

CITY COUNCIL PUBLIC MEETING MINUTES

January 6, 2015

The City Council of the City of Norman, Cleveland County, State of Oklahoma, met in a public meeting at 7:00 p.m. in the Municipal Building Council Chambers on the 6th day of January, 2015, and notice and agenda of the meeting were posted at the Municipal Building at 201 West Gray, and the Norman Public Library at 225 North Webster 48 hours prior to the beginning of the meeting.

PRESENT: Councilmembers Castleberry, Lang, Heiple, Holman, Jungman, Miller, Quinn, Williams, Mayor Rosenthal

ABSENT: None

Item 1, being:

PRESENTATION REGARDING AN UPCOMING ELECTION FOR A WATER RATE INCREASE.

Mayor Rosenthal welcomed everyone to the public forum and said the Water Rate Increase will be held on January 13, 2015, and if approved, will be the first water rate increase in nine years. She said this comes forward with unanimous support of Council and a lot of work by citizens who provided input during the process over the prior months. At the heart of this proposal is the fundamental need to address water quality challenges and constraints on supply that we face in the City of Norman. The proposal is about providing a safe, secure, and adequate water supply for our current customers. It is not a rate increase to fund infrastructure for future citizens of our community, but it is for those who live here now and who depend upon this water supply.

Mr. Ken Komiske, Director of Utilities, said the City is trying to strike a balance with water rates between revenue stability/resiliency; conservation promotion; affordability; and economic development. The proposed rate increase would fund \$47 million in capital expenses - \$31 million for Phase II of the Water Treatment Plant Upgrades; \$13 million for capacity improvements which includes \$2 million for blending, \$9 million for new wells, and \$2 million to purchase land for the a new ground water treatment site; and \$3 million for water line replacements. Mr. Komiske highlighted the proposed rate increase as follows:

	PRESENT	PROPOSED
BASE FEE w/CIC*	\$5.50	\$7.50
0 to 5,000	\$2.00	\$3.35
5,001 to 15,000	\$2.10	\$4.10
15,001 to 20,000	\$2.75	\$5.20
More than 20,000	\$4.95	\$6.80

* Capital Improvement Charge

Mr. Komiske said the Water Division offers utility rates at 75% of the normal rate for customers who qualify as low income households based on federal guidelines. He said 58% of the bills average 4,000 gallons per month or less and that is an increase of approximately \$7.20 per month.

Mr. Komiske said conservation styled rates are being proposed for commercial customers based on their average winter consumption (AWC) during December, January, and February. He said proposed rates are as follows:

WINTER	PRESENT	PROPOSED
BASE FEE	\$5.50	\$7.50
Consumption Per 1,000 Gallons	\$2.10	\$3.80
SUMMER	PRESENT	PROPOSED
BASE FEE	\$5.50	\$7.50
Consumption Above AWC	\$2.10	\$4.20

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Mr. Komiske said the more water a customer uses, the more they pay.

Mr. Komiske said a high use surcharge of \$.35 per 1,000 gallons of water consumption greater than \$20,000 per month will be charged during the water usage months of July and August, which would be reflected on customers utility bills of August and September.

Mayor Rosenthal fielded the following questions from members of the audience as well as implications made in recent letters to the editor, which were answered by her and members of Staff:

- Why wasn't this issue on the ballot in the recent November election when there would have been a larger turnout?
- An implication was raised in a letter to the editor that sufficient controls were not in place to insure the funds would be spent as promised in the election.
- An implication was raised in a letter to the editor that the amendments made to the ordinance calling the election that requires money to stay in the Utility Fund should have included specific projects, etc.
- Clarify how the Enterprise Funds are managed.
- A question was raised in a letter to the editor what the cost of delaying the improvements would have on the overall cost of the projects.
- When the big ticket items in this package are completed and paid for, will there be a rate reduction?
- Why is there not a high use charge for commercial customers?
- An implication was raised in a letter to the editor that the rate increase was too much.
- An implication was raised in a letter to the editor stating the City of Norman was not doing enough through conservation.
- A letter to the editor indicated water reuse was not an option for Norman.
- When is the City going to have stricter enforcement on conservation and watering restrictions.
- What is the City's policy for replacing old meters and how can we make sure the meters are accurate when placed to make sure the readings reflect the actual usage?
- How are the Oklahoma Water Resources Board rule changes for allocations on groundwater going to impact the availability of groundwater for Norman's supply? Do we know when the new rules will go into effect?
- Informational brochure says residents will pay between \$1.2 and \$1.8 million for new wells, but the projected new connection fees pay for approximately \$800,000 per estimated new wells. If new connections actually cost at the low end, where will the money come from to pay the difference?
- What is being done to mitigate the cost to apartments who have only one meter and are being categorized as high users when the individual apartments may not be high users?
- Why hasn't the City put a moratorium on all home and apartment construction in order to reduce water consumption?

Items submitted for the record

1. PowerPoint presentation entitled, "Water Fund – January 2015"

The meeting adjourned at 8:06 p.m.

ATTEST:

City Clerk

Mayor