

South Delaware County Regional Water Authority

Pioneering Regional Planning in Delaware County

**Governor's Water Conference
2025 Presentation By:**



Background

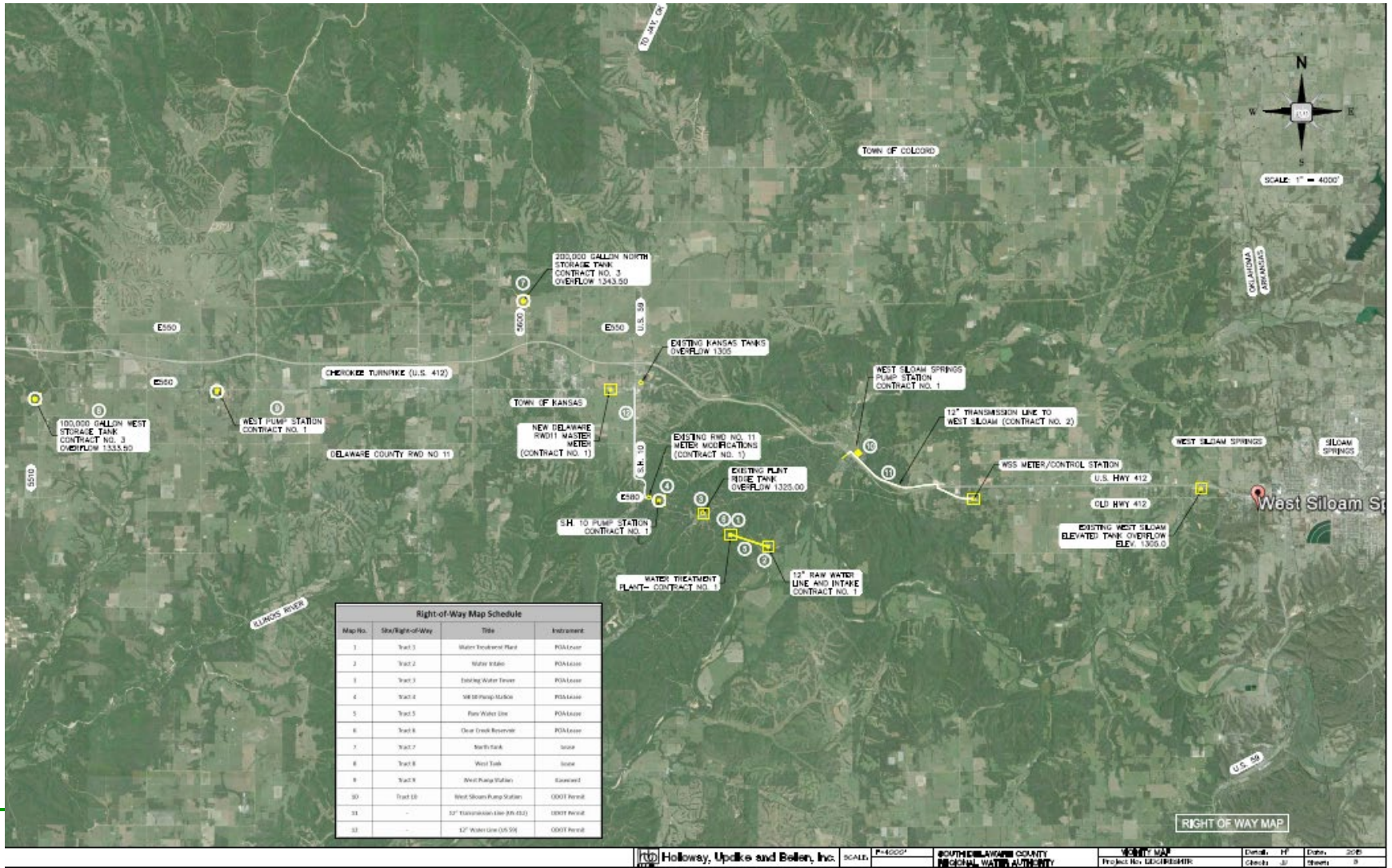
- As early as 2007 communities and rural water districts in Delaware and Adair Counties began conversations about creating a regional water system
- In 2012, meetings began in earnest with 4 towns and 2 rural water districts which all operated independent water systems
 - West Siloam Springs, Colcord, Kansas, Watts, Delaware #11 and the Flint Ridge RWD.
 - Watts was included in the original feasibility study but elected not to participate in the original project.
- In November 2013, the South Delaware County Regional Water Authority was formed with Delaware County as its beneficiary.
 - Members included representatives from each of the 5 remaining communities and rural water districts
- Authority and Cherokee Nation commissioned the feasibility study with HUB Engineers.

