

ARDMORE PUBLIC WORKS AUTHORITY

Authority Letter No. _____
Meeting Date November 1, 2021

Ardmore Public Works Authority
City of Ardmore, Oklahoma

Re: Resolution authorizing the filing of funding application for a Clean Water SRF
loan with the Oklahoma Water Resources Board

Dear Trustees:

Attached is a Resolution that is part of the Clean Water SRF funding process with the Oklahoma Water Resources Board. The attached Resolution approves and authorizes a clean water SRF loan from the Oklahoma Water Resources Board in the total aggregate principal amount of \$30,000,000.00; approves the issuance of a promissory note in the total aggregate principal amount of \$30,000,000.00, secured by a pledge of revenues and authorizing its execution; approves and authorizes the execution of a loan agreement for clean water SRF loan; designating a local trustee and approving and authorizing the execution of a trust agreement; approving and authorizing the execution of a security agreement; ratifying and confirming a sales tax agreement; ratifying and confirming a lease agreement and operation and maintenance contract, as amended; ratifying and confirming a parity agreement; approving various covenants; approving and authorizing application to the Oklahoma Water Resources Board; approving and authorizing professional services agreements; approving and authorizing the establishment of a project costs disbursement account and approving and authorizing payment of fees and expenses; and containing other provisions relating thereto.

Staff recommends the approval of this resolution.

Sincerely,



Kevin Boatright
APWA Manager

THE BOARD OF TRUSTEES OF THE ARDMORE PUBLIC WORKS AUTHORITY, ARDMORE, OKLAHOMA MET IN REGULAR SESSION IN THE CITY COMMISSION CHAMBERS (3RD FLOOR) LOCATED AT 23 SOUTH WASHINGTON STREET IN ARDMORE, OKLAHOMA ON THIS 1ST DAY OF NOVEMBER, 2021, AT 7:00 O'CLOCK P. M.

PRESENT:

ABSENT:

Thereupon, the Chairman introduced a Resolution which was read by the Secretary. Trustee _____ moved that the Resolution be adopted and Trustee _____ seconded the motion. The motion carrying with it the adoption of the Resolution prevailed by the following vote:

AYE:

NAY:

The Resolution as adopted is as follows:

RESOLUTION NO. _____

A RESOLUTION OF THE ARDMORE PUBLIC WORKS AUTHORITY (THE "AUTHORITY") APPROVING AND AUTHORIZING A CLEAN WATER SRF LOAN FROM THE OKLAHOMA WATER RESOURCES BOARD IN THE TOTAL AGGREGATE PRINCIPAL AMOUNT OF \$30,000,000.00; APPROVING THE ISSUANCE OF A PROMISSORY NOTE IN THE TOTAL AGGREGATE PRINCIPAL AMOUNT OF \$30,000,000.00, SECURED BY A PLEDGE OF REVENUES AND AUTHORIZING ITS EXECUTION; APPROVING AND AUTHORIZING THE EXECUTION OF A LOAN AGREEMENT FOR CLEAN WATER SRF LOAN; DESIGNATING A LOCAL TRUSTEE AND APPROVING AND AUTHORIZING THE EXECUTION OF A TRUST AGREEMENT; APPROVING AND AUTHORIZING THE EXECUTION OF A SECURITY AGREEMENT; RATIFYING AND CONFIRMING A SALES TAX AGREEMENT; RATIFYING AND CONFIRMING A LEASE AGREEMENT AND OPERATION AND MAINTENANCE CONTRACT, AS AMENDED; RATIFYING AND CONFIRMING A PARITY AGREEMENT; APPROVING VARIOUS COVENANTS; APPROVING AND AUTHORIZING APPLICATION TO THE OKLAHOMA WATER RESOURCES BOARD; APPROVING AND AUTHORIZING PROFESSIONAL SERVICES AGREEMENTS; APPROVING AND AUTHORIZING THE ESTABLISHMENT OF A PROJECT COSTS DISBURSEMENT ACCOUNT AND APPROVING AND AUTHORIZING PAYMENT OF FEES AND EXPENSES; AND CONTAINING OTHER PROVISIONS RELATING THERETO.

