



CITY OF NORMAN, OK STAFF REPORT

MEETING DATE: 10/24/2023

REQUESTER: Nathan Madenwald, Utilities Engineer

PRESENTER: Nathan Madenwald, Utilities Engineer

ITEM TITLE: CONSIDERATION OF APPROVAL, ACCEPTANCE, REJECTION, AMENDMENT, AND/OR POSTPONEMENT OF CONTRACT K-2324-31: A CONTRACT BY AND BETWEEN THE NORMAN UTILITIES AUTHORITY AND FARZANEH DEVELOPMENT, LLLP, AUTHORIZING COLLECTION OF A MONTHLY LIFT STATION FEE FROM DEVELOPED LOTS IN THE DESTIN LANDING DEVELOPMENT FOR THE OPERATION, MAINTENANCE AND REPLACEMENT OF THE DESTIN LANDING LIFT STATION AS OUTLINED IN THE STAFF REPORT.

BACKGROUND:

In 2003, the general policy was modified to allow installation of new lift stations if long-term operation, maintenance and capital equipment replacement costs (OM&R) were borne by the users of the new lift station (LS). An administrative Lift Station Fee collected through utility billing and applicable to each lot or customer in the new development was implemented through a contractual agreement.

To date, the Norman Utilities Authority (NUA) has approved sixteen lift station agreements as follows:

1. Summit Lakes Addition (K-0304-51 approved 8/26/2003);
2. Summit Valley Addition (K-0304-57 approved 9/25/2003);
3. Eagle Cliff South Addition (K-0304-58 approved 10/14/2003);
4. Cobblestone West Addition (K-0405-119 approved 02/22/2005);
5. Alameda Park Addition (K-0506-30 approved 07/12/2005);
6. Red Rock Canyon Addition and Park Hill Addition (K-0506-139 approved 05/09/2006);
7. Siena Springs Addition (K-0607-70 approved 10/10/2006);
8. Links at Norman PUD (K-0809-115 approved 04/14/2009);
9. Stone Lake Addition (K-1415-130 approved 04/28/2015);
10. The Barn at Terra Verde (K-1819-59 approved 09/24/2018);
11. Eagle Cliff South Section 7 Addition (K-1920-48 approved 9/24/2019);
12. Turtle Crossing (K-1920-111 approved 3/24/2020);
13. Varenna Landing (K-2021-40 approved 8/25/2020);
14. NRH Medical Park West Section 2 Replat (K-2021-88 approved 4/13/2021);

15. Eagle Cliff West (K-2122-17 approved 6/27/2023); and
16. Armstrong Bank for Post Oak Lift Station (K-2324-32 approved 9/26/2023).

DISCUSSION:

The proposed Destin Landing Development will be served by a new lift station constructed by the developer to meet City standards. The preliminary plat for the development area was considered by Planning Commission on September 9, 2021, and is proposed as a companion item for City Council on this docket. This contract must be approved by the developer of Destin Landing Development requiring them to fund a portion of the ongoing OM&R of the proposed LS.

The developer of Destin Landing, Farzaneh Development, LLLP, is willing to implement the LS OM&R fee for the preliminary plat. If acceptable to Council, these costs would be recovered through proposed Contract K-2324-31. The estimated cost for a residential lot will be \$8.39 per month. The proposed contract provides the following:

- 1) The LS OM&R fee (the Lift Station Fee) would be filed of record as a restrictive covenant with the final plat of Destin Landing as well as any other new areas that ultimately obtain sewer service from this lift station.
- 2) The LS Fee will be adjusted annually to account for inflation and may otherwise be adjusted if changes to the LS service area necessitate an adjustment.
- 3) In the event a LS is taken out of service and its wastewater flows by gravity to a wastewater treatment facility site, the LS Fee would be discontinued.
- 4) The LS Fee will be calculated for each dwelling unit as well as a per capita basis to accommodate other zoning classifications such as commercial, institutional, industrial, etc.
- 5) The LS Fee will be collected monthly from each dwelling unit or non-residential entity contributing flow to the LS through the City's Utility billing system.

The calculations for this fee are shown as Exhibit A to the contract while Exhibit B illustrates the area to be served by the Destin Landing LS including the proposed development.

RECOMMENDATION:

Staff recommends approval of Contract K-2324-31 between the Norman Utilities Authority and Farzaneh Development, LLLP, implementing the Destin Landing Lift Station Fee for the Destin Landing development to the City of Norman.