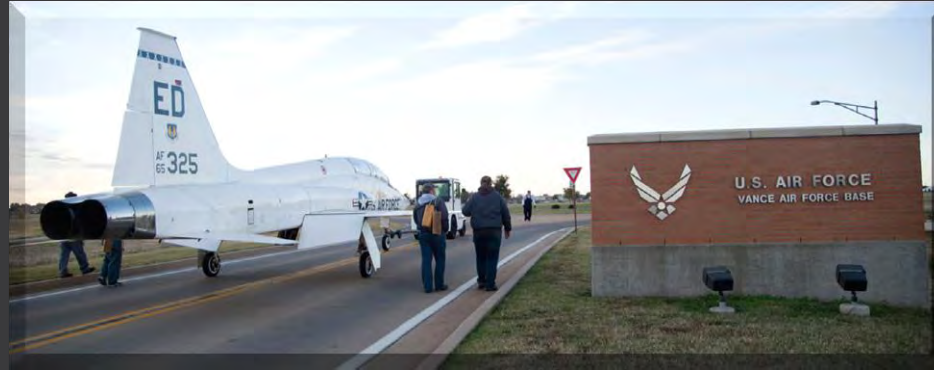


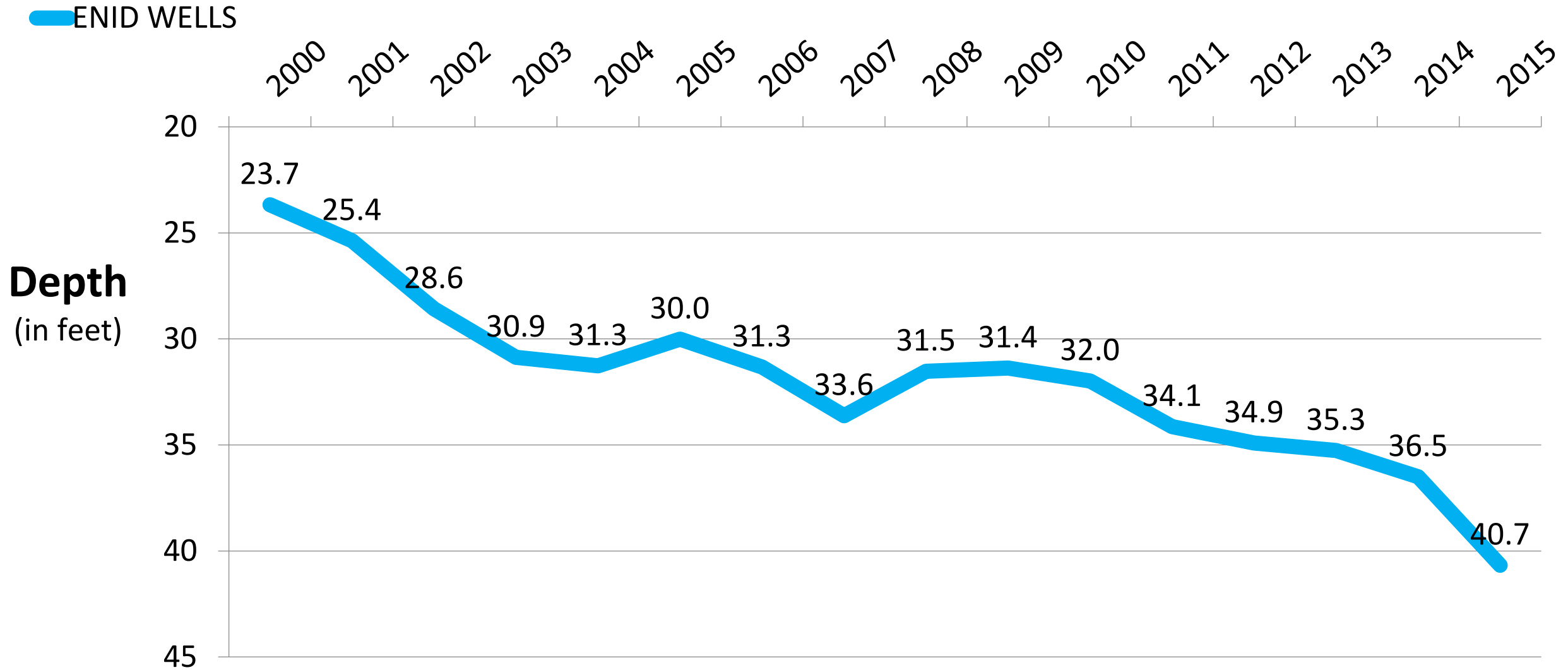
Enid's Economy is Driven by Water-Intensive Industries



