



Meeting Date: June 20, 2016

Report No. SUA-16-32

Agenda Item No. 5-a

Status: Resolution

Purpose: Authorization to Accept a Loan for Water 2040 Package A

Background Summary: On January 4, 2016, Council and Trustees approved Resolutions [CC-2016-02](#) and [SUA-2016-01](#) authorizing the filing of an application with the OWRB for financial assistance through the DWSRF program to finance water system improvements of approximately \$30M for Package A of Water 2040. On February 1, 2016, the Trustees authorized Water 2040 Implementation Plan III ([SUA-16-10](#)), which established the financing plan and schedule for Water 2040 for Packages A, B and C. On March 7, 2016, Council and Trustees approved Resolutions [CC-2016-10](#) and [SUA-2016-02](#) authorizing the reimbursement of capital expenditures related to Package A made prior to Package A loan closing. On May 2, 2015, Council and Trustees approved Resolutions [CC-2016-15](#) and [SUA-2016-3](#) authorizing the reimbursement of capital expenditures related to Package B made prior to Package B loan closing. Loan approval by OWRB for Package A occurred on May 17, 2016. On June 6, Trustees authorized the signing of the Letter of Binding Commitment through [SUA-16-26](#).

The construction permit for the first bid package, which is the construction of the West 51 Booster Pump Station and Water Line, has been issued to SUA by the Oklahoma Department of Environmental Quality and all property required for the project has been acquired. Bid opening for the project occurred on June 8, 2016.

The next step in the process for Package A is loan closing, which is planned to occur within the next few weeks. For loan closing to occur, SUA must authorize the signing of the Resolution to Accept a Loan for Water 2040 Package A and incur debt up to \$29,900,000.

Budget Impact: The Resolution will allow loan proceeds to fund engineering, construction and real estate acquisition and will allow for reimbursement of past payments made for program expenses.

Prior Council Action or Part of an Approved Project: Yes

Related Items:

Southwest Zone (Phase 1) Water Distribution Improvements, December 17, 2012
[SUA-12-42](#)

Professional Services Agreement for Program Management, Design, and Construction Management for the Southwest Zone (Phases 2 & 3) Water Distribution Improvements, February 4, 2013

[SUA-13-05](#)

A Resolution authorizing the filing of an application with the Oklahoma Water Resources Board, January 4, 2016

[SUA-16-06](#) [CC-2016-02/SUA-2016-01](#)

Water 2040 Implementation Plan III, February 1, 2016

[SUA-16-10](#) [Info Memo](#) [Att I](#) [Att II](#)

Water 2040 Resolution of Reimbursement for Package A, March 7, 2016

[CC-16-23](#) [CC-2016-10/SUA-2016-02](#)

Water 2040 Resolution of Reimbursement for Package B, May 2, 2016

[CC-16-53](#) [CC-2016-15/SUA-2016-03](#)

Letter of Binding Commitment with DWSRF for Package A at \$29.9 Million

[SUA-16-26](#)

City's Website Page for Water 2040

[Water 2040 Description](#)

Alternatives: The alternatives available to Trustees include:

- Pass the Resolution to Accept a Loan for Water 2040 Package A. Construction of Package A projects for Water 2040 will be fully funded.
- Do not pass the Resolution. The first bid package will not be awarded and Water 2040 will be postponed until funding is available.

Recommendation: It is recommended that the Trustees approve the Resolution to Accept a Loan for Water 2040 Package A, Resolution SUA-2016-6.

Prepared by: Candy Staring, Capital Program Manager

Reviewed by: William Millis, WR Director

Reviewed by: Dan Blankenship, Deputy City Manager

Submitted by: Norman McNickle, City Manager

Attachments: None.