

The City of Durant encourages participation from all its citizens. If participation at any public meeting is not possible due to a disability, notification to the City Clerk at least 48 hours prior to the scheduled meeting is encouraged in order to make the necessary accommodations. The City of Durant may waive the 48-hour rule if interpreters for the deaf (signing) or translation services for limited English proficient (LEP) individuals are not the necessary accommodation.

THE DURANT CITY UTILITIES AUTHORITY / DCUA

1:00 PM

**Roscoe J. Hatfield
Council Chambers, 300
West Evergreen,
Durant, Oklahoma**

June 17, 2019

**SPECIAL CALLED
AGENDA**

**DURANT CITY HALL
300 W. EVERGREEN, DURANT, OK
ROSCOE J. HATFIELD COUNCIL CHAMBERS**

CALL TO ORDER

ROLL CALL

ORDER OF BUSINESS

1. Administration

- a. Consider and Take Action With Respect to Resolution 2019-17 of The Durant City Utilities Authority (the "Borrower") Approving and Authorizing a Clean Water SRF Loan from the Oklahoma Water Resources Board in the Total Aggregate Principal Amount of Not To Exceed \$4,000,000.00; Approving the Issuance of a Promissory Note in the Total Aggregate Principal Amount of Not To Exceed \$4,000,000.00, 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 Lease Agreement, as Amended; Ratifying, Confirming, and Approving a Sales Tax Agreement By and Between the City and the Borrower Pertaining to a Year-to-Year Pledge of Certain Sales Tax Revenue; Approving Various Covenants; Approving and Authorizing Payment of Fees and Expenses; and Containing Other Provisions Relating Thereto

ADJOURNMENT

CERTIFICATE

This is to certify that in conformity with the Oklahoma Open Meeting Act, public notice of the date, time and place of this meeting was filed with the City Clerk of Durant prior to 1:00 p.m. on Thursday, June 13, 2019 and that an agenda of said meeting was posted at the place of such meeting at 10:54 a.m. on the 14th day of June, 2019.

Cynthia J. Price, City of Durant



The City of Durant

Office of City Clerk

Memorandum

Date: 6/13/2019
To: Utilities Authority Special Called Meeting
From: Greg Buckley, Assistant City Manager
Re: Consider and Take Action With Respect to Resolution 2019-17 of The Durant City Utilities Authority (the "Borrower") Approving and Authorizing a Clean Water SRF Loan from the Oklahoma Water Resources Board in the Total Aggregate Principal Amount of Not To Exceed \$4,000,000.00; Approving the Issuance of a Promissory Note in the Total Aggregate Principal Amount of Not To Exceed \$4,000,000.00, 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 Lease Agreement, as Amended; Ratifying, Confirming, and Approving a Sales Tax Agreement By and Between the City and the Borrower Pertaining to a Year-to-Year Pledge of Certain Sales Tax Revenue; Approving Various Covenants; Approving and Authorizing Payment of Fees and Expenses; and Containing Other Provisions Relating Thereto

Council Information / Action Requested

Approval of Resolution 2019-17

City Staff Information / Action Follow-up, if Council authorizes this action:

ATTACHMENTS:

Description	Type	Upload Date
Resolution 2019-17	Exhibit	6/13/2019

PURSUANT TO THE LEGAL NOTICE AS IS REQUIRED BY THE OKLAHOMA OPEN MEETING ACT INCLUDING THE POSTING OF NOTICE AND AGENDA AS IS REQUIRED BY THE TERMS THEREOF, THE BOARD OF TRUSTEES OF THE DURANT CITY UTILITIES AUTHORITY, DURANT, OKLAHOMA, MET IN SPECIAL SESSION IN THE ROSCOE J. HATFIELD COUNCIL CHAMBERS AT CITY HALL, 300 WEST EVERGREEN, DURANT, OKLAHOMA 74701, ON THE 17TH DAY OF JUNE, 2019, AT 1:00 O'CLOCK P. M.

PRESENT:

ABSENT:

(OTHER PROCEEDINGS)

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 so approved is as follows:

RESOLUTION NO. 2019-17

A RESOLUTION OF THE DURANT CITY UTILITIES AUTHORITY (THE "BORROWER") APPROVING AND AUTHORIZING A CLEAN WATER SRF LOAN FROM THE OKLAHOMA WATER RESOURCES BOARD IN THE TOTAL AGGREGATE PRINCIPAL AMOUNT OF NOT TO EXCEED \$4,000,000.00; APPROVING THE ISSUANCE OF A PROMISSORY NOTE IN THE TOTAL AGGREGATE PRINCIPAL AMOUNT OF NOT TO EXCEED \$4,000,000.00, 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 LEASE AGREEMENT, AS AMENDED; RATIFYING, CONFIRMING, AND APPROVING A SALES TAX AGREEMENT BY AND BETWEEN THE CITY AND THE BORROWER PERTAINING TO A YEAR-TO-YEAR PLEDGE OF CERTAIN SALES TAX

REVENUE; APPROVING VARIOUS COVENANTS; APPROVING AND AUTHORIZING PAYMENT OF FEES AND EXPENSES; AND CONTAINING OTHER PROVISIONS RELATING THERETO.