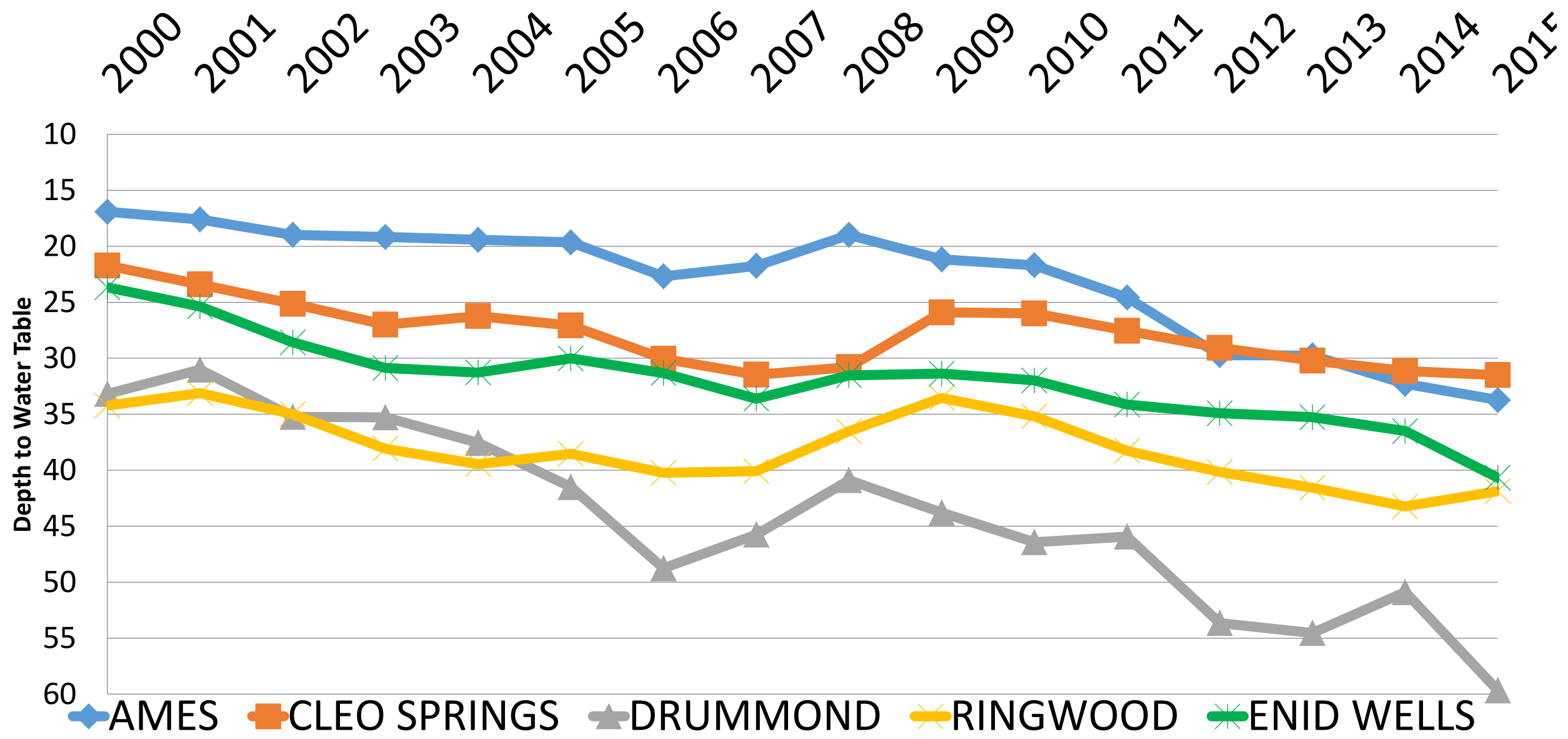
- Enid is currently solely dependent on groundwater. The aquifer is not adequately being recharged, putting Enid's water future at risk.
- Enid's sole dependence on groundwater makes the city vulnerable. In fact, Enid has already experienced water rationing in recent years.
- A sustainable water supply is key to job growth and the economic survival of Enid while also sustaining our current industry.

