### **Norman Utilities Authority OKC Water Contract and** 2060 Strategic Water Supply Plan



October 2015

# A Quick Refresher: Portfolio 14

	Lake Thunderbird Allocation	Existing Groundwater Wells	New Groundwater Wells	Conservation & Non-potable Reuse	Lake Thunderbird Augmentation
P14 Wells + TBird Aug.	6	8	2	(2)	11

# Ad-hoc Committee and Public Meeting Feedback

#### **PORTFOLIO 14:**

**New Wells and Lake Thunderbird Augmentation** 

- Provides local control of supply
- Efficient use of resources
- Better phasing potential
- Downstream water right impacts
- Public acceptance & outreach
- Uncertainty in discharge water quality requirements
- Concerns about impacts of reuse on Lake Thunderbird (capacity and water quality)
- Potential Midwest City and Del City water quality concerns

### Ad-Hoc Committee + Public Feedback Suggest Portfolio 14 May be Best Fit for Norman

P14 is more consistent with our community values

Treatment can meet our goals in either portfolio

Local management with P14 better meets our environmental stewardship goals

P14 makes full use of effluent from water reclamation facility vs. "wasting" a valuable resource by discharging it to North Canadian River

Community Community Lower Community Affordability

Long-Term

Supply

Reliability

Phasing

Potential

Treated Water
Quality
Aesthetics

Environmental Stewardship

Efficient Use of Water Resources

Timely Implementation and Certainty Portfolio 14 has lower capital costs and slightly lower O&M costs

Both Portfolios can meet our long-term supply needs; Potential reliability concerns with long pipeline in P13

P14 has can be phased in with new wells and phased capacity for Lake Thunderbird augmentation

P14 has local control and management of our water resources vs. P13 shared control with OKC

### OKC 2014 Rate Study

- Affects all users & rates
- Cost recovery for wholesale customers (incl. Atoka pipeline)
- Proposing new wholesale rate structures

### **Current Options**

- Service availability (consistent use)
- Take or pay (seasonal use)
- On demand,





Water and Wastewater Utilities Cost-of-Service, Rate Design and Associated Financial Services

Board of Trustees Update

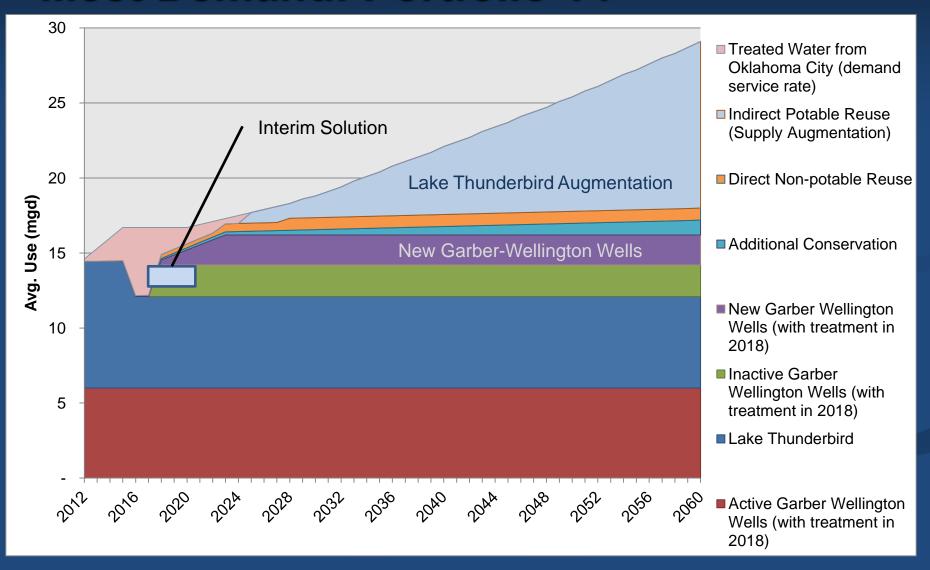
June 3, 2014

### **Proposed Options**

- Service availability
- Time of day

   (rates based on average day, peak day, and peak hour use)

### Phased Capacity Increases to Meet Demand: Portfolio 14



# Del City Contract COMCD

Existing contract with Del City for 300 million gallons per year; raw water, part of unused allocation

- Purchase 1 MGD from OKC (30.4 Million Gallons per Month)
  - Treated water
  - Take or pay contract
  - 10 year agreement
  - Can increase usage Cannot decrease

- 3 year Transition Period
- Contract for 30.4 Million Gallons per Month
- Can subscribe for a higher volume
- Can terminate contract with written notice after first 3 year period
- Must adopt OKC conservation or greater
- Greater reliability than previous 'emergency water'

- January review of previous year's monthly usage
   New subscription rate = 90% of previous
   year maximum month
- Future may switch to new subscription of 90% maximum month the following month

	10/1/2015 to 9/30/2016 (Cost / 1,000 gal)	10/1/2016 and after (Cost / 1,000 gal)	New rate structure 10/1/17
Service Availability Reservation Rate	\$1.36	\$1.56	
Commodity Rate	\$0.41	\$0.43	
Total	\$1.77	\$1.99	
Excess of volume reserved	\$5.45	\$5.57	

	10/1/2015 to 9/30/2016	10/1/2016 to 9/30/2017	New Rates After 9/30/2017
Norman Annual \$	\$646,050	\$726,350	
Based on 30.4 MG per Month			

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