

# **CITY OF NORMAN**

**Fiscal Year Ending 2024 Budget**


**MAY 16, 2023**

**Enterprise Funds**





# Fiscal Year 2023-2024 Summarized Budget Calendar

- Council Finance Committee Budget Discussions
  - Council Capital Budget Study Session (11/15/2022)
  - Council Capital Budget/ Mid-Year Budget Review Study Session (2/14/2023)
  - Council Budget Study Session – General & Special Revenue Funds (4/18/2023)
  - Public Budget Hearing (4/25/2023)
  - Council Budget Study Session – Capital Funds (5/2/2023)
  - **Council Budget Study Session – Enterprise Funds (5/16/2023)**
  - Public Budget Hearing (5/23/2023)
  - Council Budget Study Session – Optional Follow-Up (6/6/2023)
  - Council Considers Budget For Adoption (6/13/2023)
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# **ENTERPRISE FUNDS**

Operated in a manner similar to private business enterprises, where the intent of the City is that the costs of providing goods or services to the general public is financed or recovered primarily through user charges.


- **SANITATION**
  - **WATER**
  - **WATER RECLAMATION**
    - **SEWER MAINTENANCE**
    - **NEW DEVELOPMENT EXCISE TAX**
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# SANITATION FUND



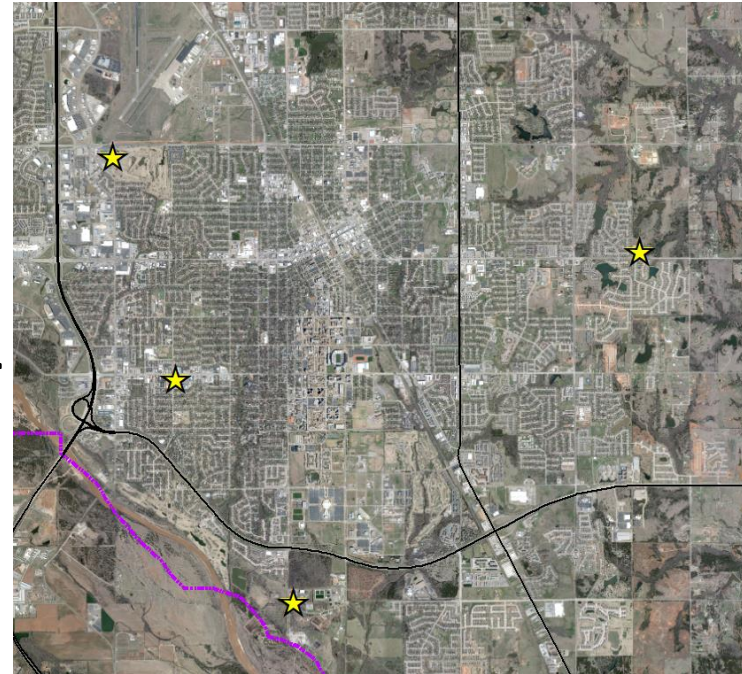


# Sanitation Fund

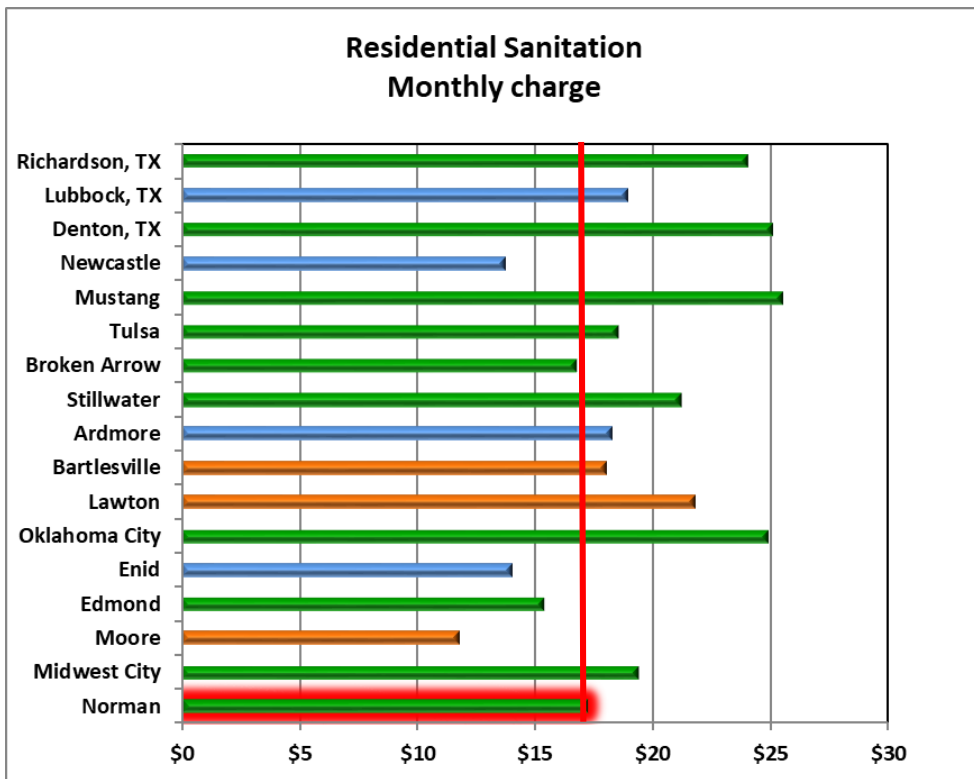
- Residential and Commercial collection; >110,000 tons per year
  - Yard Waste and compost facility; 30,000 tons/year
  - Curbside recycling started in 2008; Republic Services current contractor; 86% participation rate; > 4,000 tons/year
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# Sanitation Fund – Recycling Centers

