



CITY OF NORMAN, OK STAFF REPORT

MEETING DATE: 10/26/2021

REQUESTER: Nathan Madenwald, P.E., Utilities Engineer

PRESENTER: Nathan Madenwald, P.E., Utilities Engineer

ITEM TITLE: CONSIDERATION OF APPROVAL, ACCEPTANCE, REJECTION, AMENDMENT, AND/OR POSTPONEMENT OF RESOLUTION R-2122-43: A RESOLUTION OF THE NORMAN UTILITIES AUTHORITY AUTHORIZING THE CHAIRMAN TO SUBMIT A BUREAU OF RECLAMATION (BOR) GRANT APPLICATION FOR WATERSMART GRANT: WATER AND ENERGY EFFICIENT GRANTS FOR FISCAL YEAR (FY) 2022.

BACKGROUND:

The City of Norman/Norman Utility Authority (NUA) water system includes approximately 41,000 water meters that measure water usage for water and sewer billing purposes. The majority of the meters (approximately 39,000) are manually read by meter readers (physically remove the meter lid and read the current usage on the register) and 2,000 meters are read using automated meter reading (AMR; remote sensor used to collect data while driving by in a truck). As the number of meters increase, staffing levels would have to proportionally increase to ensure that meters are read timely and accurately. Insufficient staffing levels can result in missed reads or inaccurate reads that impact customer service and billing revenues. Additionally, the majority of the water meters in Norman have aged past their expected useful life and warrant replacement.

Contract K-2021-75 with E Source Companies, LLC was approved on June 8, 2021, by the Norman Utilities Authority (NUA). The Assessment Phase of the project has been completed and the advanced water metering project is recommended to move forward based on the analysis completed by E Source and discussion with City Council/NUA Trustees at the June 22, 2021 Study Session.

DISCUSSION:

The U.S. Bureau of Reclamation (BOR) has issued Notice of Funding Opportunity R22AS00023 titled *WaterSMART Grants: Water and Energy Efficiency Grants for fiscal year (FY) 2022*. This funding opportunity has two groups of funding opportunities: Group I – Up to \$500,000 and Group II – Up to \$2,000,000. Municipal metering is included as an eligible project, where measurable water savings will be achievable. This category of eligible projects fits the NUA's proposed advanced water metering project. If funding is obtained, these funds would offset a portion of the overall project costs and would allow for ratepayer funds to be used for other

improvements. The NUA would be required to match funds or supply funding for at least 50 percent of the project. The estimated overall project cost will be \$15,000,000.

Pursuant to the funding opportunity, the BOR's intention in requesting an Official Resolution is to verify:

1. The identity of the official with legal authority to enter into a financial assistance agreement;
2. The board of directors, governing body, or appropriate official who has reviewed and supports the application being submitted;
3. The capability of the applicant to provide the amount of funding and/or in-kind contributions specified in the funding plan; and
4. That the applicant will work with the BOR to meet established deadlines for entering into a grant or cooperative funding agreement.

The application and resolution do not commit the NUA to accepting funds. Such a commitment would be required if and when the NUA entered into a grant agreement; a decision that would return to the NUA Trustees for consideration if the grant application is approved.

RECOMMENDATION:

Staff recommends the Norman Utilities Authority adopt Resolution R-2122-43 authorizing the submittal of a grant application to the Bureau of Reclamation for WaterSMART Grants: Water and Energy Efficiency Grants for fiscal year (FY) 2022 and to potentially enter into a financing agreement under the program.