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**NEWS RELEASE FROM  
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## **City of Yukon Utility Bills to Increase**

The City of Yukon's 8,700 utility customers will see an increase in their October 31 utility bills, according to City Manager Grayson Bottom.

City ordinances approved in 2012 by the Yukon City Council established future rate increases and how they are calculated. Water and garbage rate increases are now based on the Consumer Price Index (CPI). Rate increases in sewer charges are set at specific dollar amounts, rather than the CPI, for three years.

Monthly rates charged for water and garbage will increase by 0.9 percent. Monthly sewer rates will increase 20 percent.

Correlating water and garbage increases to the CPI is advantageous to both the consumer and the city, according to Bottom. "Basically, water and garbage rates go up each year only if the CPI goes up."

Specifically, the new water and garbage ordinances require city officials to review the CPI published by the Bureau of Labor Statistics for the South Region, using the annual cumulative CPI for every April. "If there is an increase in the CPI, our rates increase that percentage. If there is no increase in the CPI, then we will have no rate increase in water and garbage for that particular year," Bottom explains.

The increased sewer charge is not based on the CPI at this time. The new ordinance that was approved last year established 20 percent annual increases through 2016. Beginning in October of 2017, any future rate increases will be based on the CPI.

The larger increases in sewer charges to customers are designed to eventually meet the actual operational expenses associated with the city's waste water treatment plant. "In the past, rates did not provide adequate revenue to support the actual cost to operate the facility," Bottom explains.

Last year, city personnel completed a detailed evaluation of the actual costs involved in providing utility services to customers. The study found that the cost of operating and maintaining the wastewater system was \$9,530.00 per day. Annually, the city treats nearly 1 billion gallons of wastewater, which amounted in the 2012 study to \$3.65 in expenses for every 1,000 gallons of treated wastewater. Billed charges to customers amounted to only \$1.66 for every 1,000 gallons of treated wastewater.

About 20 percent of the city's costs in treating wastewater are for electricity, chemicals and required regulatory testing. Many tests are run daily by staff trained and licensed by the State of Oklahoma to ensure compliance with all regulatory requirements. Maintenance and equipment costs are approximately 20 percent of the budget as well. The remaining 60 percent of the budget is made up of operational and maintenance costs.

The City of Yukon contracts with Veolia Water to operate the wastewater treatment plant and lift stations, with a guarantee of regulatory compliance. The company is worldwide, specializing in the management of water and waste water systems.