



CITY OF NORMAN, OK STAFF REPORT

MEETING DATE: 05/23/2023

REQUESTER: Nathan Madenwald, Utilities Engineer

PRESENTER: Nathan Madenwald, Utilities Engineer

ITEM TITLE: CONSIDERATION OF ADOPTION, REJECTION, AMENDMENT, AND/OR POSTPONEMENT OF RESOLUTION R-2223-139: A RESOLUTION OF THE TRUSTEES OF THE NORMAN UTILITIES AUTHORITY REDUCING WATER RECLAMATION FUND APPROPRIATIONS BY \$450,000 AND TRANSFERRING \$50,000 FOR THE REPAIR OF EQUIPMENT NEEDED TO EFFICIENTLY MANAGE BIOSOLIDS.

BACKGROUND:

The Norman Utilities Authority and the Norman Municipal Authority will appropriate capital projects each fiscal year based on system needs. Due to increases in operational costs, revenues not meeting projections, or projects of higher need materializing, however, project allocations are at times, warranted to shift or be cancelled to free up funds for more pressing project costs or to increase fund balances.

DISCUSSION:

For the Water Reclamation Fund, further review of year-to-date revenues and estimated revenues for the remainder of the fiscal year appear to show that revenues will be lower than original projections. Currently-estimated revenues through the end of this fiscal year are \$12.4 million; budgeted revenues were \$12.9 million. Therefore, to obtain a positive fund balance for this current fiscal year, a reduction in capital project appropriations in the amount of \$450,000 is recommended to balance the budget.

Additionally, equipment repairs are necessary at the Wastewater Reclamation Facility to efficiently manage biosolids. Equipment repairs are estimated at \$40,000 at this time. To provide additional contingency for this repair, a transfer of \$50,000 into account Sludge Machinery and Equipment Maintenance Account (32955145-43204) is proposed.

The proposed transfers are as follows in the table:

Project Number	Description	Current Account	Receiving Account	Amount	Justification
VVW0205	Non-Potable Reuse-Land	32993394-46001	32-29000	\$175,000	Defer easement acquisition.

Project Number	Description	Current Account	Receiving Account	Amount	Justification
WW0205	Non-Potable Reuse-Desn	32993394-46201	32-29000	\$200,000	Defer design.
WW0205	Non-Potable Reuse-Cons	32993394-46101	32-29000	\$75,000	Defer construction.
WW0205	Non-Potable Reuse-Cons	32993394-46101	32955145-43204	\$50,000	Defer construction and allow for centrifuge repair.
TOTAL RE-ALLOCATION				\$500,000	

The non-potable reuse project was proposed as part of the 2060 Strategic Water Supply Plan to offset the use of potable water for irrigation purposes. Delay of the project will require potable water to continue to be used for irrigation purposes.

RECOMMENDATION:

Staff recommends adopting Resolution R-2223-139 to reduce Water Reclamation Fund appropriations by \$450,000 from the Non-Potable Reuse Capital Project to the Water Reclamation Fund balance (32-29000).

Staff further recommends to re-allocate (transfer) \$50,000 from the Non-Potable Reuse Capital Project to the Sludge Machinery and Equipment Maintenance Account (32955145-43204) and delay the Non-Potable Reuse Capital Project.