



City of Lawton

Lawton Water Authority

Agenda

Lawton City Hall
212 SW 9th Street
Lawton, Oklahoma
73501-3944

Tuesday, May 16, 2023

1:00 PM

Lawton City Hall

"Official action can be taken only on items which appear on the agenda. The Council may adopt, approve, ratify, deny, defer, recommend, amend, strike, or continue any agenda item. When more information is needed to act on an item, the Council may refer the matter to the City Manager or the City Attorney. The Council may also refer items to standing committees of the Council or a board, commission, or authority for additional study. Under certain circumstances, items are deferred to a specific later date or stricken from the agenda entirely."

Call To Order

Roll Call

Business

1. Consider and take action with respect to a resolution of the Lawton Water Authority (the "Borrower") agreeing to file application with the Oklahoma Water Resources Board (the "Board") for financial assistance through the Clean Water State Revolving fund loan program, with the loan proceeds being for the purpose of financing certain sewer system rehabilitation; approving and authorizing a Clean Water SRF loan from the Oklahoma Water Resources Board in the total aggregate principal amount of not to exceed \$80 million (the Loan 1, FY24 \$30 million, the Loan 2, FY25 \$25 million, and the Loan 3, FY26 \$25 million); approving the issuance of a promissory note or notes in one or more series in the total aggregate principal amount of not to exceed \$80 million, secured by a pledge of revenues from the 2019 Propel CIP ½ percent Water/Wastewater sales tax and other revenues and authorizing its execution; approving and authorizing the execution of a loan agreement for Clean Water SRF loans; 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 pertaining to certain water, sanitary sewer, and refuse systems; approving various covenants; approving and authorizing the establishment of a project costs disbursement account; and containing other provisions relating thereto.

[23-447](#)

Attachments: [Resolution 23-](#)

2. Consider and take action with respect to a resolution of the Lawton Water Authority (the “Borrower”) agreeing to file application with the Department of Environmental Quality from the Oklahoma Water Resources Board (the “Board”) for financial assistance through the drinking water state revolving (DWSRF) fund loan program, with the loan proceeds being for the purpose of financing certain water system rehabilitation; approving and authorizing a drinking water SRF loan from the Oklahoma Water Resources Board in the total aggregate principal amount of not to exceed \$80 million (the Loan 1, FY24 \$30 million, the Loan 2, FY25 \$25 million, and the Loan 3, FY26 \$25 million); approving the issuance of a promissory note or notes in one or more series in the total aggregate principal amount of not to exceed \$80 million (the note 1 FY24 for \$30 million, note 2 FY25 for \$25 million, and note 3 FY26 for \$25 million);, secured by a pledge of revenues and authorizing its execution; approving and authorizing the execution of a loan agreement for Drinking 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 pertaining to certain water, sanitary sewer, and refuse systems; approving various covenants; approving and authorizing the establishment of a project costs disbursement account; and containing other provisions relating thereto. [23-448](#)

Attachments: [Resolution 23-](#)

3. Consider and take action with respect to a resolution of the Lawton Water Authority (the “Borrower”) agreeing to file application the Oklahoma Water Resources Board (the “Board”) for financial assistance through Financial Assistant Program (FAP) loan program, with the loan proceeds being for the purpose of financing certain water system improvements (Alternate Water Supply Projects); approving and authorizing a Financial Assistant Program (FAP) loan from the Oklahoma Water Resources Board in the total aggregate principal amount of not to exceed \$50 million; approving the issuance of a promissory note or notes in one or more series in the total aggregate principal amount of not to exceed \$50 million;; secured by a pledge of revenues and authorizing its execution; approving and authorizing the execution of a loan agreement for Financing Assistant program (FAP) 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 pertaining to certain water, sanitary sewer, and refuse systems; approving various covenants; approving and authorizing the establishment of a project costs disbursement account; and containing other provisions relating thereto. [23-449](#)

Attachments: [Resolution 23-](#)

Adjournment

"The City of Lawton encourages participation from all of its citizens. If participation at any public meeting is not possible due to a disability, notification to the City Clerk at (580) 581-3305 at least 48 hours prior to the scheduled meeting is encouraged to make the necessary accommodations. The City may waive the 48-hour rule if interpreters for the deaf (signing) is not the necessary accommodation."