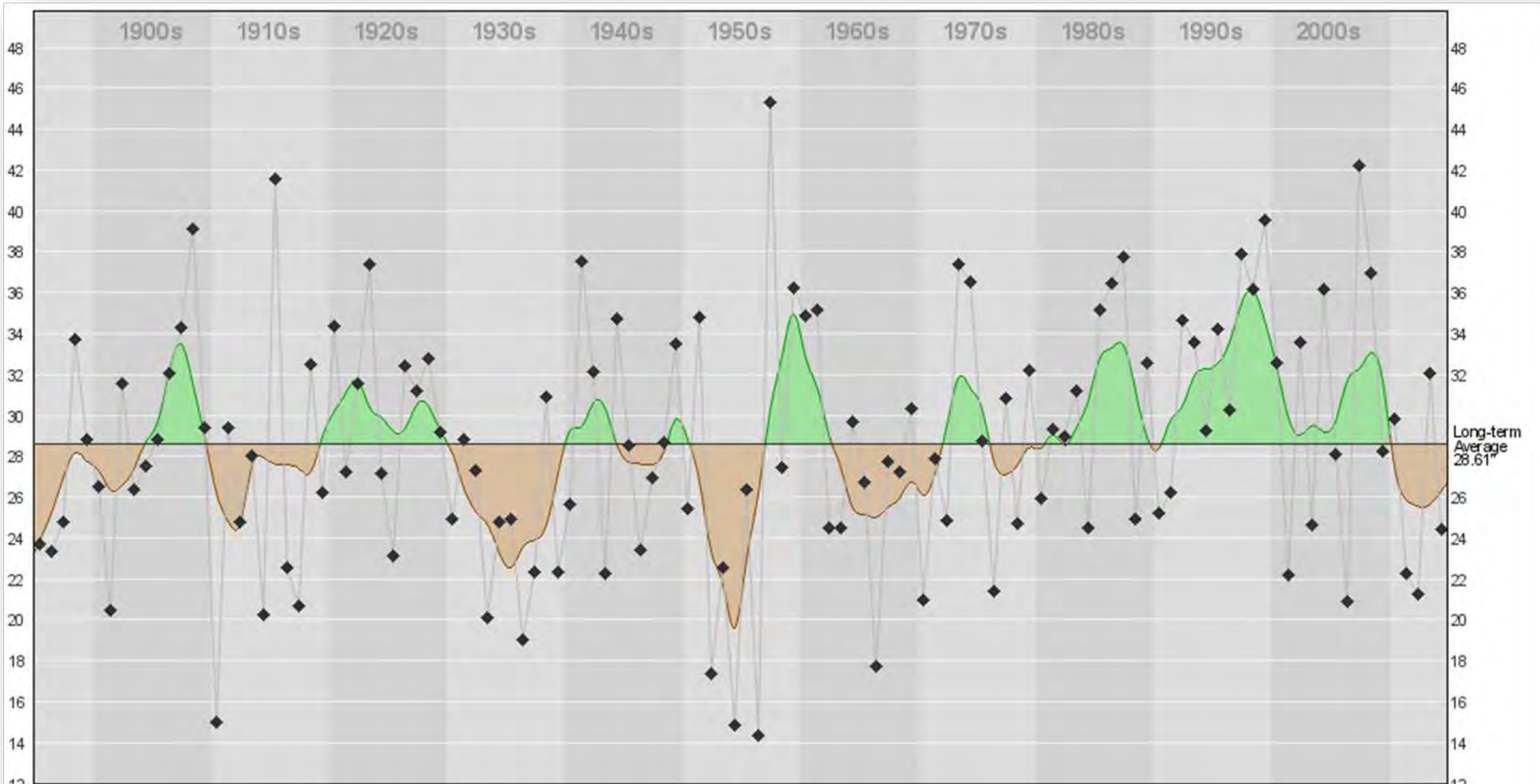
"The first thing I am asked when a business considers locating in Enid is do we have enough water," Brent Kisling, Executive Director, Enid Regional Economic Development Alliance.

