

CITY COUNCIL CONFERENCE MINUTES

June 24, 2014

The City Council of the City of Norman, Cleveland County, State of Oklahoma, met in a conference at 5:30 p.m. in the Municipal Building Conference Room on the 24th day of June, 2014, and notice and agenda of the meeting were posted at the Municipal Building at 201 West Gray, and the Norman Public Library at 225 North Webster 24 hours prior to the beginning of the meeting.

PRESENT: Councilmembers Castleberry, Griffith, Heiple, Holman, Jungman, Kovach, Miller, Williams, Mayor Rosenthal

ABSENT: None

Item 1, being:

DISCUSSION REGARDING CHANGE ORDER NO. FIVE TO CONTRACT NO. K-1213-67 WITH CGC, L.L.C., INCREASING THE CONTRACT AMOUNT BY \$20,728.11 FOR A REVISED CONTRACT PRICE OF \$6,528,278.09 FOR THE LEGACY PARK PROJECT TO ADD ELECTRICAL OUTLETS FOR HOLIDAY AND FESTIVAL DECORATION.

Mr. Jud Foster, Director Parks and Recreation, said Change Order No. Five to Contract No. K-1213-67 for the Legacy Park Project includes three different items. The first item is fourteen additional outlets on west side of the park that will accommodate holiday and other festival decorations at a cost of \$25,016.19 and adding 15 days of installation time to the contract. He said this request was brought by City staff following comments that were made during a previous study session. The last two items are brought by the contractor, CGC, L.L.C., and are cost deductions from roadway stabilization and asphalt base construction that was determined to be unnecessary. Mr. Foster said after removal of the existing paving on the south "wishbone" drive, it was determined that 342 square yards of asphalt base and stabilization was not necessary; therefore, both could be reduced from the original contract for a savings of \$2,154 for the elimination of the stabilization and \$2,134.08 for the elimination of 342 square yards of asphalt base. He said the net increase to the contract amount is \$20,278.11

The change order is included on Council's regular meeting agenda later this evening.

Items submitted for the record

1. Text File No. K-1213-67 dated June 10, 2014, by Jud Foster, Director of Parks and Recreation
2. Change Order No. Five to Contract No. K-1213-67 with Change Order Summary and Detailed Costs Itemization

\* \* \* \* \*

Item 2, being:

DISCUSSION REGARDING CHANGE ORDER NO. ONE TO CONTRACT NO. K-1213-92 WITH MATTHEWS TRENCHING COMPANY, INC., DECREASING THE CONTRACT AMOUNT BY \$44,016 FOR A REVISED CONTRACT AMOUNT OF \$1,212,208.50 FOR THE HIGH PRESSURE PLANE WATER LINE IMPROVEMENTS PROJECT.

Mr. Mark Daniels, Utilities Engineer, said this change order with Matthews Trenching Company, Inc., for the High Pressure Plane Water Line Improvements Project, decreases the contract amount by \$44,016 for a revised contract amount of \$1,212,208.50 and extends the contract by 69 calendar days.

Mr. Daniels said the High Pressure Plane Waterline Improvements projects installed a waterline to serve the southern and northern areas of the high pressure plane (HHP) and will provide a more sustainable water pressure with less pressure fluctuation during period of peak demand.

Item 2, continued:

Mr. Daniels said the contract time began March 25, 2013, and was scheduled to be completed by October 21, 2013. He said sodding and other cleanup work has been proceeding since substantial completion on January 28, 2014, when all waterlines were placed into services. Mr. Daniels said final cleanup is now complete and acceptable.

The change order is scheduled for Council's consideration on tonight's agenda.

Items submitted for the record

1. Text File No. K-1213-92, Change Order No. One, dated June 12, 2014, by Mark Daniels, Utilities Engineer with High Pressure Plane Waterline Improvements Map dated March 11, 2013
2. Change Order No. One to Contract No. K-1213-92 with Attachments 1, 2, and 3 Change Order Summary and Detailed Costs Itemizations

\* \* \* \* \*

Item 3, being:

DISCUSSION REGARDING RESOLUITON NO. R-1314-145 ADOPTING AMENDMENTS TO THE CITY OF NORMAN WATER CONSERVATOIN PLAN 2014 REGARDING BULK WATER SALES IN STAGE 3.

Mr. Ken Komiske, Director of Utilities, said Norman's 2001 Strategic Water Supply Plan was adopted by Council in 2001 and the City developed a Water Conservation Plan (WCP) in 2002. He said the WCP outlined a short history of Norman's water system, an inventory of Norman's water resources, customer uses, rates, system loss and fundamental water conservation measures. Mr. Komiske said the WCP was updated in 2006 and again in 2011; and Council adopted the Norman WCP 2014 in January, 2014. He said among other things, the 2014 WCP implemented year-round odd-even watering restrictions in Stage 1, Everyday Conservation.