City of Lawton

Lawton City Hall
212 SW 9th Street
Lawton, Oklahoma
73501-3944

Commentary

File #: 23-447

Agenda Date: 5/16/2023

Agenda No: 1.

ITEM TITLE:

Consider and take action with respect to a resolution of the Lawton Water Authority (the “Borrower”) agreeing to file application with the Oklahoma Water Resources Board (the “Board”) for financial assistance through the Clean Water State Revolving fund loan program, with the loan proceeds being for the purpose of financing certain sewer system rehabilitation; approving and authorizing a Clean Water SRF loan from the Oklahoma Water Resources Board in the total aggregate principal amount of not to exceed \$80 million (the Loan 1, FY24 \$30 million, the Loan 2, FY25 \$25 million, and the Loan 3, FY26 \$25 million); approving the issuance of a promissory note or notes in one or more series in the total aggregate principal amount of not to exceed \$80 million, secured by a pledge of revenues from the 2019 Propel CIP ½ percent Water/Wastewater sales tax and other revenues and authorizing its execution; approving and authorizing the execution of a loan agreement for Clean Water SRF loans; 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 pertaining to certain water, sanitary sewer, and refuse systems; approving various covenants; approving and authorizing the establishment of a project costs disbursement account; and containing other provisions relating thereto.

INITIATOR: Rusty Whisenhunt, Director of Public Utilities

STAFF INFORMATION SOURCE: Tim Wilson, Acting City Attorney; Joe Dunham, Finance Director; Rusty Whisenhunt, Director of Public Utilities

BACKGROUND: On March 28, 2023 the City Council received a condition update on the Water and Wastewater System. A plan was presented for the rehabilitation of both the water system and sewer system. The plan outlined the use of the non-expiring ½ percent Water and Wastewater 2019 Propel CIP funds to repay the financing of the proposed rehabilitation. The proposal was to spend \$80 Million on water line replacement and \$80 Million on sewer main line each over the next 8 years. The multiple loans will provide the Lawton Water Authority the potential opportunity to receive up to \$1 Million Dollar debt forgiveness for each loan. The City Council directed staff to prepare necessary documents to obtain the loans to support the two Rehabilitation programs and issue RFQs to select multiple Engineering Firms to do the required design work to meet the 8-year schedule. On April 3, 2023, the RFQ were sent out to ten firms for Engineering Services with a submission date of May 2, 2023 by 4pm. The resolution will authorize the filing of programmatic applications for sewer line improvements with Oklahoma Water Resources Board (OWRB) and authorize the execution of the loan agreement for multiple notes or notes in one or more series with a total aggregate principal amount of not to exceed \$80 Million,

EXHIBIT: Resolution No. 2023-____ ,

KEY ISSUES: Does the Lawton Water Authority wish to enter into multiple notes or notes in one or more series to finance sewer system rehabilitation to pay be paid back over 30 years using the 2019 Propel CIP ½ percent Water/Wastewater sales tax proceeds?

FUNDING SOURCE: 2019 Propel CIP Water / Wastewater ½ percent sales tax proceeds as repayment method.

STAFF RECOMMENDED COUNCIL ACTION: Adopt Resolution No. 2023-____

THE BOARD OF TRUSTEES OF THE LAWTON WATER AUTHORITY, MET IN SPECIAL SESSION IN CITY HALL, IN LAWTON, OKLAHOMA, ON THE 16th DAY OF MAY 2023, AT 2:00 P. M.