- Four recycling drop off centers;  
>2,000 tons/year
- HUB at Transfer Station  
(scrap iron, wood, glass)
- Glass recycled over 300 tons/year



# Sanitation Rates



Services included in the City of Norman Sanitation monthly charge:

- Spring/Fall Clean-up Days
- 1 x week collection
- 1 x week Yardwaste collection
- Free brush Drop-Off
- 4 Recycling Drop-Off Centers
- Free Compost (as available)
- Residential Curbside Recycling


Curbside recycling not included

Recycling offered separately through 3<sup>rd</sup> party



# **Sanitation Fund**

## **Major Revenue Assumptions**


- Sanitation rate increased in April 2011 to \$17.20 per unit per month, which includes \$3 per month curbside recycling charge and \$0.20 for the Oklahoma Solid Waste Management Charge
  - Additional Poly Cart is \$7 per month
  - Revenues have been estimated at a growth rate of 1.8% per year
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# Sanitation Fund

## Major Expenditures

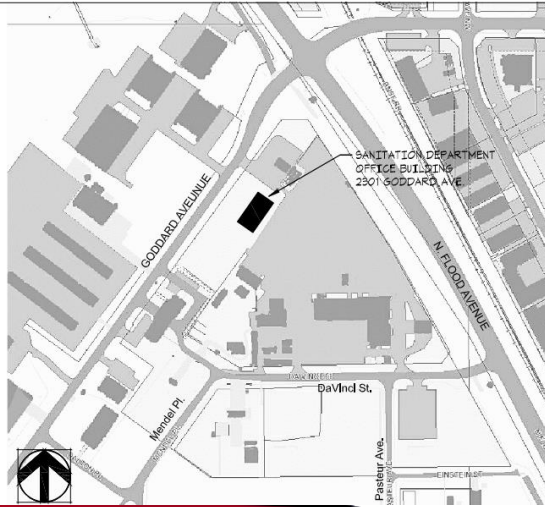
- \$3,224,376 included in FYE 24 budget for fleet related replacement purchases
  - Landfill tipping expenses increased 27% from FYE 23 to FYE 24 due to cost and volume increases. Annual expense just over \$2.8 million
  - Recycling Contractor expense increased 3.6% to \$1.62 million
  - FYE 24 Ending Fund Balance is \$4,027,999
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# Sanitation Fund