WHEREAS, the Ardmore Public Works Authority, Carter County, Oklahoma (the "Borrower"), was organized under Title 60, Oklahoma Statutes 2011, Sections 176-180.4, as amended, for the purpose of furthering the public functions of The City of Ardmore, Oklahoma (the "City"); and

WHEREAS, the Borrower is authorized and has determined to construct dam and spillway improvements at Ardmore City Lake and Mountain Lake, along with certain improvements to the wastewater collection system serving the City (collectively, the "Project"), and in payment of part of the cost thereof, to seek money in the form of a Clean Water SRF Loan from the Oklahoma Water Resources Board (the "Board") in the amount of \$30,000,000.00; and

WHEREAS, the Borrower heretofore issued its (i) Series 2009 Clean Water SRF Promissory Note to Oklahoma Water Resources Board dated December 18, 2009, in the original principal amount of \$1,090,000.00; (ii) Series 2012 Clean Water SRF Promissory Note to Oklahoma Water Resources Board dated November 20, 2012, in the original principal amount of \$8,697,000.00; (iii) Utility System and Sales Tax Revenue Note, Series 2014 dated January 30, 2014, in the original principal amount of \$26,140,000.00; and (iv) Utility System and Sales Tax Revenue Note, Series 2015 dated June 24, 2015, in the original principal amount of \$5,430,000.00 (collectively, the "Existing Indebtedness"); and

WHEREAS, the Board has under consideration a loan application of the Borrower and the Borrower has determined to borrow money from the Board to accomplish the Project and to evidence such loan by the issuance of the Borrower's Series 2021 Clean Water SRF Promissory Note to Oklahoma Water Resources Board in the original principal amount of \$30,000,000.00 (the "Note"), said Note being secured by a pledge of revenue derived from Borrower's water and sanitary sewer systems (collectively, the "System") and a lien on the year-to-year pledge of certain sales tax revenue derived from the levy of a one-half of one percent (0.5%) sales tax (the "Sales Tax Revenue"); provided, said pledge and lien shall be on a parity in all respects with the Existing Indebtedness; and provided further, the referenced pledge of System revenue is subject and subordinate in all respects to that certain Contract for a Municipal Water Supply dated July 2, 1971, by and between the Arbuckle Master Conservancy District (the "District") and the City, as amended by an Amendatory Contract dated July 1, 1980 (collectively, the "Conservancy District Contract"), whereby the City has heretofore pledged to the District sufficient revenues from the sale of water through the water transportation and distribution system owned by the City; and

WHEREAS, it is the desire of the Borrower to authorize the execution and delivery of any and all documents necessary or attendant to the issuance of the Note.

NOW, THEREFORE, BE IT RESOLVED BY THE TRUSTEES OF THE ARDMORE PUBLIC WORKS AUTHORITY, CARTER COUNTY, OKLAHOMA:

Section 1. Issuance of Note. The Borrower is hereby authorized to accept said loan and issue its Note payable to the Board and secured by a pledge of revenue derived from the operation of the System and a year-to-year pledge of the Sales Tax Revenue. The officers of the Borrower are hereby authorized and directed to execute said Note and to do any and all lawful things to effect said loan and secure said loan from the Board, provided that the principal amount of the Note shall be in the amount not-to-exceed \$30,000,000, and the rate of interest on the Note shall be a fixed rate of interest not-to-exceed of three percent (3.00%) per annum inclusive of administrative fees of one

half of one percent (1/2%), with the term of the Note to be approximately thirty (30) years following completion of the Project. The principal amount, rate of interest, and maturity date shall be established per a Certificate of Determination to be executed by the Chairman or Vice Chairman of the Borrower.

Section 2. Execution of Loan Agreement for Clean Water SRF Loan. The Loan Agreement for Clean Water SRF Loan by and between the Borrower and the Board, pertaining to the Note (the "Loan Agreement") is hereby approved and the Chairman or Vice Chairman and Secretary or Assistant Secretary of the Borrower are hereby authorized to execute same for and on behalf of the Borrower, and to do all other lawful things to carry out the terms and conditions of said Loan Agreement.

Section 3. Designation of Local Trustee and Execution of Trust Agreement. The Borrower hereby designates BancFirst, Oklahoma City, Oklahoma, to serve as local trustee (the "Local Trustee") of certain funds in relation to the Note. The Trust Agreement by and between the Borrower and the Local Trustee, pertaining to the Note (the "Trust Agreement") is hereby approved and the Chairman or Vice Chairman and Secretary or Assistant Secretary are hereby authorized to execute same for and on behalf of the Borrower, and to do all other lawful things to carry out the terms and conditions of said Trust Agreement.

Section 4. Execution of Security Agreement. The Security Agreement by the Borrower in favor of the Board (the "Security Agreement"), whereby the Borrower gives a lien on the revenues of the System and the Sales Tax Revenue to the Board to secure payment of the Note is hereby approved and the Chairman or Vice Chairman and Secretary or Assistant Secretary are hereby authorized to execute same for and on behalf of the Borrower and do all other lawful things to carry out the terms and conditions of said Security Agreement.