PRESENT:

ABSENT:

Thereupon, the Chairman introduced a Resolution which was read. 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 LAWTON WATER AUTHORITY (THE “BORROWER”) AGREEING TO FILE APPLICATION WITH THE OKLAHOMA WATER RESOURCES BOARD (THE “BOARD”) FOR FINANCIAL ASSISTANCE THROUGH THE CLEAN WATER STATE REVOLVING FUND LOAN PROGRAM, WITH THE LOAN PROCEEDS BEING FOR THE PURPOSE OF FINANCING CERTAIN WATER AND WASTEWATER SYSTEM IMPROVEMENTS; APPROVING AND AUTHORIZING A CLEAN WATER SRF LOAN FROM THE OKLAHOMA WATER RESOURCES BOARD IN THE TOTAL AGGREGATE PRINCIPAL AMOUNT OF NOT TO EXCEED \$80,000,000; APPROVING THE ISSUANCE OF A PROMISSORY NOTE OR NOTES IN ONE OR MORE SERIES IN THE TOTAL AGGREGATE PRINCIPAL AMOUNT OF NOT TO EXCEED \$80,000,000; 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 PERTAINING TO CERTAIN WATER, SANITARY SEWER, STORMWATER, AND SOLID WASTE DISPOSAL SYSTEMS; APPROVING VARIOUS COVENANTS; APPROVING AND AUTHORIZING THE ESTABLISHMENT OF A PROJECT COSTS DISBURSEMENT ACCOUNT; AND CONTAINING OTHER PROVISIONS RELATING THERETO.

WHEREAS, the Lawton Water Authority, Comanche 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 Lawton, Oklahoma (the “City”); and

WHEREAS, the Borrower has under consideration the financing of certain costs related to improvements to the water and wastewater collection and treatment-system serving the City (the “Project”); and

WHEREAS, the Oklahoma Water Resources Board has made monies available to qualified entities for the financing of certain qualifying projects; and

WHEREAS, the Borrower has determined to file an application(s) with the Oklahoma Water Resources Board (the “Board”) to borrow money from the Board for the purpose of funding the costs of the Project, and to evidence such loan by the issuance of the Borrower’s Clean Water SRF Promissory Note or Notes in one or more series to Oklahoma Water Resources Board in the total aggregate principal amount of not to exceed \$80,000,000 (the “Note”), said Note being secured by a pledge of revenue derived from the Borrower’s Capital Improvement 2019 Propel C.I.P Water/Wastewater sales tax; 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 LAWTON WATER AUTHORITY, COMANCHE COUNTY, OKLAHOMA:

Section 1. Application. The Borrower shall file an Application(s) with the Oklahoma Water Resources Board seeking financial assistance through the State Loan Program; 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), if any.

Section 2. 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 2019 Propel C.I.P ½ percent Water/Wastewater sales taxes funds. 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 total aggregate principal amount of the Note shall not exceed \$80,000,000, and the rate of interest on the Note shall be a fixed rate of interest of not to exceed four percent (4%) 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 principal amount and interest rate with respect to the Note.

Section 3. 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 4. Designation of Local Trustee and Execution of Trust Agreement. The Borrower hereby designates BOKF, NA, 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 5. 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 6. Lease. The Lease Agreement dated as of November 1, 1968, as amended by an Amendment to Lease Agreement dated as of July 12, 1988, as further amended by an Amendment No. 2 to Lease Agreement dated October 14, 1997, and as further amended by a Third Amendment to Lease Agreement dated March 13, 2001 (collectively, the “Lease Agreement”), whereby the City leased its water, sanitary sewer, stormwater, and solid waste disposal systems to the Borrower and whereby the Borrower agreed to operate and maintain said systems, is hereby ratified and confirmed and the term of said Lease Agreement shall extend until the Note is paid.

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 Security Agreement and 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 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 16th DAY OF MAY 2023.

LAWTON WATER AUTHORITY

Chairman

ATTEST:

Secretary

(SEAL)

STATE OF OKLAHOMA)
)SS
COUNTY OF COMANCHE)

I, the undersigned, Secretary of the Lawton Water Authority, Comanche 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 16th DAY OF MAY 2023.

(SEAL)

Secretary



City of Lawton

Lawton City Hall
212 SW 9th Street
Lawton, Oklahoma
73501-3944

Commentary

File #: 23-448

Agenda Date: 5/16/2023

Agenda No: 2.