Major projects completed in FYE 24

- New Sanitation Facility, \$2.5 million

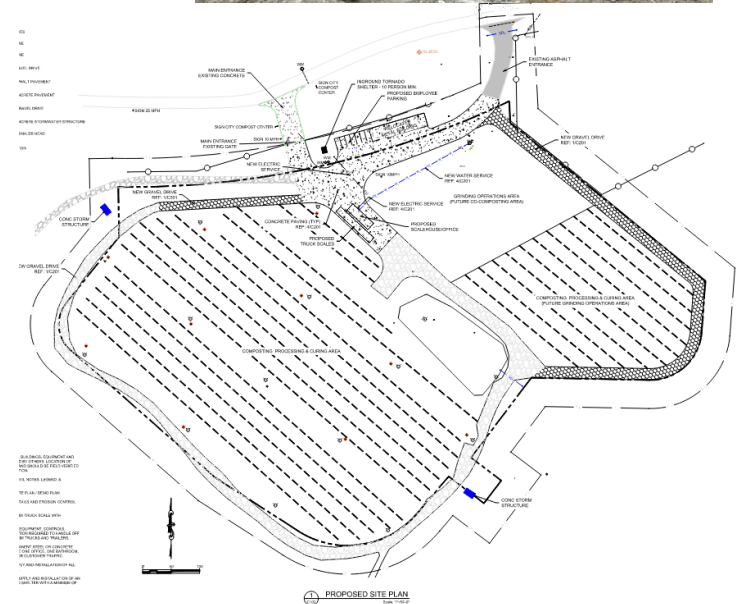
VICINITY PLAN



## A large pile of waste material, including plastic, metal, and other debris, is shown inside a warehouse. A yellow excavator is positioned in front of the pile, working on it. The warehouse has a high ceiling with several bright lights. The floor is covered with a layer of dust and debris.

- Compost Facility Scale House Modification, \$420,000

- # No Major New Projects for FYE 24



# WATER FUND



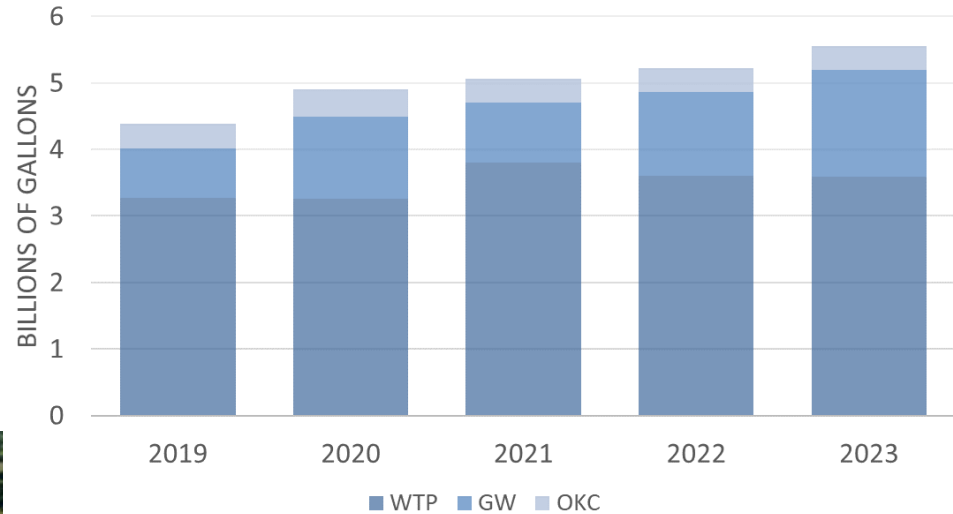


# Water Production

**5.02 billion gallons annually  
(5-year average)**



## ANNUAL WATER PRODUCTION



**Water production runs**

- 24 hours per day
- 365 days per year

# Water Line Maintenance

Maintain 650 miles of water pipe with diameter up to 48 inches


6,877 Fire Hydrants / 13,824 Valves

- Repair average of 180 water line breaks annually
- Replace about 3,000 feet of old, deteriorated or undersized water mains annually
- Repaired/Maintained 1,200 fire hydrants annually (on average)
- Maintain over 41,000 water meters



# Water Rate History



- 1999: Inverted block rate adopted to encourage conservation. Progressive rate structure charges higher rates to highest water users. Higher tiers affect 25% of residential customers.
  - March 2006: Water rate increase approved
  - August 2010: Water rate increase vote failed
  - January 2015: Water rates increased to current levels to fund WTP Improvements and obtain 2 MGD of additional groundwater supply
  - April 2022: Water rate increase vote failed
  - June 2023: Upcoming water rate increase election
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# Residential Rate Structure

Gallons	Current Rates (per 1 k gal.)	Proposed Rate (per 1 k gal.)
Base Fee	\$6.00	\$10.90
0 – 5,000	\$3.35	\$3.46
5,001 – 15,000	\$4.10	\$4.50
15,001 – 20,000	\$5.20	\$6.75
Over 20,000	\$6.80	\$9.51

