%	106.28%	106.28%	106.28%
7	Property/General Insurance Liability	Prop. Insurance	100.00%	105.50%	105.50%	105.50%	105.50%
8	Employee Health and Workmans Comp Insurance	Health	100.00%	106.00%	106.00%	106.00%	106.00%
9	ENR - Construction Cost Index	ENR	100.00%	104.97%	104.97%	104.97%	104.97%
10	Constant - No Escalation	Constant	100.00%	100.00%	100.00%	100.00%	100.00%
11	Additional Personnel	Add. Labor	102.41%	102.41%	102.41%	102.41%	102.41%
12	Water Sales Growth	W-Sales	99.87%	100.29%	100.28%	100.28%	100.28%
13	Wholesale Rate Increase - Oklahoma City	OKC-Rate-Adj.	0.00%	105.00%	105.00%	105.00%	105.00%

Table 1-8

City of Yukon, Oklahoma - Utility System  
Calculation of Wholesale Water Purchases From the City of Oklahoma City

Line No.	Description	2024	Inflation Ref.	Projected Fiscal Year Ending June 30.			
				2025	2026	2027	2028
1	Calculation of Estimated Sources of Supply						
1	Calculated Annual Water Sales	764,415	W-Sales	763,386	765,567	767,748	769,929
2	Unaccounted For Water - Percent	7.69%		7.69%	7.69%	7.69%	7.69%
3	Unaccounted For Water - Amount	58,755		58,676	58,844	59,011	59,179
4	Estimated Total Water Received	823,170		822,062	824,410	826,759	829,108
	Source of Supply						
	Percentage						
5	City Wells	29.89%		29.89%	29.89%	29.89%	29.89%
6	Oklahoma City	70.11%		70.11%	70.11%	70.11%	70.11%
	Estimated Annual Water Received (Kgals)						
7	City Wells	246,081		245,750	246,452	247,154	247,856
8	Oklahoma City	577,089		576,312	577,959	579,605	581,252
	<b>City of Oklahoma City - Wholesale Water Purchases</b>						
	Calculation of Estimated Capacity Reservation Expenditures						
9	Monthly Capacity Reserved (Kgals)	60,500		60,500	60,500	60,500	60,500
10	Estimated Monthly Capacity Utilized (Kgals)	48,091		48,026	48,163	48,300	48,438
11	Max - Capacity Reserved or Utilized (Kgals)	60,500		60,500	60,500	60,500	60,500
	Oklahoma City						
12	Cost Per 1,000 Gallons	\$ 2,1600	OKC-Rate-Adj.	\$ 2,2680	\$ 2,3814	\$ 2,5005	\$ 2,6255
13	Annual Capacity Reservation Expense	\$ 1,568,160		\$ 1,646,568	\$ 1,728,896	\$ 1,815,363	\$ 1,906,113
	Calculation of Estimated Consumption Charge Expenditures						
14	Annual Consumption (Kgals)	577,089		576,312	577,959	579,605	581,252
	Monthly Consumption By Tier						
15	Tier 1 - Domestic Water	96.80%		96.75%	96.75%	96.75%	96.75%
16	Tier 2 - Excess Water	3.20%		3.25%	3.25%	3.25%	3.25%
	Monthly Consumption Rate By Tier						
17	Tier 1 - 0-60,500,000 Per Month	\$ 0.5700	OKC-Rate-Adj.	\$ 0.5985	\$ 0.6284	\$ 0.6598	\$ 0.6928
18	Tier 2 - 60,500,001 and Up	\$ 7.8540	OKC-Rate-Adj.	\$ 8.2467	\$ 8.6590	\$ 9.0920	\$ 9.5466
	Monthly Consumption Expense By Tier						
19	Tier 1 - 0-60,000,000 Per Month	\$ 318,415		\$ 333,713	\$ 351,386	\$ 369,995	\$ 389,604
20	Tier 2 - 60,000,001-72,000,000 Per Month	\$ 145,039		\$ 154,462	\$ 162,648	\$ 171,268	\$ 180,342
21	Total Consumption Charge Expenditures	\$ 463,453		\$ 488,175	\$ 514,033	\$ 541,262	\$ 569,946
	Calculation of Estimated Meter Fee (Base Charge) Expenditures						
	Meters By Size						
22	8-Inch Meters	3.00		3.00	3.00	3.00	3.00
23	10-Inch Meters	1.00		1.00	1.00	1.00	1.00
	Monthly Meter Fee (Base Charge)						
24	8-Inch Meters	\$ 6,180.68	OKC-Rate-Adj.	\$ 6,489.71	\$ 6,814.20	\$ 7,154.91	\$ 7,512.66
25	10-Inch Meters	\$ 8,047.60	OKC-Rate-Adj.	\$ 8,449.98	\$ 8,872.48	\$ 9,316.10	\$ 9,781.91
	Annual Meter Fee (Base Charge) Expenditure By Size						
26	8-Inch Meters	\$ 222,504		\$ 233,630	\$ 245,311	\$ 257,577	\$ 270,456
27	10-Inch Meters	\$ 96,571		\$ 101,400	\$ 106,470	\$ 111,793	\$ 117,383
28	Total Annual Meter Fee (Base Charge) Expenditure	\$ 319,076		\$ 335,029	\$ 351,781	\$ 369,370	\$ 387,839
29	<b>Oklahoma City - Wholesale Water Expenditure</b>	<b>\$ 2,350,689</b>		<b>\$ 2,469,772</b>	<b>\$ 2,594,711</b>	<b>\$ 2,725,995</b>	<b>\$ 2,863,897</b>

Table 1-9

City of Yukon, Oklahoma - Utility System  
Summary of Capital Improvement Plan and Funding Sources

Line No.	Description	Funding Source	Fiscal Year Ending June 30,					Total			
			2024	2025	2026	2027	2028				
<b>Capital Projects</b>											
Water System Projects											
1	Fire Hydrants	R&R Fund	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 75,000			
2	New Meter Installs	R&R Fund	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 250,000			
3	4x4 Crew Cab Pickup	R&R Fund	\$ -	\$ 60,000	\$ -	\$ -	\$ -	\$ 60,000			
4	Tools, Saws, Pumps	R&R Fund	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 50,000			
5	Dump Truck	R&R Fund	\$ -	\$ -	\$ -	\$ 100,000	\$ -	\$ 100,000			
6	Backhoe	R&R Fund	\$ -	\$ -	\$ -	\$ -	\$ 110,000	\$ 110,000			
7	Yukon Prkwy Water Tower - Fence Replacement	R&R Fund	\$ -	\$ 20,000	\$ -	\$ -	\$ -	\$ 20,000			
8	Equipment Storage Facility	R&R Fund	\$ -	\$ -	\$ -	\$ 60,000	\$ -	\$ 60,000			
9	Replace Chlorine Building at Plant	R&R Fund	\$ -	\$ -	\$ -	\$ -	\$ 10,000	\$ 10,000			
10	Telemetry	R&R Fund	\$ -	\$ -	\$ -	\$ -	\$ 50,000	\$ 50,000			
Wastewater System Projects											
11	Wastewater Treatment Plant Upgrade Project (Accnt# 5501-401)	ARPA	\$ 4,774,347	\$ -	\$ -	\$ -	\$ -	\$ 4,774,347			
12	Wastewater Treatment Plant Upgrade Project - 2nd Funding Source	Grant	\$ -	\$ 560,000	\$ -	\$ -	\$ -	\$ 560,000			
13	Wastewater Treatment Plant Upgrade Project - 3rd Funding Source	Debt-1	\$ -	\$ 1,005,218	\$ 1,005,218	\$ 1,005,218	\$ -	\$ 3,015,653			
14	Wastewater Treatment Plant Upgrade Project - Clarifier #2	Debt-1	\$ -	\$ 500,000	\$ -	\$ -	\$ -	\$ 500,000			
15	Wastewater Treatment Plant Upgrade Project - Replace Membrane Diffusers	Debt-1	\$ -	\$ -	\$ 100,000	\$ -	\$ -	\$ 100,000			
16	Wastewater Treatment Plant Upgrade Project - Belt Press	Debt-1	\$ -	\$ 200,000	\$ -	\$ -	\$ -	\$ 200,000			
17	Wastewater Treatment Plant Upgrade Project - Screw Pumps	Debt-1	\$ -	\$ 50,000	\$ -	\$ -	\$ -	\$ 50,000			
18	Rehab Manholes	R&R Fund	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 25,000			
19	Sewer Lines Rehab	R&R Fund	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 500,000			
20	Hydro-Vac Trailer	R&R Fund	\$ -	\$ 75,500	\$ -	\$ -	\$ -	\$ 75,500			
21	Camera Sewer	R&R Fund	\$ -	\$ 35,000	\$ -	\$ -	\$ -	\$ 35,000			
22	Flushing Sewer Trailer	R&R Fund	\$ -	\$ -	\$ 75,500	\$ -	\$ -	\$ 75,500			
23	Mini Trackhoe	R&R Fund	\$ -	\$ -	\$ 60,000	\$ -	\$ -	\$ 60,000			
24	Sever Hose 600'	R&R Fund	\$ -	\$ -	\$ -	\$ 3,000	\$ -	\$ 3,000			
25	Trash Pump	R&R Fund	\$ -	\$ -	\$ -	\$ -	\$ 6,000	\$ 6,000			
26	Von Elm Lift Station	R&R Fund	\$ -	\$ 100,000	\$ -	\$ -	\$ -	\$ 100,000			
27	Polymer Blend Unit Plant	R&R Fund	\$ -	\$ 10,000	\$ -	\$ -	\$ -	\$ 10,000			
28	Sunrise Lift Station Repair	R&R Fund	\$ -	\$ 100,000	\$ -	\$ -	\$ -	\$ 100,000			
29	Blower Motor	R&R Fund	\$ -	\$ -	\$ 100,000	\$ -	\$ -	\$ 100,000			
30	Miscellaneous Unidentified Capital	R&R Fund	\$ -	\$ -	\$ 250,000	\$ 250,000	\$ 250,000	\$ 500,000			
31	<b>Total Capital Projects</b>		\$ 4,954,347	\$ 2,895,718	\$ 1,420,718	\$ 1,698,218	\$ 606,000	\$ 11,575,000			
<b>Capital Improvement Program Funding</b>											
Operating Fund											
32	Renewal and Replacement Fund	Op. Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -			
33	America Rescue Plan Act Grant Funding	R&R Fund	\$ 180,000	\$ 580,500	\$ 315,500	\$ 693,000	\$ 606,000	\$ 2,375,000			
34	Grant Funding	ARPA	\$ 4,774,347	\$ -	\$ -	\$ -	\$ -	\$ 4,774,347			
34	Proposed SRF Clean Water Loan 2025	Grant	\$ -	\$ 560,000	\$ -	\$ -	\$ -	\$ 560,000			
34	Proposed SRF Clean Water Loan 2025	Debt-1	\$ -	\$ 1,755,218	\$ 1,105,218	\$ 1,005,218	\$ -	\$ 3,865,653			
35	<b>Total Capital Improvement Program Funding</b>		\$ 4,954,347	\$ 2,895,718	\$ 1,420,718	\$ 1,698,218	\$ 606,000	\$ 11,575,000			

Table 1-10

City of Yukon, Oklahoma - Utility System  
Calculation of Transfers to Renewal & Replacement Fund

Line No.	Description	Fiscal Year Ending June 30,				
		2024	2025	2026	2027	2028
<b>Annual Operating Revenues</b>						
1	Water and Wastewater Rate Revenues	\$ 9,291,035	\$ 10,428,858	\$ 11,024,016	\$ 11,651,908	\$ 12,314,333
2	Other Revenues	\$ 549,892	\$ 567,803	\$ 586,298	\$ 605,394	\$ 625,113
3	Investment Income	\$ 76,012	\$ 55,869	\$ 57,824	\$ 65,622	\$ 74,670
4	Total Utility System Revenues	\$ 9,916,938	\$ 11,052,531	\$ 11,668,138	\$ 12,322,924	\$ 13,014,116
Assumed Annual Deposit (% of Annual Operating Revenues)						
5	Additional Deposit	0.00%	6.00%	7.00%	7.50%	8.00%
6	Annual Deposit - Percent	0.00%	6.00%	7.00%	7.50%	8.00%
7	Annual Deposit - Amount	\$ -	\$ 663,152	\$ 816,770	\$ 924,219	\$ 1,041,129

Table 1-11

City of Yukon, Oklahoma - Utility System  
Calculation of Transfers to City's General Fund

Line No.	Description	Fiscal Year Ending June 30,				
		2024	2025	2026	2027	2028
<b>Transfer to City's General Fund</b>						
1	Water and Wastewater Rate Revenues	\$ 9,291,035	\$ 10,428,858	\$ 11,024,016	\$ 11,651,908	\$ 12,314,333
2	Other Revenues	\$ 549,892	\$ 567,803	\$ 586,298	\$ 605,394	\$ 625,113
3	Interest Income	\$ 76,012	\$ 55,869	\$ 57,824	\$ 65,622	\$ 74,670
4	Total Utility System Revenues	\$ 9,916,938	\$ 11,052,531	\$ 11,668,138	\$ 12,322,924	\$ 13,014,116
Department - Percentage						
5	Water Distribution	18.75%	16.82%	15.93%	15.09%	14.28%
6	Utility Billing	14.81%	13.29%	12.59%	11.92%	11.29%
7	Treatment & Supply	11.70%	10.50%	9.94%	9.41%	8.91%
8	Total All Departments	45.25%	40.60%	38.46%	36.42%	34.48%
Department - Amount						
9	Water Distribution	\$ 1,858,965	\$ 1,858,965	\$ 1,858,965	\$ 1,858,965	\$ 1,858,965
10	Utility Billing	\$ 1,468,646	\$ 1,468,646	\$ 1,468,646	\$ 1,468,646	\$ 1,468,646
11	Treatment & Supply	\$ 1,160,058	\$ 1,160,058	\$ 1,160,058	\$ 1,160,058	\$ 1,160,058
12	Total All Departments	\$ 4,487,669	\$ 4,487,669	\$ 4,487,669	\$ 4,487,669	\$ 4,487,669

Table 1-12

City of Yukon, Oklahoma - Utility System  
Summary of Utility System Net Revenue Requirements

Line No.	Description	Fiscal Year Ending June 30,				
		2024	2025	2026	2027	2028
1	Revenue Requirements					
1	Operating Expenses	\$ 6,035,404	\$ 6,103,625	\$ 6,328,881	\$ 6,563,614	\$ 6,810,767
2	Proposed					
2	Proposed SRF Clean Water Loan 2025	\$ -	\$ -	\$ 98,574	\$ 243,625	\$ 243,625
3	Total Proposed	\$ -	\$ -	\$ 98,574	\$ 243,625	\$ 243,625
4	Transfers					
4	Renewal and Replacement Fund	\$ -	\$ 663,152	\$ 816,770	\$ 924,219	\$ 1,041,129
5	City's General Fund	\$ 4,487,669	\$ 4,487,669	\$ 4,487,669	\$ 4,487,669	\$ 4,487,669
6	Gross Revenue Requirements	\$ 10,523,073	\$ 11,254,446	\$ 11,731,894	\$ 12,219,128	\$ 12,583,191
7	Less: Other Revenues	\$ (549,892)	\$ (567,803)	\$ (586,298)	\$ (605,394)	\$ (625,113)
8	Less: Investment Income	\$ (76,012)	\$ (55,869)	\$ (57,824)	\$ (65,622)	\$ (74,670)
9	Net Revenue Requirements	\$ 9,897,169	\$ 10,630,773	\$ 11,087,772	\$ 11,548,111	\$ 11,883,408
10	Water Rate Revenues U/ Existing Rates	\$ 6,430,653	\$ 6,451,099	\$ 6,471,545	\$ 6,491,991	\$ 6,512,437
11	Wastewater Rate Revenues U/ Existing Rates	\$ 2,860,382	\$ 2,860,382	\$ 2,860,382	\$ 2,860,382	\$ 2,860,382
12	Rate Revenues U/ Existing Rates	\$ 9,291,035	\$ 9,311,481	\$ 9,331,927	\$ 9,352,373	\$ 9,372,819
13	Rate Revenues From Prior Year Adj.	\$ -	\$ -	\$ 1,117,378	\$ 1,692,089	\$ 2,299,535
14	Existing Surplus/(Deficiency)	\$ (606,135)	\$ (1,319,292)	\$ (638,468)	\$ (503,649)	\$ (211,054)
15	Surplus/(Deficiency) - Percent	(6.52%)	(14.17%)	(6.84%)	(5.39%)	(2.25%)
16	Current Year Rate Adjustment	0.00%	12.00%	5.50%	5.50%	5.50%
17	Revenues From Current Year Adjustments	\$ -	\$ 1,117,378	\$ 574,712	\$ 607,445	\$ 641,979
18	Proposed Rate Revenues w/ Adjustments	\$ 9,291,035	\$ 10,428,858	\$ 11,024,016	\$ 11,651,908	\$ 12,314,333
19	Surplus/(Deficiency) - Amount	\$ (606,135)	\$ (201,915)	\$ (63,756)	\$ 103,796	\$ 430,926
20	Surplus/(Deficiency) - Percent	(6.52%)	(1.94%)	(0.58%)	0.89%	3.50%

Table 1-13

City of Yukon, Oklahoma - Utility System  
Calculation of Projected Utility System Fund Balances and Interest Income

Line No.	Description	Fiscal Year Ending June 30,				
		2024	2025	2026	2027	2028
	Summary of Ending Fund Balances					
1	Operating Fund	\$ 1,690,494	\$ 1,488,580	\$ 1,424,823	\$ 1,528,620	\$ 1,959,545
2	Renewal and Replacement Fund	\$ 20,000	\$ 102,652	\$ 603,922	\$ 835,141	\$ 1,270,270
3	Debt Service Account	\$ -	\$ -	\$ 49,287	\$ 121,813	\$ 121,813
4	Debt Service Reserve Account	\$ -	\$ -	\$ -	\$ -	\$ -
5	Customer Deposits	\$ 68,196	\$ 68,196	\$ 68,196	\$ 68,196	\$ 68,196
6	Total Utility System Ending Fund Balances	\$ 1,778,690	\$ 1,659,427	\$ 2,146,228	\$ 2,553,769	\$ 3,419,824
	<u>Operating Fund</u>					
7	Beginning Year Fund Balance	\$ 2,496,629	\$ 1,690,494	\$ 1,488,580	\$ 1,424,823	\$ 1,528,620
8	Transfers In Operations	\$ -	\$ -	\$ -	\$ 103,796	\$ 430,926
9	Total Transfers In	\$ -	\$ -	\$ -	\$ 103,796	\$ 430,926
	Transfers Out					
10	Operations	\$ (606,135)	\$ (201,915)	\$ (63,756)	\$ -	\$ -
	Capital Improvement Program Funding	\$ -	\$ -	\$ -	\$ -	\$ -
11	Transfer to Renewal & Replacement Fund	\$ (200,000)	\$ -	\$ -	\$ -	\$ -
12	Total Transfers Out	\$ (806,135)	\$ (201,915)	\$ (63,756)	\$ -	\$ -
	Calculation of Interest Income					
13	Estimated Annual Interest Rate	3.50%	3.25%	3.00%	2.75%	2.50%
14	Annual Interest Earnings	\$ 73,275	\$ 51,660	\$ 43,701	\$ 40,610	\$ 43,602
15	Interest Earnings Recognized As Operating Revenues	\$ (73,275)	\$ (51,660)	\$ (43,701)	\$ (40,610)	\$ (43,602)
16	End of Year Fund Balance	\$ 1,690,494	\$ 1,488,580	\$ 1,424,823	\$ 1,528,620	\$ 1,959,545
	<u>Renewal and Replacement Fund</u>					
17	Beginning Year Fund Balance	\$ -	\$ 20,000	\$ 102,652	\$ 603,922	\$ 835,141
18	Transfers In Operations	\$ -	\$ 663,152	\$ 816,770	\$ 924,219	\$ 1,041,129
19	Transfer from Operating Fund	\$ 200,000	\$ -	\$ -	\$ -	\$ -
20	Total Transfers In	\$ 200,000	\$ 663,152	\$ 816,770	\$ 924,219	\$ 1,041,129
	Transfers Out					
21	Capital Improvement Program Funding	\$ (180,000)	\$ (580,500)	\$ (315,500)	\$ (693,000)	\$ (606,000)
22	Other - Describe	\$ -	\$ -	\$ -	\$ -	\$ -
23	Total Transfers Out	\$ (180,000)	\$ (580,500)	\$ (315,500)	\$ (693,000)	\$ (606,000)
	Calculation of Interest Income					
24	Estimated Annual Interest Rate	3.50%	3.25%	3.00%	2.75%	2.50%
25	Annual Interest Earnings	\$ 350	\$ 1,993	\$ 10,599	\$ 19,787	\$ 26,318
26	Interest Earnings Recognized As Operating Revenues	\$ (350)	\$ (1,993)	\$ (10,599)	\$ (19,787)	\$ (26,318)
27	End of Year Fund Balance	\$ 20,000	\$ 102,652	\$ 603,922	\$ 835,141	\$ 1,270,270

Table 1-13

City of Yukon, Oklahoma - Utility System  
Calculation of Projected Utility System Fund Balances and Interest Income

