



Legislation Details (With Text)

File #: R-1617-80 **Version:** 1 **Name:** SRF Loan CON
Type: Resolution **Status:** Passed
File created: 3/2/2017 **In control:** City Council
On agenda: 3/14/2017 **Final action:** 3/14/2017

Title: RESOLUTION R-1617-80: A RESOLUTION OF THE CITY OF NORMAN, OKLAHOMA (THE "CITY") APPROVING ACTION TAKEN BY THE NORMAN UTILITIES AUTHORITY (THE "AUTHORITY") AUTHORIZING ISSUANCE, SALE AND DELIVERY OF A CLEAN WATER SRF PROMISSORY NOTE OF THE AUTHORITY TO THE OKLAHOMA WATER RESOURCES BOARD; RATIFYING AND CONFIRMING AN AMENDED LEASE AGREEMENT WHEREBY THE CITY LEASES ITS WATER AND SANITARY SEWER SYSTEMS TO THE AUTHORITY; AND CONTAINING OTHER PROVISIONS RELATED THERETO.

Sponsors:

Indexes:

Code sections:

Attachments: 1. Text File R-1617-80, 2. City Resolution

Date	Ver.	Action By	Action	Result
3/14/2017	1	City Council		

RESOLUTION R-1617-80: A RESOLUTION OF THE CITY OF NORMAN, OKLAHOMA (THE "CITY") APPROVING ACTION TAKEN BY THE NORMAN UTILITIES AUTHORITY (THE "AUTHORITY") AUTHORIZING ISSUANCE, SALE AND DELIVERY OF A CLEAN WATER SRF PROMISSORY NOTE OF THE AUTHORITY TO THE OKLAHOMA WATER RESOURCES BOARD; RATIFYING AND CONFIRMING AN AMENDED LEASE AGREEMENT WHEREBY THE CITY LEASES ITS WATER AND SANITARY SEWER SYSTEMS TO THE AUTHORITY; AND CONTAINING OTHER PROVISIONS RELATED THERETO.

BACKGROUND: The Oklahoma Water Resources Board (OWRB), acting as the agent of the U.S. Environmental Protection Agency (EPA) and the Oklahoma legislature, has administered a Statewide Water Development Revolving Fund loan program (SRF) for many years. These programs provide financial assistance for municipalities to make infrastructural improvements to their water and water reclamation (formerly sewer or wastewater) systems to comply with federal and state drinking water and pollution control standards. The Norman Utilities Authority (NUA) has participated on several occasions in the Oklahoma Water Resources Board's Statewide Revolving Fund loan program and has benefitted from the lower interest rates and favorable terms in the program.

DISCUSSION: On January 24, 2017, the City Council and Norman Utilities Authority (NUA) approved a Drinking Water Statewide Revolving Fund (SRF) Loan from the Oklahoma Water Resources Board (Resolutions 1617-76 and 1617-77) to finance improvements to the Vernon Campbell Water Treatment Facility. In discussions leading up to that loan, the NUA/Council was also informed of a pending OWRB program to provide grant funding, in the form of an approximately \$305,000 Clean Water SRF Loan with "principal forgiveness" (in other words, a loan that doesn't have to be repaid) to provide storm drainage and stream bank improvements. With matching funds (estimated to be \$3,977,738) from the Association of Central Oklahoma Governments (ACOG), the Norman Water Reclamation Utility will use this grant to fund improvements to the Brookhaven Creek stream bank. The improvements will include tree and shrub planting for bank stabilization, pervious pavement and diversion facilities to improve the stream flow. These improvements are indicative of the types of loan and grant programs that are available to cities through the OWRB's programs for Stormwater Utilities. The project will also provide improvements that would be necessary as a part of the West Main Street Bridge project, as it crosses Brookhaven Creek.

Resolution 1617-78 authorizes the loan application to the OWRB; Resolution 1617-79 is the NUA action to approve the loan and empowering the NUA Chair and staff to execute documents to effectuate the Principal Forgiveness Loan; and

Resolution 1617-80 is the City Council action to approve the NUA entering into the loan and renewing the lease of the City's water and sewer systems to the NUA.

RECOMMENDATION: It is recommended that the Resolutions be adopted.