



Meeting Date: June 6, 2016

Consent Docket Item: 2-d

Report No.: SUA-16-26

Department: Water Resources

Subject: Letter of Binding Commitment with Drinking Water State Revolving Fund for the Water 2040 Package A Loan of \$29,900,000.

Budget Impact: No additional appropriations are necessary for this action.

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-2016-2/SUA-2016-1](#)

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-2016-1](#)

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

[CC-16-53](#) [Att I](#) [CC-2016-15/SUA-2016-3](#)

Alternatives: The alternatives include:

- In order to close the loan for Package A of the Water 2040 Program, the Letter of Binding Commitment must be signed and returned to DWSRF.
- Not signing the Letter of Binding Commitment may delay loan closing and possibly result in higher interest rates and a delay in proceeding with the Water 2040 projects.

Recommendation: It is recommended that SUA Trustees authorize the Chair to sign of the Letter of Binding Commitment.

Prepared by: Water Resources Department

Background Information:

On May 17, 2016, the Oklahoma Water Resources Board (OWRB's) approved the SUA loan application for \$29,900,000 to fund Package A of the Water 2040 Program. With this approval, the State of Oklahoma, through the Oklahoma Department of Environmental Quality (ODEQ), requires that SUA agrees to the terms set forth in the Letter of Binding Commitment (LOBC).

Upon SUA's signing and returning the LOBC to ODEQ, loan funds will be reserved for SUA's construction of Package A projects of the Water 2040 Program.

Loan closing is scheduled to be completed by June 30, 2016.