

Item 1, continued:

Councilmember Karjala said people are losing their backyards to the creek and that will continued to happen so the City has to do something because once property is lost to the creek it is lost forever. She said there is no guarantee there will ever be a stormwater utility to manage stormwater runoff issues and asked Council to please consider all options for funding Phase I. Councilmember Clark said she was shocked by the expense of the repairs, but does not want to be a part of a Council that ignores the problem; she wants to be a part of a Council that acts on the problem now.

Councilmember Hickman asked why Imhoff Creek has widened and deepened so much over the last 15 to 20 years and Mr. Claborn said a lot of it has to do with the Canadian River feeding into the streams and creeks as well as development around the creek that has taken place over the last 15 to 20 years.

Mayor Pro Tem Castleberry said Staff has given Council plenty to think about and hopefully Council will find a way to move forward.

Items submitted for the record

1. PowerPoint presentation entitled, "Lower Imhoff Creek Study," City Council Conference dated July 11, 2017
2. Lower Imhoff Creek Hydraulic & Hydrologic Study Project prepared by Meshek and Associates, L.L.C.

* * * * *

Item 2, being:

DISCUSSION REGARDING A POTENTIAL CITY-WIDE ELECTION DATE TO BE HELD IN OCTOBER OR NOVEMBER FOR THE RENEWAL OF THE OG&E FRANCHISE AGREEMENT AND COUNCILMEMBER ELECTION CHARTER AMENDMENT ISSUES.

OG&E Franchise Agreement

Ms. Kathryn Walker, Assistant City Attorney, said in May 2017, representatives from the Oklahoma Gas and Electric Company (OG&E) approached the City about renewing the franchise agreement that expires in 2018. The agreement provides for a franchise fee equal to three percent of OG&E' s

gross revenues arising from the sale of electricity within Norman's city limits. In addition to the franchise fee, OG&E furnishes free electricity to the City for operation of traffic signal lights and municipal buildings in an amount of up to one-half of one percent of the kilowatt hours sold to Norman customers within the preceding fiscal year. This provision resulted in the City receiving free electricity for traffic signal lights and municipal building for 10 months of the last fiscal year.

Ms. Walker said the franchise agreement grants OG&E the right, privilege, and authority to produce, transmit, distribute, and sell electricity within Norman's city limits as well as the right, privilege, and authority to construct, maintain, and operate a system of poles, wires, conduits, transformers, substations, and other facilities and equipment in, upon, across, under and over streets, alleys, public grounds, and other places for the purpose of producing, transmitting, distributing, and selling the electricity to the City of Norman and its inhabitants.

Article 18, Section 5(a) of the Oklahoma Constitution requires voter approval of a franchise in order for a City to grant the right to use its streets to sell and distribute utility services to its residents to a public utility company. Ms. Walker said OG&E is proposing the City place approval of the renewal of a 25 year

Item 2, continued:

OG&E Franchise Agreement, continued:

franchise agreement on a citywide ballot in November 2017. In order to meet Cleveland County Election Board notice requirements the First Reading Ordinance calling for an election would need to be considered by Council on August 8, 2017, and Second Reading on August 22, 2017.

Mr. James Chappel, OG&E Community Affairs Manager, said OG&E has a franchise agreement with 276 communities in Oklahoma and all provisions in the franchise agreement are consistent within all of these communities. He said feels like they have been a good corporate citizen in Norman. He said in 2010 OG&E replaced 42,000 meters with smart meters, so OG&E has approximately 43,000 customers in Norman and 54 employees that report to the Norman based office as well as several retired OG&E employees who live in Norman. He said the franchise agreement indemnifies the City from any lawsuits due to negligence and all rates are set by the Corporation Commission. He said the cost of the election will be borne by OG&E. He said safety is the number one priority for OG&E and this franchise is not exclusive as other utilities have franchise agreements with the City.

Mr. Chappel said he received some questions earlier from Councilmembers that he would like to address and one was concerning the City of Norman creating its own electric utility. He said there is nothing in the franchise agreement that would prevent a municipality from pursuing their own utility so if the City of Norman wants to review providing electricity for their citizens then they have that right. Another question regarded street light maintenance and Mr. Chappel said OG&E tries to repair street lights as soon as they are aware there is a problem; however, some of the lights are old and parts are becoming more difficult to obtain. Any street light damaged to the extent of needing to be replaced is being replaced with Light Emitting Diode (LED) fixtures, which are more energy efficient, more environmentally friendly, and a cost-saving alternative to the older conventional lights.

Mr. Chappel said OG&E has always tried to be a good steward and work out every issue with every customer that might have a problem. He said tree trimming has been an issue mentioned and tree trimming is a necessary evil in the electric business, but placing electric lines underground is difficult and costly. He said electric lines will always disturb something in the area whether they are placed

Item 2, continued:

above or below ground. OG&E advises people to check what is above them as well as what is underground before planting a tree. He said OG&E does not have anything against trees, in fact, OG&E recently helped plant trees at Terre Verde School. He said OG&E does its best to provide quality reliable service without disruption and the only reason a tree is touched is to improve service quality and reliability.

