



CITY OF NORMAN
JUNE 13, 2023 – WATER RATE PROPOSITION
FREQUENTLY ASKED QUESTIONS

- **What is this increase for?**

- **Waterline replacement**
 - Nearly half of Norman's lines have exceeded their lifespans, often failing and creating disruptions.
- **Disinfection System**
 - Norman must be brought into DEQ compliance for groundwater treatment to ensure a reliable, safe water supply.
- **Lead & Copper Line Mandates**
 - New, unfunded federal rules have been introduced and will take effect in 2024.
- **Water Service Operations**
 - Chemicals, utilities & equipment costs have risen in properly treating and serving water for the community.

- **Why now?**

As Norman is the only city in Oklahoma in which utility rates are set by a vote of the people versus City administration or elected officials, per the City Charter, it is necessary and required to request increases via utility rate elections in order to have sufficient funds to provide utility operations and services. Norman has not seen a water utility rate increase since 2015.

- Waterline breaks are projected to reach a new high for this fiscal year. These breaks are unscheduled and are disruptive to our customers, reduce fire protection, and are costly to repair with minimal improvement to the overall water system. Nationally, as a city, Norman ranks in the worst 25th percentile in water breaks and leaks.
- Groundwater disinfection is disinfection treatment for well water; Norman obtains drinking water from wells, Lake Thunderbird and through Oklahoma City purchase via Lake Draper. Groundwater disinfection is needed to meet Oklahoma Department of Environmental Quality regulations and enforcement actions – such as fines that would ultimately be reconciled by taxpayers – could occur if improvements are not constructed.
- New requirements under the Lead and Copper Rule Revision will water systems to create an inventory of service lines and provide additional testing and materials for customers to reduce exposure to lead in drinking water.
- Costs continue to rise for operational expenses. For example, in the last five years, electrical and chemical costs at our Water Treatment Plant have gone up by 50% and 100%, respectively.

- **How much money will be brought in if the vote passes and how will it be divided amongst the projects proposed?**

The water rate proposition, if successful, would generate approximately \$6.7 million in additional annual revenue per year. To better maintain our water system, comply with state and federal regulations, and fund day-to-day operations, these revenues would be roughly split as follows over the next five years:

- Waterline Replacement - \$15 million
- Groundwater Disinfection - \$7 million
- Lead and Copper Rule Revision - \$6 million
- Increase Operational Costs - \$5 million

- **Why can't water utility service and operations be paid for from the General Fund or another fund?**

There are 26 funds at the City of Norman dedicated to paying for various items and they are all kept separate as not only a best practice but, many times, per legal restrictions. The utility fund – or “water fund” – is dedicated solely to water utility operations and monies. The separate accounting is particularly important for City of Norman utilities, because there are thousands of residents of Norman who do not get water utility service from the City; it would be unfair for their (General Fund) tax dollars to pay for services that they do not receive. Details about each City fund, the budget process, revenues and payments for the City of Norman are online and available for anyone to review [here](#).

- **What is the Norman Utilities Authority?**

The Norman Utilities Authority (NUA) members are also the elected Mayor and City Council members. They oversee policy and financial authorizations as they relate to City of Norman-managed utilities; existence of this type of authority is common in municipal government and rooted, again, in best finance practices. Their meetings are held at the same time as City Council meetings and are open to the Public. Meeting schedule: Second and fourth Tuesday of each month at City Hall, beginning at 6:30 p.m.

- **How would this rate increase affect my bill?**

There are several line items on City of Norman utility bills. **Only line items concerning water service would be affected.** Water service to homes in Norman is covered through base rates and four tiers of volume rates, dependent on the number of gallons of water used. Passage of the proposition would increase base rates by \$4.90 and increase tier rates per 1,000 gallons of water by the following: 11 cents for those utilizing 0-5K gallons; 40 cents for those utilizing 5-15K gallons; \$1.55 for those utilizing 15-20K gallons; \$2.71 for those utilizing more than 20K gallons. With passage, an increase of \$5.45 or less would be seen on two-thirds of bills in Norman. Ratepayers can [access an interactive calculator here to view the proposed increase](#).

- **How were the rates determined?**

A professional third party consultant (Raftelis) was hired that specializes in rates across the United States. They looked at all of the costs to run our water system, looked at how Residential, Commercial, and Irrigation was utilizing the water system, and determined fair equitable rate structures based upon their findings.

- **Is the increase only needed if Norman continues to grow?**

No. Although Norman grew by more than 15 percent in population according to the [2020 Census](#), the increase proposed is what Norman needs to take care of the community today – even if another home or business is never added onto the city’s water system.

- **When would this go into effect, if passed?**

If voters approved the proposition, the new rate would be implemented 9/1/23.

- **Does the City of Norman offer any assistance on utility bills?**

Yes, the City of Norman offers assistance for low-income households, as determined by federal guidelines. Should the rate increase be approved, the discount would also increase. Access forms or learn more [here](#). Notaries are available at the City of Norman for assistance in completion.

- **Who exactly would be affected by the proposed rate increase?**

Norman residents or business owners who currently receive water service from the City of Norman public utility system would be affected. Normanites on private wells and who do not currently pay for water service from the City of Norman would not be affected.

