



Legislation Text

File #: K-1617-89, **Version:** 1

CONTRACT K-1617-89: A CONTRACT BY AND BETWEEN THE NORMAN UTILITIES AUTHORITY AND CEDAR LANE, L.L.C. TO IMPLEMENT A LIFT STATION OPERATION, MAINTENANCE AND REPLACEMENT FEE FOR THE POST OAK LIFT STATION TO SERVE CLASSEN BUSINESS PARK ADDITION TO THE CITY OF NORMAN.

BACKGROUND: In 2003, 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 in the new development was implemented through a contractual agreement.

To date, the Norman Utilities Authority (NUA) has approved nine lift station agreements as follows:

1. 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 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); and
9. Stone Lake Addition (K-1415-130 approved 04/28/15).

DISCUSSION: On December 8, 2016, the Planning Commission approved the preliminary plat for Classen Business Park Addition contingent upon the provision of a sewer solution for the parcel acceptable to the NUA. The approved sewer solution for the 8 lots is to construct a gravity sewer from the subdivision to the east along Post Oak Road to the existing Post Oak LS.

In order to obtain NUA approval to connect to the existing LS, a lift station agreement must be approved by the developer requiring future sewer users within Classen Business Park Addition to fund a pro-rata share of the ongoing operation, maintenance and replacement costs (OM&R) of the existing Post Oak LS.

The developer, Cedar Lane, L.L.C., is willing to implement a Lift Station OM&R fee. If acceptable to Council, these fees would be recovered through proposed Contract K-1617-89. 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 Classen Business Park (PUD) as well as any other areas that ultimately obtain sewer service from the Post Oak 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, apartment, as well as on 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.
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- The calculations for the fee are shown as Exhibit A to the contract while Exhibit B illustrates the area of the Preliminary Plat served by the lift station. The current monthly LS fee for the Post Oak LS is \$1.32 per population equivalent, \$2.11 per apartment or \$3.36 per single family dwelling.

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RECOMMENDATION: Staff recommends approval of Contract K-1617-89 implementing the Post Oak Lift Station Fee for Classen Business Park Addition to the City of Norman.