



CITY OF NORMAN, OK STAFF REPORT

MEETING DATE: 10/08/2024

REQUESTER: Kenneth Giannone, Capital Projects Engineer

PRESENTER: Kenneth Giannone, Capital Projects Engineer

ITEM TITLE: CONSIDERATION OF ADOPTION, REJECTION, AMENDMENT, AND/OR POSTPONEMENT OF RESOLUTION R-2425-36: A RESOLUTION OF THE NORMAN UTILITIES AUTHORITY TO TRANSFER FUNDS, APPROPRIATE WASTEWATER RECLAMATION FUND BALANCE AND REDUCE SEWER EXCISE TAX FUND APPROPRIATIONS FOR CONTRACT K-2324-66 FOR THE NORMAN WASTEWATER RECLAMATION FACILITY DEWATERING CENTRIFUGE IMPROVEMENTS TO UTILIZE OKLAHOMA WATER RESOURCES BOARD CLEAN WATER STATE REVOLVING FUND LOAN PROCEEDS.

BACKGROUND:

Centrifuges are a critical part of the bio-solids handling process at the Norman Wastewater Reclamation Facility (WRF). They reduce the liquid content of “sludge” (the semi-liquid output of the sewage treatment process) which greatly reduces the amount that must be hauled and land-applied, while also making the loading, dumping, and spreading process less labor intensive for WRF staff. Unfortunately, the existing centrifuges at the WRF have exceeded their useful lives. For these reasons, the Norman Utilities Authority (NUA) Trustees approved a Contract with Garver, LLC on December 8, 2020, to prepare a design to replace the existing centrifuges with state-of-the-art dewatering equipment that will be up-sized to meet the requirements of projected future flows of sewage influent.

Norman WRF Dewatering Improvements (Project WW0326) was advertised, bid and awarded to Crossland Construction Company on November 28, 2023 as Contract K-2324-66. During the bidding phase, due to the potential for federal funding, discussions were held with the United States Environmental Protection Agency (USEPA). Specifically, the USEPA communicated that Build America, Buy America Act requirements (BABA) could be waived if the project was also funded by the Oklahoma Water Resources Board (OWRB) through a Clean Water State Revolving Fund (CWSRF) loan. The CWSRF Loan was obtained on April 16, 2024 in the amount of \$5,000,000.

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 Norman WRF Dewatering Centrifuge Improvements 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, BABA requirements could not be waived for projects funded by the CAA.

DISCUSSION:

NUA Staff originally intended to fund the WRF Dewatering Improvements Project using the CAA funds received. However, with new guidance from the USEPA eliminating the possibility to have BABA requirements waived for CAA-funded projects, staff and the Engineer along with the Contractor determined that compliance would require material that would increase project costs beyond 10% of the contracted amount which would violate provisions of the State Competitive Bidding Act. Therefore, 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.

Estimated portions of the Bio-Solids Dewatering Centrifuge project cost related to expansion of the treatment capacity to meet future inflow demands were originally proposed to be paid from the Sewer Excise Tax Fund (“SET”, Fund 322). The receipt of the USEPA/CAA funds will cover this cost, and the Sewer Excise Tax Fund allocation for the project is proposed to be returned to Sewer Excise Tax Fund balance.

With the approval from the USEPA, funding for the Dewatering Improvements project is proposed to be modified so that the project utilizes funding from the OWRB CWSRF. The following proposed transfers and appropriation will achieve this:

Project ID	Description	Current Account	Recv. Account	Amount	Justification
WW0326	Biosolids/Dewatering	Construction 32999911-46101	Const3-OWRB 32999911-46101	\$1,889,400	Shifting remaining encumbered amount to OWRB funding.
WW0326	Biosolids/Dewatering	Construction 2 32299911-46101	SET Fund Bal 322-29000	\$1,259,600	Return encumbered funds to SET Fund balance since USEPA funds were received for this purpose.
WW0326	Biosolids/Dewatering	WR Fund Balance 32-29000	Const3-OWRB 32999911-46101	\$1,259,600	Appropriation of fund balance to cover costs until OWRB draws are received.

RECOMMENDATION 1:

Staff recommends the Norman Utilities Authority adopt Resolution R-2425-36.

RECOMMENDATION 2:

Staff recommends the Norman Utilities Authority transfer \$1,889,400 within WRF Dewatering Improvements project (WW0326) from Construction (Account 32999911-46101) to Construction 3 OWRB Loan (32999911-46101/Const3).

RECOMMENDATION 3:

Staff recommends the Norman Utilities Authority reduce appropriations of Sewer Excise Tax Funds by \$1,259,600, from the WRF Dewatering Improvements project Construction 2 (Account 32999911-46101-Construction 2; Project WW0326) to Sewer Excise Tax Fund balance (322-29000).

RECOMMENDATION 4:

Staff recommends the Norman Utilities Authority appropriate \$1,259,600 from the Wastewater Reclamation Fund balance (32-29000) to WRF Dewatering Improvements project Construction 3 OWRB Loan (Account 32999911-46101 – Construction 3; Project WW0326).