



Legislation Text

File #: K-1819-58, **Version:** 1

CONTRACT K-1819-58: A CONTRACT BY AND BETWEEN THE NORMAN UTILITIES AUTHORITY AND 48TH AND ALAMEDA, L.L.C., TO IMPLEMENT A LIFT STATION OPERATION, MAINTENANCE AND REPLACEMENT FEE FOR EAST RIDGE LIFT STATION SERVING THE BARN AT TERRA VERDE ADDITION.

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

DISCUSSION: On March 8, 2018, the Planning Commission approved the preliminary plat for The Barn at Terra Verde contingent upon the provision of a sewer solution for the parcel. In this case, a gravity sewer discharging to the west into Siena Springs Addition was proposed. As noted in item 7 above, a LS fee is collected for the Siena Springs LS. Additionally, as noted in item 9 above, the Siena Springs LS was recently abandoned in conjunction with implementing a LS fee for Stone Lake Addition which conveys wastewater from both subdivisions to the existing East Ridge LS.

A lift station agreement must be approved by the developer of The Barn at Terra Verde requiring them to fund a portion of the ongoing operation, maintenance and replacement costs (OM&R) of the existing lift station; the residents of the East Ridge subdivision will not be charged as the East Ridge LS was constructed prior to implementation of the lift station fee policy. The revised service area of the East Ridge LS is shown on the attached map and includes East Ridge, Stone Lake, Siena Springs and now The Barn at Terra Verde.

The developer of The Barn at Terra Verde, 48th and Alameda, LLC, is willing to implement the Lift Station OM&R fee. If acceptable to Council, these costs would be recovered through proposed Contract K-1819-58. The estimated monthly LS fee for the Eastridge LS is \$2.27 per household or \$0.89 per person. A population equivalent of 16 is assigned to The Barn at Terra Verde based on a student population of 156; this equates to a monthly LS fee of \$14.24. The proposed contract provides the following:

- a) The Lift Station OM&R fee (the Lift Station Fee) would be filed of record as a restrictive covenant with the final plat of The Barn at Terra Verde as well as any other new areas that ultimately obtain sewer service from the Eastridge LS.
- b) 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.
- c) 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.
- d) 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.
- e) 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 of the Preliminary Plat served by the proposed lift station.

RECOMMENDATION: Staff recommends approval of Contract K-1819-58 implementing the East Ridge Lift Station Fee for The Barn at Terra Verde, an addition to the City of Norman.