



City of Norman, OK

Municipal Building
Council Chambers
201 West Gray
Norman, OK 73069

Master

File Number: K-1617-62

File ID: K-1617-62

Type: Contract

Status: Consent Item

Version: 1

Reference: Item 30

In Control: City Council

Department: Legal Department

Cost:

File Created: 09/08/2016

File Name: Temporary Water Contract

Final Action:

Title: CONTRACT K-1617-62: A CONTRACT BY AND BETWEEN THE CITY OF NORMAN, OKLAHOMA, THE NORMAN UTILITIES AUTHORITY, AND THE CENTRAL OKLAHOMA MASTER CONSERVANCY DISTRICT FOR A CITY OF NORMAN TEMPORARY WATER SUPPLY.

Notes: ACTION NEEDED: Acting as the City Council and Norman Utilities Authority, motion to approve or reject Contract K-1617-62 with Central Oklahoma Master Conservancy District; and, if approved, authorize the execution thereof.

ACTION TAKEN: _____

Agenda Date: 09/13/2016

Agenda Number: 30

Attachments: K-1617-62 COMCD Contract for Temporary Water

Project Manager: Kathryn Walker, Assistant City Attorney

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-1617-62

Body

BACKGROUND: The reservoir that is today called Lake Thunderbird was initially conceptualized in 1946, after the City of Norman asked the United States Bureau of Reclamation (Bureau) to conduct a surface water study of the Little River Basin as a result of water supply problems the City was experiencing. In response to this request, the Bureau conducted studies of reservoir sites on the Little River beginning in 1949. In 1952, the Bureau issued a tentative plan for the Little River Basin, encouraging construction of several reservoirs in the basin. Economic studies showed that the plan was not economically justified. A revised plan calling for the construction of one large reservoir was introduced in 1954. This revised plan (the Norman Project) was determined to be economically feasible and Norman Reservoir was determined to be the key feature in the overall plan.

During the study, it was determined that Norman was not the only municipality with water supply problems. Midwest City, Del City, Moore, and Tinker Air Force Base were experiencing similar water shortfalls. It was determined by the Bureau that the proposed reservoir could meet the needs of these municipalities as well.

Construction of the Norman Dam began in the summer of 1962. Construction of the Norman, Midwest City, and Del City pipelines began in September, 1963, with construction of the reservoir and relift pumping plants following shortly thereafter. Construction was essentially complete by March 1965.

Statutorily the Oklahoma Water Resources Board (OWRB) is charged with allocating the State's water resources. The Central Oklahoma Master Conservancy District (COMCD) contracted with the Bureau for repayment of the reimbursable costs of construction of the Norman Project. The OWRB has permitted COMCD the rights to 21,600 acre feet, or approximately 7,038,000,000 gallons, of water from the "conservation pool" of Lake Thunderbird on an annual basis. The United States Army Corps of Engineers (USACE) controls water in the flood control pool. The City of Norman entered into a contract with COMCD in September 1961 (a May, 1961 election pre-approved this obligation). Through this contract, COMCD allocated to the City of Norman 43.8% of the water available for use from the Norman Reservoir in any given year. The City, in return, agreed to pay to COMCD its proportionate share of the total estimated reimbursable costs of the Norman Project.

Although COMCD has never used its full allocation from OWRB, the City of Norman has in years past used more water than it is allocated by the COMCD contract. 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, the Council, acting as Trustees of the Norman Utilities Authority (NUA), approved Contract K-1213-172 with Del City and COMCD, which allows the NUA to purchase up to 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 February 2016, Council/NUA approved a similar contract (K-1516-103) with Midwest City. The 2060 Strategic Water Supply Plan calls for significant well field expansion during 2018 - 2023 to supplement our water supply. These temporary water supply contracts help solidify Norman's water supply while the Strategic Water Supply Plan is being implemented.

During periods of high rain, Lake Thunderbird water levels may exceed the top of the conservation pool (COMCD controlled water). Any water exceeding the top of the conservation pool is considered to be part of the "flood control pool" and is under the control of the USACE. The USACE monitors the flood control pool and releases water over the Lake Thunderbird dam when water exceeds the conservation pool elevation. Water released over the dam is not available for COMCD and its member cities to use. Given the recent periods of rain, the City approached COMCD and the Bureau about selling the flood control water, when available, to the member cities as a way to further solidify our supply. Contract K-1617-62 is a contract with COMCD for the purchase of this water. COMCD approved this agreement and a related agreement with the Bureau at its meeting on September 8, 2016.

DISCUSSION: The terms of the contract are summarized below.

Term: The Bureau has agreed to deliver temporary water, when available, to COMCD for provision to the member cities for five (5) years.

Payment: The rate set forth for the first year of this contract is \$0.067 per 1,000 gallons. This charge will be increased annually by 1.02% (the historical average price change from 2011-2015 of the Consumer Price Index). For comparison purposes, the rate paid for the Del City Water is \$0.33 per 1,000 gallons and the rate paid for the Midwest City Water is \$0.36 per 1,000 gallons. Payments will be made on an annual basis after the conclusion of each water year in January to coincide with COMCD's payment to the Bureau for the water.

Quantity of Water Available Annually: The contract with COMCD does not limit Norman to a particular quantity of water; however, the Bureau has agreed to deliver up to 10,000 acre feet (about 3.26 billion gallons) of Temporary Water per year if and when it is available. If the City wants to use some of the temporary water, it needs to make a request in writing to COMCD and it will be delivered as quickly as possible.

Permit: When water is available in the flood pool, COMCD will have to apply to OWRB for a permit for use of temporary water before the City could utilize it.

This agreement further secures our supply for planning purposes while the recommendations of the Strategic

Water Supply Plan are being implemented.

RECOMMENDATION: Staff recommends approval of Contract K-1617-62.