Line No.	Description	Fiscal Year Ending June 30,				
		2024	2025	2026	2027	2028
<b>Debt Service Account</b>						
	Average Annual Debt Service					
28	Senior Lien - Existing Debt	\$ -	\$ -	\$ -	\$ -	\$ -
29	Senior Lien - Proposed Debt	\$ -	\$ -	\$ -	\$ -	\$ -
30	Subordinate Lien - Existing Debt	\$ -	\$ -	\$ -	\$ -	\$ -
31	Subordinate Lien - Proposed Debt	\$ -	\$ -	\$ 98,574	\$ 243,625	\$ 243,625
32	Total Average Annual Debt Service	\$ -	\$ -	\$ 98,574	\$ 243,625	\$ 243,625
<b>Calculation of Interest Income</b>						
33	Estimated Annual Interest Rate	3.50%	3.25%	3.00%	2.75%	2.50%
34	Annual Interest Earnings	\$ -	\$ -	\$ 1,479	\$ 3,350	\$ 3,045
35	Interest Earnings Recognized As Operating Revenues	\$ -	\$ -	\$ (1,479)	\$ (3,350)	\$ (3,045)
36	Estimated Average Annual Fund Balance	\$ -	\$ -	\$ 49,287	\$ 121,813	\$ 121,813
<b>Customer Deposits</b>						
48	Beginning Year Fund Balance	\$ 68,196	\$ 68,196	\$ 68,196	\$ 68,196	\$ 68,196
49	Transfers In Operations	\$ -	\$ -	\$ -	\$ -	\$ -
51	Total Transfers In	\$ -	\$ -	\$ -	\$ -	\$ -
52	Transfers Out Operations	\$ -	\$ -	\$ -	\$ -	\$ -
53	Refunding of Customer Deposits	\$ -	\$ -	\$ -	\$ -	\$ -
54	Total Transfers Out	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Calculation of Interest Income</b>						
55	Estimated Annual Interest Rate	3.50%	3.25%	3.00%	2.75%	2.50%
56	Annual Interest Earnings	\$ 2,387	\$ 2,216	\$ 2,046	\$ 1,875	\$ 1,705
57	Interest Earnings Recognized As Operating Revenues	\$ (2,387)	\$ (2,216)	\$ (2,046)	\$ (1,875)	\$ (1,705)
58	End of Year Fund Balance	\$ 68,196	\$ 68,196	\$ 68,196	\$ 68,196	\$ 68,196
59	Estimated Total Unrestricted Interest Income	<u>\$ 76,012</u>	<u>\$ 55,869</u>	<u>\$ 57,824</u>	<u>\$ 65,622</u>	<u>\$ 74,670</u>

Table 1-14

City of Yukon, Oklahoma - Utility System  
Calculation of All-In Debt Service Coverage Ratio

Line No.	Description	Fiscal Year Ending June 30,				
		2024	2025	2026	2027	2028
	Pledged Revenues					
1	Existing Rate Revenues (Current Rates)	\$ 9,291,035	\$ 9,311,481	\$ 9,331,927	\$ 9,352,373	\$ 9,372,819
2	Additional Rate Revenues (Rate Adjustments)	\$ -	\$ 1,117,378	\$ 1,692,089	\$ 2,299,535	\$ 2,941,514
3	Other Operating Revenues	\$ 549,892	\$ 567,803	\$ 586,298	\$ 605,394	\$ 625,113
4	Interest Income	\$ 76,012	\$ 55,869	\$ 57,824	\$ 65,622	\$ 74,670
5	Total Pledged Revenues	\$ 9,916,938	\$ 11,052,531	\$ 11,668,138	\$ 12,322,924	\$ 13,014,116
6	Less: Operating Expenses	\$ (6,035,404)	\$ (6,103,625)	\$ (6,328,881)	\$ (6,563,614)	\$ (6,810,767)
7	Net Revenues Available for Debt Service	\$ 3,881,534	\$ 4,948,906	\$ 5,339,257	\$ 5,759,310	\$ 6,203,349
	Senior Lien Coverage Test					
8	Annual Debt Service	\$ -	\$ -	\$ -	\$ -	\$ -
9	Calculated Ratio	0.0%	0.0%	0.0%	0.0%	0.0%
10	Estimated Requirement	125.0%	125.0%	125.0%	125.0%	125.0%
	Subordinate Lien (SRF) Coverage Test					
	Calculation of Income Available For Fixed Charges					
11	Pledged Revenues	\$ 9,916,938	\$ 11,052,531	\$ 11,668,138	\$ 12,322,924	\$ 13,014,116
12	Less: Operating Expenses	\$ (6,035,404)	\$ (6,103,625)	\$ (6,328,881)	\$ (6,563,614)	\$ (6,810,767)
13	Income Available For Covenant Compliance	\$ 3,881,534	\$ 4,948,906	\$ 5,339,257	\$ 5,759,310	\$ 6,203,349
	Debt Service					
14	Senior Lien Debt Service	\$ -	\$ -	\$ -	\$ -	\$ -
15	Subordinate Lien Debt Service	\$ -	\$ -	\$ 98,574	\$ 243,625	\$ 243,625
16	Total Debt Service	\$ -	\$ -	\$ 98,574	\$ 243,625	\$ 243,625
17	Calculated Ratio	0.0%	0.0%	5416.5%	2364.0%	2546.3%
18	Minimum Requirement	100.0%	100.0%	100.0%	100.0%	100.0%

Table 2-1

City of Yukon, Oklahoma - Utility System  
Allocation of Utility System Revenue Requirements to Water and Wastewater Functions

Line No.	Description	2025	Allocation Reference	Allocation of Revenue Requirements					
				Water	Wastewater	Indirect			
<b>Operating Expenses</b>									
<b><u>Water Distribution Department</u></b>									
	Personal Services								
1	Regular Employees	\$ 371,594	Consumption	\$ 192,171	\$ 179,423	\$ -			
	Additional Personnel	\$ -	Consumption	\$ -	\$ -	\$ -			
2	Overtime	\$ 21,840	Consumption	\$ 11,295	\$ 10,545	\$ -			
3	Expense Allowance	\$ 2,146	Consumption	\$ 1,110	\$ 1,036	\$ -			
	Employee Group Insurance	\$ -	Consumption	\$ -	\$ -	\$ -			
	Unemployment Insurance	\$ -	Consumption	\$ -	\$ -	\$ -			
4	Employee Retirement	\$ 59,784	Consumption	\$ 30,918	\$ 28,867	\$ -			
5	FICA	\$ 29,859	Consumption	\$ 15,442	\$ 14,418	\$ -			
6	Employee Dental Insurance	\$ 5,795	Consumption	\$ 2,997	\$ 2,798	\$ -			
	Sick Leave Buy-Back	\$ -	Consumption	\$ -	\$ -	\$ -			
	Materials & Supplies								
	Office Supplies	\$ -	Consumption	\$ -	\$ -	\$ -			
	Duplication/Computer Suppl	\$ -	Consumption	\$ -	\$ -	\$ -			
7	Fuel, Oil and Lubricants	\$ 26,570	Consumption	\$ 13,741	\$ 12,829	\$ -			
8	Nondurable Supplies	\$ 5,110	Consumption	\$ 2,643	\$ 2,467	\$ -			
9	Building Maintenance Suppl	\$ 511	Consumption	\$ 264	\$ 247	\$ -			
10	Chemicals	\$ 2,636	Consumption	\$ 1,363	\$ 1,273	\$ -			
	Food Supplies	\$ -	Consumption	\$ -	\$ -	\$ -			
11	Wearing Apparel	\$ 3,056	Consumption	\$ 1,580	\$ 1,475	\$ -			
12	Protective Clothing/Safety	\$ 1,431	Consumption	\$ 740	\$ 691	\$ -			
	Services & Charges								
13	Buildings	\$ 2,555	Consumption	\$ 1,321	\$ 1,234	\$ -			
	Sewage Disposal-Plant and Li	\$ -	Consumption	\$ -	\$ -	\$ -			
14	Sanitary Sewers	\$ 20,440	Consumption	\$ 10,571	\$ 9,869	\$ -			
15	Sidewalks, Steps, Curbs, an	\$ 15,330	Consumption	\$ 7,928	\$ 7,402	\$ -			
16	Water Lines	\$ 51,100	Consumption	\$ 26,427	\$ 24,673	\$ -			
17	Durable Tools	\$ 5,110	Consumption	\$ 2,643	\$ 2,467	\$ -			
18	Motor Vehicles/Small Equip	\$ 15,330	Consumption	\$ 7,928	\$ 7,402	\$ -			
19	Water Meter and Settings	\$ 66,430	W/WW Accounts	\$ 33,908	\$ 32,522	\$ -			
20	Air Condition/Heating System	\$ 1,533	Consumption	\$ 793	\$ 740	\$ -			
	Postage and Shipping	\$ -	Consumption	\$ -	\$ -	\$ -			
21	Rentals and Leases	\$ 1,022	Consumption	\$ 529	\$ 493	\$ -			
22	Special Services	\$ 12,775	Consumption	\$ 6,607	\$ 6,168	\$ -			
23	Consultant Fees	\$ 10,220	Consumption	\$ 5,285	\$ 4,935	\$ -			
24	Assoc Memberships & Conf R	\$ 7,968	Consumption	\$ 4,120	\$ 3,847	\$ -			
25	Training	\$ 2,101	Consumption	\$ 1,086	\$ 1,014	\$ -			
26	Judgments and Damages	\$ 767	Consumption	\$ 396	\$ 370	\$ -			
27	Maintenance Agreements	\$ 1,984	Consumption	\$ 1,026	\$ 958	\$ -			
28	Licenses	\$ 2,042	Consumption	\$ 1,056	\$ 986	\$ -			
	Transfers								
	Transfer to General Fund	\$ -	Eliminate	\$ -	\$ -	\$ -			
29	Total Water Distribution Department	\$ 747,039		\$ 385,887	\$ 361,152	\$ -			

Table 2-1

City of Yukon, Oklahoma - Utility System  
Allocation of Utility System Revenue Requirements to Water and Wastewater Functions

Line No.	Description	2025	Allocation Reference	Allocation of Revenue Requirements		
				Water	Wastewater	Indirect
<b><u>Utility Billing Department</u></b>						
	Personal Services					
30	Regular Employees	\$ 475,271	W/WW Accounts	\$ 242,597	\$ 232,674	\$ -
	Additional Personnel	\$ -	W/WW Accounts	\$ -	\$ -	\$ -
31	Overtime	\$ 4,888	W/WW Accounts	\$ 2,495	\$ 2,393	\$ -
32	Expense Allowance	\$ 1,226	W/WW Accounts	\$ 626	\$ 600	\$ -
	Employee Group Insurance	\$ -	W/WW Accounts	\$ -	\$ -	\$ -
	Unemployment Insurance	\$ -	W/WW Accounts	\$ -	\$ -	\$ -
33	Employee Retirement	\$ 78,188	W/WW Accounts	\$ 39,910	\$ 38,278	\$ -
34	FICA (Social Security)	\$ 36,358	W/WW Accounts	\$ 18,559	\$ 17,800	\$ -
35	Employee Dental Insurance	\$ 7,451	W/WW Accounts	\$ 3,803	\$ 3,648	\$ -
	Sick Leave Buy Back	\$ -	W/WW Accounts	\$ -	\$ -	\$ -
<b>Materials &amp; Supplies</b>						
36	Office Supplies	\$ 818	W/WW Accounts	\$ 417	\$ 400	\$ -
37	Duplication/Computer Suppl	\$ 2,248	W/WW Accounts	\$ 1,148	\$ 1,101	\$ -
38	Fuel, Oil and Lubricants	\$ 17,005	W/WW Accounts	\$ 8,680	\$ 8,325	\$ -
39	Nondurable Supplies	\$ 256	W/WW Accounts	\$ 130	\$ 125	\$ -
40	Food Supplies	\$ 120	W/WW Accounts	\$ 61	\$ 59	\$ -
41	Wearing Apparel	\$ 1,339	W/WW Accounts	\$ 683	\$ 655	\$ -
42	Protective Clothing/Safety	\$ 204	W/WW Accounts	\$ 104	\$ 100	\$ -
43	Medical Supplies	\$ 27	W/WW Accounts	\$ 14	\$ 13	\$ -
<b>Services &amp; Charges</b>						
44	Office Equipment	\$ 767	W/WW Accounts	\$ 391	\$ 375	\$ -
	Furniture, Fixtures, Misc	\$ -	W/WW Accounts	\$ -	\$ -	\$ -
45	Durable Tools	\$ 511	W/WW Accounts	\$ 261	\$ 250	\$ -
46	Motor Vehicles/Small Equip	\$ 1,533	W/WW Accounts	\$ 783	\$ 750	\$ -
47	Document Destruction	\$ 485	W/WW Accounts	\$ 248	\$ 238	\$ -
48	Travel Expense	\$ 1,533	W/WW Accounts	\$ 783	\$ 750	\$ -
49	Postage and Shipping	\$ 4,599	W/WW Accounts	\$ 2,348	\$ 2,251	\$ -
50	Telephones, Teletype, Internet	\$ 2,417	W/WW Accounts	\$ 1,234	\$ 1,183	\$ -
51	Rentals and Leases	\$ 3,383	W/WW Accounts	\$ 1,727	\$ 1,656	\$ -
52	Printing	\$ 102	W/WW Accounts	\$ 52	\$ 50	\$ -
53	Assoc Memberships & Conf R	\$ 1,533	W/WW Accounts	\$ 783	\$ 750	\$ -
54	Collection Services	\$ 1,226	W/WW Accounts	\$ 626	\$ 600	\$ -
55	Maintenance Agreements	\$ 35,012	W/WW Accounts	\$ 17,871	\$ 17,140	\$ -
56	Licensing & Software	\$ 4,589	W/WW Accounts	\$ 2,342	\$ 2,246	\$ -
	Licenses	\$ -	W/WW Accounts	\$ -	\$ -	\$ -
57	Utility Bill Processing	\$ 127,750	W/WW Accounts	\$ 65,209	\$ 62,541	\$ -
58	Credit Card Processing Fees	\$ 194,180	W/WW Accounts	\$ 99,117	\$ 95,063	\$ -
<b>Transfers</b>						
	Transfer to General Fund	\$ -	Eliminate	\$ -	\$ -	\$ -
59	Total Utility Billing Department	\$ 1,005,018		\$ 513,000	\$ 492,018	\$ -

Table 2-1

City of Yukon, Oklahoma - Utility System  
Allocation of Utility System Revenue Requirements to Water and Wastewater Functions

Line No.	Description	2025	Allocation Reference	Allocation of Revenue Requirements		
				Water	Wastewater	Indirect
<b><u>Treatment &amp; Supply Department</u></b>						
	Personal Services					
	Additional Personnel	\$ -	Calculated	\$ -	\$ -	\$ -
	Materials & Supplies					
60	Disposal Cost	\$ 64,386	Direct-WW	\$ -	\$ 64,386	\$ -
	Services & Charges					
61	Special Services	\$ 153	Direct-W	\$ 153	\$ -	\$ -
62	Consultant Fees	\$ 1,531,692	Direct-WW	\$ -	\$ 1,531,692	\$ -
63	Water Usage	\$ 2,469,772	Direct-W	\$ 2,469,772	\$ -	\$ -
	Debt Service					
64	Contractual Agreements	\$ 106,715	Direct-W	\$ 106,715	\$ -	\$ -
65	Water Well Rentals	\$ 178,850	Direct-W	\$ 178,850	\$ -	\$ -
	Transfers					
	Transfer to General Fund	\$ -	Eliminate	\$ -	\$ -	\$ -
66	Total Treatment & Supply Department	\$ 4,351,568		\$ 2,755,490	\$ 1,596,078	\$ -
67	Total Operating Expenses	\$ 6,103,625		\$ 3,654,378	\$ 2,449,247	\$ -
	Debt Service					
	Proposed					
	Proposed SRF Clean Water Loan 2025	\$ -	Direct-WW	\$ -	\$ -	\$ -
	Proposed Debt - 2	\$ -	Direct-WW	\$ -	\$ -	\$ -
	Proposed Debt - 3	\$ -	Direct-WW	\$ -	\$ -	\$ -
	Total Debt Service	\$ -		\$ -	\$ -	\$ -
	Transfers					
68	Renewal and Replacement Fund	\$ 663,152	R&R	\$ 277,640	\$ 385,512	\$ -
69	City's General Fund	\$ 4,487,669	Indirect	\$ -	\$ -	\$ 4,487,669
70	System Surplus / Deficiency	\$ (201,915)	Indirect	\$ -	\$ -	\$ (201,915)
71	Total Transfers	\$ 4,948,906		\$ 277,640	\$ 385,512	\$ 4,285,754
	Less: Other Revenues					
72	Other Revenues	\$ (567,803)	Indirect	\$ -	\$ -	\$ (567,803)
73	Investment Earnings	\$ (55,869)	Indirect	\$ -	\$ -	\$ (55,869)
74	Total Other Revenues	\$ (623,672)		\$ -	\$ -	\$ (623,672)
75	Allocated Revenue Requirements	\$ 10,428,858		\$ 3,932,018	\$ 2,834,759	\$ 3,662,082
76	Indirect Cost Allocation - Percentage			58.11%	41.89%	
77	Indirect Cost Allocation - Amount			\$ 2,127,951	\$ 1,534,131	
78	Total Allocated Revenue Requirements to Service Types			\$ 6,059,969	\$ 4,368,890	

Table 2-2

City of Yukon, Oklahoma - Utility System  
Calculation of Utility System Revenue Requirements Allocation Factors

Line No.	Description	Reference	Allocation Factors			
			Water	Wastewater	Sanitation	Indirect
<b>Summary of Allocation Factors</b>						
1	Billed Water and Wastewater Sales	Consumption	51.72%	48.28%	0.00%	0.00%
2	Number of Accounts	Accounts	33.54%	32.17%	34.29%	0.00%
3	Water and Wastewater Accounts	W/WW Accounts	51.04%	48.96%	0.00%	0.00%
4	Direct - Water	Direct-W	100.00%	0.00%	0.00%	0.00%
5	Direct Wastewater	Direct-WW	0.00%	100.00%	0.00%	0.00%
6	Indirect Costs	Indirect	0.00%	0.00%	0.00%	100.00%
7	R&R Funded Capital Projects	R&R	41.87%	58.13%	0.00%	0.00%
Calculation of Billed Water and Wastewater Sales						
8	Billed Water Sales	Water	766,599	-	-	-
9	Billed Wastewater Sales	Wastewater	-	715,746	-	-
10	Adjustments		-	-	-	-
11			766,599	715,746	-	-
			51.7%	48.3%	0.0%	0.0%
Calculation of Number of Accounts						
12	Water Accounts	Water	9,535	-	-	-
13	Wastewater Accounts	Wastewater	-	9,145	-	-
14	Sanitation Accounts		-	-	9,749	-
15			9,535	9,145	9,749	-
16			33.5%	32.2%	34.3%	0.0%
Calculation of Water and Wastewater Accounts						
17	Water Accounts	Water	9,535	-	-	-
18	Wastewater Accounts	Wastewater	-	9,145	-	-
19	Sanitation Accounts		-	-	-	-
20			9,535	9,145	-	-
			51.0%	49.0%	0.0%	0.0%
Calculation of R&R Funded Capital Projects						
21	Water Projects (Forecast Period)	Water	785,000	-	-	-
22	Wastewater Projects (Forecast Period)	Wastewater	-	1,090,000	-	-
23	Adjustments		-	-	-	-
24			785,000	1,090,000	-	-
			41.9%	58.1%	0.0%	0.0%

**City of Yukon, Oklahoma - Utility System**  
**Design of Proposed Water Base Charges and Volumetric Rates**

Line No.	Description	Average Annual Accounts			ERU Factor	Proposed Rates	Proposed Revenues				
		Fiscal Year 2025	Adjustments	Total System							
<b>Base Charge Units</b>											
SINGLE FAMILY RESIDENTIAL											
1	Residential Single-Family (Code R-010-1)	8,719	0	8,719	1.00	\$ 18.48	\$ 1,933,687				
2	Residential 2nd Independent MTR (Code R-010-2)	4	0	4	2.00	36.96	1,774				
3	Residential Sprinkler (Code R-010-SPR)	28	0	28	1.00	18.48	6,210				
4	Total Average Annual Accounts	8,751	0	8,751			\$ 1,941,671				
5	Total Equivalent Residential Units (Rate Design Only)	8,755	0	8,755							
MULTI-FAMILY RESIDENTIAL (DWELLING UNITS)											
6	Commercial 3rd Independent MTR - Multifamily (Code C-010-3)	33	0	33	1.00	\$ 18.48	\$ 7,319				
7	Commercial Spanish Cove (Code C-10-1SP)	194	0	194	1.00	18.48	43,025				
8	Total Average Annual Accounts	227	0	227			\$ 50,344				
COMMERCIAL											
9	Commercial Water (Code C-010-1)	641	0	641	1.00	\$ 18.48	\$ 142,160				
10	Commercial 2nd Independent MTR (Code C-010-2)	18	0	18	1.00	18.48	3,992				
11	Commercial Compound Meter (Code C-10-1CM)	11	0	11	1.00	18.48	2,440				
12	Commercial High Flow (Code C-10-CM)	1	0	1	1.00	18.48	222				
13	Commercial Sprinkler (Code C-10-SPR)	79	0	79	1.00	18.48	17,521				
14	Total Average Annual Accounts	750	0	750			\$ 166,334				
15	Total Equivalent Residential Units (Rate Design Only)	750	0	750							
Total System											
16	Total Average Annual Accounts	9,728	0	9,728			\$ 2,158,349				
17	Total Equivalent Residential Units (Rate Design Only)	9,732	0	9,732							
<b>Volumetric Rate Units</b>											
SINGLE FAMILY RESIDENTIAL (R-010-1, R-010-2, R-010-SPR)											
18	Tier 1	8,000	437,515	0	437,515	1.00	\$ 3.53				
19	Tier 2	99,999,999	114,338	0	114,338	2.23	7.85				
20	Tier 3	99,999,999	0	0	0	0.00	-				
	Tier 4	99,999,999	0	0	0	0.00	-				
	Tier 5	99,999,999	0	0	0	0.00	-				
21	Total Metered Flow	551,853	0	551,853			\$ 2,441,659				
22	Total Equivalent Flow (Rate Design Only)	691,917	0	691,917							
MULTI-FAMILY RESIDENTIAL (C-010-3, C-10-1SP)											
23	Tier 1	8,000	192	0	192	1.00	\$ 3.53				
24	Tier 2	99,999,999	8,452	0	8,452	2.23	7.85				
25	Tier 3	99,999,999	0	0	0	0.00	-				
	Tier 4	99,999,999	0	0	0	0.00	-				
	Tier 5	99,999,999	0	0	0	0.00	-				
26	Total Metered Flow	8,644	0	8,644			\$ 67,040				
27	Total Equivalent Flow (Rate Design Only)	18,998	0	18,998							
COMMERCIAL (C-010-1, C-010-2, C-10-1CM, C-10-CM, C-10-SPR)											
28	Tier 1	8,000	34,954	0	34,954	1.00	\$ 3.53				
	Tier 2	99,999,999	175,290	0	175,290	2.23	7.85				
	Tier 3	99,999,999	0	0	0	0.00	-				
	Tier 4	99,999,999	0	0	0	0.00	-				
	Tier 5	99,999,999	0	0	0	0.00	-				
29	Total Metered Flow	210,244	0	210,244			\$ 1,499,663				
30	Total Equivalent Flow (Rate Design Only)	424,974	0	424,974							
31	Total Metered Flow	770,741	0	770,741			\$ 4,008,362				
32	Total Equivalent Flow (Rate Design Only)	1,135,889	0	1,135,889			\$ 6,166,710				

