



DATE: June 28, 2022

TO: Honorable Mayor and City Council Members
Honorable Trustees of the Norman Utilities Authority

FROM: Anthony Francisco, Finance Director/NUA Treasurer

SUBJECT: Resolution R-2122-136, Authorizing Drinking Water Statewide
Revolving Loan Application

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.

On June 8, 2021, the NUA/City Council approved contract K-2122-75 with ESource Technologies, for an assessment of alternative water metering solutions.

DISCUSSION

On September 28, 2021, the Trustees of the Norman Utilities Authority (NUA) heard a presentation from ESource Technologies Planning and Implementation Division, which recommended the replacement of the City's water meters with Advanced Meter Infrastructure. The estimated cost to fully implement these systems, including replacement of over 41,000 water meters, is over \$15 million. On April 12, 2022, the voters of Norman rejected a referendum for a utility rate increase to provide funding for the AMI implementation, among other capital projects.

At the NUA Study Session of June 7, 2021, Utilities Department staff presented alternative methods of paying for the AMI Implementation proposal, including phased-in approaches to the implementation. The Trustees directed staff to continue to pursue federal grant proposals to partially fund the AMI implementation and to finance the remaining costs through the OWRB SRF Program or through revenue bonds to be issued through the NUA.

On June 21, 2022, the NUA received official notification of the award of \$2,000,000 for the AMI Implementation through President Biden's Bipartisan Infrastructure and Jobs Act of 2022, administered by the U.S. Bureau of Reclamation's WaterSMART Water and Energy Efficiency Grant program. Norman's AMI Implementation Project was the only successful grant application received in Oklahoma.

The total estimated cost for the AMI Implementation Project is \$15,818,990. 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 Resolution be adopted, authorizing the NUA General Manager and staff to pursue funding for the AMI Implementation project through the Oklahoma Water Resources Board Statewide Revolving Fund Loan program.