



## CITY OF NORMAN, OK STAFF REPORT

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**MEETING DATE:** 07/23/2024

**REQUESTER:** Rachel Camp, Water Treatment Plant Manager

**PRESENTER:** Rachel Camp, Water Treatment Plant Manager

**ITEM TITLE:** CONSIDERATION OF ACCEPTANCE, APPROVAL, REJECTION, AMENDMENT, AND/OR POSTPONEMENT OF CONTRACT K-2425-25: BY AND BETWEEN THE NORMAN UTILITIES AUTHORITY, DEL CITY MUNICIPAL SERVICES AUTHORITY, AND THE CENTRAL OKLAHOMA MASTER CONSERVANCY DISTRICT FOR THE PURCHASE OF UNUSED LAKE THUNDERBIRD WATER ALLOCATION AND APPROPRIATION AS OUTLINED IN THE STAFF REPORT..

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### **BACKGROUND:**

The Norman Utilities Authority currently has three sources of water used for drinking water purposes:

1. 3 billion gallons per year is allocated from Lake Thunderbird and is treated at our Water Treatment Plant (WTP)
2. About 2.4 billion gallons per year can currently be pumped from our groundwater well field, however, we are in the process of drilling a new well and re-drilling one currently listed as inactive due to a casing failure. This will bring our total flow from the wellfield to about 2.5 billion gallons per year
3. 365 million gallons per year of treated drinking water is purchased from Oklahoma City

These sources make up about 5.865 billion gallons per year, and the City recently been using approximately 5.0-5.5 billion gallons per year.

In recent years, the City has lowered the well flows and taken extra water from the lake when it reaches the flood pool, which saves the NUA a little money in electrical cost needed for each well. The Bureau of Reclamation (BOR) and Central Oklahoma Master Conservancy District (COMCD) allow us to take water from the flood pool when the water level in the lake reaches above 1039-feet in elevation, which can occur after a significant rain event. The water taken from the flood pool does not count against our 3 billion gallon allocation from the lake and can help our utility meet demand for the entire water year, especially during future droughts.

The City of Del City and Midwest City are also allowed a portion of the water from Lake Thunderbird. Del City has never used their full allocation, and usually have about 600 million gallons of unused allocation at the end of each water year. Their City is landlocked and they don't see any increased density forecasted, hence no real need for additional water moving into the near future.

#### **DISCUSSION:**

While the NUA can meet demand with our current sources, it's unknown how much longer we will be able to use the water from the flood pool each year to supplement some of our well water and to stay ahead of our future annual water supply demands. The City of Del City (Del City Municipal Services Authority) has offered to sell the NUA a portion of their unused allocation each year for the next 10 years. Through this contract the City of Norman will purchase 300 million gallons of untreated water from Del City per year at a rate of \$0.68 per 1,000 gallons at the beginning of the water year (October 1), totaling \$200,000 per year. The COMCD will continue to convey water to all three City's and will keep track of when we've used the 300 million gallons of Del City's share, before they begin billing NUA for our normal 3 billion gallon allocation. Additionally, the City of Norman will have the option to purchase up to 200 million gallons more of Del City's unused allocation at a rate of \$1.36 per 1,000 gallons if needed. Purchasing the 300 million gallons of unused water from Del City will allow the City of Norman an ample amount of water to further solidify our water resources.

The Outside Water Resources account (account 31955234-43123) is currently used for the purchase of water from the City of Oklahoma City (OKC) and any flood pool water taken from the lake, and currently has a balance of \$1,240,330.00. Staff estimates the OKC usage for the upcoming FYE25 year at \$1,307,000. So staff requests \$70,000 for that shortfall and requests \$50,000 for any potential water need above the \$200,000 base Del City contract amount. In order to use this account for the purchase of Del City's unused allocation, staff proposes a budget appropriation from the Water Fund Balance (account 31-29000) in the amount of \$320,000 to the Outside Water Resources account (\$200,000 for the initial 300 million gallons and \$50,000 for additional water needed at a rate of \$1.36 per 1,000 gallons, and \$70,000 for the increased cost of OKC water).

#### **RECOMMENDATION:**

Staff recommends the NUA approved Contract K-2425-25 for an initial purchase of 300 million gallons, with the option to purchase additional water at \$1.36 per 1,000 gallons, as stipulated in the contract.

Staff further recommends the appropriation of Water Fund balance (account 31-29000) in the amount of \$320,000 to Outside Water Resources (account 31955234-43123).