**Table 2-4**

**City of Yukon, Oklahoma - Utility System**  
**Design of Proposed Wastewater Base Charges and Volumetric Rates**

Line No.	Description	Average Annual Accounts			ERU Factor	Proposed Rates	Proposed Revenues				
		Fiscal Year 2025	Adjustments	Total System							
<b>Base Charge Units</b>											
SINGLE FAMILY RESIDENTIAL											
1	Residential Summer Rate (Code R-040-1S)	4,276	0	4,276	1.00	\$ 10.00	\$ 513,116				
2	Residential Sewer Rate (Code R-040-S1)	4,266	0	4,266	1.00	10.00	511,916				
3	Total Average Annual Accounts	8,542	0	8,542			\$ 1,025,031				
4	Total Equivalent Residential Units (Rate Design Only)	8,542	0	8,542							
MULTI-FAMILY RESIDENTIAL (DWELLING UNITS)											
5	Not Available	0	0	0	1.00	\$ 10.00	\$ -				
6	Not Available	0	0	0	1.00	10.00	-				
7	Total Average Annual Accounts	0	0	0			\$ -				
COMMERCIAL											
8	Commercial Summer Rate (Code C-040-1S)	298	0	298	1.00	\$ 10.00	\$ 35,760				
9	Commercial Sewer Rate (Code C-040-S1)	303	0	303	1.00	10.00	36,360				
10	Commercial Sewer Fixed Rate (Code C-040-SF)	1	0	1	41.00	410.00	4,920				
11	Commercial Sewer Fixed 2500 Rate (Code C-040-SF1)	1	0	1	250.00	2,499.98	30,000				
12	Total Average Annual Accounts	603	0	603			\$ 107,039				
13	Total Equivalent Residential Units (Rate Design Only)	892	0	892							
Total System											
14	Total Average Annual Accounts	9,145	0	9,145			\$ 1,132,070				
15	Total Equivalent Residential Units (Rate Design Only)	9,434	0	9,434							
<b>Volumetric Rate Units</b>											
SINGLE FAMILY RESIDENTIAL SUMMER (R-040-1S)											
16	Tier 1	99,999,999	310,312	0	310,312	1.00	\$ 4.22	\$ 1,309,896			
17	Tier 2	99,999,999	0	0	0	0.00	-	-			
18	Tier 3	99,999,999	0	0	0	0.00	-	-			
19	Tier 4	99,999,999	0	0	0	0.00	-	-			
20	Tier 5	99,999,999	0	0	0	0.00	-	-			
21	Total Metered Flow	310,312	0	310,312			\$ 1,309,896				
22	Total Equivalent Flow (Rate Design Only)	310,312	0	310,312							
SINGLE FAMILY RESIDENTIAL WINTER(R-040-S1)											
23	Tier 1	99,999,999	227,165	0	227,165	1.00	\$ 4.22	\$ 958,914			
24	Tier 2	99,999,999	0	0	0	0.00	-	-			
25	Tier 3	99,999,999	0	0	0	0.00	-	-			
26	Tier 4	99,999,999	0	0	0	0.00	-	-			
27	Tier 5	99,999,999	0	0	0	0.00	-	-			
28	Total Metered Flow	227,165	0	227,165			\$ 958,914				
29	Total Equivalent Flow (Rate Design Only)	227,165	0	227,165							
MULTI-FAMILY RESIDENTIAL (Not Available)											
30	Tier 1	99,999,999	0	0	0	1.25	\$ 5.28	\$ -			
31	Tier 2	99,999,999	0	0	0	0.00	-	-			
32	Tier 3	99,999,999	0	0	0	0.00	-	-			
33	Tier 4	99,999,999	0	0	0	0.00	-	-			
34	Tier 5	99,999,999	0	0	0	0.00	-	-			
35	Total Metered Flow	0	0	0			\$ -				
36	Total Equivalent Flow (Rate Design Only)	0	0	0							
COMMERCIAL SUMMER (C-040-1S)											
37	Tier 1	99,999,999	93,754	0	93,754	1.25	\$ 5.28	\$ 494,696			
38	Tier 2	99,999,999	0	0	0	0.00	-	-			
39	Tier 3	99,999,999	0	0	0	0.00	-	-			
40	Tier 4	99,999,999	0	0	0	0.00	-	-			
41	Tier 5	99,999,999	0	0	0	0.00	-	-			
42	Total Metered Flow	93,754	0	93,754			\$ 494,696				
43	Total Equivalent Flow (Rate Design Only)	117,193	0	117,193							
COMMERCIAL WINTER (C-040-S1)											
44	Tier 1	99,999,999	88,424	0	88,424	1.25	\$ 5.28	\$ 466,572			
45	Tier 2	99,999,999	0	0	0	0.00	-	-			
46	Tier 3	99,999,999	0	0	0	0.00	-	-			
47	Tier 4	99,999,999	0	0	0	0.00	-	-			
48	Tier 5	99,999,999	0	0	0	0.00	-	-			
49	Total Metered Flow	88,424	0	88,424			\$ 466,572				
50	Total Equivalent Flow (Rate Design Only)	110,530	0	110,530			\$ 3,230,078				
51	Total Metered Flow	719,655	0	719,655							
52	Total Equivalent Flow (Rate Design Only)	765,200	0	765,200			\$ 4,362,148				

Table 2-5

City of Yukon, Oklahoma - Utility System  
Utility System Revenues by Class under Existing and Proposed Rates

Line No.	Description	Fiscal Year - 2025			
		Existing	Proposed	Difference	
Residential					
Water					
1	Base Fee	\$ 3,618,357	\$ 1,941,671	\$ (1,676,686)	
2	Volumetric	1,506,089	2,441,659	935,570	
3	Total	\$ 5,124,446	\$ 4,383,330	\$ (741,116)	
Wastewater					
4	Base Fee	\$ 1,025,040	\$ 1,025,031	\$ (9)	
5	Volumetric	971,712	2,268,811	1,297,098	
6	Total	\$ 1,996,752	\$ 3,293,842	\$ 1,297,089	
7	Total Residential	\$ 7,121,199	\$ 7,677,172	\$ 555,973	
Commercial					
Water					
8	Base Fee	\$ 368,276	\$ 166,334	\$ (201,942)	
9	Volumetric	958,377	1,499,663	541,286	
10	Total	\$ 1,326,652	\$ 1,665,997	\$ 339,344	
Wastewater					
11	Base Fee	\$ 107,030	\$ 107,039	\$ 9	
12	Volumetric	756,600	961,268	204,668	
13	Total	\$ 863,630	\$ 1,068,307	\$ 204,677	
14	Total Commercial	\$ 2,190,282	\$ 2,734,303	\$ 544,021	
15	<b>System Total</b>	<b>\$ 9,311,481</b>	<b>\$ 10,411,475</b>	<b>\$ 1,099,994</b>	

Table 2-6

City of Yukon, Oklahoma - Utility System  
Comparison of Residential Customer's Monthly Water and Wastewater Bill Under Existing and Proposed Rates

Line No.	Monthly Gallons	Existing Monthly Bill - FY2024 Rates			Proposed Monthly Bill - FY2025 Proposed Rates			Combined	
		Water	Wastewater	Combined	Water	Wastewater	Combined	Amount	Percent
1	0	\$ 34.45	\$ 10.00	\$ 44.45	\$ 18.48	\$ 10.00	\$ 28.48	\$ (15.97)	(35.9%)
2	1,000	34.45	10.00	44.45	22.01	14.22	36.23	(8.22)	(18.5%)
3	2,000	34.45	10.00	44.45	25.54	18.44	43.98	(0.47)	(1.1%)
4	3,000	38.50	10.00	48.50	29.07	22.66	51.73	3.23	6.7%
5	4,000	42.55	10.00	52.55	32.60	26.88	59.48	6.93	13.2%
6	5,000	46.60	14.50	61.10	36.13	31.10	67.23	6.13	10.0%
7	6,000	50.65	19.00	69.65	39.66	35.32	74.98	5.33	7.7%
8	7,000	54.70	23.50	78.20	43.19	39.54	82.73	4.53	5.8%
9	8,000	58.75	28.00	86.75	46.72	43.76	90.48	3.73	4.3%
10	9,000	62.80	32.50	95.30	54.57	47.98	102.55	7.25	7.6%
11	10,000	66.85	37.00	103.85	62.42	52.20	114.62	10.77	10.4%
12	11,000	70.90	41.50	112.40	70.27	56.42	126.69	14.29	12.7%
13	12,000	74.95	46.00	120.95	78.12	60.64	138.76	17.81	14.7%
14	13,000	79.72	50.75	130.47	85.97	64.86	150.83	20.36	15.6%
15	14,000	84.49	55.50	139.99	93.82	69.08	162.90	22.91	16.4%
16	15,000	89.26	60.25	149.51	101.67	73.30	174.97	25.46	17.0%
17	16,000	94.03	65.00	159.03	109.52	77.52	187.04	28.01	17.6%
18	17,000	98.80	69.75	168.55	117.37	81.74	199.11	30.56	18.1%
19	18,000	103.57	74.50	178.07	125.22	85.96	211.18	33.11	18.6%
20	19,000	108.34	79.25	187.59	133.07	90.18	223.25	35.66	19.0%
21	20,000	113.11	84.00	197.11	140.92	94.40	235.32	38.21	19.4%
22	21,000	117.88	88.75	206.63	148.77	98.62	247.39	40.76	19.7%
23	22,000	122.65	93.50	216.15	156.62	102.84	259.46	43.31	20.0%
24	23,000	127.42	98.25	225.67	164.47	107.06	271.53	45.86	20.3%
25	24,000	132.19	103.00	235.19	172.32	111.28	283.60	48.41	20.6%
26	25,000	136.96	107.75	244.71	180.17	115.50	295.67	50.96	20.8%
27	26,000	141.73	112.50	254.23	188.02	119.72	307.74	53.51	21.0%
28	27,000	146.50	117.25	263.75	195.87	123.94	319.81	56.06	21.3%
29	28,000	151.27	122.00	273.27	203.72	128.16	331.88	58.61	21.4%
30	29,000	156.04	126.75	282.79	211.57	132.38	343.95	61.16	21.6%
31	30,000	160.81	131.50	292.31	219.42	136.60	356.02	63.71	21.8%

City of Yukon, Oklahoma - Utility System  
Cost of Service Study

Allocation of Fixed Assets and Capital Improvement Projects to Water and Wastewater System Functions

Line No.	Description	Original Cost		Recognized Cost		Allocation	Allocated Amount	
		Cost	Adjustments	Cost	Water		Water	Wastewater
1	Booster Station	\$ 10,650	\$ -	\$ 10,650	Water	10,650		-
2	Water Tower/Vandamen	\$ 873,440	\$ -	\$ 873,440	Water	873,440		-
3	Water Treatment Plan	\$ 1,633,644	\$ (1,633,644)	\$ -	Eliminate	-		-
4	Water Towe/Mustang R	\$ 731,258	\$ -	\$ 731,258	Water	731,258		-
5	Von Elm E Lift Stati	\$ 201,110	\$ -	\$ 201,110	Sewer	-		201,110
6	Westport Lift Statio	\$ 30,000	\$ -	\$ 30,000	Sewer	-		30,000
7	Parkland Lift Statio	\$ 66,000	\$ -	\$ 66,000	Sewer	-		66,000
8	Sunrise Lift Station	\$ 66,000	\$ -	\$ 66,000	Sewer	-		66,000
9	Water Lines (Added F	\$ 14,067,338	\$ (14,067,338)	\$ -	Eliminate	-		-
10	Kali Lift Sttton	\$ 55,555	\$ -	\$ 55,555	Sewer	-		55,555
11	Sewer lines	\$ 3,143,620	\$ -	\$ 3,143,620	Sewer	-		3,143,620
12	Water Interconnect	\$ 37,275	\$ -	\$ 37,275	Water	37,275		-
13	Water Tower	\$ 46,995	\$ -	\$ 46,995	Water	46,995		-
14	Aeration @ Wastewate	\$ 778,231	\$ -	\$ 778,231	Sewer	-		778,231
15	Water Wells	\$ 92,587	\$ -	\$ 92,587	Water	92,587		-
16	Wagner Road Lift Sta	\$ 31,498	\$ -	\$ 31,498	Sewer	-		31,498
17	Aeration Basin Proj	\$ 259,525	\$ -	\$ 259,525	Sewer	-		259,525
18	Bore Machine & Expan	\$ 5,060	\$ (5,060)	\$ -	Eliminate	-		-
19	1 million gallon wat	\$ 638,297	\$ -	\$ 638,297	Water	638,297		-
20	Kingsway lift statio	\$ 54,105	\$ -	\$ 54,105	Sewer	-		54,105
21	Water Meters	\$ 18,999	\$ (18,999)	\$ -	Eliminate	-		-
22	Von Elm Lift Station	\$ 178,506	\$ -	\$ 178,506	Sewer	-		178,506
23	CDBG Waterline Repla	\$ 58,293	\$ -	\$ 58,293	Water	58,293		-
24	Booser Station	\$ 373,922	\$ -	\$ 373,922	Water	373,922		-
25	F250 Pickup	\$ 19,852	\$ (19,852)	\$ -	Eliminate	-		-
26	2004 310 SG Backhoe	\$ 63,388	\$ (63,388)	\$ -	Eliminate	-		-
27	CGBD Waterline & Sca	\$ 45,789	\$ -	\$ 45,789	Water	45,789		-
28	CDBG Waterline Repla	\$ 207,352	\$ -	\$ 207,352	Water	207,352		-
29	Manhole Risers-Wagne	\$ 16,320	\$ -	\$ 16,320	Sewer	-		16,320
30	Blower @ Yukon Waste	\$ 56,213	\$ -	\$ 56,213	Sewer	-		56,213
31	Well Field Waterline	\$ 160,205	\$ -	\$ 160,205	Water	160,205		-
32	Waterline main repla	\$ 526,997	\$ -	\$ 526,997	Water	526,997		-
33	Hand-Held Computers-	\$ 19,147	\$ (19,147)	\$ -	Eliminate	-		-
34	Waterline - Holly &	\$ 79,583	\$ -	\$ 79,583	Water	79,583		-
35	GeoHX Stand Alone Sy	\$ 5,205	\$ (5,205)	\$ -	Eliminate	-		-
36	Waterline Ash/5th/Co	\$ 699,098	\$ -	\$ 699,098	Water	699,098		-
37	Mustang Rd Water Tow	\$ 168,579	\$ -	\$ 168,579	Water	168,579		-
38	Mustang Road Water T	\$ 27,174	\$ -	\$ 27,174	Water	27,174		-
39	Transmission Waterli	\$ 18,459	\$ -	\$ 18,459	Water	18,459		-
40	Sanitary Sewer Repla	\$ 6,288	\$ -	\$ 6,288	Sewer	-		6,288
41	Upgrade lift station	\$ 22,029	\$ -	\$ 22,029	Sewer	-		22,029
42	CCTV Sewer Camera Va	\$ 128,379	\$ -	\$ 128,379	Sewer	-		128,379
43	31' Cavalier travel	\$ 18,000	\$ (18,000)	\$ -	Eliminate	-		-
44	A&E 2008 Concrete Ro	\$ 6,224	\$ -	\$ 6,224	Equal	3,112		3,112
45	18" Waterline reloca	\$ 236,173	\$ -	\$ 236,173	Water	236,173		-
46	Water System	\$ 6,802	\$ -	\$ 6,802	Water	6,802		-
47	Design 9.5 miles of	\$ 127,778	\$ -	\$ 127,778	Equal	63,889		63,889
48	24" Waterline - emer	\$ 48,403	\$ -	\$ 48,403	Water	48,403		-
49	18" Tap at West End	\$ 14,583	\$ -	\$ 14,583	Water	14,583		-
50	10th & Kali Waterlin	\$ 17,234	\$ -	\$ 17,234	Water	17,234		-
51	Water line construct	\$ 6,379	\$ -	\$ 6,379	Water	6,379		-
52	Ranchwood 8" waterli	\$ 4,838	\$ -	\$ 4,838	Water	4,838		-
53	A&E Frisco 12" wat	\$ 9,391	\$ -	\$ 9,391	Water	9,391		-
54	2009 Ford F350 1 ton	\$ 25,624	\$ (25,624)	\$ -	Eliminate	-		-
55	Waterline - Ash/5th/	\$ 525,677	\$ -	\$ 525,677	Water	525,677		-
56	Sanitary Sewer Syste	\$ 517,407	\$ -	\$ 517,407	Sewer	-		517,407
57	CDBG YR 7 - roadway	\$ 104,523	\$ -	\$ 104,523	Equal	52,262		52,262
58	Waterline Repair @ M	\$ 5,720	\$ -	\$ 5,720	Water	5,720		-
59	Well #10 and 16" wat	\$ 4,267	\$ -	\$ 4,267	Water	\$ 4,267	\$	-
60	Mustang/10th Waterli	\$ 5,496	\$ -	\$ 5,496	Water	5,496		-
61	Booster Station Roof	\$ 13,885	\$ -	\$ 13,885	Water	\$ 13,885	\$	-
62	CTP waterline	\$ 9,781	\$ -	\$ 9,781	Water	9,781		-
63	A&E - Frisco 12" wat	\$ 14,667	\$ -	\$ 14,667	Water	14,667		-
64	WWTP Roof repair	\$ 24,209	\$ -	\$ 24,209	Sewer	-		24,209
65	Highway 4 - Fire Hyd	\$ 5,098	\$ (5,098)	\$ -	Eliminate	-		-
66	Waterline Improvemen	\$ 37,744	\$ -	\$ 37,744	Water	37,744		-
67	Waterline repairs	\$ 18,062	\$ -	\$ 18,062	Water	18,062		-
68	Water Meters	\$ 8,747	\$ (8,747)	\$ -	Eliminate	-		-
69	A/E CRD Water and Se	\$ 12,796	\$ -	\$ 12,796	Equal	6,398		6,398
70	A&E Frisco Water tow	\$ 22,523	\$ -	\$ 22,523	Water	22,523		-
71	Sewer Repairs	\$ 54,142	\$ -	\$ 54,142	Sewer	-		54,142
72	Sewer Repairs - City	\$ 43,314	\$ -	\$ 43,314	Sewer	-		43,314
73	Storm Inlet repair -	\$ 4,529	\$ (4,529)	\$ -	Eliminate	-		-
74	A&E Water and Sewer	\$ 17,188	\$ -	\$ 17,188	Equal	8,594		8,594

City of Yukon, Oklahoma - Utility System  
Cost of Service Study

Allocation of Fixed Assets and Capital Improvement Projects to Water and Wastewater System Functions