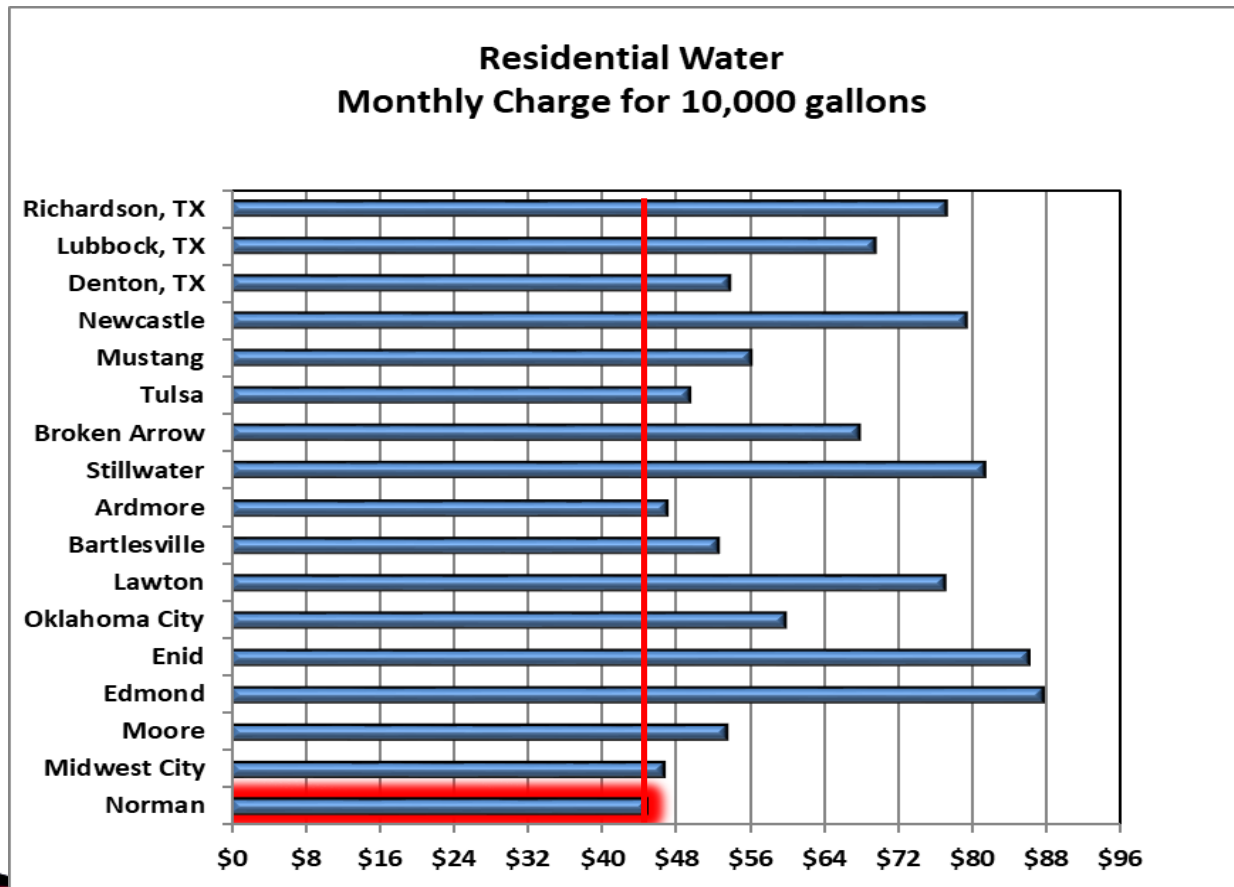
Summer Surcharge during July and August  
\$0.35/1,000 gallons for usage over 20,000 gallons /month

Mandatory odd /even day watering rotation system





# Water Rates





# Water Fund

## Major Revenue Assumptions

- User fee revenues are estimated at a growth rate of 2% per year for projected customer growth.
- Water connection charges increased for all meter sizes effective 4/22/23 as follows:




Meter Size	Effective 4/22/23
$\frac{3}{4}$ "	\$1,500.00
1"	\$2,500.50
1.5"	\$4,999.50
2"	\$10,000.50




# Water Fund

## Expenditure Assumptions

- Interim water purchase contract with Oklahoma City = \$1,240,330 budgeted
    - 1 MGD at \$2.73/1,000 gal in 2024, increase from 2023 (\$2.61)
  - COMCD =\$938,734
    - 18% decrease from 2023. Replacement of a raw water line in Lake Thunderbird that supplies water for Norman, Midwest City, and Del City. Norman's share is 43%.
  - \$351,175 included in FYE 24 budget for fleet related replacement purchases and other capital equipment
  - FYE 24 Ending Fund Balance projected to be \$103,201; projected balance in FYE 25 negative \$11,386,049 (construction timing)
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# Water Projects