Mr. Komiske said Council recently became aware of water usage associated with bulk meter permits, which are not specifically addressed in the WCP, although use of potable water at construction sites, a common use of bulk meters, is prohibited in Stage 3.

Mr. Komiske highlighted the triggers and goals of the WCP Stages 1 through 5, and said in Fiscal Year 2013, bulk water usage accounted for 0.4% of the total water produced in Norman and over the last three years, bulk water sales averaged 0.5% of the total water produce.

Mr. Komiske said bulk water usage have multiple purposes - road construction-dust control, stabilization, vegetation, asphalt, concrete, and sawing; building/construction - concrete, dust control, brick laying, sawing, and vegetation; boring - drilling/reaming and drilling fluid mix (Bentonite); utility installation - dust control, concrete, asphalt, sawing, directional boring, and vegetation; oil and gas drilling; and miscellaneous - filling swimming pools, girl scout car washes, etc. He said an example of bulk meter use is the construction of the Robinson Street Underpass and University North Park. Mr. Komiske highlighted bulk water usage in FY11, FY12, and FY13 and said road construction has the highest usage each year, followed by building construction, road boring, and utility construction.

Mr. Komiske said Staff has examined the 2014 Plan and now proposed to add the following language to Stage 3 Conservation:

Bulk water usage under a bulk water permit is prohibited unless an exception is granted by the City Manager on the basis of substantial and unnecessary hardship caused by the prohibition to the property owner. Any exception granted must be limited in time and only allow the minimum amount of water usage necessary to alleviate the substantial and unnecessary hardship caused to the property owner.

Mr. Komiske said Staff recommends the adoption of Resolution No. R-1314-145 adopting amendments to the City of Norman 2014 Water Conservation Plan.

Item 3, continued:

Councilmember Holman asked what category oil well drilling activities fit into and Mr. Komiske said it typically is the very low category, generally most oil well activity is done on the eastern side of Norman where fire hydrants are not readily available so rather than bulk water meter they have to rely on stock ponds.

Councilmember Miller asked if Staff knew the bulk water usage for FY14 and Mr. Komiske said no; however, due to the I-35 Main Street Bridge Project it will probably be high.

Mayor Rosenthal asked Staff how well compliance is going with Stage 1 Conservation and Mr. Komiske said Code Compliance Staff sends weekly updates which have resulted in very few citations. Mr. Steve Lewis, City Manager, said over the last several weeks Staff has issued approximately 40 warnings/educational contacts with citizens. Mayor Rosenthal said this is a repeated reminder that some citizens do not read the newspaper or go online to the City's website, etc., and felt the City needs to continually get the message out about water conservation and/or the current Stage of conservation the City is under. Councilmember Kovach asked whether the recent announcement from Oklahoma Department of Environmental Quality (ODEQ) forces the City into Stage 2 Conservation and Mr. Lewis said Staff is still evaluating the data.

Councilmember Heiple asked if the City could use signs to get the word out, and if so, how much money might be available to do so. He wondered whether the City should work with Home Owner Associations (HOAs) to get the word out. Mr. Lewis said these are all good suggestions. Mayor Rosenthal said the City does have a list of HOAs so they can be contacted and asked to help spread the word about water conservation. Councilmember Miller felt water conservation signage was a great idea and could be placed on east/west roads such as Robinson Street, Lindsey Street, and State Highway 9 that would catch a lot of people/traffic.

Ms. Joy Hampton, The Norman Transcript, said apartments can be bad abusers of the Water Conversation Plan (WCP) and wondered whether WCP education is part of the Crime Free Multi-House Project. Mr. Lewis said this was a good suggestion and would follow-up with Staff.

Mr. Komiske said Resolution No. R-1314-145, adopting amendments to the City of Norman Water Conservation Plan 2014, with proposed changes to Stage 3 Conservation is included on the regular meeting agenda later this evening for Council's consideration.

Items submitted for the record

1. Text File No. R-1314-145, dated June 18, 2014, by Mr. Ken Komiske, Director of Utilities
2. Resolution No. R-1314-145 with amended Water Conservation Plan 2014

\* \* \* \* \*

Item 4, being:

CONTINUED DISCUSSION REGARDING SELECTION OF A PORTFOLIO TO BE INCLUDED IN RESOLUTION NO. R-1314-146 WHICH DIRECTS CAROLLO ENGINEERS, INC. TO INCLUDE THE PORTFOLIO OF CHOICE IN THE 2060 STRATEGIC WATER SUPPLY PLAN.

Mr. Ken Komiske, Director of Utilities, highlighted the Strategic Water Supply Plan (SWSP) and said water use already exceeds local supply that includes Lake Thunderbird, the Garber-Wellington Aquifer, and intermittent purchases of treated water from Oklahoma City (OKC). He said the Norman Utilities Authority (NUA) is currently unable to supply sufficient potable water to meet peak demands during summer months and is concerned about probable changes affecting both our surface water and groundwater supplies.