ITEM TITLE:

Consider and take action with respect to a resolution of the Lawton Water Authority (the “Borrower”) agreeing to file application with the Department of Environmental Quality from the Oklahoma Water Resources Board (the “Board”) for financial assistance through the drinking water state revolving (DWSRF) fund loan program, with the loan proceeds being for the purpose of financing certain water system rehabilitation; approving and authorizing a drinking water SRF loan from the Oklahoma Water Resources Board in the total aggregate principal amount of not to exceed \$80 million (the Loan 1, FY24 \$30 million, the Loan 2, FY25 \$25 million, and the Loan 3, FY26 \$25 million); approving the issuance of a promissory note or notes in one or more series in the total aggregate principal amount of not to exceed \$80 million (the note 1 FY24 for \$30 million, note 2 FY25 for \$25 million, and note 3 FY26 for \$25 million);, secured by a pledge of revenues and authorizing its execution; approving and authorizing the execution of a loan agreement for Drinking 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 pertaining to certain water, sanitary sewer, and refuse systems; approving various covenants; approving and authorizing the establishment of a project costs disbursement account; and containing other provisions relating thereto.

INITIATOR: Rusty Whisenhunt, Director of Public Utilities

STAFF INFORMATION SOURCE: Tim Wilson Acting City Attorney; Joe Dunham, Finance Director; Rusty Whisenhunt, Director of Public Utilities

BACKGROUND: On March 28,2023 the City Council received a condition update on the Water and Wastewater System. A plan was presented for the rehabilitation of both the water system and sewer system. The plan outlined the use the non-expiring ½ percent Water and Wastewater 2019 Propel CIP funds to repay the financing of the proposed rehabilitation The proposal was to spend \$80 Million on water line replacement and \$80 Million on sewer main line each over the next 8 years. The multiple loans will provide the Lawton Water Authority the potential opportunity to receive up to \$1 Million Dollar debt forgiveness for each loan. The City Council directed staff to prepare necessary documents to obtain the loans to support the two Rehabilitation programs and issue RFQs to select multiple Engineering Firms to do the required design work to meet the 8-year schedule. On April 3, 2023, the RFQs were sent out to ten firms for Engineering Services with a submission date of May 2,2023 by 4pm. The resolution will authorize the filing of programmatic applications for water line improvements with Oklahoma Department of Environmental Quality for DWSRF from Oklahoma Water Resources Board (OWRB) and authorize the execution of the loan agreement for multiple notes in one or more series aggregate principal amount of not to exceed \$80 Million

EXHIBIT: Resolution No. 2023-____ ,

KEY ISSUES: Does the Lawton Water Authority wish to enter into multiple notes in one or more series to finance water system rehabilitation to be paid back over 30 years using the 2019 Propel CIP ½ percent Water/Wastewater sales tax proceeds?

FUNDING SOURCE: 2019 Propel CIP Water / Wastewater ½ percent sales tax proceeds’ as repayment method.

STAFF RECOMMENDED COUNCIL ACTION: Adopt Resolution No. 2023-____

THE BOARD OF TRUSTEES OF THE LAWTON WATER AUTHORITY, MET IN SPECIAL SESSION IN CITY HALL, IN LAWTON, OKLAHOMA, ON THE 16th DAY OF MAY 2023, AT 2:00 P. M.

PRESENT:

ABSENT:

