



McAlester City Council

AGENDA REPORT

Meeting Date: 08/12/2025 Item Number: 1
Department: City Manager
Prepared By: Elizabeth Neboyia Account Code: n/a
Date Prepared: 08/07/2025 Budgeted Amount: n/a
Exhibits: 2

Subject

Discussion and possible action to authorize the City Manager to negotiate terms for the sale of Raw Water to Blue Mountain Energy Storage.

Recommendation

Motion to authorize the City Manager to negotiate terms for the sale of Raw Water to Blue Mountain Energy Storage.

Discussion

Exhibits:

1. Letter from Black Mountain -Raw Water Request
2. Letter to Black Mountain from City of McAlester

Approved By

		Initial	Date
Department Head	D.Andren	<u>JAD</u>	<u>7 AUG 25</u>
City Manager	D.Andren	<u>JAD</u>	<u>7 AUG 25</u>



July 30, 2025

Black Mountain Energy Storage
1717 W. 6th Street, Suite 295
Austin, TX 78703

Kenneth J. Wimer, Jr, Assistant City Manager
City of McAlester
28 E. Washington Ave
McAlester, OK 74501

RE: Raw Water Request to serve proposed data center south of Kiowa

Dear Mr. Wimer,

Our tract is located south of Kiowa off of Highway 69 and is proposed data center. Black Mountain Energy Storage is proposing to cool the data center systems with raw water and is therefore requesting 6 Million Gallons a Day (6MGD) of raw water from the City of McAlester. Per our meeting on July 29, 2025, the intention is that the water is obtained partially from Coal Creek and partially from McAlester Lake although that is subject to change.

Please don't hesitate to contact me at Carolyn.obrien@blackmtn.com or 214-263-2582 if you have any questions or concerns.

Thanks,

A handwritten signature in black ink that reads "Carolyn O'Brien". The signature is written in a cursive, flowing style.

Carolyn O'Brien, PE (TX)
Director of Permitting & Entitlements
Black Mountain Energy Storage II, LLC

McALESTEROK

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J. David Andren, City Manager
City of McAlester
28 E. Washington Ave
McAlester, OK 74501

Carolyn O'Brien, PE (TX), Director of Permitting & Entitlements
Black Mountain Energy Storage
1717 W 6th St., Suite 295
Austin, TX 78703

RE: Raw Water Service Request

Ms. O'Brien,

Thank you for your interest in partnering with the City of McAlester to meet the raw water needs of your data center project. We are committed to fully supporting your company to the best of our capabilities. This letter serves as the official Letter of Intent to work collaboratively toward a solution for meeting your company's raw water service needs.

As discussed in our recent meeting, the City does have the capacity to provide six million gallons per day (MGD); however, we do not currently have the infrastructure to deliver water to your project site in Kiowa. As such, the responsibility for designing, funding, and constructing the necessary infrastructure would rest entirely with the developer. Additionally, the water rate would need to be negotiated in good faith and ultimately approved by the McAlester City Council.

Your request has been placed on the agenda for the August 12th City Council meeting. At that time, the Council will consider granting me the authority to negotiate the terms of the agreement on the City's behalf. I would appreciate having someone from your staff at that meeting to discuss the project and assist me with answering any questions that may arise. Once those terms are established, they will be brought back before the Council for final approval.

Our team is actively working to identify a solution that meets both your needs and the City's interests. We look forward to continuing this dialogue and building a successful partnership.

Best regards,



Dave Andren
City Manager
City of McAlester