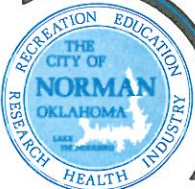


A JOINT RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NORMAN, OKLAHOMA, AND THE TRUSTEES OF THE NORMAN UTILITIES AUTHORITY COMMITTING TO AN EVALUATION OF THE FEES CHARGED FOR NEW CONNECTIONS TO THE WATER SYSTEM.

- § 1. WHEREAS, the Norman Utilities Authority, having as its beneficiary the City of Norman (collectively, the “City”) is unable to meet the water demands of its customers without purchasing additional water supplies; and
- § 2. WHEREAS, the City purchases water from Oklahoma City as an “emergency demand” water customer [Oklahoma City Code §60-55-16(K)] to provide water to its customers when the City’s other water supplies have been depleted; and
- 3. WHEREAS, Oklahoma City will be eliminating the City’s access to water from the “emergency demand” category effective October 1, 2016; and
- § 4. WHEREAS, the recently adopted 2060 Strategic Water Supply Plan calls for the construction of eight to ten additional wells to address both current and short-term future capacity needs; and
- § 5. WHEREAS, the City charges a connection fee for all new connections to the water system for the purpose of providing funding to cover costs associated with supplying new connections with water; and
- § 6. WHEREAS, the City of Norman currently charges total connection fees for various meter sizes with the most commonly requested being \$850.00 for new three-quarter inch (3/4”) meter connections to the water and sewer system (“the connection fee”); \$575.00 is currently apportioned for water connections and \$275.00 for sewer connections; and
- § 7. WHEREAS, because the City does not currently have sufficient water supplies to supply its current customers, new connections to the water system require that the City obtain additional water supplies; and
- § 8. WHEREAS, to provide funding for additional water supplies, the City will consider adoption of Ordinance No. O-1415-18 raising water connection fees on November 25, 2014; and



- § 9. WHEREAS, Ordinance No. O-1415-18, if adopted, will raise the total connection fee for new three-quarter inch (3/4") meter connections to the water and sewer system from \$850.00 to \$1,075.00 (\$800.00 apportioned for water connections) on August 1, 2015, and \$1,275.00 (\$1,000.00 apportioned for water connections) on August 1, 2016; and
- § 10. WHEREAS, additional water supplies for new connections to the water system are planned to be achieved through the construction of two to four new wells, expected to cost approximately \$3 million dollars based upon factual and historically realized costs for similar system capital improvements; and
- § 11. WHEREAS, the proposed connection fees in Ordinance No. O-1415-18 are expected to result in collections sufficient to fund construction of new wells to provide capacity for new connections in accordance with 62 O.S. §895; and
- § 12. WHEREAS, the initial phase of the proposed well construction in the 2060 Strategic Water Supply Plan including location, property acquisition, design, and permitting is currently scheduled for completion in 2015; and
- § 13. WHEREAS, bidding and construction of the additional wells recommended by the 2060 Strategic Water Supply Plan is currently scheduled for 2016 and 2017; and
- § 14. WHEREAS, the design and bidding of new wells in 2016 will provide the City with more recent data upon which to consider the adequacy of the connection fee; and
- § 15. WHEREAS, upon completion of the identified capital improvements funded by the connection fee increase, the connection fee may revert back to 2007 levels if another capital project is not proposed to increase capacity related to new connections; and
- § 16. WHEREAS, concern has been expressed that further increases in connection fees would create an unfair disadvantage to the Norman housing industry when compared to other cities when considered in relation to other development fees charged by the City; and
- § 17. WHEREAS, the City is in the process of finalizing a Request for Proposals for evaluation of the City's Wastewater Excise Tax (the "RFP for Wastewater Tax") and study of the City's water system related fees should be added to the RFP for Wastewater Tax to provide Council with additional data regarding the adequacy and appropriateness of the City's connection fees.

NOW THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF NORMAN, OKLAHOMA:

- § 18. That the City commits to include in the proposed RFP for Wastewater Tax, a study component evaluating the connection fees to determine the appropriate charge for such services in relation to actual system new capacity costs and total development fees charged by surrounding and comparable cities; and
- § 19. That the City commits to begin an evaluation of the water connection fees before Oklahoma City's elimination of the City's access to water from the "emergency demand" category, said evaluation to include the new well construction cost data and the results of the Water and Wastewater Fee Study.

PASSED and ADOPTED THIS ____ DAY OF _____, 2014.

CITY OF NORMAN:

Mayor

ATTEST: _____
City Clerk

NORMAN UTILITIES AUTHORITY:

Chairperson

ATTEST: _____
Secretary