- Major projects completed in FYE 23
    - WL Replacement, Flood-Robinson to Venture, \$3.8 million
      - Includes James Garner WL Replacement (Collaboration w/ Public Works) from Library to Robinson
    - Porter WL Replacement, \$2.2 million (Collaboration w/ Public Works)
    - WTP Solar Array, \$1.4 million
    - WTP Carbon Dioxide Tank Replacement, \$320,000
    - Connection of Wells 5, 6, and 52, \$625,000
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# Water Projects Construction





# Water Projects

- Major projects from FYE 23 to be complete in FYE 24
    - James Garner WL Replacement from Main to Duffy, \$2 million (w/ Public Works)
    - Jenkins WL Improvements (w/ Public Works)
      - Existing WL Replacement, \$1.2 million
      - 24" Water Line Extension (Segment D), \$800,000
    - Southlake Addition WL Replacement, \$1.2 million
    - WL Replacement, Danfield b/w Brookhaven, \$810,000
    - Line Maintenance Building, \$4.3 million (in combination w/ WRF funding)
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# Water Projects

## **Major projects from FYE 23 ongoing in FYE 24**


- Advanced Water Metering Infrastructure, \$17 million

## **Major New Water Projects for FYE 24**

- WL Replacement, Tecumseh from 24th NW to Journey Pkwy, \$5.2 million
  - Lead Service Line Inventory, \$1.65 million
- 

# Water Projects



- **Future Water Projects (Subject to Funding)**
    - Groundwater Disinfection, \$4.5 million, FYE 25 (delayed from FYE 23)
    - Flood Avenue WL (Gray to Robinson), \$2.5 million, FYE 27 (delayed from FYE 21)
    - Robinson 30" WL (24th NE to Flood), \$13 million, FYE 24 (delayed from FYE 21)
    - Alameda 24" WL (24th NE to Carter), \$8.2 million, FYE 27 (delayed from FYE 23)
    - Hall Park WL Replacements, \$1.2 million, FYE 25 (delayed from FYE 21)
    - Robinson Water Tower, \$773,000, FYE 25 (delayed from FYE 23)
    - Segment D Water Line – Jenkins from Imhoff to HWY 9, \$1.5 million, FYE 25
    - Classen WL 16" - \$20 million, FYE 25-FYE 29
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# Source of Water for Increasing Demand

