

City of Norman, OK

Municipal Building Council Chambers 201 West Gray Norman, OK 73069

Master

File Number: K-1920-48

File ID: K-1920-48 Type: Contract Status: Non-Consent Items

Version:1Reference:Item 30In Control:City CouncilDepartment:Utilities DepartmentCost:File Created:09/04/2019

File Name: Eagle Cliff South Section 7 Lift Station Agreement Final Action:

Title: CONTRACT K-1920-48: A CONTRACT BY AND BETWEEN THE NORMAN UTILITIES AUTHORITY AND SHAZ INVESTMENT GROUP, LLC, AUTHORIZING COLLECTION OF A MONTHLY LIFT STATION FEE FROM DEVELOPED LOTS IN EAGLE CLIFF SOUTH SECTION 7 FOR THE OPERATION, MAINTENANCE AND REPLACEMENT OF THE EAGLE CLIFF SOUTH LIFT STATION.

Notes: ACTION NEEDED: Acting as the Norman Utilities Authority, motion to approve or reject Contract K-1920-48 with Shaz Investment Group, L.L.C.; and, if approved, authorize the execution thereof.

Agenda Date: 09/24/2019

Agenda Number: 30

Attachments: Lift Station Agreement, Exhibit A Cost Estimate,

Location map

Project Manager: Mark Daniels, Utilities Engineer

Entered by: mark.daniels@normanok.gov Effective Date:

History of Legislative File

 Ver- sion:
 Acting Body:
 Date:
 Action:
 Sent To:
 Due Date:
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 Result:

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Text of Legislative File K-1920-48

Body

BACKGROUND: In 2003, 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 ten lift station agreements as follows:

- Summit Lakes Addition (K-0304-51 approved 10/14/03);
- 2. Summit Valley Addition (K-0304-57 approved 10/14/03);
- 3. Eagle Cliff South Addition (K-0304-58 approved 10/14/03);
- 4. Cobblestone West Addition (K-0405-119 approved 02/22/05);
- 5. Alameda Park Addition (K-0506-30 approved 07/12/05);
- 6. Red Rock Canyon Addition and Park Hill Addition (K-0506-139 approved 05/09/06);
- 7. Siena Springs Addition (K-0607-70 approved 10/10/06);
- 8. Links at Norman PUD (K-0809-115 approved 04/14/09);
- 9. Stone Lake Addition (K-1415-130 approved 04/28/15); and
- 10. The Barn at Terra Verde (K-1819-59 approved 09/24/18)

<u>DISCUSSION</u>: On August 8, 2019, the Planning Commission approved the preliminary plat for Eagle Cliff South Section 7 contingent upon the provision of a sewer solution for the parcel. In this case, a gravity sewer discharging to the southwest into the existing Eagle Cliff South LS is proposed. As noted in items 3 and 4 above, a LS fee is currently collected for the Eagle Cliff South LS serving portions of Sections 2 through 6 of Eagle Cliff South and Section 2 of Cobblestone Creek Addition.

A lift station agreement must be approved by the developer of Eagle Cliff South Section 7 requiring them to fund a portion of the ongoing operation, maintenance and replacement costs (OM&R) of the existing lift station. The residents currently served by the Eagle Cliff South LS will see their LS fee reduced as the lift station annual costs will be equally distributed between 238 homes rather than 200 homes. The revised service area of the Eagle Cliff South LS is shown on the attached map.

The developer of Eagle Cliff South Section 7, SHAZ Investment Group, LLC, is willing to implement the Lift Station OM&R fee. If acceptable to Council, these costs would be recovered through proposed Contract K-1920-48. The monthly LS fee for the Eagle Cliff South LS is currently \$4.08 per household but will be reduced to \$3.58 once this agreement is approved and the Eagle Cliff Section 7 final plat is filed. The proposed contract provides the following:

The Lift Station OM&R fee (the Lift Station Fee) would be filed of record as a restrictive covenant with the final plat of Eagle Cliff South Section 7 as well as any other new areas that ultimately obtain sewer service from the Eagle Cliff South LS.

The Lift Station Fee will be adjusted annually to account for inflation and may otherwise be adjusted if changes to the lift station service area necessitate an adjustment.

In the event a lift station is taken out of service and its wastewater flows by gravity to a wastewater treatment facility site, the Lift Station Fee would be discontinued.

The Lift Station 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.

The Lift Station Fee will be collected monthly from each dwelling unit or non-residential entity contributing flow to the lift station 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 served by the proposed lift station.

The City records these fees into Lift Station OM&R (account 032-0000-355.16-58).

RECOMMENDATION: Staff recommends approval of Contract K-1920-48 implementing the Eagle Cliff South Lift Station Fee for Eagle Cliff South Section 7 to the Norman Utilities Authority.