

CITY OF NORMAN

Fiscal Year Ending 2023 Budget


MAY 17, 2022

Enterprise Funds





Fiscal Year 2022-2023 Summarized Budget Calendar

- Council Finance Committee Budget Discussions
 - Council Capital Budget Study Session (11/16/2021)
 - Council Capital Budget/ Mid-Year Budget Review Study Session (2/15/2022)
 - Council Budget Study Session – General & Special Revenue Funds (4/19/2022)
 - Public Budget Hearing (4/26/2022)
 - Council Budget Study Session – Capital Funds (5/3/2022)
 - **Council Budget Study Session – Enterprise Funds (5/17/2022)**
 - Public Budget Hearing (5/24/2022)
 - Council Budget Study Session – Optional Follow-Up (6/7/2022)
 - Council Considers Budget For Adoption (6/14/2022)
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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.

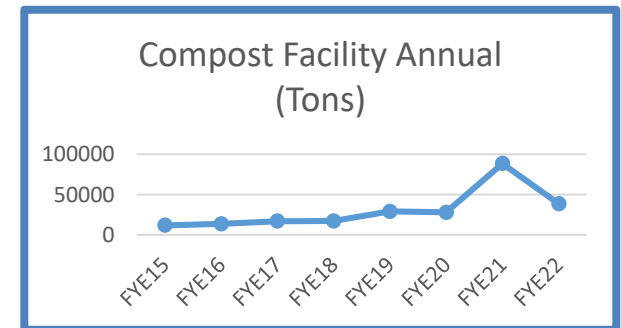
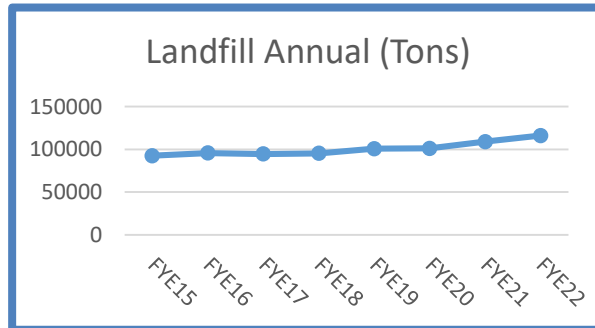
- **SANITATION**
 - **WATER**
 - **WATER RECLAMATION**
 - **SEWER MAINTENANCE**
 - **NEW DEVELOPMENT EXCISE TAX**
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SANITATION FUND



Sanitation Fund

- Residential and Commercial collection; >100,000 tons per year
- Yard Waste and compost facility; 29,000 tons/year
- Curbside recycling started in 2008; Republic Services current contractor; >90% participation rate; > 5,000 tons/year