## Lake Thunderbird "Augmentation"



# WATER RECLAMATION FUND



# Water Reclamation Facility

## Plant Performance



Average Flow 11.0 MGD



CBOD 2.6 mg/L – 98.6% Removal



TSS 7.0 mg/L – 97.7% Removal



Amm. 0.91 mg/L – 98% Removal




E. Coli 99 MPN/100 mls  
Permit limit 630 MPN/100 mls

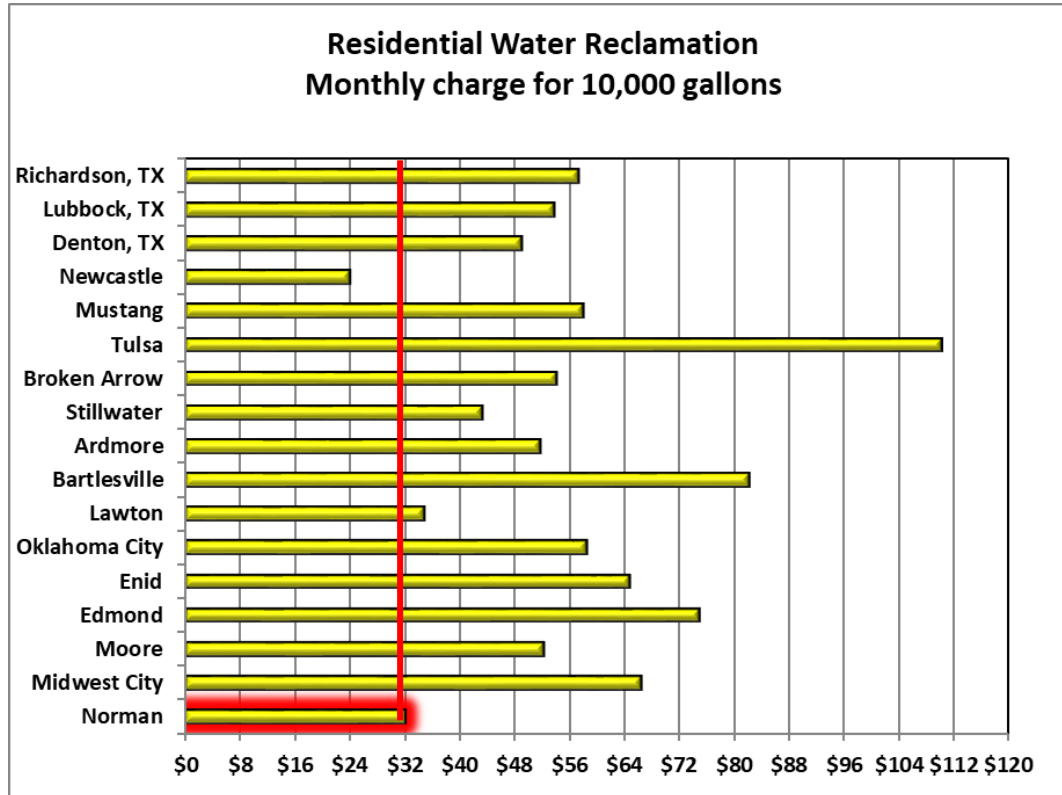




# Sewer Line Maintenance

- Maintain 524 miles of sewer lines
  - Maintain over 12,300 manholes
  - Clean over a million feet of sewer lines each year
  - Inspect and record over 250,000 feet of sewer lines
  - Over the last 20 years reduced Sanitary Sewer Overflows by 90%
- 


# Water Reclamation Rates






# **Water Reclamation Fund**

## **Major Revenue Assumptions**

- Residential wastewater service rates were raised in November of 2013. Current rates are \$5 base + \$2.70 per 1,000 gallons of treated wastewater.
  - User fee revenues for FYE 24 are budgeted with no increase from FYE 23 Estimate (Amendment).
  - Estimated FYE 23 ending fund balance \$256,882; FYE 24 \$587,939
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# Water Reclamation Fund Expenditure Assumptions

- Major Project Completed in FYE 23
    - WRF Solar Array, \$3.5 million
    - Reuse pilot study, \$3.6 million
  - Major Projects for FYE 23 carried into FYE 24
    - Centrifuge Replacement, \$3 million (shared with New Dev. Excise)
    - Line Maintenance Building, \$4.3 million (shared with Water Fund)
    - Aeration Basin Blower Improvements, \$800,000
  - Major Projects deferred to past FYE 24
    - Storage Building, \$1.1 million
    - Main Control Building Renovation with Laboratory, \$3.5 million
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# Reuse Pilot Study





# SEWER MAINTENANCE FUND



All revenue is from a \$5 per month sewer maintenance rate approved in 2001

- All Sewer Maintenance Rate projects must be on a pay-as-you-go basis
- Since 2001, over 461,000 feet of sewer line have been rehabilitated

# Sewer Maintenance Fund

## Major projects completed in FYE 23:

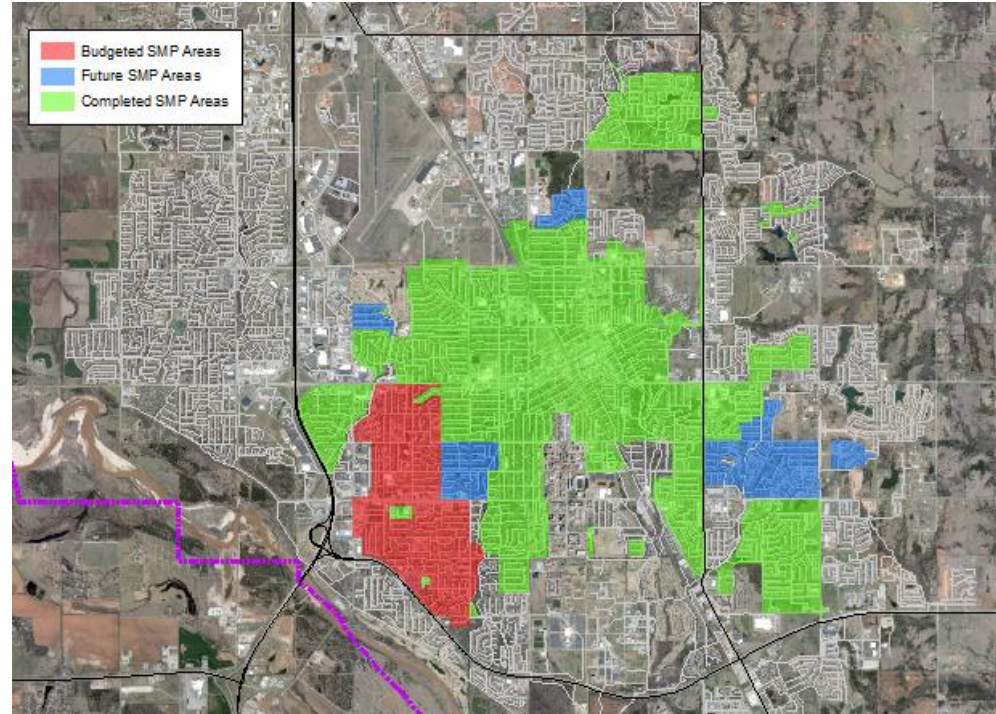
- SMP 17, \$2.3 million – complete
- 12<sup>th</sup> Avenue Manholes, \$1.1 million

