



CITY OF NORMAN, OK STAFF REPORT

MEETING DATE: 10/09/2024

REQUESTER: Peter Wolbach

PRESENTER: Peter Wolbach, Staff Engineer

ITEM TITLE: CONSIDERATION OF ADOPTION, REJECTION, AMENDMENT, AND/OR POSTPONEMENT OF RESOLUTION R-2425-37: A RESOLUTION OF THE NORMAN UTILITIES AUTHORITY TO TRANSFER FUNDS AND REDUCE WASTEWATER RECLAMATION FUND APPROPRIATIONS ASSOCIATED WITH CONTRACT K-2324-172 FOR WRF AERATION BLOWER REPLACEMENT TO UTILIZE UNITED STATES ENVIRONMENTAL PROTECTION AGENCY COMMUNITY GRANT FUND PROCEEDS.

BACKGROUND:

The Wastewater Reclamation Facility (WRF) is in need of replacing the blowers responsible for aerating (exposing liquids to air) the aeration basins and conducting point repairs along the aeration distribution main to seal leaks. The current blower system is comprised of two (2) turbo blowers and four (4) centrifugal blowers. Aerating the basins is a necessary step for removing ammonia, which is a monitored constituent for permitting effluent through the Oklahoma Department of Environmental Quality (DEQ), and therefore critical to the wastewater treatment process at the WRF. The current turbo blowers were installed during WRF Phase 2 Construction in 2016, and at no fault of the contractor, did not meet specifications. Due to the turbo blowers not meeting the project specifications, Atlas Copco and the Norman Utilities Authority (NUA) executed contract K-2223-119 in February 2023, where Atlas Copco provided two (2) replacement turbo blowers that will meet site specifications at no charge to NUA. These turbo blowers will require installation and integration into the WRF's systems. The current centrifugal blowers have reached the end of their design life, and their accompanying electrical systems are in need of replacement along with the blowers.

With respect to the agreement with Atlas Copco, engineering services are the responsibility of NUA. Garver, LLC was the Engineer of Record for the Phase 2 project and has detailed knowledge of the WRF and its aeration systems. In August 2023, NUA and Garver executed Contract K-2324-33 for Garver to perform engineering services.

The WRF Aeration Blower Replacements Project (WW0332) was advertised, bid and awarded to Crossland Construction Company on June 25, 2024 in the amount of \$2,960,000.

On March 6, 2024, the Consolidated Appropriations Act, 2024, (CAA) was approved by Congress which included funding of \$5,000,000 for the completion of the WRF Centrifuge Upgrade project. Recipients are required to meet specific requirements and contribute 20 percent in local funding for the project which equates to \$1,250,000. Additionally, a Clean Water State Revolving Fund (CWSRF) loan through the Oklahoma Water Resources Board (OWRB) was obtained on April 16, 2024 in the amount of \$5,000,000 for WRF improvements.

DISCUSSION:

With the award of Contract K-2324-172, funding for the project was approved to be from the OWRB CWSRF loan. However, a Technical Correction letter was submitted to the USEPA and approved on September 18, 2024, to allow for other projects to utilize the funding from the CAA. Preparing for this possible future approval to utilize the CAA for the Aeration Blower Replacement project, the project was bid in accordance with all the requirements for the CAA.

With the approval from the USEPA, funding for this project is proposed to be modified so that the project will utilize funding from the USEPA Community Project funding from the CAA and twenty percent from local match. This, in combination with Resolution R-2425-36 for the WRF Dewatering Centrifuge project to utilize the OWRB CWSRF loan, will allow for these funding sources to be leveraged to upgrade the WRF. Additionally, funds were appropriated for the WRF Blower Project for fiscal year 2024-2025 (FYE 25) from the Wastewater Reclamation (WR) Fund Balance, but only a percentage of this funding is needed to cover any future change orders with the remainder proposed to be returned to the fund balance. The following proposed transfers and reduction in appropriations will achieve this:

Project ID	Description	Current Account	Recv. Account	Amount	Justification
WW0332	Blower Replacement	Construction 32999911-46101	WR Fund Bal 329-29000	\$1,510,000	Shifting a portion of the appropriated funds back to the WR Fund Balance.
WW0332	Blower Replacement	Const2-OWRB 32999911-46101	Const3-EPA 32999911-46101	\$2,600,000	Transfer funds between construction accounts from OWRB to EPA.
WW0332	Blower Replacement	Const2-OWRB 32999911-46101	Construction 32999911-46101	\$360,000	Transfer funds between construction accounts from OWRB to general account to cover the required EPA match.

RECOMMENDATION 1:

Staff recommends the Norman Utilities Authority adopt Resolution R-2425-37.

RECOMMENDATION 2:

Staff recommends the Norman Utilities Authority reduce appropriations for the WRF Blower Replacement project construction account (32999911-46101 / WW0332) by \$1,510,000 and return the funds to the Wastewater Reclamation Fund Balance (329-29000).

RECOMMENDATION 3:

Staff recommends the Norman Utilities Authority transfer \$2,600,000 within the WRF Blower Replacement project (WW0332) from Construction 2 OWRB (32999911-46101) into Construction 3 EPA (32999911-46101) to utilize the grant funds.

RECOMMENDATION 4:

Staff recommends the Norman Utilities Authority transfer \$360,000 within the WRF Blower Replacement project (WW0332) from Construction 2 OWRB (32999911-46101) into Construction (32999911-46101) to satisfy the required grant match.