- **If passed, is this rate increase a “fix all” to water utility challenges in Norman?**

Utilities, much like roads and sidewalks, requires consistent maintenance, care and replacement. Lines have “lifespans,” like most physical items so new needs will constantly arise. Additionally, water treatment costs (by way of electric bills to run a treatment plant, or chemicals utilized in processes) fluctuate with the market. While no one rate increase is a fix all to challenges, the proposed increase puts Norman in a better place to ensure quality, reliable and safe water systems, and would allow the city to come into compliance with required mandates.

- **Who supports the rate increase?**

Unanimous approval to send the rate increase proposition to a vote of the people was given by City Council in March 2023. Various sectors of the community – from public safety to caretaking industries and hospitality – have volunteered on video to share to the importance of quality water in the community and that [media collection can be found here](#).

- **Is the increase fair?**

Yes, very fair. It was determined that the base rate needed to be raised to solidify the Water Fund’s financial resilience to varying water usage patterns. The first two tiers were

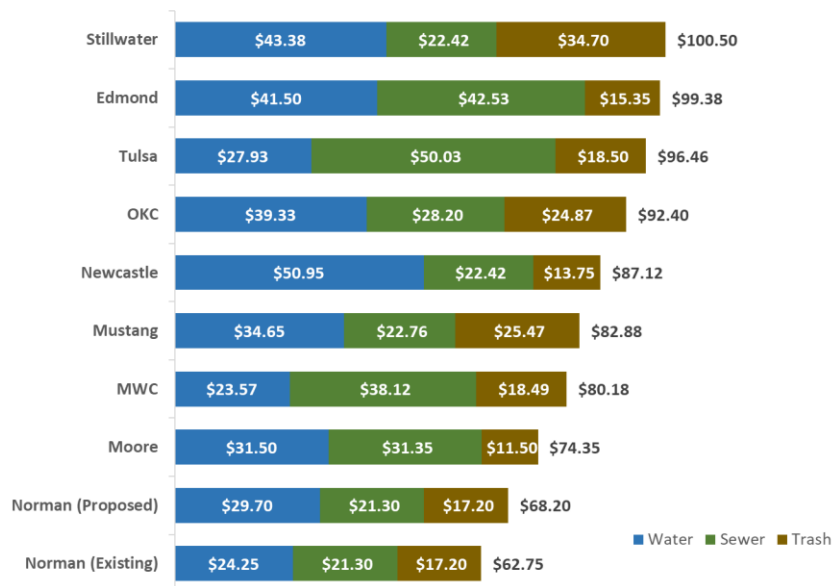
only slightly adjusted 11 cents and 40 cents versus the third and fourth tiers seeing an increase of \$1.55 and \$2.71 for the discretionary use water mostly driven by irrigation.

- **Is it true that the unhealthy fund balance of the “water account” at the City of Norman will affect the City’s interest rates or ability to borrow money for utilities or projects?**

The Water and Wastewater Reclamation Utilities (“water” and “sewer”) will make every effort to make annual payments to repay the debt that has been issued for various capital improvements (major projects, such as: treatment plant improvements and water well construction, etc.). However, the municipal bond markets will charge more interest on future debt issues if the Norman Utilities are considered to be a higher “risk” for non-payment. If the Norman Utilities Authority were to ever fail to make its debt payments, there would be significant threats to the NUA’s ability to finance capital improvements in the future. Just as banks will not issue new home mortgages to homeowners who have had foreclosures, the bond markets will not loan money to municipalities that have “defaulted” on their debt.

- **Where would Norman fall in comparison to other cities if the vote passed and where does the city currently fall?**

Water, sewer, trash, and recycling rates for Norman are on the low end compared to other cities in the OKC metro and Tulsa for current rates. As shown in the graph below, even with a successful rate proposition, Norman’s rates would still be lowest compared to these other cities for the total utility bill and water and sewer usage at 5,000 and 4,000 gallons per month, respectively.



- **When is the election?**

Election Day is June 13, 2023. Early voting is June 8 and 9, 2023. The last day to register to vote to cast a ballot in this election is May 19, 2023. Absentee ballots must be

requested by May 29, 2023. View information on your polling place or check your voter status at <https://okvoterportal.okelections.us/>.

- **There was a special election in May. Why was this proposition not posed to voters the same day or during another special election date when items could be considered together?**

1) To prevent confusion, the water rate proposition – which is layered, with funding going to multiple areas of water utility operations if passed – has been placed on its own ballot. City leadership wanted to ensure ample time for research and knowledge-sharing amongst voters. 2) The process to achieve consensus on any given item that receives approval to go to a vote of the people amongst members of the governing body can take significant time in order to consider all of elements of the matter.

- **What are “connection fees” and do they relate to this vote?**

Water and sewer connection fees are one-time fees collection as development or growth occurs. Funds generated from connection fees are used to fund projects that will increase the capacity of pipes and facilities for their respective systems (a new neighborhood, for example). Although both items have to do with utilities in general, connection fees are separate and apart water service fees. Connection fees are set by the City Council versus a vote of the people; connection fees are evaluated and reviewed biennially, per City Code, to ensure fair and sensible rates can maintain new development or growth.

- **Where can I learn more?**

You can learn more about what is on the ballot online at <https://www.normanok.gov/june-13-2023-proposition>. Information regarding overall utility services and rates can also be accessed in [Chapter 34](#) of the City of Norman Municipal Code. Staff are also available to answer questions by phone at 405.366.5443.