Mr. Komiske said on November 21, 2011, the NUA forwarded Request for Proposal No. RFP-1112-35 to engineering consultants for preparation of the 2060 Strategic Water Supply Plan (2060 SWSP) and the project will update the previous 2040 SWSP adopted in 2001. After receiving proposals from seven firms, Carollo Engineers, Inc., of Broomfield, Colorado,

Item 4, continued:

teamed with TetraTech of OKC, was selected to prepare the 2060 SWSP. On March 13, 2012, the NUA approved Contract No. K-1112-114 in the amount of \$38,947 with Carollo Engineers, Inc.

The goals and objectives of the 2060 SWSP include:

- Strengthen our knowledge of potential short and long-term water supply source(s) for our community and begin implementation of a robust water supply solution acceptable to the citizens of Norman;
- Consider the findings of recent update of the Oklahoma Comprehensive Water Plan (OCWP);
- Consider the Regional Raw Water Supply Study for Central Oklahoma;
- Consider the possible effects of the pending Garber Wellington Management Study;
- Consider the pending US Environmental Protection Agency (EPA) Toxicological Review of Hexavalent Chromium;
- Water reuse regulations to be promulgated by the Oklahoma Department of Environmental Quality (ODEQ); and
- Coordinate with and consider the findings of the Central Oklahoma Master Conservancy District (COMCD) Lake Thunderbird Reuse Study.

The NUA appointed citizens to the 2060 SWSP Ad-Hoc Committee to facilitate open and two-way dialogue between Carollo, Staff, and the community. Eight (8) meetings were held with the 2060 SWSP Ad-Hoc Committee and five (5) public meetings were held for public participation and input. Fourteen (14) different portfolios were developed (to provide an annual average supply of 29.1 million gallons per day (mgd) in 2060 and a peak daily supply of 55.4 mgd in 2060), investigated, and evaluated with public input at these meetings.

On June 10, 2014, NUA reviewed the two most highly rated portfolios, Portfolios 13 and 14, during a study session and requested Staff bring forward an agenda item directing Carollo and Staff to begin implementation of a selected portfolio to allow the SWSP to be finalized and adopted.

Mr. Komiske said OKC is revising their rates and phasing out their emergency tariffs; therefore, that combined with Norman's next phase of drilling more wells, building pipeline, groundwater treatment, etc., Norman will need an interim solution for additional water. He said regardless of the portfolio selection, the City would still need to purchase water from OKC as an interim solution.

Mr. Komiske compared both Portfolio 13 and Portfolio 14 as follows:

- Both portfolios include the following recommendations providing an annual average supply capacity of approximately 16 mgd;
- Continued use of Lake Thunderbird as a raw water supply source with treatment at an improved water treatment facility at the existing site (but with the current allocation reduced from 8.4 to 6.1 based on a pending Bureau of Reclamation yield study);
- Continued use of our current groundwater supply system of 36 wells without treatment (6 mgd) in the short term but with the addition of groundwater treatment (for arsenic and Chromium 6) at a centralized facility increasing the capacity to 8.1 mgd by bringing 12 inactive wells back on-line in the future;
- Expanding water conservation practices ultimately resulting in additional water supply of 1 mgd in 2060 through reduced water consumption;
- Additional non-potable reuse ultimately resulting in additional potable water supply of 0.8 mgd in 2060 (and reduce peak summertime demand of about 4.6 mgd by 2060) by expanding the non-potable water distribution system to serve addition irrigation and industrial customers in southern Norman and reducing potable water consumption.

Item 4, continued:

Mr. Komiske said Portfolios 13 and 14 each include an additional water supply capacity of 13.1 mgd for a total of 29.1 mgd in 2060. The portfolios are generally described as follows:

**Portfolio 13** includes a partnership with OKC as a co-owner in the construction of transmission improvements to import raw water from southeastern Oklahoma to Lake Stanley Draper, but contingent on OKC projects moving forward. Ultimately, Norman would utilize 13.1 mgd of raw water supply and convey to Norman for treatment and distribution; raw water conveyance and water treatment plant expansions would be required. It involves building a parallel pipeline from southeast Oklahoma to be treated at Norman's Water Treatment Facility (WTF). The capitals costs will be approximately \$340 million and operations and maintenance (O&M) will be approximately \$23 million per year;

**Portfolio 14:** Local control over sources and includes expanding our groundwater supply system by 2 mgd in the short term but ultimately treating this new supply for arsenic and Chromium 6 at a centralized facility with a total capacity of 10.1 mgd. Additionally, indirect potable reuse (IPR) would be implemented over time by adding additional treatment at the Water Reclamation Facility (WRF) and discharging the highly treated effluent into Lake Thunderbird; raw water conveyance and water treatment expansions would be required. There are discharge permitting uncertainties; efficient use of water resources; and greater phasing potential - the City can phase in the construction of the wells. Mr. Komiske said since Norman shares Lake Thunderbird with Del City and Midwest City; therefore, both would need to be on board with discharging effluent into Lake Thunderbird and are at this time. The capital costs will be approximately \$270 million and O&M will be approximately \$22 million per year.

