

## CITY COUNCIL SPECIAL SESSION MINUTES

October 20, 2020

The City Council of the City of Norman, Cleveland County, State of Oklahoma, met in a virtual Special Session at 5:30 p.m. hosted in the Municipal Building Council Chambers on the 20th day of October, 2020, And notice and agenda of the meeting were posted in the Municipal Building at 201 West Gray 24 hours prior to the beginning of the meeting.

PRESENT: Councilmembers Bierman, Carter, Foreman, Hall, Holman, Nash, Peacock, Petrone, Mayor Clark

ABSENT: None

Item 1, being:

RESOLUTION R-2021-61: A RESOLUTION OF THE COUNCIL OF THE CITY OF NORMAN, OKLAHOMA, PROGRAMMING FEDERAL SURFACE TRANSPORTATION BLOCK GRANT PROGRAM URBANIZED AREA (STBG-UZA) FUNDS FOR ENHANCEMENTS TO THE CITY'S PUBLIC TRANSIT VEHICLE FLEET.

Mr. Shawn O'Leary, Director of Public Works, said every year, the Association of Central Oklahoma Governments (ACOG) coordinates a regional evaluation process that identifies transportation improvements eligible for federal funding. Individual projects are rated and compared to one another using a pre-established criterion. The process ends with the formulation of the region's transportation improvement program and the decision to use federal funds to pay for a significant portion of the costs of the high priority projects.

On October 23, 2020, Staff will submit the twenty highest ranked projects for consideration in the formulation of ACOG's Two-Year Transportation Improvement Program update. To be eligible, each submitted project must have had a programming resolution submitted for the project.

On August 25, 2020, Staff presented Council a list of the projects in the 2019 transportation Bond election to be considered for federal funding rather than solely using local funds as originally proposed. This suggestion from Staff was due to the potentially high scores that could be achieved from some of the 2019 Transportation Bond Election projects. Mr. O'Leary said Staff recently learned the City is eligible to apply for a grant in year two of the four year program for the replacement of a fixed route bus used by EMBARK Norman. Staff recommends approval of Resolution R-2021-61 requesting funds for 80% of the cost of a new bus, approximately \$480,000.

Councilmember Holman said Council has been a little more critical about applying for grants from the federal government because of all strings attached and asked Mr. O'Leary to explain the City's commitment going forward if the resolution is accepted. Mr. O'Leary said Council is typically more accustomed to seeing these types of grants for road projects, which have a lot of red tape and generally pays 50% of the project costs with the City paying the remaining 50%. In the case of transit, the red tape is not as strict and the City will be able to obtain an 80% grant for the purchase of a new 35-foot bus and will only have to meet requirements currently being met for transit system operations.

Councilmember Carter moved that Resolution R-2021-61 be adopted, which motion was duly seconded by Councilmember Petrone;

Items submitted for the record

1. City Council Staff Report R-2021-61 dated October 15, 2020, by David Riesland, Transportation Engineer
2. Resolution R-2021-61

and the question being upon adopting Resolution R-2021-61, a vote was taken with the following result:

Item 1, continued:

YEAS:	Councilmembers Bierman, Carter, Foreman, Hall, Holman, Nash, Peacock, Petrone, Mayor Clark
NAYES:	None

The Mayor declared the motion carried and Resolution R-2021-61 was adopted.

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Item 2, being:

# REVIEW OF CONNECTION FEES.

Mr. Chris Mattingly, Director of Utilities, said the Utility Connection Fee is a one-time charge paid by new customers when they connect to the water and wastewater utility systems. The fees are used to pay for the cost of capacity-related infrastructure required to accommodate the demands imposed by growth and are intended to represent the unit cost of capacity incurred to serve new customers. He highlighted current connection fees as follows:

Meter Size	Water Only Connection Fee
5/8 and 3/4 inch	\$ 1,000
1 inch	\$ 1,667
1.5 inch	\$ 3,333
2 inch	\$ 6,667
3 inch	\$14,667
4 inch	\$28,000
6 inch	\$57,667

Mr. Mattingly highlighted water only connection fee comparisons as follows:

