



## CITY OF NORMAN, OK STAFF REPORT

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**MEETING DATE:** 06/13/2023

**REQUESTER:** Anthony Francisco, Director of Finance

**PRESENTER:** Chris Mattingly, Director of Utilities

**ITEM TITLE:** CONSIDERATION OF APPROVAL, ACCEPTANCE, REJECTION, AMENDMENT, AND/OR POSTPONEMENT OF RESOLUTION R-2223-150: A RESOLUTION OF THE NORMAN UTILITIES AUTHORITY (THE "BORROWER") AGREEING TO FILE APPLICATION WITH THE OKLAHOMA WATER RESOURCES BOARD (THE "OWRB") FOR FINANCIAL ASSISTANCE THROUGH THE CLEAN WATER STATE REVOLVING FUND PROGRAM; APPROVING AND AUTHORIZING CLEAN WATER SRF FUNDING FROM THE OKLAHOMA WATER RESOURCES BOARD IN THE TOTAL AGGREGATE PRINCIPAL AMOUNT OF \$830,000.00; APPROVING THE ISSUANCE OF A PROMISSORY NOTE IN THE TOTAL AGGREGATE PRINCIPAL AMOUNT OF \$830,000, AND AUTHORIZING ITS EXECUTION; APPROVING AND AUTHORIZING THE EXECUTION OF A FUNDING AGREEMENT; APPROVING VARIOUS COVENANTS; APPROVING AND AUTHORIZING THE ESTABLISHMENT OF A PROJECT COSTS DISBURSEMENT ACCOUNT AND APPROVING AND AUTHORIZING PAYMENT OF FEES AND EXPENSES; RATIFYING AND CONFIRMING AN AMENDED LEASE AGREEMENT WHEREBY THE CITY OF NORMAN, OKLAHOMA LEASED ITS WATER AND SANITARY SEWER SYSTEMS TO THE AUTHORITY; APPROVING PROFESSIONAL SERVICES AGREEMENTS; AND CONTAINING OTHER PROVISIONS RELATING THERETO.

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### **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 wastewater 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.

In February, 2023, the EPA announced the availability of \$2 billion to be made available from the Bipartisan Infrastructure Law to study the treatment of Contaminants of Emerging Concern (CECs) in water and wastewater reclamation systems. The funds are being made available through state SRF programs. The NUA is an ideal candidate for these grant funds because of the NUA's long-standing relationship with the OWRB's SRF Program.

## **DISCUSSION**

The EPA Emerging Contaminants Grants will be facilitated through "forgivable loans" through the SRF Program. Effectively, the NUA will enter into a Statewide Revolving Fund loan with the OWRB in similar format to several outstanding NUA loans. In the case of this loan, however, the principal on the loan will be "forgiven", or repaid with proceeds of the EPA CEC Grant. OWRB and NUA Staff will work together to prepare studies for the detection and treatment of CECs in Norman's wastewater and water streams as a part of larger national studies.

The attached resolutions will facilitate the SRF Loan process. Resolution R-2223-149 is a Resolution of the City of Norman, authorizing the Norman Utilities Authority to enter into the SRF Loan ("Promissory Note") with the Oklahoma Water Resources Board, and approving other related documents.

Resolution R-2223-150 is a Resolution of the Norman Utilities Authority, agreeing to file an application with the OWRB in the amount of \$830,000; approving the issuance of a Promissory Note and Funding Agreement; and approving covenants, professional service agreements and other related documents and provisions.

The NUA will apply for funding of the project through the SRF Program, upon the approval of the Trustees/Council.

## **RECOMMENDATION**

It is recommended that the Resolutions be adopted, authorizing the NUA to apply for the Emerging Contaminants Grant through the Oklahoma Water Resources Board Statewide Revolving Fund Loan Program.