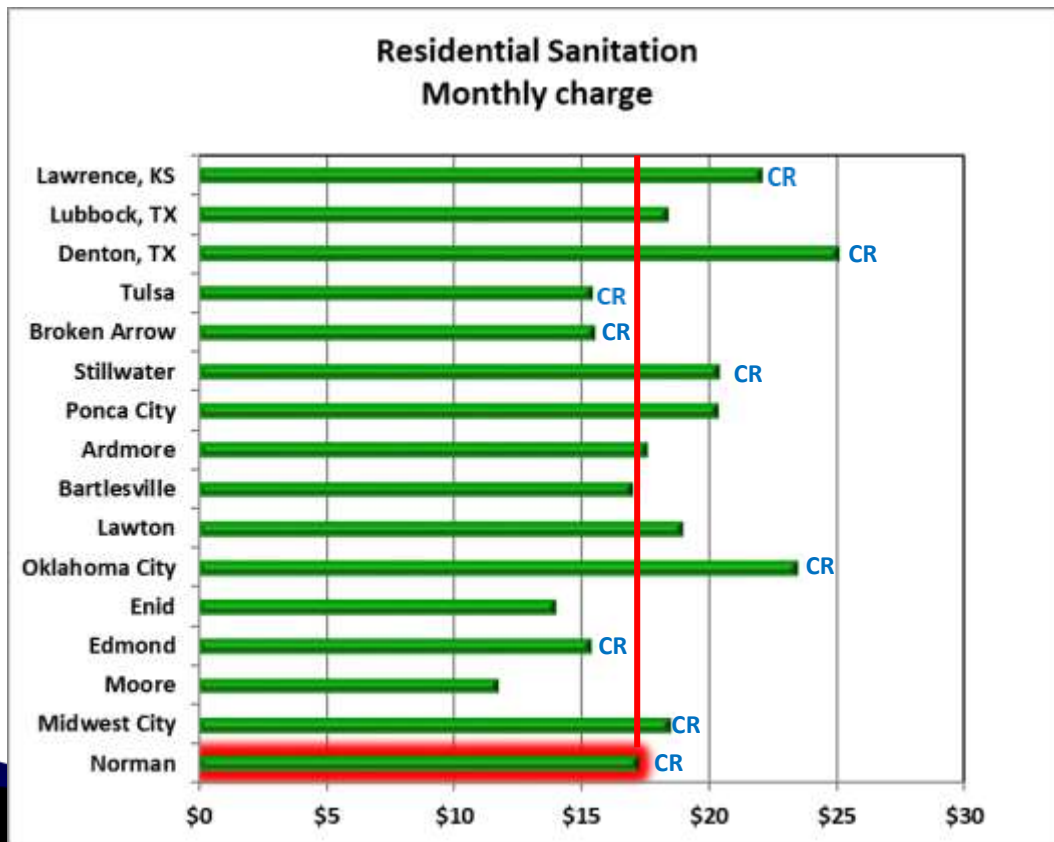


Sanitation Fund

- Four recycling drop off centers; >1,700 tons/year
Added new HUB at Transfer Station
(scrap iron, wood, glass)
- Glass recycled over 250 tons/year



Sanitation Rates



CR = Curbside recycling fee included


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



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

- \$2,948,850 included in FYE 23 budget for fleet related replacement purchases
- Landfill tipping expenses increased 5% from FYE 22 to FYE 23. Annual expense just over \$2.2 M.
- Recycling Contractor expense budgeted at \$1.56 M. (no increase).
- FYE 23 Ending Fund Balance is \$6,383,547

Sanitation Fund

Major projects completed in FYE 22

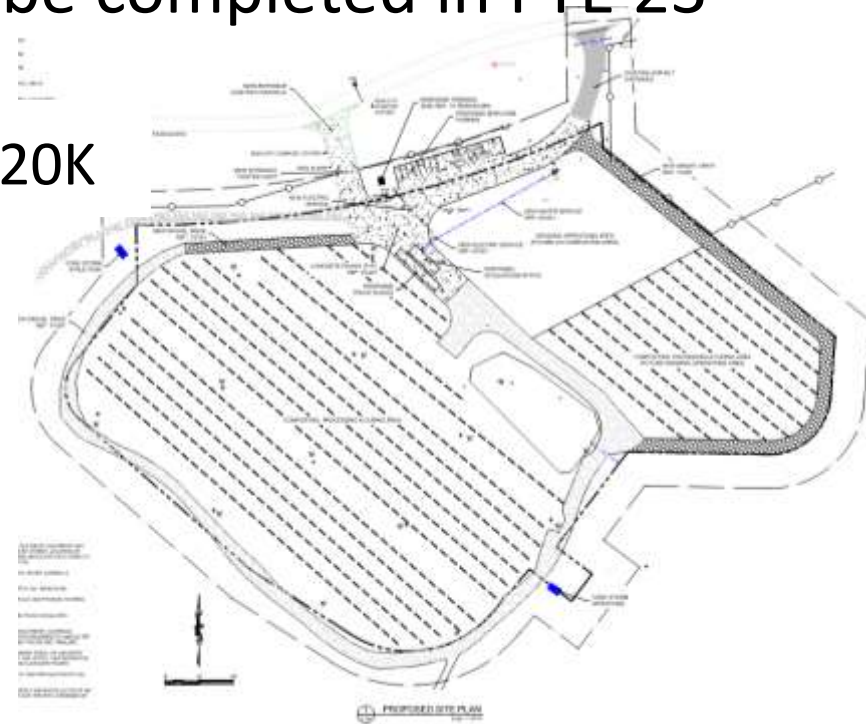
- Household Hazardous Waste Facility, \$1.65 M
- Container Maintenance Facility, \$1.06 M