Thereupon, the Chairman introduced a Resolution which was read. 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 LAWTON WATER AUTHORITY (THE "BORROWER") AGREEING TO FILE APPLICATION WITH THE OKLAHOMA DEPARTMENT OF ENVIRONMENTAL QUALITY FROM THE OKLAHOMA WATER RESOURCES BOARD (THE "BOARD") FOR FINANCIAL ASSISTANCE THROUGH THE DRINKING WATER STATE REVOLVING FUND LOAN PROGRAM, WITH THE LOAN PROCEEDS BEING FOR THE PURPOSE OF FINANCING CERTAIN WATER SYSTEM IMPROVEMENTS; APPROVING AND AUTHORIZING A DRINKING WATER SRF LOAN FROM THE OKLAHOMA DEPARTMENT OF ENVIRONMENTAL QUALITY THROUGH THE OKLAHOMA WATER RESOURCES BOARD IN THE TOTAL AGGREGATE PRINCIPAL AMOUNT OF NOT TO EXCEED \$80,000,000; APPROVING THE ISSUANCE OF A PROMISSORY NOTE OR NOTES IN ONE OR MORE SERIES IN THE TOTAL AGGREGATE PRINCIPAL AMOUNT OF NOT TO EXCEED \$80,000,000, SECURED BY A PLEDGE OF REVENUES AND AUTHORIZING ITS EXECUTION; APPROVING AND AUTHORIZING THE EXECUTION OF A LOAN AGREEMENT FOR DRINKING 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 PERTAINING TO CERTAIN WATER, SANITARY SEWER, STORMWATER, AND SOLID WASTE DISPOSAL SYSTEMS; APPROVING VARIOUS COVENANTS; APPROVING AND AUTHORIZING THE ESTABLISHMENT OF A PROJECT COSTS DISBURSEMENT ACCOUNT; AND CONTAINING OTHER PROVISIONS

RELATING THERETO.

WHEREAS, the Lawton Water Authority, Comanche 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 Lawton, Oklahoma (the “City”); and

WHEREAS, the Borrower has under consideration the financing of certain costs related to improvements to the water treatment-systems serving the City (the “Project”); and

WHEREAS, the Oklahoma Department of Environmental Quality has made monies available to qualified entities for the financing of certain qualifying projects; and

WHEREAS, the Borrower has determined to file an application(s) with the Oklahoma Department of Environmental Quality from the Oklahoma Water Resources Board (the “Board”) to borrow money from the Board for the purpose of funding the costs of the Project, and to evidence such loan by the issuance of the Borrower’s Drinking Water SRF Promissory Note or Notes in one or more series to Oklahoma Water Resources Board in the total aggregate principal amount of not to exceed \$80,000,000 (the “Note”), said Note being secured by a pledge of revenue derived from the Borrower’s Capital Improvement 2019 Propel C.I.P ½ percent Water/Wastewater sales taxes funds; 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 LAWTON WATER AUTHORITY, COMANCHE COUNTY, OKLAHOMA:

Section 1. Application. The Borrower shall file an Application(s) with the Oklahoma Department of Environmental Quality from the Oklahoma Water Resources Board seeking financial assistance through the State Loan Program; 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 Oklahoma Department of Environmental Quality from the to the Oklahoma Water Resources Board the necessary application fees in connection with the referenced Application(s), if any.

Section 2. 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 2019 Propel C.I.P ½ percent Water/Wastewater sales taxes funds. operation of the System. 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 not exceed \$80,000,000, and the rate of interest on the Note shall be a fixed rate of interest of not to exceed **four and one quarter percent (4.25%)** 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 principal amount and interest rate with respect to the Note.

Section 3. Execution of Loan Agreement for Drinking Water SRF Loan. The Loan Agreement for Drinking 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 4. Designation of Local Trustee and Execution of Trust Agreement. The Borrower hereby designates BOKF, NA, 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 5. 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 6. Lease. The Lease Agreement dated as of November 1, 1968, as amended by an Amendment to Lease Agreement dated as of July 12, 1988, as further amended by an Amendment No. 2 to Lease Agreement dated October 14, 1997, and as further amended by a Third Amendment to Lease Agreement dated March 13, 2001 (collectively, the “Lease Agreement”), whereby the City leased its water, sanitary sewer, stormwater, and solid waste disposal systems to the Borrower and whereby the Borrower agreed to operate and maintain said systems, is hereby ratified and confirmed and the term of said Lease Agreement shall extend until the Note is paid.

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 Security Agreement and 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 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.

[Remainder of Page
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ADOPTED AND APPROVED THIS 16th DAY OF MAY 2023.

LAWTON WATER AUTHORITY

Chairman

ATTEST:

Secretary

(SEAL)

STATE OF OKLAHOMA)
)SS
COUNTY OF COMANCHE)

I, the undersigned, Secretary of the Lawton Water Authority, Comanche 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 16th DAY OF MAY 2023.

