



## CITY OF NORMAN, OK STAFF REPORT

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**MEETING DATE:** 9/26/2023

**REQUESTER:** Nathan Madenwald, Utilities Engineer

**PRESENTER:** Nathan Madenwald, Utilities Engineer

**ITEM TITLE:** CONSIDERATION OF APPROVAL, ACCEPTANCE, REJECTION, AMENDMENT, AND/OR POSTPONEMENT OF CONTRACT K-2324-32: A CONTRACT BY AND BETWEEN THE NORMAN UTILITIES AUTHORITY AND ARMSTRONG BANK AUTHORIZING COLLECTION OF A MONTHLY LIFT STATION FEE FROM DEVELOPED LOTS IN THE ARMSTRONG BANK CONSOLIDATION PROJECT DEVELOPMENT FOR THE OPERATION, MAINTENANCE AND REPLACEMENT OF THE POST OAK LIFT STATION AS OUTLINED IN THE STAFF REPORT.

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### BACKGROUND:

In 2003, the general policy was modified to allow installation of new lift stations if long-term operation, maintenance and capital equipment replacement costs (OM&R) were borne by the users of the new lift station (LS). An administrative Lift Station Fee collected through utility billing and applicable to each lot or customer in the new development was implemented through a contractual agreement.

To date, the Norman Utilities Authority (NUA) has approved fifteen lift station agreements as follows:

1. Summit Lakes Addition (K-0304-51 approved 8/26/2003);
2. Summit Valley Addition (K-0304-57 approved 9/25/2003);
3. Eagle Cliff South Addition (K-0304-58 approved 10/14/2003);
4. Cobblestone West Addition (K-0405-119 approved 02/22/2005);
5. Alameda Park Addition (K-0506-30 approved 07/12/2005);
6. Red Rock Canyon Addition and Park Hill Addition (K-0506-139 approved 05/09/2006);
7. Siena Springs Addition (K-0607-70 approved 10/10/2006);
8. Links at Norman PUD (K-0809-115 approved 04/14/2009);
9. Stone Lake Addition (K-1415-130 approved 04/28/2015);
10. The Barn at Terra Verde (K-1819-59 approved 09/24/2018);
11. Eagle Cliff South Section 7 Addition (K-1920-48 approved 9/24/2019);
12. Turtle Crossing (K-1920-111 approved 3/24/2020);
13. Varenna Landing (K-2021-40 approved 8/25/2020);
14. NRH Medical Park West Section 2 Replat (K-2021-88 approved 4/13/2021); and

15. Eagle Cliff West (K-2122-17 approved 6/27/2023).

**DISCUSSION:**

City Council previously approved Contract K-0809-115 for the Links at Norman Planned Unit Development Lift Station Agreement and also required the construction of the Post Oak Lift Station. This Armstrong development will be served by the same lift station and therefore is required to enter into a similar lift station agreement. The preliminary plat for the development area was considered by Planning Commission on August 10, 2023, and is proposed as a companion item for City Council on this docket. This contract must be approved by the developer of Armstrong Bank Consolidation Project development, requiring them to fund a portion of the ongoing OM&R of the existing LS.

The developer of Armstrong Bank Consolidation Project, Armstrong Bank, is willing to implement the LS OM&R fee for the preliminary plat. If acceptable to Council, these costs would be recovered through proposed Contract K-2324-32. The monthly LS fee for the Links development will be unchanged since this area was included in the original service basin. Estimated cost for a commercial lot will be \$47.42 per month and cost per multi-family residential unit will be \$2.70.

The proposed contract provides the following:

- 1) The LS OM&R fee (the Lift Station Fee) would be filed of record as a restrictive covenant with the final plat of Armstrong Bank Consolidation Project as well as any other new areas that ultimately obtain sewer service from the Post Oak LS.
- 2) The LS Fee will be adjusted annually to account for inflation and may otherwise be adjusted if changes to the LS service area necessitate an adjustment.
- 3) In the event a LS is taken out of service and its wastewater flows by gravity to a wastewater treatment facility site, the LS Fee would be discontinued.
- 4) The LS Fee will be calculated for each dwelling unit as well as a per capita basis to accommodate other zoning classifications such as commercial, institutional, industrial, etc.
- 5) The LS Fee will be collected monthly from each dwelling unit or non-residential entity contributing flow to the LS through the City's Utility billing system.

The calculations for this fee are shown as Exhibit A to the contract while Exhibit B illustrates the area to be served by the Post Oak LS including the proposed development.

**RECOMMENDATION:**

Staff recommends approval of Contract K-2324-32 between the Norman Utilities Authority and Armstrong Bank implementing the Post Oak Lift Station Fee for the Armstrong Bank Consolidation Project development to the City of Norman.