



CITY OF NORMAN, OK STAFF REPORT

MEETING DATE: 02/22/2022

REQUESTER: Nathan Madenwald, Utilities Engineer

PRESENTER: Nathan Madenwald, Utilities Engineer

ITEM TITLE: CONSIDERATION OF APPROVAL, REJECTION, AMENDMENT, AND/OR POSTPONEMENT OF CONTRACT K-2122-93: BY AND BETWEEN THE NORMAN UTILITIES AUTHORITY AND KIMBERLY LOUISE BAXTER, 1/6 INTEREST; CLIFTON VAN BROWN, 1/6 INTEREST; DANIEL VAN BROWN, 1/6 INTEREST; RAYMOND JOSEPH SENDELBACH, REVOCABLE LIVING TRUST, 1/4 INTEREST; STANLEY RAY SENDELBACH, 1/8 INTEREST; AND SANDRA SENDELBACH LUNDMARK, 1/8 INTEREST; IN THE AMOUNT OF \$800,000 FOR THE PURCHASE OF REAL PROPERTY LOCATED AT 4020 E TECUMSEH ROAD, PLUS CLOSING COSTS TO BE DETERMINED PRIOR TO CLOSING, FOR THE GROUNDWATER TREATMENT SITE AND AUTHORIZE THE GENERAL MANAGER TO EXECUTE ALL CLOSING DOCUMENTS.

BACKGROUND:

The City of Norman/Norman Utility Authority (City/NUA) water system is supplied with water from the Vernon Campbell Water Treatment Plant (WTP) with water originating from Lake Thunderbird; the groundwater well system; and the City of Oklahoma City Water Utilities Trust's (OKC; OCWUT) wholesale treated drinking water connection. The groundwater well system includes 41 wells (9 completed in 2021) with water sent to the system without any treatment. Water systems supplied solely by groundwater wells are not required to have treatment or disinfection by regulations; however, surface water systems are required to have treatment and disinfection, and to maintain a minimum disinfectant residual within the system. The Oklahoma Department of Environmental Quality (DEQ) is working to have combined surface and groundwater systems comply with regulations similar to a surface water system. To comply with this anticipated requirement, and to provide future capabilities for additional treatment processes in order to meet more stringent regulations as they are adopted, land was proposed to be acquired for a centralized groundwater treatment facility, as part of the 2015 water rate increase. The construction of the centralized groundwater treatment facility is a key initiative for the NUA, with additional funding for the actual facility construction proposed as part of the 2022 water rate increase initiative.

In 2020, the NUA authorized Plummer under Contract K-1516-85 to complete a siting evaluation to determine the best area for the location of the centralized treatment facility. Six locations were evaluated and locations along East Tecumseh Road, generally between 24th Avenue NE and 48th Avenue NE were identified as the lowest capital cost options since less piping would be required to convey groundwater flows to and from the central treatment site.

DISCUSSION:

In 2021, property located at 4020 East Tecumseh Road was listed for sale. The property is approximately 28.42 acres in size, zoned Residential Estates, and is located just south of Tecumseh Road and is approximately one-half mile east of 36th Avenue NE.

To confirm that this property would have sufficient space to meet current and anticipated future requirements, the City/NUA hired Carollo Engineers, Inc., on June 15, 2021 under Contract K-2021-19. This contract also included the evaluation of two other potential sites. From analysis completed by Carollo in the attached Technical Memorandum, the 28.42-acre site will have sufficient space to meet all current and anticipated future requirements for centralized groundwater treatment. Current proposed improvements will be a small administration building; chemical building; groundwater storage tank; pump station; emergency generator; and other site improvements. Future anticipated improvements, as regulations become more stringent, include treatment vessels for the removal of arsenic and chromium, and residuals-handling facilities.

The City/NUA also authorized Plummer to complete an addendum to the 2020 evaluation for the analysis of this specific property and property located west of the WTP. The updated analysis showed similar costs to the initial analysis but slightly increased costs due to additional piping for this site and significantly increased costs for the site west of the WTP.

Smith Roberts Baldischwilder, LLC, under Contract K-1920-56, was authorized to perform property acquisition services and negotiations for the property, subject to City Council/NUA approval. Through the offer and counter-offer process, a purchase price of \$800,000 was reached.

NPVal, LLC, of Edmond, Oklahoma, was hired to perform an appraisal of the property. The property was valued at \$850,000, above the final agreed upon purchase price. The appraisal is attached to this agenda item.

Funding for this purchase will be from the Water Fund, Groundwater Blending, Land (Account 31993398-46001; Project WA0214) which has an available balance of \$915,950.

RECOMMENDATION:

Staff recommends the NUA approve Contract K-2122-93 in the amount of \$800,000 with Kimberly Louise Baxter, 1/6 Interest; Clifton Van Brown, 1/6 Interest; Daniel Van Brown, 1/6 Interest; Raymond Joseph Sendelbach Revocable Living Trust, 1/4 Interest; Stanley Ray Sendelbach, 1/8 Interest; and Sandra Sendelbach Lundmark 1/8 Interest; for the purchase of real property located at 4020 E Tecumseh Road, plus closing costs, for the Groundwater Treatment Site (Project WA0214) and authorize the NUA General Manager to execute all closing documents.