Line No.	Description	Original Cost		Recognized Cost		Allocation	Allocated Amount	
		Cost	Adjustments	Cost	Allocation		Water	Wastewater
75	Water & Sewer System	\$ 188,269	\$ -	\$ 188,269	Equal	94,135	94,135	
76	CDBG Sanitary Sewer	\$ 84,454	\$ -	\$ 84,454	Sewer	-	84,454	
77	Booster Station repa	\$ 111,517	\$ -	\$ 111,517	Water	111,517	-	
78	Sewer/Pipeline repai	\$ 87,252	\$ -	\$ 87,252	Sewer	-	87,252	
79	Water System Improve	\$ 15,192	\$ -	\$ 15,192	Water	15,192	-	
80	Wellfield Waterline	\$ 54,280	\$ -	\$ 54,280	Water	54,280	-	
81	2012 Chevy 2500	\$ 26,980	\$ (26,980)	\$ -	Eliminate	-	-	
82	Case Mini Excavator	\$ 38,834	\$ (38,834)	\$ -	Eliminate	-	-	
83	Chevy 3500 Crew Cab	\$ 36,484	\$ (36,484)	\$ -	Eliminate	-	-	
84	Chevy 3500 Crew Cab	\$ 36,484	\$ (36,484)	\$ -	Eliminate	-	-	
85	PY Asset FY12	\$ 116,543	\$ -	\$ 116,543	Equal	58,271	58,271	
86	500,000 gal Water st	\$ 257,975	\$ -	\$ 257,975	Water	257,975	-	
87	1,000,000 gal compos	\$ 345,392	\$ -	\$ 345,392	Water	345,392	-	
88	1,000,000 gal elev w	\$ 392,056	\$ -	\$ 392,056	Water	392,056	-	
89	1,000,000 gal water	\$ 441,231	\$ -	\$ 441,231	Water	441,231	-	
90	Infrastructure Impro	\$ 302,581	\$ -	\$ 302,581	Equal	151,290	151,290	
91	Infrastructure Impro	\$ 121,781	\$ -	\$ 121,781	Equal	60,891	60,891	
92	2012 Belshe Trailer	\$ 5,000	\$ (5,000)	\$ -	Eliminate	-	-	
93	CDBG Year 12 - Cedar	\$ 12,991	\$ -	\$ 12,991	Equal	6,496	6,496	
94	WWTP - Wall Improvem	\$ 11,058	\$ -	\$ 11,058	Sewer	-	11,058	
95	Chlorine Bldg	\$ 10,248	\$ -	\$ 10,248	Water	10,248	-	
96	Water Tower Cameras	\$ 8,037	\$ -	\$ 8,037	Water	8,037	-	
97	CDNG Year 12 - Eng.	\$ 2,146	\$ -	\$ 2,146	Water	2,146	-	
98	4 ton HVAC unit - PW	\$ 4,492	\$ (4,492)	\$ -	Eliminate	-	-	
99	PW Bldg Remodel - Fl	\$ 4,387	\$ (4,387)	\$ -	Eliminate	-	-	
100	Water Improvements	\$ 20,196	\$ -	\$ 20,196	Water	20,196	-	
101	Well Field Improveme	\$ 59,363	\$ -	\$ 59,363	Water	59,363	-	
102	Lift Station Generat	\$ 8,326	\$ -	\$ 8,326	Sewer	-	8,326	
103	Lift Station Pumps	\$ 7,821	\$ -	\$ 7,821	Sewer	-	7,821	
104	Sewer Improvements	\$ 400,130	\$ -	\$ 400,130	Sewer	-	400,130	
105	Fencing-10th St. Wat	\$ 11,809	\$ -	\$ 11,809	Water	11,809	-	
106	Water Tower Motor	\$ 10,586	\$ -	\$ 10,586	Water	10,586	-	
107	Water Well Valve	\$ 11,713	\$ -	\$ 11,713	Water	11,713	-	
108	2014 Vac-Tron Flatbe	\$ 46,378	\$ (46,378)	\$ -	Eliminate	-	-	
109	Test Wells CIP	\$ 144,000	\$ -	\$ 144,000	Water	144,000	-	
110	Frisco Water Tower -	\$ 211,720	\$ -	\$ 211,720	Water	211,720	-	
111	F-250 CNG Crew 4x4	\$ 41,700	\$ (41,700)	\$ -	Eliminate	-	-	
112	CNG Conversion	\$ 10,874	\$ -	\$ 10,874	Equal	5,437	5,437	
113	2014 Wastewater Trea	\$ 484,445	\$ -	\$ 484,445	Sewer	-	484,445	
114	WWTP Cabinets	\$ 14,993	\$ -	\$ 14,993	Sewer	-	14,993	
115	Sewer Line Cooper Ln	\$ 14,009	\$ -	\$ 14,009	Sewer	-	14,009	
116	Sewer Line Garth-Ced	\$ 15,211	\$ -	\$ 15,211	Sewer	-	15,211	
117	Sewer Line Mabel	\$ 13,695	\$ -	\$ 13,695	Sewer	-	13,695	
118	Frisco Ridge Sanitar	\$ 29,164	\$ -	\$ 29,164	Sewer	-	29,164	
119	2014 Wastewater Impr	\$ 26,732	\$ -	\$ 26,732	Sewer	-	26,732	
120	Pipe bursting emerge	\$ 6,435	\$ -	\$ 6,435	Water	6,435	-	
121	Lakeshore & Landmark	\$ 2,061	\$ -	\$ 2,061	Customer	1,061	999	
122	storm sewer repair	\$ 2,005	\$ -	\$ 2,005	Sewer	-	2,005	
123	16" Water Line Repai	\$ 1,656	\$ -	\$ 1,656	Water	1,656	-	
124	16" Water Line Repai	\$ 1,651	\$ -	\$ 1,651	Water	1,651	-	
125	Bosch ESI Heavy Duty	\$ 6,043	\$ (6,043)	\$ -	Eliminate	-	-	
126	Doosan G25E-5 Lift T	\$ 20,893	\$ (20,893)	\$ -	Eliminate	-	-	
127	Parkland Lift Statio	\$ 9,483	\$ -	\$ 9,483	Sewer	-	9,483	
128	24" Water Line Repai	\$ 2,455	\$ -	\$ 2,455	Water	2,455	-	
129	Frisco Road Water To	\$ 1,100,000	\$ -	\$ 1,100,000	Water	1,100,000	-	
130	Sewer Line Improveme	\$ 13,225	\$ -	\$ 13,225	Sewer	-	13,225	
131	Water Line Improveme	\$ 5,839	\$ -	\$ 5,839	Water	5,839	-	
132	Water Line Improveme	\$ 19,456	\$ -	\$ 19,456	Water	19,456	-	
133	Sewer Line Improveme	\$ 1,633	\$ -	\$ 1,633	Sewer	-	1,633	
134	16" gate valve retur	\$ 1,814	\$ -	\$ 1,814	Water	1,814	-	
135	OK Turnpike Authorit	\$ 103,382	\$ -	\$ 103,382	Equal	51,691	51,691	
136	Sewer Repair 224 W.	\$ 2,152	\$ -	\$ 2,152	Sewer	-	2,152	
137	Improvement to Cornw	\$ 3,688	\$ -	\$ 3,688	Equal	1,844	1,844	
138	Sanitary Sewer Impro	\$ 7,952	\$ -	\$ 7,952	Sewer	-	7,952	
139	24" Well Field Reloc	\$ 10,376	\$ -	\$ 10,376	Water	10,376	-	
140	Sanitary Sewer Impr	\$ 23,309	\$ -	\$ 23,309	Sewer	-	23,309	
141	Water Line Improveme	\$ 32,454	\$ -	\$ 32,454	Water	32,454	-	
142	Sanitary Sewer Impro	\$ 12,911	\$ -	\$ 12,911	Sewer	-	12,911	
143	Sanitary Sewer Impro	\$ 11,999	\$ -	\$ 11,999	Sewer	-	11,999	
144	Water Line Improveme	\$ 15,526	\$ -	\$ 15,526	Water	15,526	-	
145	Water Line Improveme	\$ 8,971	\$ -	\$ 8,971	Water	8,971	-	
146	Sewer Extension - 10	\$ 2,808	\$ -	\$ 2,808	Sewer	-	2,808	
147	Pipe Bursting - 819-	\$ 1,409	\$ -	\$ 1,409	Water	1,409	-	
148	West End Pointe - 8"	\$ 6,684	\$ -	\$ 6,684	Water	6,684	-	

City of Yukon, Oklahoma - Utility System  
Cost of Service Study

Allocation of Fixed Assets and Capital Improvement Projects to Water and Wastewater System Functions

Line No.	Description	Original Cost		Recognized Cost		Allocation	Allocated Amount	
		Cost	Adjustments	Cost	Water		Water	Wastewater
149	Pipe Bursting - 311-	\$ 3,187	\$ -	\$ 3,187	Water	\$ 3,187		-
150	Water Line Improve	\$ 917	\$ -	\$ 917	Water	\$ 917		-
151	Alarm System Replace	\$ 2,022	\$ (2,022)	\$ -	Eliminate	-		-
152	Pump install treatme	\$ 553	\$ -	\$ 553	Sewer	-		553
153	2021 Sewer Flushing	\$ 69,333	\$ -	\$ 69,333	Sewer	-		69,333
154	parts to repair wate	\$ 516	\$ -	\$ 516	Water	\$ 516		-
155	Wastewater Treatment	\$ 188	\$ -	\$ 188	Sewer	-		188
156	Main Sewer Line Repa	\$ 833	\$ -	\$ 833	Sewer	-		833
157	Emergency Repair - W	\$ 178	\$ -	\$ 178	Water	\$ 178		-
158	Well line leak suppl	\$ -	\$ -	\$ -	Water	-		-
159	Well line lowering- 15th/Czech Hall	\$ -	\$ -	\$ -	Water	-		-
160	Bridon Business Park	\$ -	\$ (707)	\$ (707)	Eliminate	-		-
161	Bridon Business Park	\$ -	\$ (1,326)	\$ (1,326)	Eliminate	-		-
162	River Mesa Phase III	\$ -	\$ (3,594)	\$ (3,594)	Eliminate	-		-
163	River Mesa Phase III	\$ -	\$ (4,764)	\$ (4,764)	Eliminate	-		-
164	2023 3/4 ton Crew cab Chevrolet Pick	\$ -	\$ (4,796)	\$ (4,796)	Eliminate	-		-
165	2023 3/4 TON Crew Cab Chevrolet Pic	\$ -	\$ (4,796)	\$ (4,796)	Eliminate	-		-
166	2023 3/4 Crew Cab Chevrolet Silverad	\$ -	\$ (4,796)	\$ (4,796)	Eliminate	-		-
167	2023 Chevrolet Silverado	\$ -	\$ (2,472)	\$ (2,472)	Eliminate	-		-
168	Well line lowering- 15th/Czech Hall	\$ -	\$ -	\$ -	Water	-		-
169	Turtle Creek @ Kimbell Park	\$ -	\$ (1,250)	\$ (1,250)	Eliminate	-		-
170	Total Fixed Assets	\$ 33,507,692	\$ (16,192,829)	\$ 17,314,862		\$ 9,689,930	\$ 7,653,433	
171	<b>Capital Improvement Plan</b>							
172	Water System Projects							
173	Fire Hydrants	\$ 75,000	\$ (75,000)	\$ -	Eliminate	\$ -	\$ -	-
174	New Meter Installs	\$ 250,000	\$ (250,000)	\$ -	Eliminate	-		-
175	4x4 Crew Cab Pickup	\$ 60,000	\$ (60,000)	\$ -	Eliminate	-		-
176	Tools, Saws, Pumps	\$ 50,000	\$ (50,000)	\$ -	Eliminate	-		-
177	Dump Truck	\$ 100,000	\$ (100,000)	\$ -	Eliminate	-		-
178	Backhoe	\$ 110,000	\$ (110,000)	\$ -	Eliminate	-		-
179	Yukon Prkwy Water Tower - Fenc	\$ 20,000	\$ -	\$ 20,000	Water	\$ 20,000		-
180	Equipment Storage Facility	\$ 60,000	\$ -	\$ 60,000	Water	\$ 60,000		-
181	Replace Chlorine Building at Plant	\$ 10,000	\$ -	\$ 10,000	Water	\$ 10,000		-
182	Telemetry	\$ 50,000	\$ -	\$ 50,000	Water	\$ 50,000		-
183	Wastewater System Projects							
184	Wastewater Treatment Plant Upgr	\$ 9,200,000	\$ (5,334,347)	\$ 3,865,653	Sewer	-		3,865,653
178	Rehab Manholes	\$ 25,000	\$ -	\$ 25,000	Sewer	-		25,000
179	Sewer Lines Rehab	\$ 500,000	\$ -	\$ 500,000	Sewer	-		500,000
180	Hydro-Vac Trailer	\$ 75,500	\$ (75,500)	\$ -	Eliminate	-		-
181	Camera Sewer	\$ 35,000	\$ (35,000)	\$ -	Eliminate	-		-
182	Flushing Sewer Trailer	\$ 75,500	\$ (75,500)	\$ -	Eliminate	-		-
183	Mini Trackhoe	\$ 60,000	\$ (60,000)	\$ -	Eliminate	-		-
184	Sewer Hose 600'	\$ 3,000	\$ -	\$ 3,000	Sewer	-		3,000
185	Trash Pump	\$ 6,000	\$ -	\$ 6,000	Sewer	-		6,000
185	Von Elm Lift Station	\$ 100,000	\$ -	\$ 100,000	Sewer	-		100,000
185	Polymer Blend Unit Plant	\$ 10,000	\$ -	\$ 10,000	Sewer	-		10,000
185	Sunrise Lift Station Repair	\$ 100,000	\$ -	\$ 100,000	Sewer	-		100,000
185	Blower Motor	\$ 100,000	\$ -	\$ 100,000	Sewer	-		100,000
185	Miscellaneous Unidentified Capital	\$ 500,000	\$ (500,000)	\$ -	Eliminate	-		-
186	Total Capital Improvement Plan	\$ 11,575,000	\$ (6,725,347)	\$ 4,849,653		\$ 140,000	\$ 4,709,653	
187	<b>Total Existing Fixed Assets and Capital</b>	\$ 45,082,692	\$ (22,918,176)	\$ 22,164,515		\$ 9,829,930	\$ 12,363,086	
188	Indirect Reallocation - Percent					44%	56%	
189	Indirect Reallocation - Amount					\$ -	\$ -	
190	<b>Total Functionalized Existing Fixed Assets and Capital Improvement Plan</b>					\$ 9,829,930	\$ 12,363,086	

Table 3-2

City of Yukon, Oklahoma - Utility System  
Cost of Service Study

Calculation of Water and Wastewater Systems Allocation Factors

Line No.	Description	Basis	Allocation Percentages			Total System
			Water System	Wastewater System	Indirect	
1	Direct Water System	Water	100.0%	0.0%	0.0%	100.0%
2	Direct Sewer System	Sewer	0.0%	100.0%	0.0%	100.0%
3	Indirect Cost	IndirectCost	0.0%	0.0%	100.0%	100.0%
4	Eliminate	Eliminate	0.0%	0.0%	0.0%	0.0%
5	Equal	Equal	50.0%	50.0%	0.0%	100.0%
6	Customer	Customer	51.5%	48.5%	0.0%	100.0%

City of Yukon, Oklahoma - Utility System  
Cost of Service Study

Allocation of Water Fixed Assets and Capital Improvement Projects to Water System Functions

Line No.	Description	Water Allocated		Allocation [2]	Asset Function		
		Assets [1]	Allocation [2]		Treatment/Supply	Transmission	
<b>Existing Fixed Assets</b>							
1	Booster Station	\$ 10,650	Transmission	\$ -	\$ 10,650		
2	Water Tower/Vandamen	\$ 873,440	Treatment		873,440		
	Water Treatment Plan	\$ -	Eliminate				
3	Water Towe/Mustang R	\$ 731,258	Treatment		731,258		
	Von Elm E Lift Stati	\$ -	Eliminate				
	Westport Lift Statio	\$ -	Eliminate				
	Parkland Lift Statio	\$ -	Eliminate				
	Sunrise Lift Station	\$ -	Eliminate				
	Water Lines (Added F	\$ -	Eliminate				
	Kali Lift Sttions	\$ -	Eliminate				
	Sewer lines	\$ -	Eliminate				
4	Water Interconnect	\$ 37,275	Transmission			37,275	
5	Water Tower	\$ 46,995	Treatment		46,995		
	Aeration @ Wastewate	\$ -	Eliminate				
6	Water Wells	\$ 92,587	Treatment		92,587		
	Wagner Road Lift Sta	\$ -	Eliminate				
	Aeration Basin Proj	\$ -	Eliminate				
	Bore Machine & Expan	\$ -	Eliminate				
7	1 million gallon wat	\$ 638,297	Treatment		638,297		
	Kingsway lift statio	\$ -	Eliminate				
	Water Meters	\$ -	Eliminate				
	Von Elm Lift Station	\$ -	Eliminate				
8	CDBG Waterline Repla	\$ 58,293	Transmission			58,293	
9	Booser Station	\$ 373,922	Transmission			373,922	
	F250 Pickup	\$ -	Eliminate				
	2004 310 SG Backhoe	\$ -	Eliminate				
10	CGBD Waterline & Sca	\$ 45,789	Transmission			45,789	
11	CDBG Waterline Repla	\$ 207,352	Transmission			207,352	
	Manhole Risers-Wagne	\$ -	Eliminate				
	Blower @ Yukon Waste	\$ -	Eliminate				
12	Well Field Waterline	\$ 160,205	Treatment		160,205		
13	Waterline main repla	\$ 526,997	Transmission			526,997	
	Hand-Held Computers-	\$ -	Eliminate				
14	Waterline - Holly &	\$ 79,583	Transmission			79,583	
	GeoHX Stand Alone Sy	\$ -	Eliminate				
15	Waterline Ash/5th/Co	\$ 699,098	Transmission			699,098	
16	Mustang Rd Water Tow	\$ 168,579	Treatment		168,579		
17	Mustang Road Water T	\$ 27,174	Treatment		27,174		
18	Transmission Waterli	\$ 18,459	Transmission			18,459	
	Sanitary Sewer Repla	\$ -	Eliminate				
	Upgrade lift station	\$ -	Eliminate				
	CCTV Sewer Camera Va	\$ -	Eliminate				
	31' Cavalier travel	\$ -	Eliminate				
19	A&E 2008 Concrete Ro	\$ 3,112	Transmission			3,112	
20	18" Waterline reloca	\$ 236,173	Transmission			236,173	
21	Water System	\$ 6,802	Transmission			6,802	
22	Design 9.5 miles of	\$ 63,889	Transmission			63,889	
23	24" Waterline - emer	\$ 48,403	Transmission			48,403	

City of Yukon, Oklahoma - Utility System  
Cost of Service Study

Allocation of Water Fixed Assets and Capital Improvement Projects to Water System Functions

Line No.	Description	Water Allocated		Asset Function	
		Assets [1]	Allocation [2]	Treatment/Supply	Transmission
24	18" Tap at West End	\$ 14,583	Transmission	-	14,583
25	10th & Kali Waterlin	\$ 17,234	Transmission	-	17,234
26	Water line construct	\$ 6,379	Transmission	-	6,379
27	Ranchwood 8" waterli	\$ 4,838	Transmission	-	4,838
28	A&E Frisco 12" water	\$ 9,391	Transmission	-	9,391
	2009 Ford F350 1 ton	\$ -	Eliminate	-	-
29	Waterline - Ash/5th/ Sanitary Sewer Syste	\$ 525,677	Transmission	-	525,677
	\$ -	Eliminate	-	-	-
30	CDBG YR 7 - roadway	\$ 52,262	Transmission	-	52,262
31	Waterline Repair @ M	\$ 5,720	Transmission	-	5,720
32	Well #10 and 16" wat	\$ 4,267	Treatment	4,267	-
33	Mustang/10th Waterli	\$ 5,496	Transmission	-	5,496
34	Booster Station Roof	\$ 13,885	Transmission	-	13,885
35	CTP waterline	\$ 9,781	Transmission	-	9,781
36	A&E - Frisco 12" wat	\$ 14,667	Transmission	-	14,667
	WWTP Roof repair	\$ -	Eliminate	-	-
	Highway 4 - Fire Hyd	\$ -	Eliminate	-	-
37	Waterline Improvemen	\$ 37,744	Transmission	-	37,744
38	Waterline repairs	\$ 18,062	Transmission	-	18,062
	Water Meters	\$ -	Eliminate	-	-
39	A/E CRD Water and Se	\$ 6,398	Transmission	-	6,398
40	A&E Frisco Water tow	\$ 22,523	Treatment	22,523	-
	Sewer Repairs	\$ -	Eliminate	-	-
	Sewer Repairs - City	\$ -	Eliminate	-	-
	Storm Inlet repair -	\$ -	Eliminate	-	-
41	A&E Water and Sewer	\$ 8,594	Transmission	-	8,594
42	Water & Sewer System	\$ 94,135	Transmission	-	94,135
	CDBG Sanitary Sewer	\$ -	Eliminate	-	-
43	Booster Station repa	\$ 111,517	Transmission	-	111,517
	Sewer/Pipeline repai	\$ -	Eliminate	-	-
44	Water System Improve	\$ 15,192	Transmission	-	15,192
45	Wellfield Waterline	\$ 54,280	Treatment	54,280	-
	2012 Chevy 2500	\$ -	Eliminate	-	-
	Case Mini Excavator	\$ -	Eliminate	-	-
	Chevy 3500 Crew Cab	\$ -	Eliminate	-	-
	Chevy 3500 Crew Cab	\$ -	Eliminate	-	-
46	PY Asset FY12	\$ 58,271	Transmission	-	58,271
47	500,000 gal Water st	\$ 257,975	Treatment	257,975	-
48	1,000,000 gal compos	\$ 345,392	Treatment	345,392	-
49	1,000,000 gal elev w	\$ 392,056	Treatment	392,056	-
50	1,000,000 gal water	\$ 441,231	Treatment	441,231	-
51	Infrastructure Impro	\$ 151,290	Transmission	-	151,290
52	Infrastructure Impro	\$ 60,891	Transmission	-	60,891
	2012 Belshe Trailer	\$ -	Eliminate	-	-
53	CDBG Year 12 - Cedar	\$ 6,496	Transmission	-	6,496
	WWTP - Wall Improvem	\$ -	Eliminate	-	-
54	Chlorine Bldg	\$ 10,248	Treatment	10,248	-
55	Water Tower Cameras	\$ 8,037	Treatment	8,037	-
56	CDNG Year 12 - Eng.	\$ 2,146	Transmission	-	2,146

