



CITY OF NORMAN, OK STAFF REPORT

MEETING DATE: 08/23/2022

REQUESTER: Chris Mattingly, Director of Utilities

PRESENTER: Chris Mattingly, Director of Utilities

ITEM TITLE: CONSIDERATION OF APPROVAL, REJECTION, AMENDMENT, AND/OR POSTPONEMENT OF CONTRACT K-2223-20: A CONTRACT BETWEEN THE CITY OF NORMAN AND UNIVERSITY OF OKLAHOMA FOR THE UNIVERSITY OF OKLAHOMA TO PROVIDE THE CITY OF NORMAN WITH NON-POTABLE WATER AT A BILLING RATE OF \$2.80 PER THOUSAND GALLONS.

BACKGROUND:

The City of Norman (City) owns the water distribution system for the City of Norman and leases the water systems to the Norman Utilities Authority (NUA). This system conveys potable (treated, drinkable) water to NUA customers. The University of Oklahoma (OU) owns and operates its own potable and non-potable water distribution systems and each of those systems conveys, respectively, either potable or non-potable water to OU customers. OU's non-potable water originates from groundwater wells owned and operated by OU. OU also purchases supplemental treated potable water from the NUA at the contracted commercial rate.

The City is currently planning to construct a new fleet vehicle wash facility at the "North Base" Facility in close proximity to the OU non-potable water system. Since the City wash facility can utilize non-potable water and the OU water distribution system is in close proximity, the City would like to purchase non-potable water from OU to use for their new North Base truck wash. This initiative is mutually beneficial for both parties by conserving City potable water for its customers potable water needs and increasing the usage of non-potable water on the existing OU system.

DISCUSSION:

OU will charge the City \$2.80 per 1,000 gallons delivered during the contract year to fully recover costs to provide service to the City facility. This rate compares favorably with the lowest tier of NUA/City rates for potable water (\$3.35 per thousand gallons). In order to access non-potable water from OU, the City will install a service line and water-metering equipment to measure the quantity of water provided to the City. OU will operate and maintain the service line and metering equipment. OU will provide specifications to City for the metering equipment. The City will also

install backflow systems to eliminate the risk of cross connection between City's water system and OU's non-potable water system.

The contract is renewable, if sufficient funds are available, for four additional one year terms. After these five contract terms are up, the parties can renegotiate the compensation terms. The City fleet wash facility will be operated by the Public Works Department and charges for non-potable water will be paid from the General Fund, similar to other utility bills.

RECOMMENDATION:

Staff recommends Council approve Contract K-2223-30 between the City of Norman and the University of Oklahoma to allow the City of Norman to purchase non-potable water from the University of Oklahoma at a rate of \$2.80 per 1,000 gallons.