Councilmember Williams asked why Norman would be a *small* player and Mr. Komiske said if Norman was to buy in with OKC, Norman would buy in based on the amount of water Norman would need, i.e., approximately 15 to 20% of the pipeline cost; therefore, Norman would only have 15 to 20% ownership so to speak and OKC would have the rest. Councilmember Castleberry asked whether OKC is working with other cities and Mr. Komiske said OKC has asked several cities and most have either dropped out or plan to be customers only.

Mayor Rosenthal stated the interim solution does not affect the long term portfolios and is necessitated by OKC changing their rates, as well as the fact that Norman cannot continue to use some our wells. She said Norman can choose to enter into an agreement with OKC for an amount that will allow Norman to manage all the parts of our water system that will protect our wells, lake, etc., and Mr. Komiske said yes, that is correct.

Councilmember Kovach asked Staff how long it takes to get treatment in the well field and Mr. Komiske said first the City would create a model to make certain wherever we decide to treat would be a central location so money would not be wasted. The next step would be to construct a pipeline to the location while developing the treatment techniques at the same time; however, the process will be several years out for modeling, construction, land purchase, if applicable, ODEQ approval, etc. Councilmember Kovach asked if the water would be treated at a treatment center or blending center and Mr. Komiske said first the City would try to get all of our wells into a central location and the blending would help alleviate some of the immediate problems; however, the blending will not alleviate the Chromium 6 without another set of piping and pumping.

Councilmember Williams said it appears the OKC rate would be lower as a partner than a customer and Mr. Komiske said either way, OKC will charge enough to make certain their cost(s) are covered.

Councilmember Castleberry asked whether the water received from OKC would be treated or not treated and Mr. Komiske said the interim solution will be treated; however, the long-term solution (portfolio choice) the water will not be treated. Councilmember Castleberry asked what Norman would get as a partner; more specifically, if Norman chose to pay 15 to 20% of the costs to construct the pipeline, i.e., are we merely OKC's preferred customer OR will Norman share 15 to 20% of the profits with OKC? Mr. Komiske said Norman will be obtaining water cheaper because it will not be treated and Norman will not be paying OKC's debt cost, only Norman's debt cost on that particular portion of the pipeline (15 to 20 %).

Item 4, continued:

Councilmember Kovach said OKC's recent rate increase for emergency water is part of what concerns him about Portfolio 13 and felt Norman would have more control for our citizens with Portfolio 13. He understands an interim solution would apply either way.

Mayor Rosenthal said capital and O&M costs are much higher in Portfolio 13 and are dependent upon energy costs. She prefers Portfolio 14 and Councilmembers Kovach, Miller, Castleberry, and Griffith agreed. Councilmember Heiple said he is leaning towards Portfolio 13 because he feels it will be difficult for citizens to grasp the reuse concept.

Councilmember Kovach has heard over and over from our citizens and businesses that Norman needs a reliable solution and reuse is a reliable solution. Councilmember Castleberry said he hates to get into an unknown partnership and felt the phasing option in Portfolio 14 is good.

Councilmember Griffith asked Staff if we could renew the OKC interim solution every five (5) years as part of our long term solution.

Councilmember Williams is concerned with both portfolios due to the unknown factors, e.g., OKC rates, allocation from Lake Thunderbird on effluent put back into the lake, etc. Councilmembers Castleberry and Williams asked why this decision needed to be made tonight.

The item is included on Council's agenda later tonight for consideration. Due to time constraints, the discussion was continued in the regular meeting later in the evening.

Items submitted for the record

1. Text File No. R-1314-146, dated June 19, 2014, by Mr. Ken Komiske, Director of Utilities, Project Manager
2. Resolution No. R-1314-146, regarding the portfolio to be implemented in the 2060 Strategic Water Supply Plan
3. PowerPoint presentation entitled "Ad-hoc Committee and Public Meeting Feedback," regarding Portfolios 13 and 14
4. Pertinent excerpts from the June 3, 2014, Strategic Water Supply Plan Public Meeting #5 minutes
5. Pertinent excerpts from the June 10, 2014, City Council Conference Minutes
6. PowerPoint presentation entitled "Norman Utilities Authority, 2060 Strategic Water Supply Plan"

\* \* \* \* \*

The meeting adjourned at 6:28 p.m.

ATTEST:



City Clerk



Mayor

