



12500 E. ALAMEDA    NORMAN, OKLAHOMA    73026  
(405) 329-5228    FAX 321-6944

---

January 7, 2013

Mark Edwards, City Manager  
City of Del City  
P.O. Box 15177  
Del City, OK 73155

Guy Henson, City Manager  
City of Midwest City  
100 N. Midwest Boulevard  
Midwest City, OK 73110

Steven D. Lewis, City Manager  
City of Norman  
P.O. Box 370  
Norman, OK 73070

Re: Proposed 2013-2014 Budget

Dear Mark,

Enclosed is a copy of the proposed District budget for 2013-2014. The District's Board of Directors discussed the budget at its meeting on January 3<sup>rd</sup> and is scheduled to approve it on February 7<sup>th</sup>. You will notice that it has increased significantly. Most of the increased cost is for purchasing water from Oklahoma City off its Atoka pipeline. With passage of the District's federal legislation, the Lake Thunderbird Efficient Use Act of 2011, the District can now import water from other sources and store it in the lake. The District would purchase enough water to firm up the District's water rights, if needed, to prevent the lake from running dry during an extended drought.

The Augmentation Study completed several years ago indicated that the District needed 4800 acre-feet per year to firm up the lake supply. The study also indicated that the District would need to augment the supply for a 25 month period. During a repeat of the drought of record, in the 1950's, the additional water would allow the customer cities to take their full allocation without the lake running dry.

The budget includes a line item for the monthly meter charge from OKC. The second line item is for purchasing raw water from OKC. The cost to provide a supplemental water supply for a 25 month period is approximately \$7,000,000.00. The District will establish a reserve fund for water purchases during extended droughts. Since there are no funds accumulated for the current

drought, should the District need additional water, the District would have to invoice each city through a supplemental assessment.

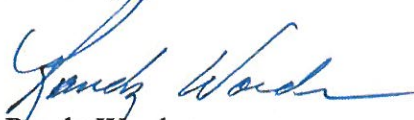
Other line items that were increased include 5103 Vehicles, due to the need to rebuild several hydraulic cylinders on the backhoe and purchase tires; insurance, due to the addition of the boathouse, increased rates and some additional structure coverage; preliminary engineering for implementing reuse; oxygen tank rental and liquid oxygen supply for continued operation of the dissolved oxygen system. The system was constructed and operated for the past two years with ARRA funding which has now expired.

The line item for new capital assets for 2013-2014 include the following items.

Rehabilitation of the Norman Surge Tank	\$450,000.00
Leak detection survey of the Del City pipeline	<u>\$85,000.00</u>
TOTAL	\$535,000.00

Should you have any questions regarding the budget, please do not hesitate to contact me.

Sincerely,



Randy Worden  
General Manager