(SEAL)

Secretary



City of Lawton

Lawton City Hall
212 SW 9th Street
Lawton, Oklahoma
73501-3944

Commentary

File #: 23-449

Agenda Date: 5/16/2023

Agenda No: 3.

ITEM TITLE:

Consider and take action with respect to a resolution of the Lawton Water Authority (the “Borrower”) agreeing to file application the Oklahoma Water Resources Board (the “Board”) for financial assistance through Financial Assistant Program (FAP) loan program, with the loan proceeds being for the purpose of financing certain water system improvements (Alternate Water Supply Projects); approving and authorizing a Financial Assistant Program (FAP) loan from the Oklahoma Water Resources Board in the total aggregate principal amount of not to exceed \$50 million; approving the issuance of a promissory note or notes in one or more series in the total aggregate principal amount of not to exceed \$50 million; secured by a pledge of revenues and authorizing its execution; approving and authorizing the execution of a loan agreement for Financing Assistant program (FAP) 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 pertaining to certain water, sanitary sewer, and refuse systems; approving various covenants; approving and authorizing the establishment of a project costs disbursement account; and containing other provisions relating thereto.

INITIATOR: Rusty Whisenhunt, Director of Public Utilities

STAFF INFORMATION SOURCE: Tim Wilson, Acting City Attorney; Joe Dunham, Finance Director; Rusty Whisenhunt, Director of Public Utilities

BACKGROUND: On December 9, 2014, the City Council approved a contract for a feasibility study for development of an Alternative Water Supply study and report. The Alternate Water supply method identified to supplement water availability during drought conditions was identified as ground wells from the Arbuckle Timbers Aquifer. The consultant design engineer has completed the design Groundwater Supply Well Installation Project PU2301. On March 28, 2023 the City Council received a condition update on the Alternate Water Supply. A plan was presented for the construction of Groundwater Supply Well Installation, Conveyance System and Treatment Plant upgrades. Approval and authorization to advertise drilling up to 7 test hole and 4 production wells as need to obtain the minimum 5MGD supply was given by City Council on April 11, 2023. The funding for was approved thru the 2019 Propel CIP and will be used to repay the financing of the Alternate Water Supply System. The proposal was to spend \$50 Million on the construction of well houses, conveyance system and treatment process to obtain the minimum 5MGD additional water supply. The resolution will authorize the filing of programmatic applications for alternate water supply for Financial Assistant Program (FAP) from Oklahoma Water Resources Board (OWRB) and authorize the execution of the loan agreement for note or notes in one or more series with the total aggregate principal amount of not to exceed \$50 Million.

EXHIBIT: Resolution No. 2023-_____

KEY ISSUES: Does the Lawton Water Authority wish to enter into a note or notes in one or more series to finance Alternate Water Supply Thru FAP from OWRB to be paid back using the 2019 Propel CIP Propel sales tax proceeds?

FUNDING SOURCE: 2014-10 Water Reuse Feasibility Study Project Account (094-0097-000-00-03321106), 2019 CIP Propel, Lawton/Fort Sill Water Resiliency Funds from Oklahoma Commerce Department.

STAFF RECOMMENDED COUNCIL ACTION: Adopt Resolution No. 2023-_____

THE BOARD OF TRUSTEES OF THE LAWTON WATER AUTHORITY, MET IN SPECIAL SESSION IN CITY HALL, IN LAWTON, OKLAHOMA, ON THE 16th DAY OF MAY 2023, AT 2:00 P. M.