The Enid Aquifer: Depth to Water



Aquifer Concerns: Water Table Depths



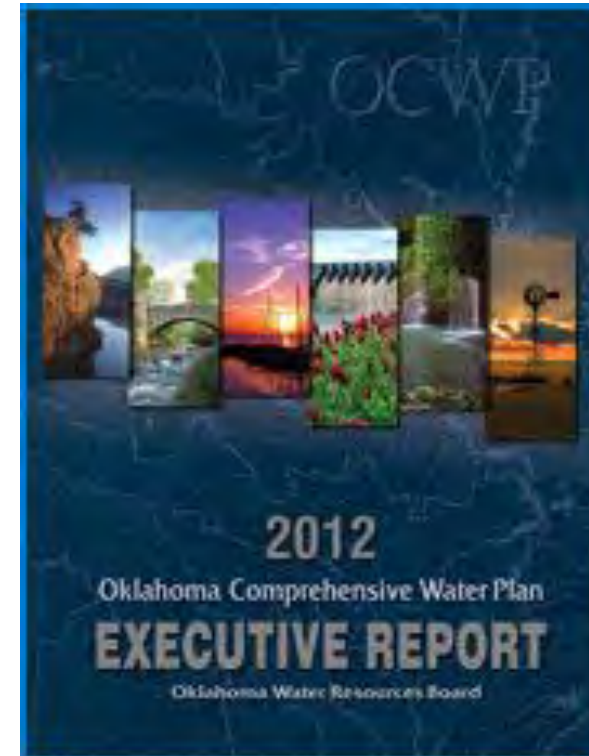


OKLAHOMA CLIMATOLOGICAL SURVEY Annual Precipitation History with 5-year Tendencies
 OK-CD2 (2-N, Central): 1895-2014

■ Wetter periods ■ Drier periods
◆ Annual precipitation value

Aquifer Concerns

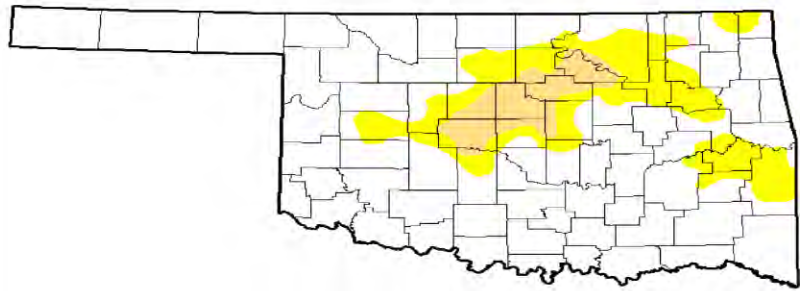
- Comprehensive State Water Plan may further limit future usage
- Presence of nitrates
- Aquifers used by Enid also used by others
 - Other municipalities like Alva and Fairview
 - Business uses like irrigation, E&P
 - Private Residences
 - Rural Water Districts