## Major projects from FYE 23 carried into FYE 24:

- SMP 18, \$2.9M
- SMP 19, \$3.4M
- SMP 22, \$2.6M
- Lift Station D Force Main, \$1 million

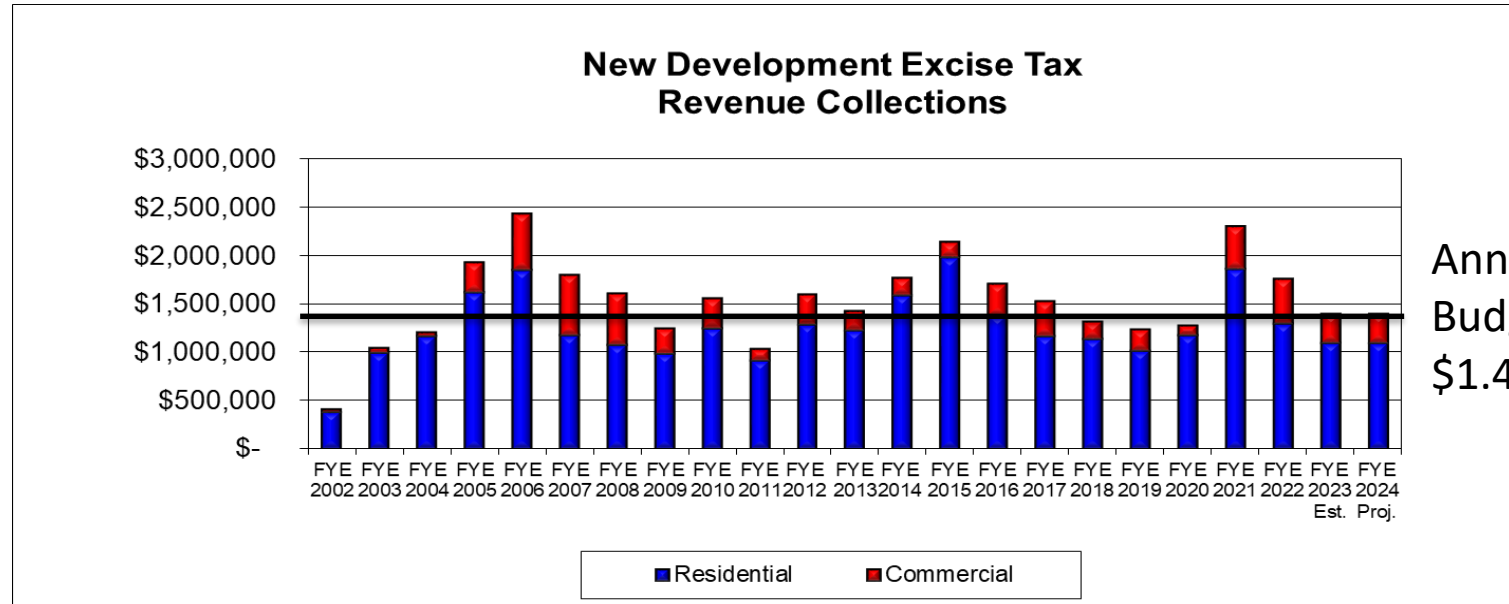
## New projects for FYE 24:

- SMP 24, \$2.9 million



# NEW DEVELOPMENT EXCISE TAX FUND

Revenue is from new construction building permits based on wastewater generated.