WHEREAS, The Durant City Utilities Authority, Bryan 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 Durant, Oklahoma (the "City"); and

WHEREAS, the Borrower is authorized and has determined to install an automated meter reading system (the "Project") in order to better serve the customers of said Borrower 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 not to exceed \$4,000,000.00; 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 2019 Clean Water SRF Promissory Note to Oklahoma Water Resources Board in the original principal amount of not to exceed \$4,000,000.00 (the "Note"), said Note being secured by a lien on the revenues derived from the water and sanitary sewer systems (hereinafter collectively, the "System") and a lien on the proceeds of a three percent (3.0%) sales tax (referred to herein as the "Sales Tax Revenue"); provided, said pledge and lien shall be on a parity in all respects with the Borrower's (i) Series 2003A Clean Water SRF Promissory Note to Oklahoma Water Resources Board dated March 25, 2003, issued in the original principal amount of \$4,127,523.64; (ii) Series 2004A Clean Water SRF Promissory Note to Oklahoma Water Resources Board dated April 16, 2004, issued in the original principal amount of \$2,131,976.36; (iii) Utility System and Sales Tax Revenue Note, Series 2007 dated August 28, 2007, issued in the original principal amount of \$5,610,000.00; (iv) Utility System and Sales Tax Revenue Note, Series 2009A dated September 14, 2009, issued in the original principal amount of \$6,000,000.00; (v) Utility System and Sales Tax Revenue Note, Series 2009B dated September 30, 2009, issued in the original principal amount of \$2,000,000.00; (vi) Utility System and Sales Tax Revenue Note, Series 2010 dated November 17, 2010, issued in the original principal amount of \$6,000,000.00; (vii) Utility System and Sales Tax Revenue Note, Series 2012A dated December 20, 2012, issued in the original principal amount of \$7,500,000.00; and (viii) Utility System and Sales Tax Revenue Note, Series 2013 dated July 24, 2013, issued in the original principal amount of \$3,805,000.00 (collectively, the "Existing Indebtedness"); 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 DURANT CITY UTILITIES AUTHORITY, BRYAN 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 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 \$4,000,000.00, and the rate of interest on the Note shall be a fixed rate of interest of not to exceed three and one-half percent (3.50%) per annum inclusive of administrative fees of one half of one percent (1/2%). The Chairman or Vice Chairman is hereby authorized to execute a certificate of determination establishing the interest rate with respect to the Note.

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 (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 First United Bank and Trust Company, Durant, 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 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. Lease Agreement. The Lease dated May 21, 1956, but to be effective as of May 10, 1956, as amended by the Supplement to Lease dated August 29, 1966, but to be effective as of June 14, 1966, and as further amended by the Second Supplement to Lease dated March 20, 1991, all by and between the City and the Borrower (collectively, the "Lease Agreement"), whereby the City leases unto the Borrower its water, sanitary sewer, and garbage systems, is hereby ratified and confirmed, and the term of said Lease shall extend until the Note is paid.

Section 6. Sales Tax Agreement. The Sales Tax Agreement dated as of September 1, 2006, by and between the City and the Borrower (the "Sales Tax Agreement"), which Sales Tax Agreement pertains to a year-to-year pledge of certain Sales Tax revenue as security for the Note, is hereby ratified and confirmed.

Section 7. 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 Loan Agreement, which covenants are incorporated herein in their entirety.

Section 8. 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 set forth on Exhibit "A" hereto, together with such other fees and expenses as will be set forth on the Borrower's Closing Order to be executed in connection with the closing of the financing referenced herein.

Section 9. 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 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 transactions 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 17TH DAY OF JUNE, 2019.

THE DURANT CITY UTILITIES AUTHORITY

Chairman

ATTEST:

Secretary

(SEAL)

STATE OF OKLAHOMA)
)SS
COUNTY OF BRYAN)

I, the undersigned, Secretary of The Durant City Utilities Authority, Bryan 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 17TH DAY OF JUNE, 2019.

(SEAL)

Secretary

EXHIBIT "A"

Fees and Expenses Paid at Closing

The Public Finance Law Group PLLC		
Legal Fee and Reimbursement of Expenses	0.75% of the principal amount of the Note	
BOK Financial Securities, Inc.		
Financial Advisory Fee and Expenses	0.50% of the principal amount of the Note	
First United Bank and Trust Company,		
Trustee Bank Acceptance Fee		\$500.00