Sanitation Fund

Major Projects from FYE 22 to be completed in FYE 23

- New Sanitation Facility, \$2.54 M
- Compost Facility Scale House, \$420K



Sanitation Fund



Major New Sanitation Projects for FYE 23

- Transfer Station Renovation, \$1.3 M
 - Replacement of concrete floor
 - Parking improvements for hauling trucks
 - Fire suppression system
 - Building exterior improvements



WATER FUND

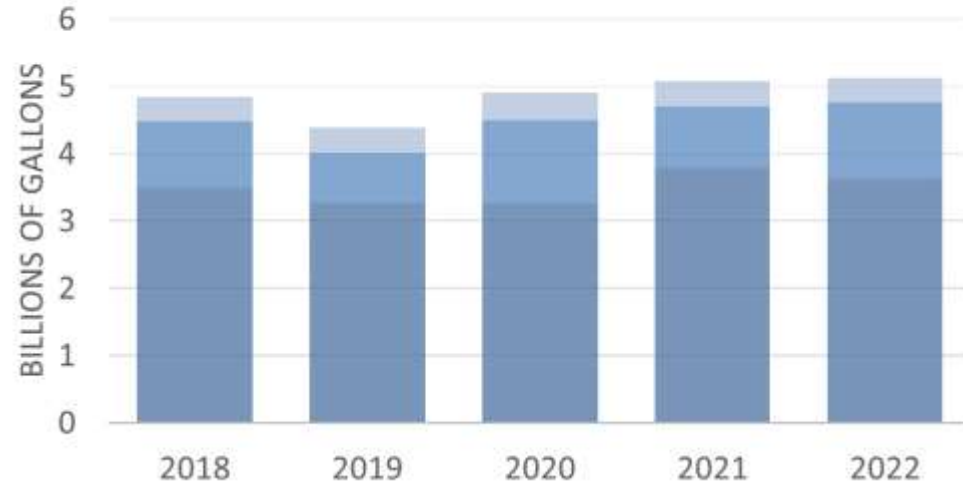


Water Production

4.86 billion gallons annually



ANNUAL WATER PRODUCTION



Water production runs

- 24 hours per day
- 365 days per year

Water Line Maintenance

Maintain over 635 miles of water pipe
with diameters of 6 to 48 inches


6,641 Fire Hydrants / 13,240 Valves

- Repair average of 170 water line breaks annually
- Replace about 3,000 feet of old, deteriorated or undersized water mains annually
- Repaired/Maintained almost 1,200 fire hydrants annually
- 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
- 