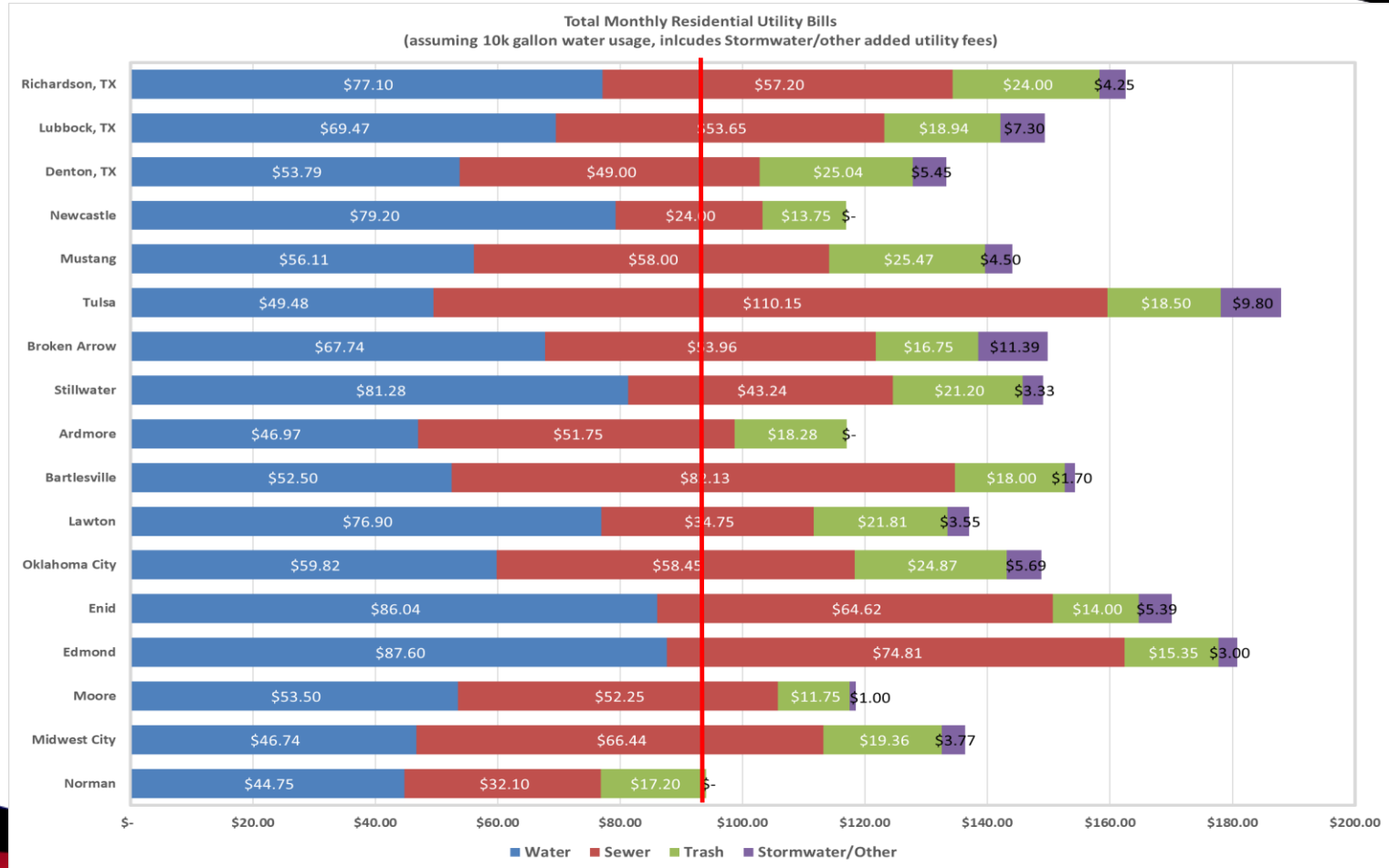


# New Development Excise Tax Fund

- FYE 24 projected revenues of \$1.4 million (\$1.1 million from residential projects, \$300,000 from commercial projects)
- Projects:
  - WRF Centrifuge Replacement, \$2 million (expansion of biosolids capacity)
  - Future SE Lift Station, \$6 million (deferred until planning efforts completed)



# Total Utility Rates



# DISCUSSION