City of Yukon, Oklahoma - Utility System  
Cost of Service Study

Allocation of Water Fixed Assets and Capital Improvement Projects to Water System Functions

Line No.	Description	Water Allocated		Asset Function	
		Assets [1]	Allocation [2]	Treatment/Supply	Transmission
	4 ton HVAC unit - PW	\$ -	Eliminate	-	-
	PW Bldg Remodel - Fl	\$ -	Treatment	-	-
57	Water Improvements	\$ 20,196	Transmission	-	20,196
58	Well Field Improveme	\$ 59,363	Treatment	59,363	-
	Lift Station Generat	\$ -	Eliminate	-	-
	Lift Station Pumps	\$ -	Eliminate	-	-
	Sewer Improvements	\$ -	Eliminate	-	-
59	Fencing-10th St. Wat	\$ 11,809	Treatment	11,809	-
60	Water Tower Motor	\$ 10,586	Treatment	10,586	-
61	Water Well Valve	\$ 11,713	Transmission	-	11,713
	2014 Vac-Tron Flatbe	\$ -	Eliminate	-	-
62	Test Wells CIP	\$ 144,000	Transmission	-	144,000
63	Frisco Water Tower -	\$ 211,720	Treatment	211,720	-
	F-250 CNG Crew 4x4	\$ -	Eliminate	-	-
64	CNG Conversion	\$ 5,437	Transmission	-	5,437
	2014 Wastewater Trea	\$ -	Eliminate	-	-
	WWTP Cabinets	\$ -	Eliminate	-	-
	Sewer Line Cooper Ln	\$ -	Eliminate	-	-
	Sewer Line Garth-Ced	\$ -	Eliminate	-	-
	Sewer Line Mabel	\$ -	Eliminate	-	-
	Frisco Ridge Sanitar	\$ -	Eliminate	-	-
	2014 Wastewater Impr	\$ -	Eliminate	-	-
65	Pipe bursting emerge	\$ 6,435	Transmission	-	6,435
66	Lakeshore & Landmark	\$ 1,061	Transmission	-	1,061
	storm sewer repair	\$ -	Eliminate	-	-
67	16" Water Line Repai	\$ 1,656	Transmission	-	1,656
68	16" Water Line Repai	\$ 1,651	Transmission	-	1,651
	Bosch ESI Heavy Duty	\$ -	Eliminate	-	-
	Doosan G25E-5 Lift T	\$ -	Eliminate	-	-
	Parkland Lift Statio	\$ -	Eliminate	-	-
69	24" Water Line Repai	\$ 2,455	Transmission	-	2,455
70	Frisco Road Water To	\$ 1,100,000	Transmission	-	1,100,000
	Sewer Line Improveme	\$ -	Eliminate	-	-
71	Water Line Improveme	\$ 5,839	Transmission	-	5,839
72	Water Line Improveme	\$ 19,456	Transmission	-	19,456
	Sewer Line Improveme	\$ -	Eliminate	-	-
73	16" gate valve retur	\$ 1,814	Transmission	-	1,814
74	OK Turnpike Authorit	\$ 51,691	Transmission	-	51,691
	Sewer Repair 224 W.	\$ -	Eliminate	-	-
75	Improvement to Cornw	\$ 1,844	Transmission	-	1,844
	Sanitary Sewer Impro	\$ -	Eliminate	-	-
76	24" Well Field Reloc	\$ 10,376	Treatment	10,376	-
	Sanitary Sewer Impr	\$ -	Eliminate	-	-
77	Water Line Improveme	\$ 32,454	Transmission	-	32,454
	Sanitary Sewer Impro	\$ -	Eliminate	-	-
	Sanitary Sewer Impro	\$ -	Eliminate	-	-
78	Water Line Improveme	\$ 15,526	Transmission	-	15,526
79	Water Line Improveme	\$ 8,971	Transmission	-	8,971
	Sewer Extension - 10	\$ -	Eliminate	-	-

City of Yukon, Oklahoma - Utility System  
Cost of Service Study

Allocation of Water Fixed Assets and Capital Improvement Projects to Water System Functions

Line No.	Description	Water Allocated		Asset Function	
		Assets [1]	Allocation [2]	Treatment/Supply	Transmission
80	Pipe Bursting - 819-	\$ 1,409	Transmission	-	1,409
81	West End Pointe - 8"	\$ 6,684	Transmission	-	6,684
82	Pipe Bursting - 311-	\$ 3,187	Transmission	-	3,187
83	Water Line Improveme	\$ 917	Transmission	-	917
	Alarm System Replace	\$ -	Eliminate	-	-
	Pump install treatme	\$ -	Eliminate	-	-
	2021 Sewer Flushing	\$ -	Eliminate	-	-
84	parts to repair wate	\$ 516	Transmission	-	516
	Wastewater Treatment	\$ -	Eliminate	-	-
	Main Sewer Line Repa	\$ -	Eliminate	-	-
85	Emergency Repair - W	\$ 178	Transmission	-	178
	Well line leak suppl	\$ -	Eliminate	-	-
	Well line lowering- 15th/Czech Hall	\$ -	Eliminate	-	-
	Bridon Business Park	\$ -	Eliminate	-	-
	Bridon Business Park	\$ -	Eliminate	-	-
	River Mesa Phase III	\$ -	Eliminate	-	-
	River Mesa Phase III	\$ -	Eliminate	-	-
	2023 3/4 ton Crew cab Chevrolet Picku	\$ -	Eliminate	-	-
	2023 3/4 TON Crew Cab Chevrolet Picl	\$ -	Eliminate	-	-
	2023 3/4 Crew Cab Chevrolet Silverado	\$ -	Eliminate	-	-
	2023 Chevrolet Silverado	\$ -	Eliminate	-	-
	Well line lowering- 15th/Czech Hall	\$ -	Eliminate	-	-
	Turtle Creek @ Kimbell Park	\$ -	Eliminate	-	-
86	Total Water Allocated Fixed Assets	\$ 9,689,930		\$ 4,578,398	\$ 5,111,533

City of Yukon, Oklahoma - Utility System  
Cost of Service Study

Allocation of Water Fixed Assets and Capital Improvement Projects to Water System Functions

Line No.	Description	Water Allocated		Asset Function		
		Assets [1]	Allocation [2]	Treatment/Supply	Transmission	
87	<b>Capital Improvement Plan</b>					
	Fire Hydrants	\$ -	Eliminate	\$ -	\$ -	-
	New Meter Installs	\$ -	Eliminate	-	-	-
	4x4 Crew Cab Pickup	\$ -	Eliminate	-	-	-
	Tools, Saws, Pumps	\$ -	Eliminate	-	-	-
	Dump Truck	\$ -	Eliminate	-	-	-
	Backhoe	\$ -	Eliminate	-	-	-
88	Yukon Prkwy Water Tower - Fence Rep	\$ 20,000.00	Treatment	20,000		-
89	Equipment Storage Facility	\$ 60,000.00	Treatment	60,000		-
90	Replace Chlorine Building at Plant	\$ 10,000.00	Treatment	10,000		-
91	Telemetry	\$ 50,000.00	Transmission	-	50,000	
92	Total Capital Improvement Plan	\$ 140,000		\$ 90,000	\$ 50,000	
93	<b>Total Water Assets and CIP Plan</b>	\$ 9,829,930		\$ 4,668,398	\$ 5,161,533	
94	Previously Identified Indirect Allocated Assets [1]					
95	Total Indirect Allocated Assets					
96	Water Indirect Allocation - Percentage			47.49%	52.51%	
97	Water Indirect Allocation - Amount			\$ -	\$ -	
98	Total Water Assets By Function			\$ 4,668,398	\$ 5,161,533	
99	Water System Capacity					
100	Existing Well Capacity and OKC Capacity Reserved			4,000,000	4,000,000	
101	Adjustments			-	-	
102	Total Water System Capacity			4,000,000	4,000,000	
103	Proposed Connection Fee Per Gallon of Capacity Reserved			\$ 1.167	\$ 1.290	
	Level of Service - 250 Gallons Per Day Per Equivalent Residential Unit			250.00	250.00	
104	Proposed Capacity Fee Components Per ERC ( Gallons Per Days)			\$ 291.77	\$ 322.60	
105	Proposed Water System Impact Fee Per ERC			\$ 614.37		
106	Proposed Water System Impact Fee Per ERC - Rounded			\$ 610.00		

Table 3-4

City of Yukon, Oklahoma - Utility System  
Cost of Service Study

Calculation of Water System Functional Allocation Factors

Line No.	Description	Basis	Allocation Percentages					Total
			Treatment	Transmission	Distribution	Indirect		
1	Direct Water Treatment	Treatment	100.0%	0.0%	0.0%	0.0%	100.0%	
2	Direct Water Transmission	Transmission	0.0%	100.0%	0.0%	0.0%	100.0%	
3	Direct Water Distribution	Distribution	0.0%	0.0%	100.0%	0.0%	100.0%	
4	Indirect Allocation	IndirectCost	0.0%	0.0%	0.0%	100.0%	100.0%	

City of Yukon, Oklahoma - Utility System  
Cost of Service Study

Allocation of Wastewater Fixed Assets and Capital Improvement Projects to Wastewater System Function

Line No.	Description	Water Allocated		Asset Function		
		Assets [1]	Allocation [2]	Treatment	Transmission	
<b>Existing Fixed Assets</b>						
	Booster Station	\$ -	Eliminate	\$ -	\$ -	-
	Water Tower/Vandamen	\$ -	Eliminate	-	-	-
	Water Treatment Plan	\$ -	Eliminate	-	-	-
	Water Towe/Mustang R	\$ -	Eliminate	-	-	-
1	Von Elm E Lift Stati	\$ 201,110	Transmission	-		201,110
2	Westport Lift Statio	\$ 30,000	Transmission	-		30,000
3	Parkland Lift Statio	\$ 66,000	Transmission	-		66,000
4	Sunrise Lift Station	\$ 66,000	Transmission	-		66,000
	Water Lines (Added F	\$ -	Eliminate	-		-
5	Kali Lift Sttions	\$ 55,555	Transmission	-		55,555
6	Sewer lines	\$ 3,143,620	Transmission	-		3,143,620
	Water Interconnect	\$ -	Eliminate	-		-
	Water Tower	\$ -	Eliminate	-		-
7	Aeration @ Wastewate	\$ 778,231	Treatment	778,231		-
	Water Wells	\$ -	Eliminate	-		-
8	Wagner Road Lift Sta	\$ 31,498	Transmission	-		31,498
9	Aeration Basin Projec	\$ 259,525	Treatment	259,525		-
	Bore Machine & Expan	\$ -	Eliminate	-		-
	1 million gallon wat	\$ -	Eliminate	-		-
10	Kingsway lift statio	\$ 54,105	Transmission	-		54,105
	Water Meters	\$ -	Eliminate	-		-
11	Von Elm Lift Station	\$ 178,506	Transmission	-		178,506
	CDBG Waterline Repla	\$ -	Eliminate	-		-
	Booser Station	\$ -	Eliminate	-		-
	F250 Pickup	\$ -	Eliminate	-		-
	2004 310 SG Backhoe	\$ -	Eliminate	-		-
	CGBD Waterline & Sca	\$ -	Eliminate	-		-
	CDBG Waterline Repla	\$ -	Eliminate	-		-
12	Manhole Risers-Wagne	\$ 16,320	Transmission	-		16,320
13	Blower @ Yukon Waste	\$ 56,213	Treatment	56,213		-
	Well Field Waterline	\$ -	Eliminate	-		-
	Waterline main repla	\$ -	Eliminate	-		-
	Hand-Held Computers-	\$ -	Eliminate	-		-
	Waterline - Holly &	\$ -	Eliminate	-		-
	GeoHX Stand Alone Sy	\$ -	Eliminate	-		-
	Waterline Ash/5th/Co	\$ -	Eliminate	-		-
	Mustang Rd Water Tow	\$ -	Eliminate	-		-
	Mustang Road Water T	\$ -	Eliminate	-		-
	Transmission Waterli	\$ -	Eliminate	-		-
14	Sanitary Sewer Repla	\$ 6,288	Transmission	-		6,288
15	Upgrade lift station	\$ 22,029	Transmission	-		22,029
16	CCTV Sewer Camera Va	\$ 128,379	Transmission	-		128,379
	31' Cavalier travel	\$ -	Eliminate	-		-
17	A&E 2008 Concrete Ro	\$ 3,112	Transmission	-		3,112
	18" Waterline reloca	\$ -	Eliminate	-		-
	Water System	\$ -	Eliminate	-		-
18	Design 9.5 miles of	\$ 63,889	Transmission	-		63,889
	24" Waterline - emer	\$ -	Eliminate	-		-
	18" Tap at West End	\$ -	Eliminate	-		-
	10th & Kali Waterlin	\$ -	Eliminate	-		-
	Water line construct	\$ -	Eliminate	-		-
	Ranchwood 8" waterli	\$ -	Eliminate	-		-
	A&E Frisco 12" water	\$ -	Eliminate	-		-
	2009 Ford F350 1 ton	\$ -	Eliminate	-		-
	Waterline - Ash/5th/	\$ -	Eliminate	-		-
19	Sanitary Sewer Syste	\$ 517,407	Transmission	-		517,407
20	CDBG YR 7 - roadway	\$ 52,262	Transmission	-		52,262
	Waterline Repair @ M	\$ -	Eliminate	-		-
	Well #10 and 16" wat	\$ -	Eliminate	-		-
	Mustang/10th Waterli	\$ -	Eliminate	-		-

City of Yukon, Oklahoma - Utility System  
Cost of Service Study

Allocation of Wastewater Fixed Assets and Capital Improvement Projects to Wastewater System Function

Line No.	Description	Water Allocated		Asset Function	
		Assets [1]	Allocation [2]	Treatment	Transmission
	Booster Station Roof	\$ -	Eliminate	-	-
	CTP waterline	\$ -	Eliminate	-	-
	A&E - Frisco 12" wat	\$ -	Eliminate	-	-
21	WWTP Roof repair	\$ 24,209	Treatment	24,209	-
	Highway 4 - Fire Hyd	\$ -	Eliminate	-	-
	Waterline Improvemen	\$ -	Eliminate	-	-
	Waterline repairs	\$ -	Eliminate	-	-
	Water Meters	\$ -	Eliminate	-	-
22	A/E CRD Water and Se	\$ 6,398	Transmission	-	6,398
	A&E Frisco Water tow	\$ -	Eliminate	-	-
23	Sewer Repairs	\$ 54,142	Transmission	-	54,142
24	Sewer Repairs - City	\$ 43,314	Transmission	-	43,314
	Storm Inlet repair -	\$ -	Eliminate	-	-
25	A&E Water and Sewer	\$ 8,594	Transmission	-	8,594
26	Water & Sewer System	\$ 94,135	Transmission	-	94,135
27	CDBG Sanitary Sewer	\$ 84,454	Transmission	-	84,454
	Booster Station repa	\$ -	Eliminate	-	-
28	Sewer/Pipeline repai	\$ 87,252	Transmission	-	87,252
	Water System Improve	\$ -	Eliminate	-	-
	Wellfield Waterline	\$ -	Eliminate	-	-
	2012 Chevy 2500	\$ -	Eliminate	-	-
	Case Mini Excavator	\$ -	Eliminate	-	-
	Chevy 3500 Crew Cab	\$ -	Eliminate	-	-
	Chevy 3500 Crew Cab	\$ -	Eliminate	-	-
29	PY Asset FY12	\$ 58,271	Transmission	-	58,271
	500,000 gal Water st	\$ -	Eliminate	-	-
	1,000,000 gal compos	\$ -	Eliminate	-	-
	1,000,000 gal elev w	\$ -	Eliminate	-	-
	1,000,000 gal water	\$ -	Eliminate	-	-
30	Infrastructure Impro	\$ 151,290	Transmission	-	151,290
31	Infrastructure Impro	\$ 60,891	Transmission	-	60,891
	2012 Belshe Trailer	\$ -	Eliminate	-	-
32	CDBG Year 12 - Cedar	\$ 6,496	Transmission	-	6,496
33	WWTP - Wall Improvem	\$ 11,058	Treatment	11,058	-
	Chlorine Bldg	\$ -	Eliminate	-	-
	Water Tower Cameras	\$ -	Eliminate	-	-
	CDNG Year 12 - Eng.	\$ -	Eliminate	-	-
	4 ton HVAC unit - PW	\$ -	Eliminate	-	-
	PW Bldg Remodel - Fl	\$ -	Treatment	-	-
	Water Improvements	\$ -	Eliminate	-	-
	Well Field Improveme	\$ -	Eliminate	-	-
34	Lift Station Generat	\$ 8,326	Transmission	-	8,326
35	Lift Station Pumps	\$ 7,821	Transmission	-	7,821
36	Sewer Improvements	\$ 400,130	Transmission	-	400,130
	Fencing-10th St. Wat	\$ -	Eliminate	-	-
	Water Tower Motor	\$ -	Eliminate	-	-
	Water Well Valve	\$ -	Eliminate	-	-
	2014 Vac-Tron Flatbe	\$ -	Eliminate	-	-
	Test Wells CIP	\$ -	Eliminate	-	-
	Frisco Water Tower -	\$ -	Eliminate	-	-
	F-250 CNG Crew 4x4	\$ -	Eliminate	-	-
37	CNG Conversion	\$ 5,437	Transmission	-	5,437
38	2014 Wastewater Trea	\$ 484,445	Treatment	484,445	-
39	WWTP Cabinets	\$ 14,993	Treatment	14,993	-
40	Sewer Line Cooper Ln	\$ 14,009	Transmission	-	14,009
41	Sewer Line Garth-Ced	\$ 15,211	Transmission	-	15,211
42	Sewer Line Mabel	\$ 13,695	Transmission	-	13,695
43	Frisco Ridge Sanitar	\$ 29,164	Transmission	-	29,164
44	2014 Wastewater Impr	\$ 26,732	Transmission	-	26,732
	Pipe bursting emerge	\$ -	Eliminate	-	-
45	Lakeshore & Landmark	\$ 999	Transmission	-	999

City of Yukon, Oklahoma - Utility System  
Cost of Service Study

Allocation of Wastewater Fixed Assets and Capital Improvement Projects to Wastewater System Function

Line No.	Description	Water Allocated		Asset Function	
		Assets [1]	Allocation [2]	Treatment	Transmission
46	storm sewer repair	\$ 2,005	Transmission	-	2,005
	16" Water Line Repai	\$ -	Eliminate	-	-
	16" Water Line Repai	\$ -	Eliminate	-	-
	Bosch ESI Heavy Duty	\$ -	Eliminate	-	-
	Doosan G25E-5 Lift T	\$ -	Eliminate	-	-
47	Parkland Lift Statio	\$ 9,483	Transmission	-	9,483
	24" Water Line Repai	\$ -	Eliminate	-	-
	Frisco Road Water To	\$ -	Eliminate	-	-
48	Sewer Line Improveme	\$ 13,225	Transmission	-	13,225
	Water Line Improveme	\$ -	Eliminate	-	-
	Water Line Improveme	\$ -	Eliminate	-	-
49	Sewer Line Improveme	\$ 1,633	Transmission	-	1,633
	16" gate valve retur	\$ -	Eliminate	-	-
50	OK Turnpike Authorit	\$ 51,691	Transmission	-	51,691
51	Sewer Repair 224 W.	\$ 2,152	Transmission	-	2,152
52	Improvement to Cornw	\$ 1,844	Transmission	-	1,844
53	Sanitary Sewer Impro	\$ 7,952	Transmission	-	7,952
	24" Well Field Reloc	\$ -	Eliminate	-	-
54	Sanitary Sewer Impr	\$ 23,309	Transmission	-	23,309
	Water Line Improveme	\$ -	Eliminate	-	-
55	Sanitary Sewer Impro	\$ 12,911	Transmission	-	12,911
56	Sanitary Sewer Impro	\$ 11,999	Transmission	-	11,999
	Water Line Improveme	\$ -	Eliminate	-	-
	Water Line Improveme	\$ -	Eliminate	-	-
57	Sewer Extension - 10	\$ 2,808	Transmission	-	2,808
	Pipe Bursting - 819-	\$ -	Eliminate	-	-
	West End Pointe - 8"	\$ -	Eliminate	-	-
	Pipe Bursting - 311-	\$ -	Eliminate	-	-
	Water Line Improveme	\$ -	Eliminate	-	-
	Alarm System Replace	\$ -	Eliminate	-	-
58	Pump install treatme	\$ 553	Treatment	553	-
59	2021 Sewer Flushing	\$ 69,333	Transmission	-	69,333
	parts to repair wate	\$ -	Eliminate	-	-
60	Wastewater Treatment	\$ 188	Treatment	188	-
61	Main Sewer Line Repa	\$ 833	Transmission	-	833
	Emergency Repair - W	\$ -	Eliminate	-	-
	Well line leak suppl	\$ -	Eliminate	-	-
	Well line lowering- 15th/Czech Hall	\$ -	Eliminate	-	-
	Bridon Business Park	\$ -	Eliminate	-	-
	Bridon Business Park	\$ -	Eliminate	-	-
	River Mesa Phase III	\$ -	Eliminate	-	-
	River Mesa Phase III	\$ -	Eliminate	-	-
	2023 3/4 ton Crew cab Chevrolet Pickup	\$ -	Eliminate	-	-
	2023 3/4 TON Crew Cab Chevrolet Pickup	\$ -	Eliminate	-	-
	2023 3/4 Crew Cab Chevrolet Silverado Pickup white	\$ -	Eliminate	-	-
	2023 Cheverolet Silverado	\$ -	Eliminate	-	-
	Well line lowering- 15th/Czech Hall	\$ -	Eliminate	-	-
	Turtle Creek @ Kimbell Park	\$ -	Eliminate	-	-
62	Total Wastewater Allocated Fixed Assets	\$ 7,653,433		\$ 1,629,415	\$ 6,024,018

