



CITY OF NORMAN, OK STAFF REPORT

MEETING DATE: 03/26/2024

REQUESTER: Nathan Madenwald, Utilities Engineer

PRESENTER: Nathan Madenwald, Utilities Engineer

ITEM TITLE: CONSIDERATION OF ADOPTION, REJECTION, AMENDMENT, AND/OR POSTPONEMENT OF RESOLUTION R-2324-131: A RESOLUTION OF THE NORMAN UTILITIES AUTHORITY REDUCING SEWER NEW DEVELOPMENT EXCISE TAX FUND APPROPRIATIONS BY \$1,000,000.

BACKGROUND:

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

DISCUSSION:

For the Sewer New Development Excise Tax Fund, further review of past fiscal year actuals, and current fiscal year-to-date revenues and estimated revenues for the remainder of the year will be lower than originally projected revenues. Revenues for FYE 2023 were approximately \$1.03 million or almost \$400,000 below projected revenues. For FYE 2024, actual revenues to-date are \$697,047.66 with estimated revenues through the end of this fiscal year projected at about \$1.04 million. Similar to the previous fiscal year, this is approximately \$400,000 less than the projected revenues of \$1.4 million. Lastly, additional costs for the wastewater component of the land use / master planning process (AIM) were required to be paid from outside the General Fund which was not the prior understanding for how this work would be funded. Therefore, to obtain a positive fund balance for this current fiscal year, a reduction in capital appropriations in the amount of \$1,000,000 is proposed to balance the budget.

The proposed transfers are as follows in the table:

Project Number	Description	Current Account	Receiving Account	Amount	Justification
WW0326-Const2	Biosolids	32299911-46101	322-29000	\$600,000.00	Construction bids were below budgeted amount.

Project Number	Description	Current Account	Receiving Account	Amount	Justification
WW0328-Const2	Interceptor / Collection	32290048-46101	322-29000	\$400,000.00	Project deferred.
TOTAL TRANSFER TO WRF BALANCE (FUND 32)				\$1,000,000.00	

The Biosolids project (WW0326) is a project at the Water Reclamation Facility to replace the dewatering centrifuges. Bids received for this project were consistently low for the various bidders on the project. As such, the previously appropriated funds can be reverted back to the New Development Excise Tax Fund balance.

The Brookhaven Interceptor project (WW0328) is a sewer line project along Brookhaven Creek just north of W Main Street. As part of the AIM Norman project, the wastewater collection system is being re-evaluated. Therefore, this project is deferred until confirmed by updated modeling and appropriate prioritization of interceptor projects.

RECOMMENDATION:

Staff recommends adopting Resolution R-2324-131 to reduce Sewer New Development Excise Tax appropriations by \$600,000 from WRF Dewatering Centrifuge Replacement account (32299911-46101 / WW0326) to the Sewer New Development Excise Tax Fund balance (322-29000) and reduce Sewer New Development Excise Tax appropriations by \$400,000 from Brookhaven Creek Interceptor, Construction (Account 32290048-46101; Project WW0328) to the Sewer New Development Excise Tax Fund balance (322-29000).