Water Can Become a Crisis

Current Drought Monitor Chart

June 28, 2016



Water Rationing

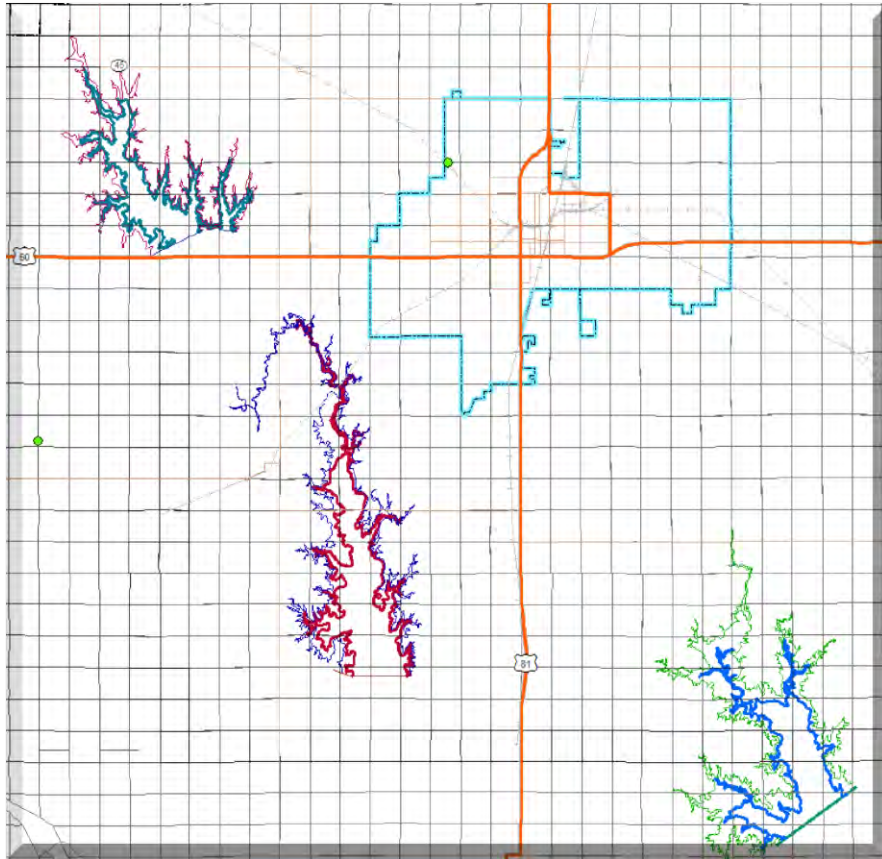


Abandoned Lake Optima



Options to Overcome Concerns

- Develop surface supply by building a new lake