Current Residential Rate Structure

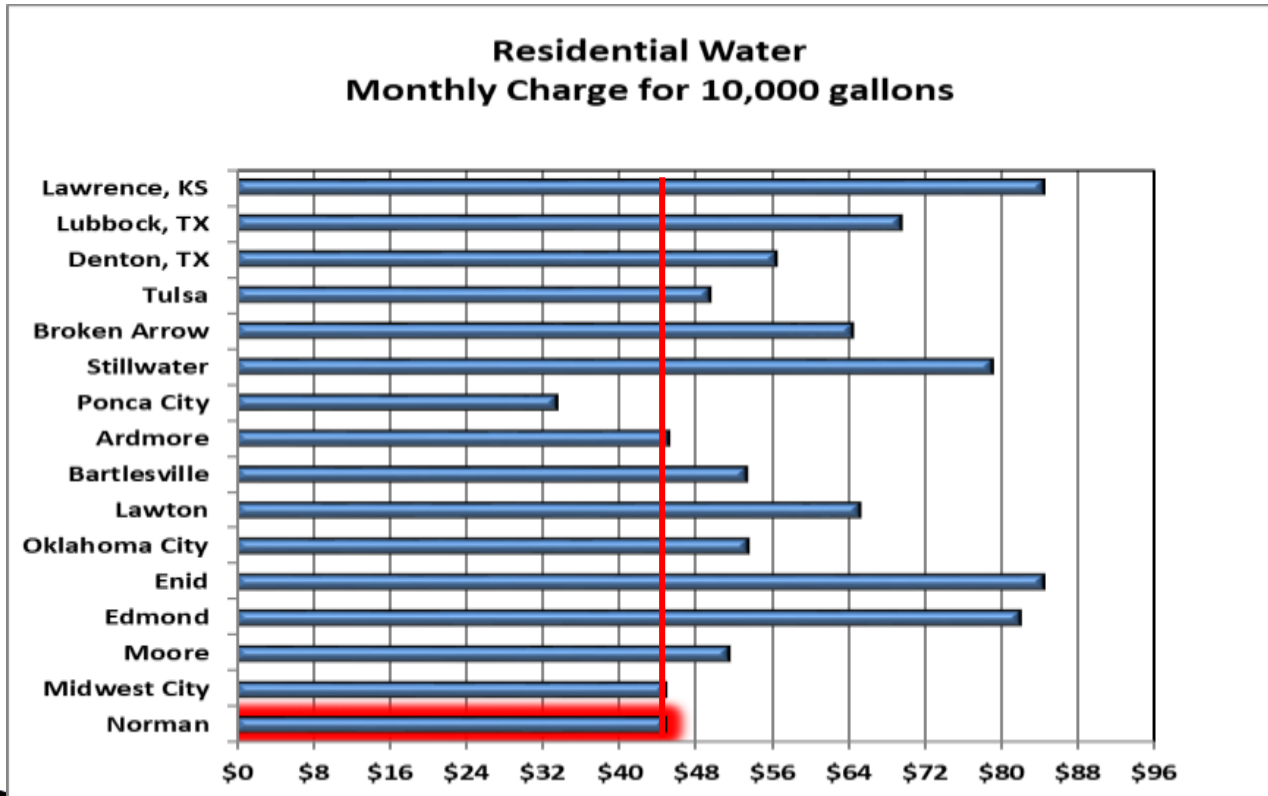
Gallons	Rates (per 1 k gal.)
Base Fee	\$6.00
0 – 5,000	\$3.35
5,001 – 15,000	\$4.10
15,001 – 20,000	\$5.20
Over 20,000	\$6.80


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 Assumption

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




Meter Size	Effective 4/22/22	Effective 4/22/23
$\frac{3}{4}$ "	\$1,250.00	\$1,500.00
1"	\$2,083.75	\$2,500.50
1.5"	\$4,166.25	\$4,999.50
2"	\$8,333.75	\$10,000.50




Water Fund

Expenditure Assumptions

- Interim water purchase contract with Oklahoma City = \$1,240,330 budgeted
 - 1 MGD (take or pay) at \$2.61/1,000 gal in 2023, -5.8% decrease from 2022
 - COMCD =\$1,148,314
 - Replacement of a raw water line in Lake Thunderbird that supplies water for Norman, Midwest City, and Del City. Norman's share is 43%
 - \$247,679 included in FYE 23 budget for fleet related replacement purchases and other equipment (Water Treatment and Line Maintenance)
 - FYE 23 Ending Fund Balance projected to be \$1,444,078; projected balance in FYE 24 negative \$19,425,693 (construction timing)
- 




Water Projects

- Major projects completed in FYE 22
 - FYE15 Water Wells/Supply Lines, \$10.7M
 - Robinson WL, Phase III (24th NW to Flood), \$2.3M
 - Gray and Tonhawa Street WL Replacement, \$2.3M
 - Interstate Dr WL Replacement, \$1.4M
 - Water Distribution Sampling Stations, \$100K
 - Groundwater Blending Site Acquisition, \$900K
 - WTP Future Expansion Land Acquisition, \$500K
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Water Projects