PRESENT:

ABSENT:

Thereupon, the Chairman introduced a Resolution which was read. 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 LAWTON WATER AUTHORITY (THE “BORROWER”) AGREEING TO FILE APPLICATION WITH THE OKLAHOMA WATER RESOURCES BOARD (THE “BOARD”) FOR FINANCIAL ASSISTANCE THROUGH THE FINANCIAL ASSISTANT PROGRAM (FAP) FUND LOAN PROGRAM, WITH THE LOAN PROCEEDS BEING FOR THE PURPOSE OF FINANCING CERTAIN ALTERNATE WATER SUPPLY; APPROVING AND AUTHORIZING A FINANCIAL ASSISTANT PROGRAM LOAN FROM THE OKLAHOMA WATER RESOURCES BOARD IN THE TOTAL AGGREGATE PRINCIPAL AMOUNT OF NOT TO EXCEED \$50,000,000; APPROVING THE ISSUANCE OF A PROMISSORY NOTE OR NOTES IN ONE OR MORE SERIES IN THE TOTAL AGGREGATE PRINCIPAL AMOUNT OF NOT TO EXCEED \$50,000,000, SECURED BY A PLEDGE OF REVENUES AND AUTHORIZING ITS EXECUTION; APPROVING AND AUTHORIZING THE EXECUTION OF A LOAN AGREEMENT FOR FINANCIAL ASSISTANT PROGRAM 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 PERTAINING TO CERTAIN WATER, SANITARY SEWER, STORMWATER, AND SOLID WASTE DISPOSAL SYSTEMS; APPROVING VARIOUS COVENANTS; APPROVING AND AUTHORIZING THE ESTABLISHMENT OF A PROJECT COSTS DISBURSEMENT ACCOUNT; AND CONTAINING OTHER PROVISIONS RELATING THERETO.

WHEREAS, the Lawton Water Authority, Comanche 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 Lawton, Oklahoma (the “City”); and

WHEREAS, the Borrower has under consideration the financing of certain costs related to improvements to the water and wastewater collection and treatment-system serving the City (the “Project”); and

WHEREAS, the Oklahoma Water Resources Board has made monies available to qualified entities for the financing of certain qualifying projects; and

WHEREAS, the Borrower has determined to file an application(s) with the Oklahoma Water Resources Board (the “Board”) to borrow money from the Board for the purpose of funding the costs of the Project, and to evidence such loan by the issuance of the Borrower’s Financial Assistant Program Promissory Note or Notes in one or more series to Oklahoma Water Resources Board in the total aggregate principal amount of not to exceed \$50,000,000 (the “Note”), said Note being secured by a pledge of revenue derived from the Borrower’s Capital Improvement 2019 Propel C.I.P sales taxes funds; 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 LAWTON WATER AUTHORITY, COMANCHE COUNTY, OKLAHOMA:

Section 1. Application. The Borrower shall file an Application(s) with the Oklahoma Water Resources Board seeking financial assistance through the State Loan Program; 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), if any.

Section 2. 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 2019 Propel C.I.P sales taxes funds. 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 not exceed \$50,000,000, and the rate of interest on the Note shall be a fixed rate of interest of not to exceed five percent (5%) 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 principal amount and interest rate with respect to the Note.

Section 3. Execution of Loan Agreement for Financial Assistant Program Loan. The Loan Agreement for Financial Assistant Program 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 4. Designation of Local Trustee and Execution of Trust Agreement. The Borrower hereby designates BOKF, NA, 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 5. 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 6. Lease. The Lease Agreement dated as of November 1, 1968, as amended by an Amendment to Lease Agreement dated as of July 12, 1988, as further amended by an Amendment No. 2 to Lease Agreement dated October 14, 1997, and as further amended by a Third Amendment to Lease Agreement dated March 13, 2001 (collectively, the “Lease Agreement”), whereby the City leased its water, sanitary sewer, stormwater, and solid waste disposal systems to the Borrower and whereby the Borrower agreed to operate and maintain said systems, is hereby ratified and confirmed and the term of said Lease Agreement shall extend until the Note is paid.

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 Security Agreement and 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 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.

[Remainder of Page
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ADOPTED AND APPROVED THIS 16th DAY OF MAY 2023.

LAWTON WATER AUTHORITY

Chairman

ATTEST:

Secretary

(SEAL)

STATE OF OKLAHOMA)
)SS
COUNTY OF COMANCHE)

I, the undersigned, Secretary of the Lawton Water Authority, Comanche 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 16th DAY OF MAY 2023.

(SEAL)

Secretary