



## Legislation Details (With Text)

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**Title:** CONTRACT K-1617-63: A CONTRACT BY AND BETWEEN THE CITY OF NORMAN, OKLAHOMA, THE NORMAN UTILITIES AUTHORITY, AND CENTRAL OKLAHOMA MASTER CONSERVANCY DISTRICT TO PROVIDE A CITY OF NORMAN WATER SUPPLY EFFECTIVE JANUARY 1, 2017.

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CONTRACT K-1617-63: A CONTRACT BY AND BETWEEN THE CITY OF NORMAN, OKLAHOMA, THE NORMAN UTILITIES AUTHORITY, AND CENTRAL OKLAHOMA MASTER CONSERVANCY DISTRICT TO PROVIDE A CITY OF NORMAN WATER SUPPLY EFFECTIVE JANUARY 1, 2017.

**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 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.

The 1961 contract was amended on December 1, 2006 to reflect an additional 25 year renewal term that began on January 1, 1992 and will end on December 31, 2016. That contract recognized that the City had the right to renew the contract for an additional 25 year term with notice to the District. Rather than renew the existing contract, COMCD proposed a new contract that would reflect the renewal but also removes all language from the 1961 contract related to the debt for construction of the Norman Project as it will be paid in full as of October 1, 2016.

**DISCUSSION:** The terms of the contract are summarized below.

Term: The contract term is 25 years with a right to renew the contract for additional 25 year terms upon notice to COMCD.

Price: Each fiscal year, not later than December 1, COMCD will estimate the total amount required for operation, maintenance, and replacement of project facilities, together with amounts necessary for the reserve fund for the next fiscal year. The proposed budget will be provided to Norman at least two (2) weeks prior to the COMCD meeting in which the budget will be considered. After the budget is approved, Norman will be billed for 43.8% of the annual funding needed. Norman will continue to pay the actual costs incurred for pumping water from COMCD to the Norman delivery point.

Payment: COMCD will invoice the City on a quarterly basis based on the budgeted amounts and the actual cost of power for water delivery.

Quantity of Water Available Annually: Norman will continue to be allocated 43.8% of water available for municipal water use from Lake Thunderbird per year.

**RECOMMENDATION:** Staff recommends approval of Contract K-1617-63.