- Major projects from FYE 22 to be complete in FYE 23
 - WL Replacement, Flood-Robinson to Venture, \$4.2M
 - James Garner WL Replacement (Required for Public Works)
 - Library to Robinson (being completed as part of Flood-Robinson project)
 - Main to Duffy, \$1.1M
 - Porter WL Replacement, \$2.3M (Collaboration w/ Public Works)
 - Jenkins WL Replacement, \$700K (Collaboration w/ Public Works)
 - Southlake Addition WL Replacement, \$1.2M
 - Phase I of Advanced Water Metering, \$3.2M
 - Connection of Wells 5, 6, and 52, \$750K
 - Disinfection Improvements for Groundwater System, \$2.0M
 - WTP Solar Array, \$1.4M
 - WTP Carbon Dioxide Replacement, \$385K
 - Line Maintenance Building, \$7.0M (joint funding with WRF Fund)
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Water Projects Construction



Water Projects




Major New Water Projects for FYE 23

- WL Replacement, Danfield b/w Brookhaven, \$810K
- WL Replacement, Tecumseh from 24th NW to Journey Pkwy (Engr), \$428K
- WTP Clarifier Rehabilitation, \$400K



Water Projects



- **Future Water Projects (Subject to Funding)**
 - Flood Avenue WL (Gray to Robinson), \$1.9M , FYE 25 (from FYE 21)
 - Annual Water Line Replacement Program, \$3.3M annually FYE 27 (delayed from FYE21)
 - Robinson 30" WL (24th NE to Flood), \$9.7M, FYE 24 (delayed from FYE21)
 - Alameda 24" WL (24th NE to Carter), \$3.5M, FYE 25 (delayed from FYE23)
 - Hall Park WL Replacements, \$440K in FYE25 (delayed from FYE21)
 - SE Norman Water Tower, \$3.5 M to begin in FYE 28 (delayed from FYE 23)
 - Robinson Water Tower, \$773K, FYE 24 (delayed from FYE 23)
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Source of Water for Increasing Demand

Lake Thunderbird "Augmentation"



WATER RECLAMATION FUND



Water Reclamation Facility

Plant Performance



Average Flow 10.9 MGD



CBOD 2.0 mg/L – 99.1% Removal



TSS 4.0 mg/L – 98.5% Removal




Ammonia 0.09 mg/L – 96% Removal



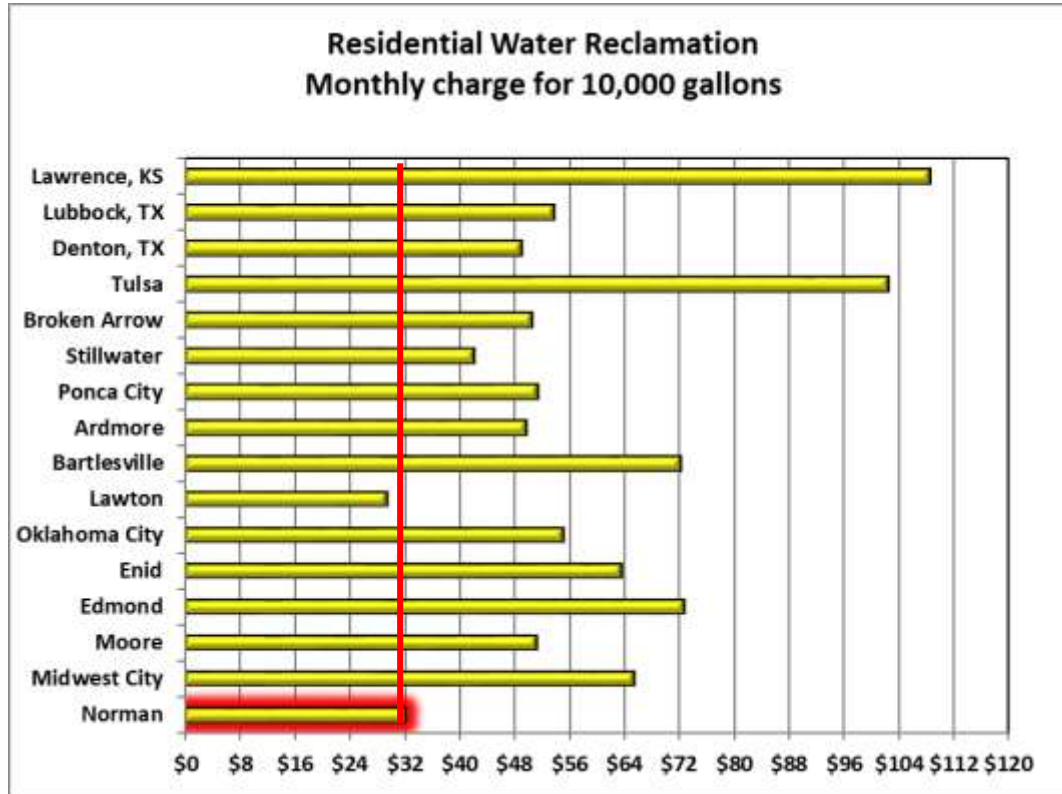
E. Coli 69 MPN/100 mls
Permit limit 630 MPN/100 mls



