

A RESOLUTION OF THE COUNCIL OF THE CITY OF NORMAN, OKLAHOMA, EXPRESSING ITS DESIRE TO HAVE AN EVALUATION AND RECOMMENDATION OF THE APPROPRIATE RELATIONSHIP BETWEEN THE WASTEWATER EXCISE TAX ON NEW DEVELOPMENT AND OTHER REVENUE SOURCES, INCLUDING FEES PAID BY RATEPAYERS, TO FUND INFRASTRUCTURE, MAINTENANCE, AND CAPACITY IMPROVEMENTS UNDER THE 2001 WASTEWATER MASTER PLAN.

- § 1. WHEREAS, the citizens of Norman participated in 2001 in the development of a Wastewater Master Plan (“WWMP”) including consideration of funding solutions for its implementation; and
- § 2. WHEREAS, the WWMP envisions a two-plant scenario for the future of wastewater service and that plan remains the adopted public policy of the City; and
- § 3. WHEREAS, the City has pursued funding of new capacity and infrastructure improvements, the cost of which has totaled more than \$82 million over the past twelve years, from a variety of funding sources including grants, the wastewater excise tax, ratepayer contributions, sewer maintenance fees, and a temporary sales tax; and
- § 4. WHEREAS, the WWMP, at the time of its adoption, specifically recognized that it is “amenable to being updated and changed to reallocate project funds and select the most appropriate improvement projects as dictated by growth and development”; and
- § 5. WHEREAS, the WWMP, at the time of its adoption, anticipated a construction of a north side plant (North Water Reclamation facility – “NWRP”) with 2.5 million gallons per day “MGD” capacity, then adding 5 MGD of capacity at the south plant (South Water Reclamation Facility “SWRF”), and then adding an additional 2 MGD capacity at the NWRP; and
- § 6. WHEREAS, the improvements made to the Norman Sewer Utility System anticipated by the WWMP since 2001 have included expansion to sewage interceptor and lift station conveyance facilities to transport higher volumes of sewage from the northern sewage basins of Norman (“Little River” basin) to be treated in the southern basins of Norman (“South Canadian” basin), as directed by NUA Resolution 0708-78; and
- § 7. WHEREAS, the improvement and expansion of the SWRF is necessitated by new regulatory requirements, and maintenance imperatives; and

- § 8. WHEREAS, additional capacity needs identified in the 2001 WWMP can be accomplished in a cost effective manner at the SWRF while making the regulatory improvements and the maintenance improvements; and
- § 9. WHEREAS, the Council will put before the voters on November 12, 2013, a proposal for wastewater rate increases that will provide additional revenue for financing those regulatory upgrades, plant maintenance, equipment improvements, and additional capacity expansion at the SWRF that are currently projected to cost \$63 million, of which \$37,359,000 (59.3%) is attributable to “Current Obligation” sewer customers as defined in the WWMP and is anticipated to be funded from bond financing repaid from ratepayer revenues, and reducing the length of the bond term by application of approximately \$5.7 million of remaining Sewer Sales Tax funds, and \$25,641,000 (40.7%) is attributable to “Future Obligation” sewer customers as defined by the WWMP and is anticipated to be funded from available revenues and bond financing repaid from Wastewater Excise Tax on New Development; and
- § 10. WHEREAS, after the SWRF upgrades and expansion are completed, the only remaining major portion of the 2001 WWMP to be accomplished includes the construction of the NWRf in the northern drainage basin of the City of Norman with costs preliminarily estimated at \$85 million, for which an Engineering Report (ER) is currently being prepared by HDR Consultants; and
- § 11. WHEREAS, as the NWRf is being planned and studied, there may be additional opportunities for reuse of effluent from the NWRf that may be a source of recharging Lake Thunderbird to augment water supplies for the customers of the Norman Water Utility; and
- § 12. WHEREAS, the funding of future wastewater improvements should consider the equitable participation of current ratepayers and future ratepayers and Council desires to review the equitable apportionment of ratepayer fees and future development excise tax as funding sources for potential application to these future improvements.

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

- § 13. That the services of a professionally qualified third party be secured to assist in the evaluation of funding the next phase of wastewater infrastructure including but not limited to, new capacity at a north wastewater plant and infrastructure to facilitate treatment modalities to flow for indirect potable reuse to supplement the City’s available water supplies; and
- § 14. That such evaluation should include a recommended relationship between the Wastewater Excise Tax on New Development and funds generated by ratepayers to fund future capacity, maintenance obligations, and infrastructure improvements; and
- § 15. That in evaluating future funding strategies, the study shall assess the impact of the

Wastewater Excise Tax on growth and development in the City of Norman, take into account existing fee structures, and be compared to both (a) surrounding and (b) comparable cities to ensure reasonableness, consistency and feasibility; and

- § 16. That such evaluation should include analysis of how to appropriately establish, integrate and coordinate revenues from water and wastewater enterprise funds to be equitably applied to a NWRf that may provide for both water and wastewater functions.

PASSED AND ADOPTED this _____ day of _____, 2013.

Mayor

ATTEST:

City Clerk