Councilmember Clark asked if the franchise term could be shorter than 25 years in case Norman wanted to move towards renewable energy. She asked if any other community shortened the franchise term. Mr. Chappel said not really because the franchise agreement does not restrict cities from using alternative energy. He said OG&E has a 20/20 plan that includes alternative energy and a solar project is currently being done in Enid by OG&E. He said people are signing up for this service and there is already a waiting list.

Councilmember Bierman asked if there is an opt-out clause in the franchise agreement if the City decides to pursue alternative energy and Mr. Chapel said there is no opt-out clause. Councilmember Bierman asked why there is no opt-out clause that would allow Council to reevaluate the franchise agreement because she likes the idea of having more municipal flexibility. Mayor Pro Tem Castleberry said if the City wants to create its own electric utility six months from now or five years from now the City can do

Item 2, continued:

OG&E Franchise Agreement, continued:

that. The City will still have a franchise agreement with OG&E, but the City does not necessarily have to use OG&E's services so the City does have flexibility. The franchise agreement is simply granting OG&E the right to operate in Norman for the next 25 years whether people want to use their service or not.

Councilmember Bierman asked what percentage of the three percent franchise fee paid to the City comes from OG&E customers and Mr. Chappel said all of it, but free electricity for traffic signals and some municipal buildings is provided by OG&E.

Councilmember Hickman said Council needs more time to discuss approving a 25 year agreement. He said he would like a presentation about what a franchise agreement is, why the City has to have a franchise agreement, whether OG&E can operate in the City without a franchise agreement, etc. Mr. Bryant said the franchise agreement is an Oklahoma Constitutional requirement that requires a vote of the people. He said Staff would be more than happy to provide a more detailed discussion and Staff had been under the impression that this item was a routine renewal of a franchise agreement.

Mayor Pro Tem Castleberry said if voters say no to the franchise, would electricity be available in the City of Norman once the current agreement expires? He said Council needs the answers to these questions prior to approving the franchise.

Municipal Elections/Charter Amendments Options

Mr. Bryant said in 2016, Council filing dates had to be moved to the first Monday, Tuesday, and Wednesday in December instead of January because State law changed the dates in which municipalities can hold an election which created a conflict in the City Charter. Out of that came a request by Councilmembers to study the issue and propose amendments to the Charter to align with State law.

Mr. Bryant said in the March 16, 2017, City Council Oversight Committee meeting the Committee directed Staff to inquire about the possibility of having ranked voting municipal officer elections instead of runoffs and to provide an update on pending legislative bills regarding municipal elections. Other items discussed included length of terms of office, preferences for elections dates (spring vs fall), and changing the swearing in date from the first Tuesday in July to a date closer to the end of the election cycle. He said the Cleveland County Election Board said they were not equipped to conduct ranked voting elections.

Mr. Bryant said when OG&E approached the City about the franchise agreement renewal that requires an election, Staff talked to them about packaging the non-controversial Charter amendment items in with the OG&E election since OG&E would be paying the election costs. The cost of that election would be approximately \$35,000 so if Council does not want to move forward with the franchise agreement election, the City still needs to move forward with the Charter amendments in October or November.

Mayor Pro Tem Castleberry said if a Charter amendment election was held in November that would give Council time to discuss the OG&E franchise agreement as well as further discuss Council election issues.

Councilmember Hickman said he still has problems with moving the swearing in dates because at the inception of that proposed rule, some Councilmembers would be cheated from serving a full term. Mr. Bryant said that issue can be taken off the non-controversial list and discussed further.

Item 2, continued:

Municipal Elections/Charter Amendments Options, continued:

Councilmember Holman felt the Charter amendments and OG&E franchise agreement should be on the same ballot and would prefer a November election. He would also like the Charter amendments to not be effective until the 2019 election cycle.

Mayor Pro Tem Castleberry suggested continuing discussion of these two topics on Tuesday, July 18, 2017, at 5:30 p.m. and Councilmembers concurred.

Items submitted for the record

1. Memorandum dated July 7, 2017, from Kathryn L. Walker, Assistant City Attorney, through Jeff Bryant, City Attorney, to Honorable Mayor and City Councilmembers
2. Letter dated June 9, 2017, from James W. Chappel, Community Affairs Manager, OG&E Energy Corporation, to Steven D. Lewis, City Manager
3. Ordinance O-9394-12
4. Potential Election Dates
5. Memorandum dated May 12, 2017, from Kristina L. Bell, Assistant City Attorney, through Jeff Harley Bryant, City Attorney, to Oversight Committee, with Exhibit 1, City Council Oversight Committee minutes of March 16, 2017; Exhibit 2, Legislatively notated Charter amendment for Section 2, Term of office; Exhibit 3, Legislatively notated Charter amendment for Alternate Section 2, Term of office; and Exhibit 4, Length of Office
6. Potential Election Dates
7. Memorandum dated May 31, 2017, from Kristina L. Bell, Assistant City Attorney, through Jeff Harley Bryant, City Attorney, to Oversight Committee

The meeting adjourned at 6:30 p.m.

ATTEST:

City Clerk

Mayor