City of Yukon, Oklahoma - Utility System  
Cost of Service Study

Allocation of Wastewater Fixed Assets and Capital Improvement Projects to Wastewater System Function

Line No.	Description	Water Allocated		Asset Function	
		Assets [1]	Allocation [2]	Treatment	Transmission
<b>63 Capital Improvement Plan</b>					
64	Wastewater Treatment Plant Upgrade Project	\$ 3,865,653.00	Treatment	\$ 3,865,653	\$ -
65	Rehab Manholes	\$ 25,000.00	Transmission	-	25,000
66	Sewer Lines Rehab	\$ 500,000.00	Transmission	-	500,000
	Hydro-Vac Trailer	\$ -	Eliminate	-	-
	Camera Sewer	\$ -	Eliminate	-	-
	Flushing Sewer Trailer	\$ -	Eliminate	-	-
	Mini Trackhoe	\$ -	Eliminate	-	-
67	Sewer Hose 600'	\$ 3,000.00	Transmission	-	3,000
68	Trash Pump	\$ 6,000.00	Transmission	-	6,000
69	Von Elm Lift Station	\$ 100,000.00	Tram	-	-
70	Polymer Blend Unit Plant	\$ 10,000.00	Treatment	10,000	-
71	Sunrise Lift Station Repair	\$ 100,000.00	Transmission	-	100,000
72	Blower Motor	\$ 100,000.00	Treatment	100,000	-
73	Total Capital Improvement Plan	\$ 4,709,653		\$ 3,975,653	\$ 634,000
74	<b>Total Wastewater Assets and CIP Plan</b>	\$ 12,363,086		\$ 5,605,068	\$ 6,658,018
75	Previously Identified Indirect Allocated Assets [1]				
76	Total Indirect Allocated Assets				
77	Wastewater Indirect Allocation - Percentage			45.71%	54.29%
78	Wastewater Indirect Allocation - Amount			\$ -	\$ -
79	Total Wastewater Assets By Function			\$ 5,605,068	\$ 6,658,018
80	Wastewater System Capacity				
81	Existing Wastewater Treatment Plant Capacity			2,000,000	2,000,000
82	Adjustments			-	-
83	Total Wastewater System Capacity			2,000,000	2,000,000
84	Proposed Connection Fee Per Gallon of Capacity Reserved			\$ 2.803	\$ 3.329
	Level of Service - 250 Gallons Per Day Per Equivalent Residential Unit			250.00	250.00
85	Proposed Capacity Fee Components Per ERC ( Gallons Per Days)			\$ 700.63	\$ 832.25
86	Proposed Wastewater System Impact Fee Per ERC			\$ 1,532.89	
87	Proposed Wastewater System Impact Fee Per ERC - Rounded			\$ 1,530.00	

**Table 3-6****City of Yukon, Oklahoma - Utility System  
Cost of Service Study****Calculation of Wastewater System Functional Allocation Factors**

Line No.	Description	Basis	Allocation Percentages				Total
			Treatment	Collection	Neighborhood	Indirect	
1	Direct Water Treatment	Treatment	100.0%	0.0%	0.0%	0.0%	100.0%
2	Direct Water Transmission	Transmission	0.0%	100.0%	0.0%	0.0%	100.0%
3	Direct Water Distribution	Distribution	0.0%	0.0%	100.0%	0.0%	100.0%
4	Indirect Allocation	IndirectCost	0.0%	0.0%	0.0%	100.0%	100.0%

**City of Yukon, Oklahoma**  
**Summary of Proposed Water and Wastewater Impact Fees**

**Fiscal Year 2025**

**Water Impact Fees**

**SINGLE FAMILY RESIDENTIAL**

Per Single Family Dwelling \$ 610.00

**MULTI-FAMILY RESIDENTIAL (Condominium, Apartments, and Hotels)**

Per Dwelling Unit \$ 610.00

**COMMERCIAL / NON-RESIDENTIAL**

Per Domestic Meter Size

3/4-Inch Meter \$ 610.00

1-Inch Meter 1,019.00

1.5-Inch Meter 2,031.00

2-Inch Meter 3,251.00

3-Inch Meter 6,100.00

4-Inch Meter 10,169.00

6-Inch Meter 20,331.00

All Meters Greater Than 6-Inch

Per Gallon of Reserved Capacity \$ 2.44

**Wastewater Impact Fees**

**SINGLE FAMILY RESIDENTIAL**

Per Single Family Dwelling \$ 1,530.00

**MULTI-FAMILY RESIDENTIAL (Condominium, Apartments, and Hotels)**

Per Dwelling Unit \$ 1,530.00

**COMMERCIAL / NON-RESIDENTIAL**

Per Domestic Meter Size

3/4-Inch Meter \$ 1,530.00

1-Inch Meter 2,555.00

1.5-Inch Meter 5,095.00

2-Inch Meter 8,155.00

3-Inch Meter 15,300.00

4-Inch Meter 25,505.00

6-Inch Meter 50,995.00

All Meters Greater Than XXX-Inch

Per Gallon of Reserved Capacity \$ 6.13

City of Yukon, Oklahoma - Sanitation System  
Calculation of Projected Sanitation Customers and Rate Revenues

Line No.	Description	Historical		Projected - Fiscal Year Ending June 30,				
		2023	2024	2025	2026	2027	2028	
<b>Solid Waste System</b>								
<b>Residential Garbage Revenue</b>								
<u>Residential Garbage Fee (Code R-50-G1)</u>								
1	Estimated Annual Customer Growth			50	50	45	45	
2	Average Annual Customers	8,527	8,577	8,627	8,672	8,717	8,757	
3	Fiscal Year 2024 Rate							
4	0-3000 Gallons of Water	\$ 5.46	\$ 5.46	\$ 5.46	\$ 5.46	\$ 5.46	\$ 5.46	
	3001 Gallons and Up	\$ 18.79	\$ 18.79	\$ 18.79	\$ 18.79	\$ 18.79	\$ 18.79	
Projected Revenues by Rate Code								
5	0-3000 Gallons of Water	\$ 215,795	\$ 217,061	\$ 218,326	\$ 219,465	\$ 220,604	\$ 221,616	
6	3001 Gallons and Up	\$ 1,180,032	\$ 1,186,951	\$ 1,193,871	\$ 1,200,098	\$ 1,206,326	\$ 1,211,861	
7	Average Annual Revenue	\$ 1,395,827	\$ 1,404,012	\$ 1,412,197	\$ 1,419,563	\$ 1,426,929	\$ 1,433,477	
<u>Residential Extra Cart (Code R-50-EC)</u>								
8	Estimated Annual Customer Growth			-	-	-	-	
9	Average Annual Customers	139	139	139	139	139	139	
10	Fiscal Year 2024 Rate	\$ 8.50	\$ 8.50	\$ 8.50	\$ 8.50	\$ 8.50	\$ 8.50	
11	Average Annual Revenue	\$ 14,178	\$ 14,178	\$ 14,178	\$ 14,178	\$ 14,178	\$ 14,178	
<u>Rural Residential Garbage</u>								
12	Estimated Annual Customer Growth			-	-	-	-	
13	Average Annual Customers	69	69	69	69	69	69	
14	Fiscal Year 2024 Rate	\$ 31.55	\$ 31.55	\$ 31.55	\$ 31.55	\$ 31.55	\$ 31.55	
15	Average Annual Revenue	\$ 26,237	\$ 26,237	\$ 26,237	\$ 26,237	\$ 26,237	\$ 26,237	
16	<b>Total Residential Garbage Revenue</b>	<b>\$ 1,436,242</b>	<b>\$ 1,444,427</b>	<b>\$ 1,452,612</b>	<b>\$ 1,459,978</b>	<b>\$ 1,467,344</b>	<b>\$ 1,473,892</b>	
<b>Commercial Garbage Revenue</b>								
<u>95-Gallon Cart Service - First Cart Service</u>								
<u>Commercial Garbage - 95-Gallon Cart 1 Weekly Pick-Up</u>								
17	Estimated Annual Customer Growth			-	-	-	-	
18	Average Annual Customers	163	163	163	163	163	163	
19	Fiscal Year 2024 Rate	\$ 20.47	\$ 20.47	\$ 20.47	\$ 20.47	\$ 20.47	\$ 20.47	
20	Average Annual Revenue	\$ 40,017	\$ 40,017	\$ 40,017	\$ 40,017	\$ 40,017	\$ 40,017	
<u>Commercial Garbage - 95-Gallon Cart 2 Weekly Pick-Up</u>								
21	Estimated Annual Customer Growth			-	-	-	-	
22	Average Annual Customers	35	35	35	35	35	35	
23	Fiscal Year 2024 Rate	\$ 25.99	\$ 25.99	\$ 25.99	\$ 25.99	\$ 25.99	\$ 25.99	
24	Average Annual Revenue	\$ 10,969	\$ 10,969	\$ 10,969	\$ 10,969	\$ 10,969	\$ 10,969	
<u>Commercial Garbage - 95-Gallon Cart 3 Weekly Pick-Up</u>								
25	Estimated Annual Customer Growth			-	-	-	-	
26	Average Annual Customers	9	9	9	9	9	9	
27	Fiscal Year 2024 Rate	\$ 31.65	\$ 31.65	\$ 31.65	\$ 31.65	\$ 31.65	\$ 31.65	
28	Average Annual Revenue	\$ 3,293	\$ 3,293	\$ 3,293	\$ 3,293	\$ 3,293	\$ 3,293	
<u>Commercial Garbage - 95-Gallon Cart 4 Weekly Pick-Up</u>								
29	Estimated Annual Customer Growth			-	-	-	-	
30	Average Annual Customers	-	-	-	-	-	-	
31	Fiscal Year 2024 Rate	\$ 40.06	\$ 40.06	\$ 40.06	\$ 40.06	\$ 40.06	\$ 40.06	
32	Average Annual Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
<u>Commercial Garbage - 95-Gallon Cart 5 Weekly Pick-Up</u>								
33	Estimated Annual Customer Growth			-	-	-	-	
34	Average Annual Customers	-	-	-	-	-	-	
35	Fiscal Year 2024 Rate	\$ 50.40	\$ 50.40	\$ 50.40	\$ 50.40	\$ 50.40	\$ 50.40	
36	Average Annual Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
<u>Commercial Garbage - 95-Gallon Cart 6 Weekly Pick-Up</u>								
37	Estimated Annual Customer Growth			-	-	-	-	
38	Average Annual Customers	1	1	1	1	1	1	
39	Fiscal Year 2024 Rate	\$ 65.01	\$ 65.01	\$ 65.01	\$ 65.01	\$ 65.01	\$ 65.01	
40	Average Annual Revenue	\$ 780	\$ 780	\$ 780	\$ 780	\$ 780	\$ 780	

**City of Yukon, Oklahoma - Sanitation System  
Calculation of Projected Sanitation Customers and Rate Revenues**

Table 4-1

**City of Yukon, Oklahoma - Sanitation System  
Calculation of Projected Sanitation Customers and Rate Revenues**

**City of Yukon, Oklahoma - Sanitation System  
Calculation of Projected Sanitation Customers and Rate Revenues**

Table 4-1

**City of Yukon, Oklahoma - Sanitation System  
Calculation of Projected Sanitation Customers and Rate Revenues**

City of Yukon, Oklahoma - Sanitation System  
Calculation of Projected Sanitation Customers and Rate Revenues

Line No.	Description	Historical		Projected - Fiscal Year Ending June 30,				
		2023	2024	2025	2026	2027	2028	
	<b>8-Yard Service -Additional Cart Service</b>							
	<u>Commercial Garbage - 8-Yard Service 1 Weekly Pick-Up</u>							
233	Estimated Annual Customer Growth							
234	Average Annual Customers	7	7	7	7	7	7	7
235	Fiscal Year 2024 Rate	\$ 109.76	\$ 109.76	\$ 109.76	\$ 109.76	\$ 109.76	\$ 109.76	\$ 109.76
236	Average Annual Revenue	\$ 8,785	\$ 8,785	\$ 8,785	\$ 8,785	\$ 8,785	\$ 8,785	\$ 8,785
	<u>Commercial Garbage - 8-Yard Service 2 Weekly Pick-Up</u>							
237	Estimated Annual Customer Growth							
238	Average Annual Customers	4	4	4	4	4	4	4
239	Fiscal Year 2024 Rate	\$ 181.42	\$ 181.42	\$ 181.42	\$ 181.42	\$ 181.42	\$ 181.42	\$ 181.42
240	Average Annual Revenue	\$ 8,164	\$ 8,164	\$ 8,164	\$ 8,164	\$ 8,164	\$ 8,164	\$ 8,164
	<u>Commercial Garbage - 8-Yard Service 3 Weekly Pick-Up</u>							
241	Estimated Annual Customer Growth							
242	Average Annual Customers	7	7	7	7	7	7	7
243	Fiscal Year 2024 Rate	\$ 204.13	\$ 204.13	\$ 204.13	\$ 204.13	\$ 204.13	\$ 204.13	\$ 204.13
244	Average Annual Revenue	\$ 17,147	\$ 17,147	\$ 17,147	\$ 17,147	\$ 17,147	\$ 17,147	\$ 17,147
	<u>Commercial Garbage - 8-Yard Service 4 Weekly Pick-Up</u>							
245	Estimated Annual Customer Growth							
246	Average Annual Customers							
247	Fiscal Year 2024 Rate	\$ 232.34	\$ 232.34	\$ 232.34	\$ 232.34	\$ 232.34	\$ 232.34	\$ 232.34
248	Average Annual Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	<u>Commercial Garbage - 8-Yard Service 5 Weekly Pick-Up</u>							
249	Estimated Annual Customer Growth							
250	Average Annual Customers	1	1	1	1	1	1	1
251	Fiscal Year 2024 Rate	\$ 253.95	\$ 253.95	\$ 253.95	\$ 253.95	\$ 253.95	\$ 253.95	\$ 253.95
252	Average Annual Revenue	\$ 3,047	\$ 3,047	\$ 3,047	\$ 3,047	\$ 3,047	\$ 3,047	\$ 3,047
	<u>Commercial Garbage - 8-Yard Service 6 Weekly Pick-Up</u>							
253	Estimated Annual Customer Growth							
254	Average Annual Customers	6	6	6	6	6	6	6
255	Fiscal Year 2024 Rate	\$ 306.40	\$ 306.40	\$ 306.40	\$ 306.40	\$ 306.40	\$ 306.40	\$ 306.40
256	Average Annual Revenue	\$ 21,436	\$ 21,436	\$ 21,436	\$ 21,436	\$ 21,436	\$ 21,436	\$ 21,436
257	<b>Commercial Class Total Revenue</b>	<b>\$ 767,026</b>	<b>\$ 767,026</b>	<b>\$ 767,026</b>	<b>\$ 767,026</b>	<b>\$ 767,026</b>	<b>\$ 767,026</b>	<b>\$ 767,026</b>
	Total Sanitation System							
258	Average Annual Accounts	9,549	9,599	9,649	9,694	9,739	9,779	
259	Total Billed Sales	\$ 2,203,268	\$ 2,211,453	\$ 2,219,637	\$ 2,227,004	\$ 2,234,370	\$ 2,240,918	

City of Yukon, Oklahoma - Sanitation System  
Summary of Sanitation System Projected Other Operating Revenues

Line No.	Account No.	Description	2024	Adjustments	Recognized	Escalation Reference	Projected - Fiscal Year Ending June 30,			
			Budget		2024		2025	2026	2027	2028
		System Other Operating Revenues								
1	46119	Transfer Station Collections	\$ 18,041	\$ -	\$ 18,041	Inflation	\$ 18,438	\$ 18,825	\$ 19,220	\$ 19,643
2	46120	Sanitation Collections	\$ 2,232,059	\$ (2,232,059)	\$ -	Inflation	\$ -	\$ -	\$ -	\$ -
3	46121	Extra Pick-Up	\$ 13,531	\$ -	\$ 13,531	Inflation	\$ 13,829	\$ 14,119	\$ 14,416	\$ 14,733
4	46124	County Fee	\$ 27,595	\$ -	\$ 27,595	Inflation	\$ 28,202	\$ 28,794	\$ 29,399	\$ 30,046
5	46126	Transfer Fees	\$ -	\$ -	\$ -	Inflation	\$ -	\$ -	\$ -	\$ -
6	46130	Recycling Pick-Up	\$ 600	\$ -	\$ 600	Inflation	\$ 613	\$ 626	\$ 639	\$ 653
7	46132	Recycling	\$ 15,624	\$ -	\$ 15,624	Inflation	\$ 15,968	\$ 16,303	\$ 16,645	\$ 17,012
8	47100	Credit Card Service Fees	\$ 1,500	\$ -	\$ 1,500	Inflation	\$ 1,533	\$ 1,565	\$ 1,598	\$ 1,633
9	48250	Miscellaneous	\$ -	\$ -	\$ -	Inflation	\$ -	\$ -	\$ -	\$ -
10	48706	PEST Transfer - General Employees	\$ -	\$ -	\$ -	Inflation	\$ -	\$ -	\$ -	\$ -
Total System Other Operating Revenues			\$ 2,308,950	\$ (2,232,059)	\$ 76,891		\$ 78,583	\$ 80,233	\$ 81,918	\$ 83,720

Table 4-3

City of Yukon, Oklahoma - Sanitation System  
Summary of Sanitation System Operating Expense Budget and Recognized Operating Expenses

Line No.	Account Number	Description	Operating Budgets		
			Adopted 2024	Adjustments	Adjusted 2024
		Sanitation Enterprise Fund			
		Sanitation Department			
		Personal Services			
1	5301-101	Regular Employees	\$ 629,406	\$ -	\$ 629,406
2	5301-102	Part-Time/Seasonal Employee	\$ 132,704	\$ -	\$ 132,704
3	5301-103	Overtime	\$ 18,000	\$ -	\$ 18,000
4	5301-106	Expense Allowance	\$ 3,300	\$ -	\$ 3,300
5	5301-108	Employee Group Insurance	\$ 96,843	\$ -	\$ 96,843
6	5301-110	Unemployment Insurance	\$ 2,400	\$ -	\$ 2,400
7	5301-112	Employee Retirement	\$ 99,477	\$ -	\$ 99,477
8	5301-113	FICA (Social Security)	\$ 49,431	\$ -	\$ 49,431
9	5301-117	Employee Dental Insurance	\$ 9,372	\$ -	\$ 9,372
10	5301-121	Sick Leave Buy-Back	\$ 1,750	\$ -	\$ 1,750
11		Total Personal Services	\$ 1,042,683	\$ -	\$ 1,042,683
		Materials & Supplies			
12	5301-201	Office Supplies	\$ -	\$ -	\$ -
13	5301-204	Fuel, Oil and Lubricants	\$ 132,000	\$ -	\$ 132,000
14	5301-205	Nondurable Supplies	\$ 2,500	\$ -	\$ 2,500
15	5301-206	Building Maintenance Suppli	\$ 500	\$ -	\$ 500
16	5301-207	Chemicals	\$ 1,000	\$ -	\$ 1,000
17	5301-217	Wearing Apparel	\$ 4,750	\$ -	\$ 4,750
18	5301-218	Protective Clothing/Safety	\$ 2,350	\$ -	\$ 2,350
19	5301-219	Disposal Costs	\$ 414,960	\$ -	\$ 414,960
20	5301-223	Welding Supplies	\$ 1,000	\$ -	\$ 1,000
21		Total Materials & Supplies	\$ 559,060	\$ -	\$ 559,060
		Services & Charges			
22	5301-302	Buildings	\$ 4,000	\$ -	\$ 4,000
23	5301-317	Durable Tools	\$ 2,300	\$ -	\$ 2,300
24	5301-318	Motor Vehicles/Small Equip	\$ 165,000	\$ -	\$ 165,000
25	5301-321	Air Condition and Heating S	\$ 2,500	\$ -	\$ 2,500
26	5301-327	Cart and Dumpster Repair	\$ 6,500	\$ -	\$ 6,500
27	5301-331	Travel Expense	\$ 1,000	\$ -	\$ 1,000
28	5301-340	Postage and Shipping	\$ 100	\$ -	\$ 100
29	5301-346	Rentals & Leases	\$ 60,000	\$ -	\$ 60,000
30	5301-349	Printing	\$ 1,000	\$ -	\$ 1,000
31	5301-354	Assoc Memberships & Conf R	\$ 425	\$ -	\$ 425
32	5301-356	Training	\$ 1,150	\$ -	\$ 1,150
33	5301-362	Judgments and Damages	\$ 500	\$ -	\$ 500
34	5301-365	Maintenance Agreements	\$ 1,345	\$ -	\$ 1,345
35	5301-377	Licenses	\$ 463	\$ -	\$ 463
36	5301-378	Vehicle Tags	\$ 500	\$ -	\$ 500
37	5301-381	Special Events	\$ 200	\$ -	\$ 200
38	5301-387	Credit Card Process Fees	\$ 1,500	\$ -	\$ 1,500
39		Total Services & Charges	\$ 248,483	\$ -	\$ 248,483
		Transfers			
40	5301-601	Transfer to General Fund	\$ 458,723	\$ (458,723)	\$ -
41		Total Transfers	\$ 458,723	\$ (458,723)	\$ -
42		Total Sanitation Department	\$ 2,308,949	\$ (458,723)	\$ 1,850,226