- Drill more wells



Potential Lake Sites



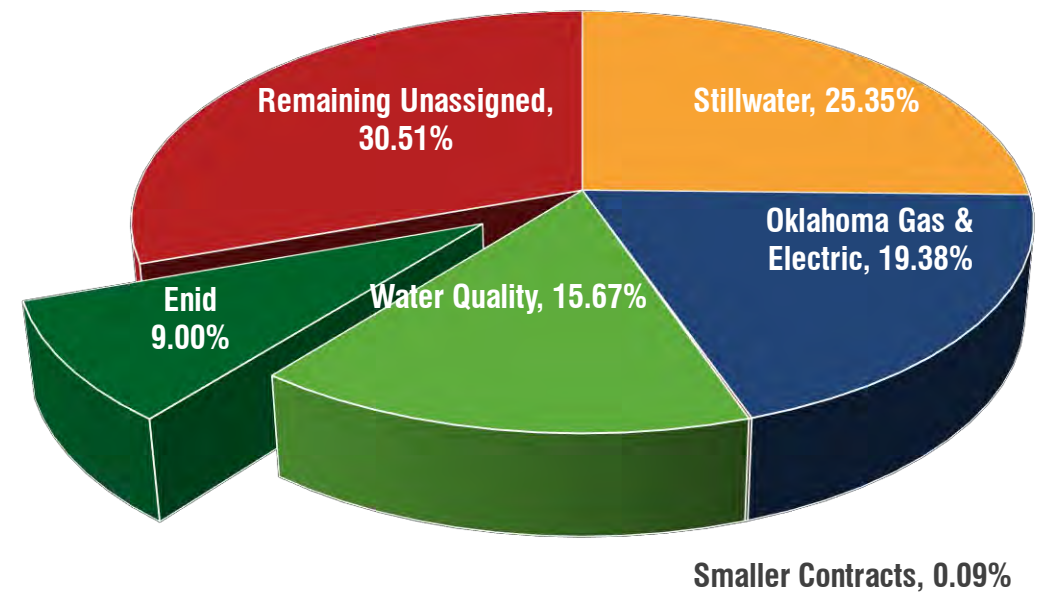
New Well

A More Viable Option: The Kaw Lake Water Supply Project

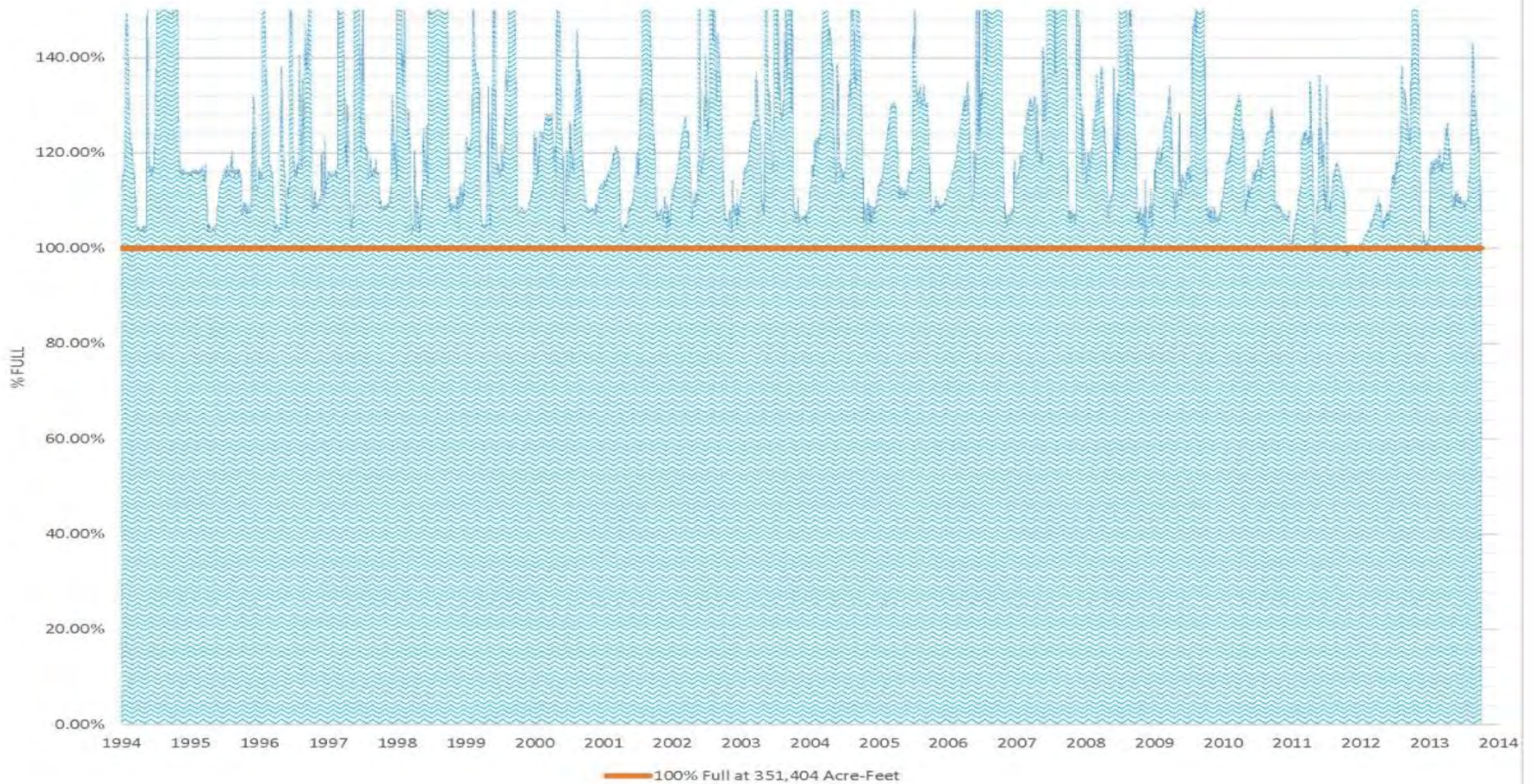
What is it?