Meter Size	Broken Arrow	Oklahoma City	Norman	Edmond
5/8 and 3/4 inch	\$ 775.00	\$ 1,000.00	\$ 1,000.00	\$ 1,106.00
1 inch	\$ 920.00	\$ 1,670.00	\$ 1,667.00	\$ 2,177.00
1.5 inch	\$ 4,350.00	\$ 3,333.00	\$ 3,333.00	\$ 5,818.00
2 inch	\$ 6,000.00	\$ 5,330.00	\$ 6,667.00	\$ 14,385.00
3 inch	\$10,900.00	\$11,670.00	\$14,667.00	\$ 36,231.00
4 inch	\$13,480.00	\$21,000.00	\$28,000.00	\$ 46,405.00
6 inch	\$18,010.00	\$46,670.00	\$57,667.00	\$106,706.05

Mr. Mattingly highlighted groundwater well costs for nine to ten new wells (production and monitoring) - \$6,322,392; well design/construction/administration - \$1,440,884; water rights/site acquisition - \$575,494; waterline construction - \$1,904,776; and waterline design/construction/administration - \$274,055 for total costs of \$10,517,601. He said the maximum flow of all wells pumping is 2,595 gallons per minute (gpm), but in order to be good stewards of water, the City allows a flow of 1,739 gpm which equals 2.404 mgd.

The City currently has 34,400 meters with an average production of 12.72 mgd, which equals 323 gallons per day per meter. He said with nine wells the City can supply 7,740 meter connections at an average cost of \$1,360 per meter. Proposed connection fee comparisons are as follows:

Meter Size	Broken Arrow	Oklahoma City	Norman Current	Norman Proposed	Edmond
5/8 and 3/4 inch	\$ 775.00	\$ 1,000.00	\$ 1,000.00	\$ 1,360.00	\$ 1,106.00
1 inch	\$ 920.00	\$ 1,670.00	\$ 1,667.00	\$ 2,275.00	\$ 2,177.00
1.5 inch	\$ 4,350.00	\$ 3,333.00	\$ 3,333.00	\$ 4,550.00	\$ 5,818.00
2 inch	\$ 6,000.00	\$ 5,330.00	\$ 6,667.00	\$ 9,100.00	\$ 14,385.00
3 inch	\$10,900.00	\$11,670.00	\$14,667.00	\$20,020.00	\$ 36,231.00
4 inch	\$13,480.00	\$21,000.00	\$38,220.00	\$38,220.00	\$ 46,405.00
6 inch	\$18,010.00	\$46,670.00	\$57,667.00	\$78,715.00	\$106,706.05

Item 2, continued:

Mr. Mattingly highlighted comparisons of existing 1,500 square foot single-family residential sewer and water connection fees that include Broken Arrow; Stillwater; Midwest City; Moore; Oklahoma City; Lawton; Edmond; Norman; Newcastle; Lawrence, Kansas; and Denton, Texas with Denton, Texas; having the highest connection fees followed by Lawrence, Kansas; and Norman, Oklahoma, with Broken Arrow being the lowest.

Mr. Mattingly highlighted comparisons of existing 2,400 square foot single-family residential connection fees that include Broken Arrow; Stillwater; Midwest City; Moore; Oklahoma City; Lawton; Edmond; Norman; Newcastle; Lawrence, Kansas; and Denton, Texas with Denton, Texas, having the highest connection fees followed by Norman, Oklahoma, and Lawrence, Kansas, with Broken Arrow being the lowest.

Mayor Clark said the information provided is based on the Raftelis Financial Consultants, Inc., (Raftelis) Report prepared in 2016, providing Water and Wastewater Connection Charge Study to determine if the City was charging fees that were equitable and fair. She asked if other communities have done a similar study and Mr. Mattingly said yes, Oklahoma City, Midwest City, and Stillwater come to mind. Mayor Clark asked how a city as large as Oklahoma City did not have higher rates and Mr. Mattingly said they obtain funding in other ways because they can increase utility rates as needed while Norman can only increase utility rates through a vote of the people.

Ms. Walker said there is a ceiling for fees related to new development and growth so the City needs to be careful to not exceed that ceiling.

