



Meeting Date: September 11, 2017

Report No. SUA-17-28

Agenda Item No. 5a

Purpose: To obtain approval for SUA Chairman and Secretary to sign the Letter of Binding Commitment with Drinking Water State Revolving Fund for the Water 2040 Package B Loan of \$12,600,000.

Budget Impact: No additional appropriations are necessary for this action

Prior Council Action or Part of an Approved Project: Yes

Related Items: Related items include:

Water 2040 Implementation Plan III, February 1, 2016

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

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

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

Resolution authorizing the filing of an application with the Oklahoma Water Resources Board, March 20, 2017 for Water 2040 Package B Loan.

[CC-17-35 / SUA-17-04](#) [CC-2017-2/SUA-2017-1](#)

Alternatives: The following alternatives are available to the SUA:

- Authorize the SUA Chair and Secretary to sign the LOBC. Pending authorization of the needed resolutions, this alternative will allow for loan closing and funding of Package B.
- Do not authorize the LOBC and provide additional guidance. Not signing the Letter of Binding Commitment may delay loan closing and possibly result in higher interest rates.

Recommendation: Staff recommends that SUA Trustees authorize the signing of the Letter of Binding Commitment.

Prepared by: Water Resources Department

Reviewed by: William Millis, WR Director

Reviewed by: Dan Blankenship, Deputy City Manager

Submitted by: Norman McNickle, City Manager

Background Information: On August 15, 2017, the Oklahoma Water Resources Board (OWRB's) approved the SUA loan application for \$12,600,000 to fund Package B of the Water 2040 Program. With this approval, the State of Oklahoma, through the Oklahoma Department of Environmental Quality (ODEQ), requires that SUA agree 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 B projects of the Water 2040 Program.

Loan closing is scheduled to be completed by October 1, 2017.