Water Providers and Systems

Water Provider	Water Source	New Water Source
WSS	City of Siloam Springs, AR	SDCRWA
Delaware #11	Flint Ridge RWD	SDCRWA
Colcord	Deep Wells	Delaware #11/SDCRWA
Kansas	Deep Wells	SDCRWA
Flint Ridge RWD	Treatment Plant in Flint Ridge on Illinois River	SDCRWA

Sources: Bloomberg Municipal Bond Index, weekly data as of 7/5/2023

Map of Proposed System



The Project and its benefits

- Flint Ridge Site
 - New intake structure on Illinois River
 - Replacement and Expansion of the existing water treatment plant within Flint Ridge
 - 2MGD capacity to serve projected 3185 customers
 - 2 pump stations and water distribution line to WSS
 - 2 water storage tanks for pressure
 - New clearwell
- Delaware #11
 - New distribution line to Colcord
- Consolidated 4 independent systems into one wholesale system
 - Eliminated 2 active consent orders
- Saves each entity money in water production cost

Project Costs and Funding Partners

Sources of Funds (Est.)

DWSRF Loan Proceeds	\$3,000,000.00
RUS Loan	6,749,000.00
RUS Grant	3,886,000.00
IHS Grant	1,629,000.00
Cherokee Nation Grant	347,400.00
Local Funds	90,000.00

Total

\$15,701,400.00

Uses of Funds (Est.)

Project	\$12,467,040.40
Payoff existing RD Notes	3,234,449.60

Total

\$15,701,400.00

Challenges to Process

- Seed funding for initial study
 - Cherokee Nation really came through to provide initial dollars to determine if the project was feasible
- Structuring Challenges
 - Creating new Title 60 public trust
 - Dissolving existing RWD
 - Lease of ground from private entity for new WTP
 - ROW and site acquisition for towers, lines, pump stations, etc.
- Economic
 - Could we really provide a wholesale water rate that was less expensive than each entity could provide for themselves
 - Commitment to initial water rate of \$3.60 a gallon or less
- Logistic
 - Approved by each town authority and rwd participant
 - Staying ahead of the education process

Advantages to Water Customers

- Safe, clean, affordable drinking water
 - Secured long-term low interest loans through DWSRF and RUS
 - DWSRF Regionalization Principal Forgiveness
 - \$1,700,000
 - RUS Grants
 - \$3,866,000
 - IHS Grant
 - \$1,629,000
- Each member entity maintains their own internal system after the master meter
- Each member entity has a say in the setting of the water rates since they have a seat at the table

Timeline to Project Commissioning

- Summer 2012 Organizational Meeting
- November 2013 creation of South Delaware County Regional Water Authority
- Summer 2014 Engineering Feasibility Report Completed
- 2014/2015 Negotiation of Water Purchase Contract with member Entities
- 2016 Plans and Specifications
- Late 2016 final permitting and loan approvals
- Loan Closing May 2017
- December 2019 plant commissioned and water service begins

2025 Updates

- Added additional water systems as wholesale customers
 - Watts, Chewey, and Cookson Hills
 - Authority now serves 9 independent water systems with future expansions planned
- ARPA Tribal Match Expansion in 2023 (Cherokee Nation)
 - Additional water line expansion and road/river bores
- Phase II ARPA Expansion (\$12M with Tribal Match)
 - Additional treatment capacity to serve water systems
 - Expands capacity to 3 MGD
 - New 1MG water tower
 - Dedicated water supply lines to 2 towers from the water plant

Real Cost Savings

- Regionalization would not have been possible without our partners at the Cherokee Nation, RUS, OWRB, and DEQ
- Estimated savings to communities so far of over \$30M in interest and infrastructure costs

Testimonials

SDCRWA has greatly benefited our town by allowing Oklahoma communities to purchase water produced within the state, rather than buying from a neighboring city located out of state. This shift has reduced costs and helped us keep rates affordable for our residents.

When our department underwent a period of transition, SDCRWA supported us by creating an affordable contract that served both parties' needs while we trained and educated new staff.

As we all know, waterlines tend to break in the middle of the night or on a Friday at quitting time. SDCRWA has always answered our calls for assistance—whether we needed fittings, additional manpower, or other support, they have always been available and willing to help.

In addition, partnering with SDCRWA has enabled us to complete waterline extensions more efficiently by eliminating the middleman and avoiding extra labor costs. As a result, we have been able to invest more directly in upgrading our water system.

**Waylon Chandler
West Siloam Springs**

Testimonials

As representative for City of Colcord on SDRW board as chairman. The department has grown tremendously. We have supplied good clean drinking water to several surrounding communities and plan to grow more. Some of our latest projects and some future projects would not been or be possible without the support of Cherokee Nation. We have expectations of building more treatment facilities to supply more communities in the future

**Thank you
Clifton Hughes
SDCRWA Chairman**

Questions?

Contact:

Jered Davidson

The Public Finance Law Group PLLC

Oklahoma City, Oklahoma

Telephone: (405) 235-3413

jdavidson@okpublicfinancelaw.com