Sewer Line Maintenance

- Maintain over 520 miles of sewer lines
 - Maintain over 12,000 manholes
 - Clean over 1.4 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%
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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 23 are budgeted at a projected 2% increase from FYE 22 Estimate.
 - Estimated FYE 22 ending fund balance \$1,771,231; FYE 23 \$1,112,792
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Water Reclamation Fund Expenditure Assumptions

- Major Projects for FYE 22 carried into FYE 23
 - WRF Solar Array, \$3.2M
 - Centrifuge Replacement, \$3M
 - Reuse pilot study, \$3.1M
 - Line Maintenance Building, \$3.2M (shared with Water Fund)
 - Major Projects deferred to FYE 24
 - Storage Building, \$1.1M
 - Main Control Building Renovation with Laboratory, \$3.5M
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Reuse Pilot Study



SEWER MAINTENANCE FUND



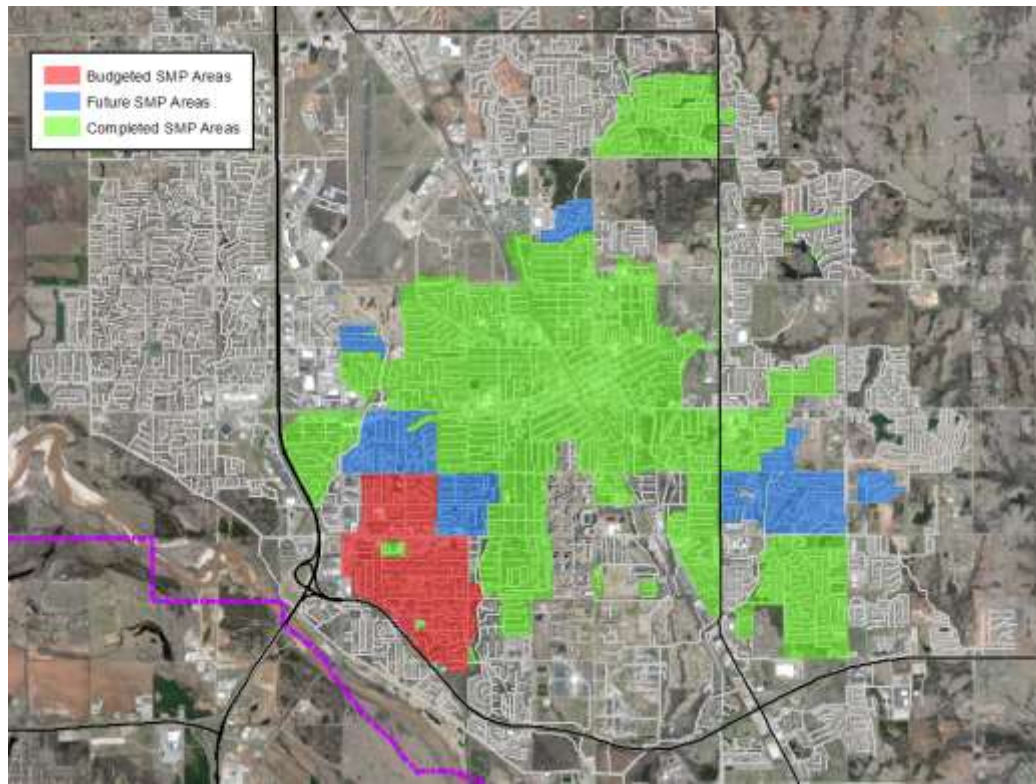
All revenue is from a \$5 per month sewer maintenance rate approved in 2001