The Kaw Lake Water Supply Project would construct a 70-mile pipeline from the lake to the City of Enid, as well as construct storage and processing facilities. Enid already has water rights to 9% of Kaw Lake's conservation pool, with another 30% of the conservation pool currently available and not being used.

Conservation Storage Allocation



Kaw Reservoir Storage Level



Additional Benefits of the Kaw Lake Water Supply Project



- Kaw Lake provides surface water that doesn't come from the aquifer, but primarily from Kansas rivers and tributaries.
- Provides access to stable water sources, thus providing long-term water stability for Enid.
- Creates a diverse supply of water options, allowing Enid to avoid a water crisis.
- Will allow Enid to protect and grow existing jobs, recruit new ones and protect the missions at VAFB.

Kaw Lake Water Supply Project Funding Source

$\frac{1}{4}$ cent extension of
current sales tax



$\frac{3}{4}$ cent new sales tax

**45% of total cost will be paid by
non-residents shopping in Enid.**

The average Enid household will see their
personal expense increase \$59.67 a year,
or less than \$5 a month.

Cost to Enid Family: The Math

Latest data shows the median family income in Enid is \$44,266.

\$44,266.00

Cost to Enid Family: The Math

According to the U.S. Bureau of Labor Statistics, the average family spends 18% of their annual income on items subject to sales tax. Most Expenditures like housing, insurance, services, taxes and retirement savings are not subject to sales tax.

$$\begin{array}{r} \$44,266.00 \\ \times \quad .18 \\ \hline \end{array}$$

Cost to Enid Family: The Math

Doing the math, the average Enid family will spend just under \$8,000 a year on items subject to sales taxes.

$$\begin{array}{r} \$44,266.00 \\ \times \quad .18 \\ \hline \$ 7,967.88 \end{array}$$

Cost to Enid Family: The Math

\$44,266.00

x .18

\$ 7,967.88

x .0075

The increase in the sales tax is $\frac{3}{4}$ of 1% or .0075.

Cost to Enid Family: The Math

\$44,266.00

x .18

\$ 7,967.88

x .0075

\$ 59.76

Or – an annual cost of less than \$60 a year – and this assumes EVERY purchase is made in Enid.

Kaw Lake Water Supply Project Funding Benefits

- Funds critical water infrastructure.
- 45% of funding will come from visitors from outside of Enid who pay sales tax.
- Keeps water rates low and avoids the need to raise property taxes.
- Protects the current 1-cent capital improvement sales tax, protecting our current investment in street maintenance and other needs related to economic growth.
- Diversifies our water source.

