



City of Norman, OK

Municipal Building
Council Chambers
201 West Gray
Norman, OK 73069

Master

File Number: K-1516-103

File ID: K-1516-103

Type: Contract

Status: Consent Item

Version: 1

Reference: Item 21

In Control: City Council

Department: Utilities Department

Cost:

File Created: 02/03/2016

File Name: COMCD/Midwest City Surplus Water Contract

Final Action:

Title: CONTRACT K-1516-103: A CONTRACT BY AND BETWEEN THE NORMAN UTILITIES AUTHORITY, THE MIDWEST CITY MUNICIPAL AUTHORITY, THE CITY OF MIDWEST CITY, OKLAHOMA, AND CENTRAL OKLAHOMA MASTER CONSERVANCY DISTRICT FOR PURCHASE OF SURPLUS WATER FROM LAKE THUNDERBIRD.

Notes: ACTION NEEDED: Acting as the Norman Utilities Authority, motion to approve or reject Contract K-1516-103 with the Midwest City Municipal Authority, the City of Midwest City and Central Oklahoma Master Conservancy District; and, if approved, authorize the execution thereof.

ACTION TAKEN: _____

Agenda Date: 02/09/2016

Agenda Number: 21

Attachments: Text File Water Agreement, K-1516-103

Project Manager: Chris Mattingly, Water Trtm Supt

Entered by: kathryn.walker@normanok.gov

Effective Date:

History of Legislative File

| Ver- sion: | Acting Body: | Date: | Action: | Sent To: | Due Date: | Return Date: | Result: |
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Text of Legislative File K-1516-103

Body

BACKGROUND: In 2009, the City of Norman used more water from Lake Thunderbird than it was allocated via its contract with the Central Oklahoma Master Conservancy District (COMCD). Although the City believed it had been encouraged to use amounts in excess of its allocation to protect the District from applications for allocations to users outside of the District, COMCD charged the City twenty-nine cents per thousand gallons (\$.29/1000 gal) for this overuse. The City refused to pay and COMCD sued for collection. Ultimately, the case settled and the City made a concerted effort to stay within its allocation by using more of our well supply.

When COMCD began discussing charging Norman for using more than its allocation, Del City leaders approached Norman and conveyed a willingness to consider allowing Norman to use some of the Del City allocation from Lake Thunderbird. In March of 2013, Council approved Contract No. K-1213-172 with Del City and COMCD which allows the NUA to purchase 300 million gallons of Del City's allocation from Lake Thunderbird each year at a rate of \$0.33 per 1,000 gallons. An additional 200 million gallons is also available for purchase upon request provided the additional water does not adversely affect Del City's ability to meet its own demands.

In the 2013 water year, the Del City allocation was not used. In 2014, we used 356,490,000 gallons of Del City's water allocation. In 2015, we used 102,190,000 gallons of the Del City allocation.

The 2060 Strategic Water Supply Plan called for significant wellfield expansion during 2018 - 2023 to supplement our water supply. Staff approached Midwest City to discuss a contract similar to that of Del City to provide an additional source of water while wells were being designed and constructed. Midwest City approved Contract No. K-1516-103 on January 26, 2016.

DESCRIPTION: The terms of the contract are summarized below.

Term: The initial term of the contract is proposed to begin April 1, 2016 and will expire after 5 years. The initial term may be renewed for an additional 5 years by written agreement of the parties.

Rate: The rate set forth for the term of this contract is \$0.36 per 1,000 gallons. This is slightly higher than the rate paid for the Del City Water (\$0.33 per 1,000 gallons).

Quantity of Water Available Annually: Up to 300 million gallons; possibility of increase to 500 million gallons.

Additional Provisions:

- Norman's water usage will be subject to water rationing when Midwest City implements its rationing program
- Norman's right to purchase and receive Midwest City water immediately ceases if 4 or more existing, functioning water wells within Midwest City cease to function. Norman's right to purchase and receive Midwest City water will be reinstated when the number of non-functioning wells are reduced to 3 or less.
- Usage of Midwest City water will be determined on an annual basis based on Norman's total water usage from the lake.

An agreement with Midwest City would secure our supply for planning purposes while the recommendations of the Strategic Water Supply Plan are being implemented. This would be particularly important if our allocation from COMCD were to be further reduced based on a reduction in the firm yield of the lake or if we were to lose a significant portion of our well supply. It will also allow us to plan for the expenditure and provide certainty of the rate for the term of the contract.

RECOMMENDATION: Staff recommends approval of Contract No. K-1516-103.