Councilmember Bierman said Oklahoma City has the added benefit of selling their water to other cities, including Norman, which helps Oklahoma City keep costs lower for their customers. She asked if any of the new well capacity supports past development to allow Norman to purchase less water from Oklahoma City and Mr. Mattingly said no, not at this time. He said Staff likes the Oklahoma City connection because it can provide one million gallons per day and is a consistent, reliable source of water, especially if something goes wrong at the Water Treatment Plant. Councilmember Bierman said the City needs to do as much as possible to catch up and not just pay for existing development, but expand for future development.

Councilmember Petrone asked about the number of commercial users in Norman and Mr. Mattingly said approximately 12% of Norman's customers are commercial users.

Councilmember Holman said he always hears complaints that Norman has the highest fees in the State, but looking at the comparisons, Edmond really has the highest fees in the State. He would like to see more comparisons of similarly sized cities and/or college towns in the future, e.g., Columbia, Missouri; Tuscaloosa, Alabama, etc.

Councilmember Carter said the Goldsby's connection fees are \$3,350 and asked about the connection fees in Moore, Noble, and Newcastle. Mr. Mattingly said he will research those fees, but did not have that information at this moment.

Councilmember Petrone asked if other communities charge for additional meters for irrigation purposes only and Mr. Mattingly said he did not know. Councilmember Petrone suggested Norman provide a separate meter for irrigation purposes only and the connection fee be considered a connection for "leisure water" not drinking water to prioritize drinking water.

Mr. Anthony Francisco, Director of Finance, said the City's tiered water rate is the City's attempt to address water being used for irrigation purposes. He said the tiered water rate basically requires an irrigation only meter to the extent that customers might have a concern about falling into a higher tier. He said all the water only customers that have a separate meter are trying to avoid the sewer charge and sewer connection fee (500 to 600 customers).

Councilmember Carter said he has a well he uses for irrigation purposes and uses City water for drinking water and he knows there are other customers within urban Norman that have wells they use irrigation as well.

Item 2, continued:

Councilmember Holman said it is interesting that Moore does not have a Water Treatment Plant because they get their water from Oklahoma City, but they do have a Water Reclamation Facility and Midwest City gets their water from Lake Thunderbird, like Norman, and purchases water from Oklahoma City as well. He said over the last ten years, Council has approved many measures toward water conservation.

Mayor Clark asked if Council needs to discuss this in another meeting and Ms. Brenda Hall, City Clerk, said Staff just needs to know if Council is good with the proposed increase and, if so, Staff will prepare an ordinance amendment for Council review at a regularly scheduled meeting. Mayor Clark asked for Council's input.

Councilmember Carter said he is comfortable raising the connection fees.

Councilmember Petrone said she would like to see a cost breakdown for connection fees for newly constructed homes under 1,250 to 1,500 square feet because affordable housing is needed in Norman. She would like to push those costs to larger commercial accounts for wear and tear on the wells.

Councilmember Peacock agreed with Councilmember Petrone about the affordable housing, but is comfortable with the proposed increase; however, he would like to make sure the City does not lose sight of the fact that Norman needs to remain competitive with other cities.

Councilmember Holman agreed about the need for affordable housing and would like to come back to the table after Staff has been able to gather the information requested by Council. He said if the City is going to increase the fees to the proposed amount, he would prefer that to be done in phases over the next two to three years to lessen the impact.

Councilmember Bierman likes the idea of a phased approach so there is not a pretty significant jump at one time. She said Council needs to be cognizant of the impact this will have on lower cost homes in terms of affordable housing. She would like to have public input before putting this on an agenda.

Councilmember Hall agrees with her fellow Councilmembers and thanked Staff for their presentation. She would like to have another meeting and follow-up on all the questions raised tonight and take into consideration the affordable housing piece. She likes the idea of a phased approach as well.

Mayor asked Staff to prepare the additional information to bring back to Council.

Items submitted for the record

1. PowerPoint presentation entitled, "Water Fund – New Customer Connection Fees," dated October, 2020

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ADJOURNMENT

The Mayor adjourned the meeting at 6:33 p.m.

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ATTEST:

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City Clerk

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Mayor