- 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

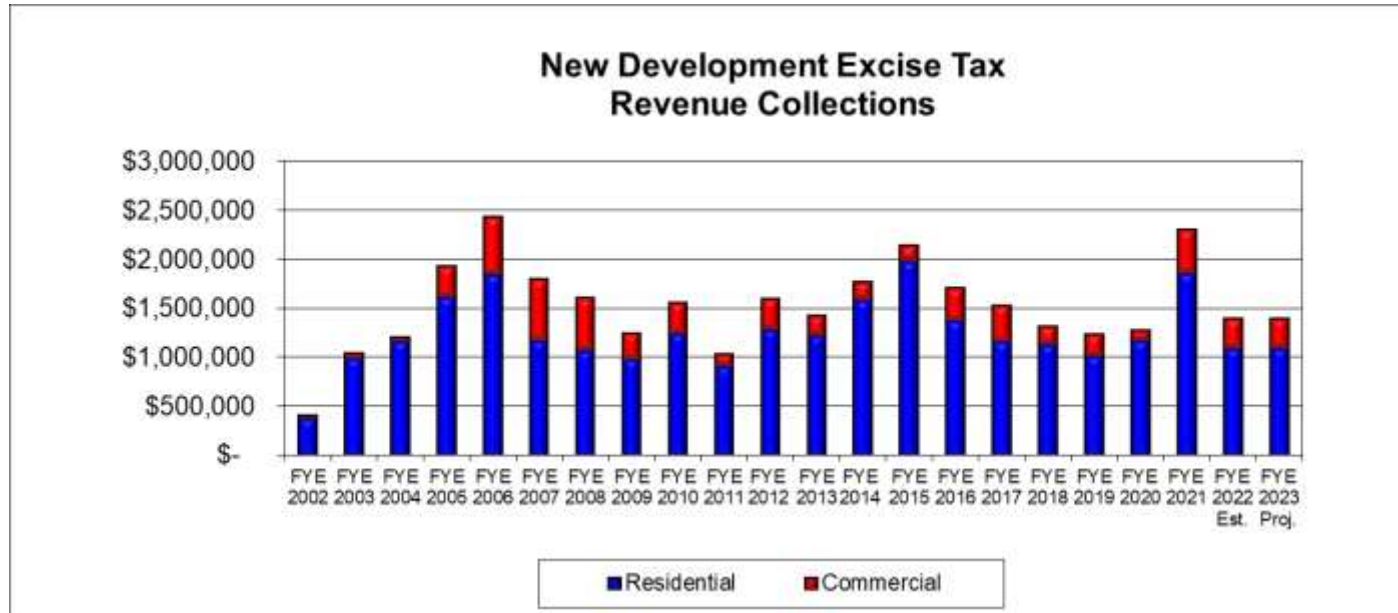
Major projects from FYE 22 carried into FYE 23:

- SMP 17, \$2.3M – complete
- SMP 18, \$2.9M
- SMP 19, \$3.4M
- SMP 22, \$2.6M
- Lift Station D Force Main, \$1M