Section 5. Sales Tax Agreement. The Sales Tax Agreement dated as of October 1, 2011, by and between the Borrower and the City pertaining to the year-to-year pledge of the Sales Tax Revenue for purposes of securing the Note, is hereby ratified and confirmed.

Section 6. Lease Agreement and Operation and Maintenance Contract. The Amended Lease Agreement and Operation Maintenance Contract dated as of December 1, 2004, as amended by a First Amendment to Lease Agreement and Operation and Maintenance Contract dated as of August 20, 2007, both by and between the City and the Borrower (collectively, the "Lease Agreement"), whereby the City leased to the Borrower its presently existing and hereafter acquired water and sanitary sewer systems, is hereby ratified and confirmed and the term of said Lease Agreement shall extend until the Note is paid.

Section 7. Parity Agreement. The Parity Agreement dated as of October 25, 2011, by and among the Board, the Borrower, and the Local Trustee, is hereby ratified and confirmed.

Section 8. Covenants of Borrower. Until payment in full of the Note and performance of all obligations owing to the Board under the Loan Agreement and the instruments executed pursuant hereto, unless the Board shall otherwise consent in writing, the Borrower hereby represents its intent to abide by and carry out the covenants contained in the Security Agreement and the Loan Agreement, which covenants are incorporated herein in their entirety.

Section 9. Application. The Borrower shall file an Application(s) with the Oklahoma Water Resources Board seeking financial assistance through the OWRB Clean Water State Revolving Fund Loan Program (CWSRF); and the Chairman or Vice Chairman and Secretary or Assistant Secretary of the Borrower are hereby authorized to execute said Application(s) for and on behalf of the Borrower. The Borrower is further authorized to advance to the Oklahoma Water Resources Board the necessary application fees in connection with the referenced Application(s).

Section 10. Professional Services Agreements. The Borrower is authorized to enter into a legal services agreement with The Public Finance Law Group PLLC, as the Borrower's Bond Counsel, and professional services agreement with Municipal Finance Services, Inc., as the Borrower's Financial Advisor.

Section 11. Project Costs Disbursement Account; Fees and Expenses. The Borrower is authorized to establish an account or accounts as necessary to serve as the Project Costs Disbursement Account described in the Loan Agreement. Upon closing of the referenced loan, the officers of the Borrower are hereby authorized to disburse (from loan proceeds or other available funds of the Borrower) those fees and expenses all as set forth on Exhibit "A" hereto, all as more fully set forth on the Borrower's Closing Order to be executed in connection with the closing of the financing referenced herein. .

Section 12. Necessary Action. The Chairman or Vice Chairman and Secretary or Assistant Secretary of the Borrower are hereby further authorized on behalf of the Borrower to approve the disbursement of the proceeds of the Note and other funds of the Borrower in connection with the issuance of the Note and the accomplishment of the transaction contemplated hereby, including the execution of the Letter of Binding Commitment; and further, to accept, receive, execute, attest, seal and deliver the above mentioned documents and all additional documentation, certifications and instruments and to take such further actions as may be required in connection with the transaction contemplated hereby, and are further authorized to approve and make any changes to the documents approved by this Resolution, for and on behalf of the Borrower, the execution and delivery of such documents being conclusive as to the approval of any terms contained therein.

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ADOPTED AND APPROVED THIS 1ST DAY OF NOVEMBER, 2021.

ARDMORE PUBLIC WORKS AUTHORITY

Chairman

ATTEST:

Secretary

(SEAL)

STATE OF OKLAHOMA)
)SS
COUNTY OF CARTER)

I, the undersigned, Secretary of the Ardmore Public Works Authority, Carter County, Oklahoma, an Oklahoma public trust, do hereby certify that the above and foregoing is a true, full and correct copy of an excerpt from the minutes of a meeting of the Board of Trustees of said public trust held on the date above stated, all as recorded in the official minutes of such meeting. I further certify that the “Open Meeting Law” was complied with for such meeting.

GIVEN UNDER MY HAND THIS 1ST DAY OF NOVEMBER, 2021.

(SEAL)

Secretary

EXHIBIT "A"

Fees and Expenses Paid at Closing

The Public Finance Law Group PLLC Legal Fee and Out-of-Pocket Expenses	1.0% of the amount of the Note, plus \$2,500 expenses	
Municipal Finance Services, Inc. Financial Advisory Fee and Expenses	1.0% of the amount of the Note, plus \$2,500 exp	
BancFirst Trustee Bank Acceptance Fee		\$500.00