Table 4-4

City of Yukon, Oklahoma - Sanitation System  
Calculation of Projected Sanitation System Operating Expenses

Line No.	Description	Fiscal Year Ending June 30,						
		2024	Esc. Reference	2025	2026	2027	2028	
<b>Sanitation Enterprise Fund</b>								
<b>Sanitation Department</b>								
	Personal Services							
1	Regular Employees	\$ 629,406	Labor	\$ 654,582	\$ 680,766	\$ 707,996	\$ 736,316	
	Additional Personnel	\$ -	Calculated	\$ -	\$ -	\$ -	\$ -	
2	Part-Time/Seasonal Employee	\$ 132,704	Labor	\$ 138,012	\$ 143,533	\$ 149,274	\$ 155,245	
3	Overtime	\$ 18,000	Inflation	\$ 18,396	\$ 18,782	\$ 19,177	\$ 19,599	
4	Expense Allowance	\$ 3,300	Insurance	\$ 3,482	\$ 3,673	\$ 3,875	\$ 4,088	
5	Employee Group Insurance	\$ 96,843	Insurance	\$ 102,169	\$ 107,789	\$ 113,717	\$ 119,971	
6	Unemployment Insurance	\$ 2,400	Labor	\$ 2,496	\$ 2,596	\$ 2,700	\$ 2,808	
7	Employee Retirement	\$ 99,477	Labor	\$ 103,456	\$ 107,594	\$ 111,898	\$ 116,374	
8	FICA (Social Security)	\$ 49,431	Health	\$ 52,397	\$ 55,541	\$ 58,873	\$ 62,405	
9	Employee Dental Insurance	\$ 9,372	Labor	\$ 9,747	\$ 10,137	\$ 10,542	\$ 10,964	
10	Sick Leave Buy-Back	\$ 1,750	Labor	\$ 1,820	\$ 1,893	\$ 1,969	\$ 2,047	
	Materials & Supplies							
	Office Supplies	\$ -	Inflation	\$ -	\$ -	\$ -	\$ -	
11	Fuel, Oil and Lubricants	\$ 132,000	Inflation	\$ 134,904	\$ 137,737	\$ 140,629	\$ 143,723	
12	Nondurable Supplies	\$ 2,500	Fuel	\$ 2,657	\$ 2,824	\$ 3,001	\$ 3,190	
13	Building Maintenance Suppli	\$ 500	Inflation	\$ 511	\$ 522	\$ 533	\$ 544	
14	Chemicals	\$ 1,000	Inflation	\$ 1,022	\$ 1,043	\$ 1,065	\$ 1,089	
15	Wearing Apparel	\$ 4,750	Chem	\$ 5,009	\$ 5,282	\$ 5,570	\$ 5,873	
16	Protective Clothing/Safety	\$ 2,350	Inflation	\$ 2,402	\$ 2,452	\$ 2,504	\$ 2,559	
17	Disposal Costs	\$ 414,960	Inflation	\$ 424,089	\$ 432,995	\$ 442,088	\$ 451,814	
18	Welding Supplies	\$ 1,000	Inflation	\$ 1,022	\$ 1,043	\$ 1,065	\$ 1,089	
	Services & Charges							
19	Buildings	\$ 4,000	Inflation	\$ 4,088	\$ 4,174	\$ 4,261	\$ 4,355	
20	Durable Tools	\$ 2,300	Inflation	\$ 2,351	\$ 2,400	\$ 2,450	\$ 2,504	
21	Motor Vehicles/Small Equip	\$ 165,000	Inflation	\$ 168,630	\$ 172,171	\$ 175,787	\$ 179,654	
22	Air Condition and Heating S	\$ 2,500	Inflation	\$ 2,555	\$ 2,609	\$ 2,663	\$ 2,722	
23	Cart and Dumpster Repair	\$ 6,500	Inflation	\$ 6,643	\$ 6,783	\$ 6,925	\$ 7,077	
24	Travel Expense	\$ 1,000	Inflation	\$ 1,022	\$ 1,043	\$ 1,065	\$ 1,089	
25	Postage and Shipping	\$ 100	Inflation	\$ 102	\$ 104	\$ 107	\$ 109	
26	Rentals & Leases	\$ 60,000	Inflation	\$ 61,320	\$ 62,608	\$ 63,922	\$ 65,329	
27	Printing	\$ 1,000	Inflation	\$ 1,022	\$ 1,043	\$ 1,065	\$ 1,089	
28	Assoc Memberships & Conf R	\$ 425	Inflation	\$ 434	\$ 443	\$ 453	\$ 463	
29	Training	\$ 1,150	Inflation	\$ 1,175	\$ 1,200	\$ 1,225	\$ 1,252	
30	Judgments and Damages	\$ 500	Inflation	\$ 511	\$ 522	\$ 533	\$ 544	
31	Maintenance Agreements	\$ 1,345	Inflation	\$ 1,375	\$ 1,403	\$ 1,433	\$ 1,464	
32	Licenses	\$ 463	Inflation	\$ 473	\$ 483	\$ 493	\$ 504	
33	Vehicle Tags	\$ 500	Labor	\$ 520	\$ 541	\$ 562	\$ 585	
34	Special Events	\$ 200	Inflation	\$ 204	\$ 209	\$ 213	\$ 218	
35	Credit Card Process Fees	\$ 1,500	ENR	\$ 1,575	\$ 1,653	\$ 1,735	\$ 1,821	
36	Total Water and Sewer Enterprise Fund	\$ 1,850,226		\$ 1,912,173	\$ 1,975,590	\$ 2,041,370	\$ 2,110,478	

Table 4-5

City of Yukon, Oklahoma - Sanitation System  
Summary of Sanitation System Operating Expense Escalation Assumptions

Line No.	Description	Alloc. Reference	Fiscal Year Ending June 30,				
			2024	2025	2026	2027	2028
1	General Inflation (Consumer Price Index)	Inflation	100.00%	102.20%	102.10%	102.10%	102.20%
2	CPI Inflationary Rate Adjustments	CPI Rates	100.00%	103.26%	103.26%	103.26%	103.26%
2	Annual COL Adjustments to Labor	Labor	100.00%	104.00%	104.00%	104.00%	104.00%
3	Bureau of Labor Statistics - Electricity	Electric	100.00%	105.72%	105.72%	105.72%	105.72%
4	Bureau of Labor Statistics - Industrial Chemicals	Chem	100.00%	105.45%	105.45%	105.45%	105.45%
5	Bureau of Labor Statistics - Fuel Oil	Fuel	100.00%	106.28%	106.28%	106.28%	106.28%
6	Property/General Insurance Liability	Insurance	100.00%	105.50%	105.50%	105.50%	105.50%
7	Employee Health and Workmans Comp Insurance	Health	100.00%	106.00%	106.00%	106.00%	106.00%
8	ENR - Construction Cost Index	ENR	100.00%	104.97%	104.97%	104.97%	104.97%

Table 4-6

City of Yukon, Oklahoma - Sanitation System  
Summary of Sanitation System Vehicle Replacement Plan and Funding Sources

Line No.	Description	Funding Source	Fiscal Year Ending June 30,					
			2024	2025	2026	2027	2028	
<b>Vehicle Purchases</b>								
1	Dumpsters	Vehcl. Fund	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000
2	Polycarts (95-Gallon)	Vehcl. Fund	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000
3	Frontload Truck	Vehcl. Fund	\$ -	\$ 420,000	\$ -	\$ -	\$ -	\$ -
4	Work Order Pickup	Vehcl. Fund	\$ -	\$ 50,000	\$ -	\$ -	\$ -	\$ -
5	Tools	Vehcl. Fund	\$ -	\$ 10,000	\$ 10,000	\$ -	\$ -	\$ -
6	Power Washer - Car Wash	Vehcl. Fund	\$ -	\$ 8,000	\$ -	\$ -	\$ -	\$ -
7	Fence - E.N.S.	Vehcl. Fund	\$ -	\$ 18,000	\$ -	\$ -	\$ -	\$ -
8	Overhead W. Door Transfer	Vehcl. Fund	\$ -	\$ 20,000	\$ -	\$ -	\$ -	\$ -
9	Concrete For Drive	Vehcl. Fund	\$ -	\$ 50,000	\$ -	\$ -	\$ -	\$ -
10	Semi Truck	Vehcl. Fund	\$ -	\$ -	\$ 134,000	\$ -	\$ -	\$ -
11	Transfer Trailer	Vehcl. Fund	\$ -	\$ -	\$ 74,000	\$ -	\$ -	\$ -
12	Concrete For Drive	Vehcl. Fund	\$ -	\$ -	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000
13	ASL Truck	Vehcl. Fund	\$ -	\$ -	\$ -	\$ 326,480	\$ -	\$ -
14	FEL Truck	Vehcl. Fund	\$ -	\$ -	\$ -	\$ -	\$ 302,000	\$ -
15	<b>Total Vehicle Purchases</b>		\$ 80,000	\$ 656,000	\$ 328,000	\$ 436,480	\$ 412,000	
<b>Capital Improvement Program Funding</b>								
17	Operating Fund	Op. Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
18	Vehicle Replacement Fund	Vehcl. Fund	\$ 80,000	\$ 656,000	\$ 328,000	\$ 436,480	\$ 412,000	
19	Grant / Other External Funding Sources	Grant	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
20	<b>Total Capital Improvement Program Funding</b>		\$ 80,000	\$ 656,000	\$ 328,000	\$ 436,480	\$ 412,000	

Table 4-7

City of Yukon, Oklahoma - Sanitation System  
Calculation of Transfers to Vehicle Replacement Fund

Line No.	Description	Fiscal Year Ending June 30,				
		2024	2025	2026	2027	2028
<b>Deposit to Vehicle Replacement Fund</b>						
1	Sanitation Rate Revenues	\$ 2,211,453	\$ 2,663,565	\$ 2,817,832	\$ 2,980,584	\$ 3,151,425
2	Other Revenues	\$ 76,891	\$ 78,583	\$ 80,233	\$ 81,918	\$ 83,720
2	Interest Income	\$ 23,602	\$ 16,303	\$ 13,257	\$ 16,155	\$ 19,885
3	Total Sanitation System Revenues	\$ 2,311,946	\$ 2,758,450	\$ 2,911,322	\$ 3,078,657	\$ 3,255,030
Assumed Annual Deposit (% of Annual Operating Revenues)						
	Minimum Deposit	0.00%	0.00%	0.00%	0.00%	0.00%
4	Additional Deposit	16.00%	16.00%	16.00%	16.00%	16.00%
5	Annual Deposit - Percent	16.00%	16.00%	16.00%	16.00%	16.00%
6	Annual Deposit - Amount	\$ 369,911	\$ 441,352	\$ 465,812	\$ 492,585	\$ 520,805

Table 4-8

City of Yukon, Oklahoma - Sanitation System  
Calculation of Transfers to City's General Fund

Line No.	Description	Fiscal Year Ending June 30,				
		2024	2025	2026	2027	2028
<b>Transfer to City's General Fund</b>						
1	Sanitation Rate Revenues	\$ 2,211,453	\$ 2,663,565	\$ 2,817,832	\$ 2,980,584	\$ 3,151,425
2	Other Revenues	\$ 76,891	\$ 78,583	\$ 80,233	\$ 81,918	\$ 83,720
3	Interest Income	\$ 23,602	\$ 16,303	\$ 13,257	\$ 16,155	\$ 19,885
4	Total Sanitation System Revenues	\$ 2,311,946	\$ 2,758,450	\$ 2,911,322	\$ 3,078,657	\$ 3,255,030
Department - Percentage						
5	Sanitation Department	19.84%	16.63%	15.76%	14.90%	14.09%
6	Total All Departments	19.84%	16.63%	15.76%	14.90%	14.09%
Department - Amount						
7	Sanitation Department	\$ 458,723	\$ 458,723	\$ 458,723	\$ 458,723	\$ 458,723
8	Total All Departments	\$ 458,723	\$ 458,723	\$ 458,723	\$ 458,723	\$ 458,723

Table 4-9

City of Yukon, Oklahoma - Sanitation System  
Summary of Sanitation System Net Revenue Requirements

Line No.	Description	Fiscal Year Ending June 30,				
		2024	2025	2026	2027	2028
	Revenue Requirements					
1	Internal Operating Expenses	\$ 1,435,266	\$ 1,488,084	\$ 1,542,595	\$ 1,599,282	\$ 1,658,664
2	Disposal Expenses	\$ 414,960	\$ 424,089	\$ 432,995	\$ 442,088	\$ 451,814
	Total Operating Expenses	\$ 1,850,226	\$ 1,912,173	\$ 1,975,590	\$ 2,041,370	\$ 2,110,478
	Debt Service					
	Proposed					
8	Proposed Debt - 1	\$ -	\$ -	\$ -	\$ -	\$ -
9	Proposed Debt - 2	\$ -	\$ -	\$ -	\$ -	\$ -
10	Proposed Debt - 3	\$ -	\$ -	\$ -	\$ -	\$ -
11	Total Proposed	\$ -	\$ -	\$ -	\$ -	\$ -
	Transfers					
12	Vehicle Replacement Fund	\$ 369,911	\$ 441,352	\$ 465,812	\$ 492,585	\$ 520,805
13	City's General Fund	\$ 458,723	\$ 458,723	\$ 458,723	\$ 458,723	\$ 458,723
14	Gross Revenue Requirements	\$ 2,678,860	\$ 2,812,248	\$ 2,900,125	\$ 2,992,678	\$ 3,090,006
15	Less: Other Revenues	\$ (76,891)	\$ (78,583)	\$ (80,233)	\$ (81,918)	\$ (83,720)
16	Less: Investment Earnings	\$ (23,602)	\$ (16,303)	\$ (13,257)	\$ (16,155)	\$ (19,885)
17	Net Revenue Requirements	\$ 2,578,367	\$ 2,717,362	\$ 2,806,635	\$ 2,894,605	\$ 2,986,401
18	Sanitation Rate Revenues U/ Existing Rates	\$ 2,211,453	\$ 2,219,637	\$ 2,227,004	\$ 2,234,370	\$ 2,240,918
19	Rate Revenues From Prior Year Adj.	\$ -	\$ -	\$ 443,927	\$ 590,829	\$ 746,215
20	Existing Surplus/(Deficiency)	\$ (366,914)	\$ (497,725)	\$ (135,704)	\$ (69,407)	\$ 731
21	Surplus/(Deficiency) - Percent	(16.59%)	(22.42%)	(6.09%)	(3.11%)	0.03%
22	Current Year Rate Adjustment	0.00%	20.00%	5.50%	5.50%	5.50%
23	Revenues From Current Year Adjustments	\$ -	\$ 443,927	\$ 146,901	\$ 155,386	\$ 164,292
24	Proposed Rate Revenues w/ Adjustments	\$ 2,211,453	\$ 2,663,565	\$ 2,817,832	\$ 2,980,584	\$ 3,151,425
25	Surplus/(Deficiency) - Amount	\$ (366,914)	\$ (53,798)	\$ 11,198	\$ 85,979	\$ 165,024
26	Surplus/(Deficiency) - Percent	(16.59%)	(2.02%)	0.40%	2.88%	5.24%

Table 4-10

City of Yukon, Oklahoma - Sanitation System  
Calculation of Sanitation System Projected Fund Balances and Interest Income

Line No.	Description	Fiscal Year Ending June 30,				
		2024	2025	2026	2027	2028
	<b>Summary of Ending Fund Balances</b>					
1	Operating Fund	\$ 345,941	\$ 292,143	\$ 303,340	\$ 389,320	\$ 554,343
2	Vehicle Replacement Fund	\$ 289,911	\$ 75,263	\$ 213,075	\$ 269,180	\$ 377,985
3	Debt Service Account	\$ -	\$ -	\$ -	\$ -	\$ -
4	Debt Service Reserve Account	\$ -	\$ -	\$ -	\$ -	\$ -
5	Customer Deposits	\$ -	\$ -	\$ -	\$ -	\$ -
6	<b>Total Water System Revenues</b>	\$ 635,852	\$ 367,406	\$ 516,415	\$ 658,500	\$ 932,328
	<b><u>Operating Fund</u></b>					
7	Beginning Year Fund Balance	\$ 712,855	\$ 345,941	\$ 292,143	\$ 303,340	\$ 389,320
8	Transfers In Operations	\$ -	\$ -	\$ 11,198	\$ 85,979	\$ 165,024
10	<b>Total Transfers In</b>	\$ -	\$ -	\$ 11,198	\$ 85,979	\$ 165,024
	<b>Transfers Out</b>					
11	Operations	\$ (366,914)	\$ (53,798)	\$ -	\$ -	\$ -
12	Capital Improvement Program Funding Transfer to Vehicle Replacement Fund	\$ -	\$ -	\$ -	\$ -	\$ -
13	<b>Total Transfers Out</b>	\$ (366,914)	\$ (53,798)	\$ -	\$ -	\$ -
	<b>Calculation of Interest Income</b>					
14	Estimated Annual Interest Rate	3.50%	3.25%	3.00%	2.75%	2.50%
15	Annual Interest Earnings	\$ 18,529	\$ 10,369	\$ 8,932	\$ 9,524	\$ 11,796
16	Interest Earnings Recognized As Operating Revenues	\$ (18,529)	\$ (10,369)	\$ (8,932)	\$ (9,524)	\$ (11,796)
17	<b>End of Year Fund Balance</b>	\$ 345,941	\$ 292,143	\$ 303,340	\$ 389,320	\$ 554,343
	<b><u>Vehicle Replacement Fund</u></b>					
18	Beginning Year Fund Balance	\$ -	\$ 289,911	\$ 75,263	\$ 213,075	\$ 269,180
19	Transfers In Operations	\$ 369,911	\$ 441,352	\$ 465,812	\$ 492,585	\$ 520,805
20	Transfer from Revenue Account (401)	\$ -	\$ -	\$ -	\$ -	\$ -
21	<b>Total Transfers In</b>	\$ 369,911	\$ 441,352	\$ 465,812	\$ 492,585	\$ 520,805
	<b>Transfers Out</b>					
22	Capital Improvement Program Funding	\$ (80,000)	\$ (656,000)	\$ (328,000)	\$ (436,480)	\$ (412,000)
23	Other - Describe	\$ -	\$ -	\$ -	\$ -	\$ -
24	<b>Total Transfers Out</b>	\$ (80,000)	\$ (656,000)	\$ (328,000)	\$ (436,480)	\$ (412,000)
	<b>Calculation of Interest Income</b>					
25	Estimated Annual Interest Rate	3.50%	3.25%	3.00%	2.75%	2.50%
26	Annual Interest Earnings	\$ 5,073	\$ 5,934	\$ 4,325	\$ 6,631	\$ 8,090
27	Interest Earnings Recognized As Operating Revenues	\$ (5,073)	\$ (5,934)	\$ (4,325)	\$ (6,631)	\$ (8,090)
28	<b>End of Year Fund Balance</b>	\$ 289,911	\$ 75,263	\$ 213,075	\$ 269,180	\$ 377,985

Table 4-10

City of Yukon, Oklahoma - Sanitation System  
Calculation of Sanitation System Projected Fund Balances and Interest Income

Line No.	Description	Fiscal Year Ending June 30,				
		2024	2025	2026	2027	2028
<b><u>Debt Service Account</u></b>						
29	Average Annual Debt Service	\$ -	\$ -	\$ -	\$ -	\$ -
29	Senior Lien - Existing Debt	\$ -	\$ -	\$ -	\$ -	\$ -
30	Senior Lien - Proposed Debt	\$ -	\$ -	\$ -	\$ -	\$ -
31	Subordinate Lien - Existing Debt	\$ -	\$ -	\$ -	\$ -	\$ -
32	Subordinate Lien - Proposed Debt	\$ -	\$ -	\$ -	\$ -	\$ -
33	Total Average Annual Debt Service	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Calculation of Interest Income</b>						
34	Estimated Annual Interest Rate	3.50%	3.25%	3.00%	2.75%	2.50%
35	Annual Interest Earnings	\$ -	\$ -	\$ -	\$ -	\$ -
36	Interest Earnings Recognized As Operating Revenues	\$ -	\$ -	\$ -	\$ -	\$ -
37	Estimated Average Annual Fund Balance	\$ -	\$ -	\$ -	\$ -	\$ -
<b><u>Debt Service Reserve Account</u></b>						
38	Beginning Year Fund Balance	\$ -	\$ -	\$ -	\$ -	\$ -
	Transfers In					
39	Reserve Account Deposit	\$ -	\$ -	\$ -	\$ -	\$ -
41	Total Transfers In	\$ -	\$ -	\$ -	\$ -	\$ -
	Transfers Out					
42	Operations	\$ -	\$ -	\$ -	\$ -	\$ -
44	Total Transfers Out	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Calculation of Interest Income</b>						
45	Estimated Annual Interest Rate	3.50%	3.25%	3.00%	2.75%	2.50%
46	Annual Interest Earnings	\$ -	\$ -	\$ -	\$ -	\$ -
47	Interest Earnings Recognized As Operating Revenues	\$ -	\$ -	\$ -	\$ -	\$ -
48	End of Year Fund Balance	\$ -	\$ -	\$ -	\$ -	\$ -
<b><u>Customer Deposits</u></b>						
49	Beginning Year Fund Balance	\$ -	\$ -	\$ -	\$ -	\$ -
	Transfers In					
50	Operations	\$ -	\$ -	\$ -	\$ -	\$ -
52	Total Transfers In	\$ -	\$ -	\$ -	\$ -	\$ -
	Transfers Out					
53	Operations	\$ -	\$ -	\$ -	\$ -	\$ -
54	Refunding of Customer Deposits	\$ -	\$ -	\$ -	\$ -	\$ -
55	Total Transfers Out	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Calculation of Interest Income</b>						
56	Estimated Annual Interest Rate	3.50%	3.25%	3.00%	2.75%	2.50%
57	Annual Interest Earnings	\$ -	\$ -	\$ -	\$ -	\$ -
58	Interest Earnings Recognized As Operating Revenues	\$ -	\$ -	\$ -	\$ -	\$ -
59	End of Year Fund Balance	\$ -	\$ -	\$ -	\$ -	\$ -
60	Estimated Total Unrestricted Interest Income	\$ 23,602	\$ 16,303	\$ 13,257	\$ 16,155	\$ 19,885