NEW DEVELOPMENT EXCISE TAX FUND

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



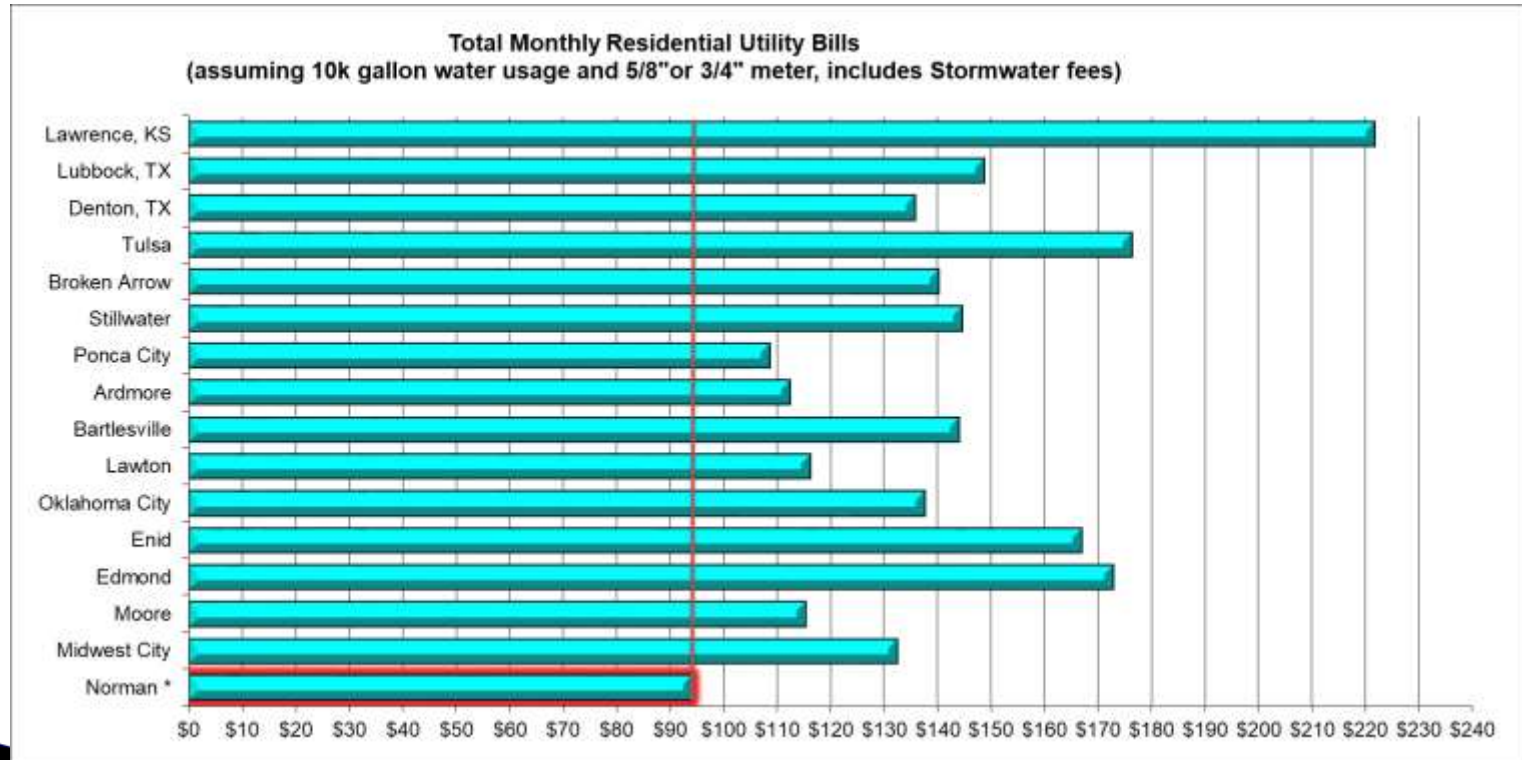


NEW DEVELOPMENT EXCISE TAX FUND

- FYE 23 projected revenues of \$1.4M (\$1.1M from residential projects, \$0.3M from commercial projects)
- Projects:
 - Future SE Lift Station, \$900K



Total Utility Rates



DISCUSSION