City of Yukon, Oklahoma - Sanitation System  
Summary of Sanitation System Existing and Proposed Rates and Rate Revenues

Line No.	Description	Existing		
		2024	Proposed	
<b>Solid Waste System</b>				
<b>Residential Garbage Revenue</b>				
<u>Residential Garbage Fee (Code R-50-G1)</u>				
1	Average Annual Customers	8,577	8,577	
	Fiscal Year 2024 Rate			
2	0-3000 Gallons of Water	\$ 5.46	\$ 16.57	
3	3001 Gallons and Up	\$ 18.79	\$ 16.57	
Projected Revenues by Rate Code				
4	0-3000 Gallons of Water	\$ 217,061	\$ 658,735	
5	3001 Gallons and Up	\$ 1,186,951	\$ 1,046,716	
6	Average Annual Revenue	\$ 1,404,012	\$ 1,705,451	
		13.64125021		
		\$ 1.14		
<u>Residential Extra Cart (Code R-50-EC)</u>				
7	Average Annual Customers	139	139	
8	Fiscal Year 2024 Rate	\$ 8.50	\$ 8.50	
9	Average Annual Revenue	\$ 14,178	\$ 14,178	
<u>Rural Residential Garbage</u>				
10	Average Annual Customers	69	69	
11	Fiscal Year 2024 Rate	\$ 31.55	\$ 31.55	
12	Average Annual Revenue	\$ 26,237	\$ 26,237	
13	<b>Total Residential Garbage Revenue</b>	<b>\$ 1,444,427</b>	<b>\$ 1,745,866</b>	
<b>Commercial Garbage Revenue</b>				
<b>95-Gallon Cart Service - First Cart Service</b>				
<u>Commercial Garbage - 95-Gallon Cart 1 Weekly Pick-Up</u>				
14	Average Annual Customers	163	163	
15	Fiscal Year 2024 Rate	\$ 20.47	\$ 20.47	
16	Average Annual Revenue	\$ 40,017	\$ 40,017	
<u>Commercial Garbage - 95-Gallon Cart 2 Weekly Pick-Up</u>				
17	Average Annual Customers	35	35	
18	Fiscal Year 2024 Rate	\$ 25.99	\$ 25.99	
19	Average Annual Revenue	\$ 10,969	\$ 10,969	
<u>Commercial Garbage - 95-Gallon Cart 3 Weekly Pick-Up</u>				
20	Average Annual Customers	9	9	
21	Fiscal Year 2024 Rate	\$ 31.65	\$ 31.65	
22	Average Annual Revenue	\$ 3,293	\$ 3,293	
<u>Commercial Garbage - 95-Gallon Cart 4 Weekly Pick-Up</u>				
23	Average Annual Customers	-	-	
24	Fiscal Year 2024 Rate	\$ 40.06	\$ 40.06	
25	Average Annual Revenue	\$ -	\$ -	
<u>Commercial Garbage - 95-Gallon Cart 5 Weekly Pick-Up</u>				
26	Average Annual Customers	-	-	
27	Fiscal Year 2024 Rate	\$ 50.40	\$ 50.40	
28	Average Annual Revenue	\$ -	\$ -	
<u>Commercial Garbage - 95-Gallon Cart 6 Weekly Pick-Up</u>				
29	Average Annual Customers	1	1	
30	Fiscal Year 2024 Rate	\$ 65.01	\$ 65.01	
31	Average Annual Revenue	\$ 780	\$ 780	

City of Yukon, Oklahoma - Sanitation System  
Summary of Sanitation System Existing and Proposed Rates and Rate Revenues

Line No.	Description	Existing		
		2024	Proposed	
<b>95-Gallon Cart Service - Additional Cart Service</b>				
<u>Commercial Garbage - 95-Gallon Cart 1 Weekly Pick-Up</u>				
32	Average Annual Customers	52	52	
33	Fiscal Year 2024 Rate	\$ 17.40	\$ 20.47	
34	Average Annual Revenue	\$ 10,858	\$ 12,773	
<u>Commercial Garbage - 95-Gallon Cart 2 Weekly Pick-Up</u>				
35	Average Annual Customers	20	20	
36	Fiscal Year 2024 Rate	\$ 20.81	\$ 25.99	
37	Average Annual Revenue	\$ 4,890	\$ 6,107	
<u>Commercial Garbage - 95-Gallon Cart 3 Weekly Pick-Up</u>				
38	Average Annual Customers	3	3	
39	Fiscal Year 2024 Rate	\$ 23.74	\$ 31.65	
40	Average Annual Revenue	\$ 903	\$ 1,204	
<u>Commercial Garbage - 95-Gallon Cart 4 Weekly Pick-Up</u>				
41	Average Annual Customers	-	-	
42	Fiscal Year 2024 Rate	\$ 28.04	\$ 40.06	
43	Average Annual Revenue	\$ -	\$ -	
<u>Commercial Garbage - 95-Gallon Cart 5 Weekly Pick-Up</u>				
44	Average Annual Customers	-	-	
45	Fiscal Year 2024 Rate	\$ 33.40	\$ 50.40	
46	Average Annual Revenue	\$ -	\$ -	
<u>Commercial Garbage - 95-Gallon Cart 6 Weekly Pick-Up</u>				
47	Average Annual Customers	3	3	
48	Fiscal Year 2024 Rate	\$ 39.01	\$ 65.01	
49	Average Annual Revenue	\$ 1,404	\$ 2,340	
<b>2-Yard Service - First Cart Service</b>				
<u>Commercial Garbage - 2-Yard Service 1 Weekly Pick-Up</u>				
50	Average Annual Customers	92	92	
51	Fiscal Year 2024 Rate	\$ 48.38	\$ 48.38	
52	Average Annual Revenue	\$ 53,313	\$ 53,313	
<u>Commercial Garbage - 2-Yard Service 2 Weekly Pick-Up</u>				
53	Average Annual Customers	71	71	
54	Fiscal Year 2024 Rate	\$ 66.02	\$ 66.02	
55	Average Annual Revenue	\$ 56,186	\$ 56,186	
<u>Commercial Garbage - 2-Yard Service 3 Weekly Pick-Up</u>				
56	Average Annual Customers	41	41	
57	Fiscal Year 2024 Rate	\$ 83.45	\$ 83.45	
58	Average Annual Revenue	\$ 41,468	\$ 41,468	
<u>Commercial Garbage - 2-Yard Service 4 Weekly Pick-Up</u>				
59	Average Annual Customers	3	3	
60	Fiscal Year 2024 Rate	\$ 105.18	\$ 105.18	
61	Average Annual Revenue	\$ 3,786	\$ 3,786	
<u>Commercial Garbage - 2-Yard Service 5 Weekly Pick-Up</u>				
62	Average Annual Customers	8	8	
63	Fiscal Year 2024 Rate	\$ 126.12	\$ 126.12	
64	Average Annual Revenue	\$ 12,108	\$ 12,108	
<u>Commercial Garbage - 2-Yard Service 6 Weekly Pick-Up</u>				
65	Average Annual Customers	10	10	
66	Fiscal Year 2024 Rate	\$ 162.34	\$ 162.34	
67	Average Annual Revenue	\$ 19,968	\$ 19,968	

City of Yukon, Oklahoma - Sanitation System  
Summary of Sanitation System Existing and Proposed Rates and Rate Revenues

Line No.	Description	Existing		
		2024	Proposed	
<b>2-Yard Service - Additional Cart Service</b>				
<u>Commercial Garbage - 2-Yard Service 1 Weekly Pick-Up</u>				
68	Average Annual Customers	8	8	
69	Fiscal Year 2024 Rate	\$ 43.19	\$ 48.38	
70	Average Annual Revenue	\$ 4,146	\$ 4,644	
<u>Commercial Garbage - 2-Yard Service 2 Weekly Pick-Up</u>				
71	Average Annual Customers	70	70	
72	Fiscal Year 2024 Rate	\$ 50.01	\$ 66.02	
73	Average Annual Revenue	\$ 42,008	\$ 55,457	
<u>Commercial Garbage - 2-Yard Service 3 Weekly Pick-Up</u>				
74	Average Annual Customers	35	35	
75	Fiscal Year 2024 Rate	\$ 57.15	\$ 83.45	
76	Average Annual Revenue	\$ 24,058	\$ 35,129	
<u>Commercial Garbage - 2-Yard Service 4 Weekly Pick-Up</u>				
77	Average Annual Customers	1	1	
78	Fiscal Year 2024 Rate	\$ 65.65	\$ 105.18	
79	Average Annual Revenue	\$ 788	\$ 1,262	
<u>Commercial Garbage - 2-Yard Service 5 Weekly Pick-Up</u>				
80	Average Annual Customers	11	11	
81	Fiscal Year 2024 Rate	\$ 73.18	\$ 126.12	
82	Average Annual Revenue	\$ 9,660	\$ 16,648	
<u>Commercial Garbage - 2-Yard Service 6 Weekly Pick-Up</u>				
83	Average Annual Customers	6	6	
84	Fiscal Year 2024 Rate	\$ 87.91	\$ 162.34	
85	Average Annual Revenue	\$ 6,593	\$ 12,176	
<b>4-Yard Service - First Cart Service</b>				
<u>Commercial Garbage - 4-Yard Service 1 Weekly Pick-Up</u>				
86	Average Annual Customers	15	15	
87	Fiscal Year 2024 Rate	\$ 75.54	\$ 75.54	
88	Average Annual Revenue	\$ 13,597	\$ 13,597	
<u>Commercial Garbage - 4-Yard Service 2 Weekly Pick-Up</u>				
89	Average Annual Customers	12	12	
90	Fiscal Year 2024 Rate	\$ 111.36	\$ 111.36	
91	Average Annual Revenue	\$ 15,595	\$ 15,595	
<u>Commercial Garbage - 4-Yard Service 3 Weekly Pick-Up</u>				
92	Average Annual Customers	10	10	
93	Fiscal Year 2024 Rate	\$ 145.49	\$ 145.49	
94	Average Annual Revenue	\$ 17,022	\$ 17,022	
<u>Commercial Garbage - 4-Yard Service 4 Weekly Pick-Up</u>				
95	Average Annual Customers	3	3	
96	Fiscal Year 2024 Rate	\$ 177.55	\$ 177.55	
97	Average Annual Revenue	\$ 6,392	\$ 6,392	
<u>Commercial Garbage - 4-Yard Service 5 Weekly Pick-Up</u>				
98	Average Annual Customers	3	3	
99	Fiscal Year 2024 Rate	\$ 206.50	\$ 206.50	
100	Average Annual Revenue	\$ 7,434	\$ 7,434	
<u>Commercial Garbage - 4-Yard Service 6 Weekly Pick-Up</u>				
101	Average Annual Customers	4	4	
102	Fiscal Year 2024 Rate	\$ 259.30	\$ 259.30	
103	Average Annual Revenue	\$ 11,669	\$ 11,669	

City of Yukon, Oklahoma - Sanitation System  
Summary of Sanitation System Existing and Proposed Rates and Rate Revenues

Line No.	Description	Existing		
		2024	Proposed	
<b>4-Yard Service - Additional Cart Service</b>				
<u>Commercial Garbage - 4-Yard Service 1 Weekly Pick-Up</u>				
104	Average Annual Customers	\$ -	\$ -	
105	Fiscal Year 2024 Rate	\$ 61.00	\$ 75.54	
106	Average Annual Revenue	\$ -	\$ -	
<u>Commercial Garbage - 4-Yard Service 2 Weekly Pick-Up</u>				
107	Average Annual Customers	1	1	
108	Fiscal Year 2024 Rate	\$ 102.24	\$ 111.36	
109	Average Annual Revenue	\$ 1,227	\$ 1,336	
<u>Commercial Garbage - 4-Yard Service 3 Weekly Pick-Up</u>				
110	Average Annual Customers	\$ -	\$ -	
111	Fiscal Year 2024 Rate	\$ 115.12	\$ 145.49	
112	Average Annual Revenue	\$ -	\$ -	
<u>Commercial Garbage - 4-Yard Service 4 Weekly Pick-Up</u>				
113	Average Annual Customers	\$ -	\$ -	
114	Fiscal Year 2024 Rate	\$ 135.96	\$ 177.55	
115	Average Annual Revenue	\$ -	\$ -	
<u>Commercial Garbage - 4-Yard Service 5 Weekly Pick-Up</u>				
116	Average Annual Customers	\$ -	\$ -	
117	Fiscal Year 2024 Rate	\$ 154.44	\$ 206.50	
118	Average Annual Revenue	\$ -	\$ -	
<u>Commercial Garbage - 4-Yard Service 6 Weekly Pick-Up</u>				
119	Average Annual Customers	2	2	
120	Fiscal Year 2024 Rate	\$ 192.43	\$ 259.30	
121	Average Annual Revenue	\$ 4,618	\$ 6,223	
<b>6-Yard Service - First Cart Service</b>				
<u>Commercial Garbage - 6-Yard Service 1 Weekly Pick-Up</u>				
122	Average Annual Customers	6	6	
123	Fiscal Year 2024 Rate	\$ 97.59	\$ 97.59	
124	Average Annual Revenue	\$ 6,640	\$ 6,640	
<u>Commercial Garbage - 6-Yard Service 2 Weekly Pick-Up</u>				
125	Average Annual Customers	11	11	
126	Fiscal Year 2024 Rate	\$ 159.45	\$ 159.45	
127	Average Annual Revenue	\$ 20,894	\$ 20,894	
<u>Commercial Garbage - 6-Yard Service 3 Weekly Pick-Up</u>				
128	Average Annual Customers	5	5	
129	Fiscal Year 2024 Rate	\$ 201.65	\$ 201.65	
130	Average Annual Revenue	\$ 12,099	\$ 12,099	
<u>Commercial Garbage - 6-Yard Service 4 Weekly Pick-Up</u>				
131	Average Annual Customers	3	3	
132	Fiscal Year 2024 Rate	\$ 243.56	\$ 243.56	
133	Average Annual Revenue	\$ 8,768	\$ 8,768	
<u>Commercial Garbage - 6-Yard Service 5 Weekly Pick-Up</u>				
134	Average Annual Customers	4	4	
135	Fiscal Year 2024 Rate	\$ 280.86	\$ 280.86	
136	Average Annual Revenue	\$ 13,481	\$ 13,481	
<u>Commercial Garbage - 6-Yard Service 6 Weekly Pick-Up</u>				
137	Average Annual Customers	3	3	
138	Fiscal Year 2024 Rate	\$ 352.50	\$ 352.50	
139	Average Annual Revenue	\$ 11,633	\$ 11,633	

Table 4-11

City of Yukon, Oklahoma - Sanitation System  
Summary of Sanitation System Existing and Proposed Rates and Rate Revenues

Line No.	Description	Existing		
		2024	Proposed	
<b>6-Yard Service - Additional Cart Service</b>				
<u>Commercial Garbage - 6-Yard Service 1 Weekly Pick-Up</u>				
140	Average Annual Customers	\$ -	\$ -	
141	Fiscal Year 2024 Rate	\$ 81.40	\$ 97.59	
142	Average Annual Revenue	\$ -	\$ -	
<u>Commercial Garbage - 6-Yard Service 2 Weekly Pick-Up</u>				
143	Average Annual Customers	3	3	
144	Fiscal Year 2024 Rate	\$ 138.97	\$ 159.45	
145	Average Annual Revenue	\$ 4,453	\$ 5,109	
<u>Commercial Garbage - 6-Yard Service 3 Weekly Pick-Up</u>				
146	Average Annual Customers	\$ -	\$ -	
147	Fiscal Year 2024 Rate	\$ 161.30	\$ 201.65	
148	Average Annual Revenue	\$ -	\$ -	
<u>Commercial Garbage - 6-Yard Service 4 Weekly Pick-Up</u>				
149	Average Annual Customers	\$ -	\$ -	
150	Fiscal Year 2024 Rate	\$ 183.70	\$ 243.56	
151	Average Annual Revenue	\$ -	\$ -	
<u>Commercial Garbage - 6-Yard Service 5 Weekly Pick-Up</u>				
152	Average Annual Customers	\$ -	\$ -	
153	Fiscal Year 2024 Rate	\$ 200.63	\$ 280.86	
154	Average Annual Revenue	\$ -	\$ -	
<u>Commercial Garbage - 6-Yard Service 6 Weekly Pick-Up</u>				
155	Average Annual Customers	2	2	
156	Fiscal Year 2024 Rate	\$ 241.98	\$ 352.50	
157	Average Annual Revenue	\$ 5,808	\$ 8,460	
<b>8-Yard Service - First Cart Service</b>				
<u>Commercial Garbage - 8-Yard Service 1 Weekly Pick-Up</u>				
158	Average Annual Customers	15	15	
159	Fiscal Year 2024 Rate	\$ 131.58	\$ 131.58	
160	Average Annual Revenue	\$ 23,432	\$ 23,432	
<u>Commercial Garbage - 8-Yard Service 2 Weekly Pick-Up</u>				
161	Average Annual Customers	16	16	
162	Fiscal Year 2024 Rate	\$ 208.16	\$ 208.16	
163	Average Annual Revenue	\$ 38,718	\$ 38,718	
<u>Commercial Garbage - 8-Yard Service 3 Weekly Pick-Up</u>				
164	Average Annual Customers	10	10	
165	Fiscal Year 2024 Rate	\$ 255.18	\$ 255.18	
166	Average Annual Revenue	\$ 31,142	\$ 31,142	
<u>Commercial Garbage - 8-Yard Service 4 Weekly Pick-Up</u>				
167	Average Annual Customers	5	5	
168	Fiscal Year 2024 Rate	\$ 307.63	\$ 307.63	
169	Average Annual Revenue	\$ 16,907	\$ 16,907	
<u>Commercial Garbage - 8-Yard Service 5 Weekly Pick-Up</u>				
170	Average Annual Customers	2	2	
171	Fiscal Year 2024 Rate	\$ 355.50	\$ 355.50	
172	Average Annual Revenue	\$ 8,532	\$ 8,532	
<u>Commercial Garbage - 8-Yard Service 6 Weekly Pick-Up</u>				
173	Average Annual Customers	15	15	
174	Fiscal Year 2024 Rate	\$ 446.30	\$ 446.30	
175	Average Annual Revenue	\$ 81,191	\$ 81,191	

City of Yukon, Oklahoma - Sanitation System  
Summary of Sanitation System Existing and Proposed Rates and Rate Revenues

Line No.	Description	Existing		
		2024	Proposed	
<b>8-Yard Service - Additional Cart Service</b>				
<u>Commercial Garbage - 8-Yard Service 1 Weekly Pick-Up</u>				
176	Average Annual Customers	7	7	
177	Fiscal Year 2024 Rate	\$ 109.76	\$ 131.58	
178	Average Annual Revenue	\$ 8,785	\$ 10,532	
<u>Commercial Garbage - 8-Yard Service 2 Weekly Pick-Up</u>				
179	Average Annual Customers	4	4	
180	Fiscal Year 2024 Rate	\$ 181.42	\$ 208.16	
181	Average Annual Revenue	\$ 8,164	\$ 9,367	
<u>Commercial Garbage - 8-Yard Service 3 Weekly Pick-Up</u>				
182	Average Annual Customers	7	7	
183	Fiscal Year 2024 Rate	\$ 204.13	\$ 255.18	
184	Average Annual Revenue	\$ 17,147	\$ 21,435	
<u>Commercial Garbage - 8-Yard Service 4 Weekly Pick-Up</u>				
185	Average Annual Customers	-	-	
186	Fiscal Year 2024 Rate	\$ 232.34	\$ 307.63	
187	Average Annual Revenue	\$ -	\$ -	
<u>Commercial Garbage - 8-Yard Service 5 Weekly Pick-Up</u>				
188	Average Annual Customers	1	1	
189	Fiscal Year 2024 Rate	\$ 253.95	\$ 355.50	
190	Average Annual Revenue	\$ 3,047	\$ 4,266	
<u>Commercial Garbage - 8-Yard Service 6 Weekly Pick-Up</u>				
191	Average Annual Customers	6	6	
192	Fiscal Year 2024 Rate	\$ 306.40	\$ 446.30	
193	Average Annual Revenue	\$ 21,436	\$ 31,223	
194	<b>Commercial Class Total Revenue</b>	<b>\$ 767,026</b>	<b>\$ 832,725</b>	
Total Sanitation System				
195	Average Annual Accounts	9,599	9,599	
196	Total Billed Sales	\$ 2,211,453	\$ 2,578,590	