

Minutes

THE BOARD OF TRUSTEES OF THE TUTTLE PUBLIC WORKS AUTHORITY MET IN SPECIAL SESSION ON **SEPTEMBER 27, 2021 AT 6:00 P.M.** IN THE TUTTLE CITY HALL BUILDING LOCATED AT 221 W. MAIN STREET

MEMBERS PRESENT: SCOTT DICKSON, TODD LITTLETON, AUSTIN HUGHES, MARY SMITH AND AARON MCLEROY

MEMBERS ABSENT: NONE

STAFF PRESENT: TIM YOUNG, DAVID PERRYMAN, WENDY MARBLE, DON CLUCK, AARON SLATTERY, RYAN ALLEN AND SEAN FAIRBAIRN.

OTHERS PRESENT: LESLIE WALKER, BEN OGLESBY AND NATE ELLIS.

CALL TO ORDER Mayor McLeroy called the meeting to order at 6:00 p.m.

ROLL CALL Marble called roll and declared a quorum present

ORDER OF BUSINESS

Young presented Items 1, 2, 3 and 4 are related and can be discussed together.

1. DISCUSSION, CONSIDERATION and POSSIBLE ACTION, including, but not limited to, Approval, Denial, Amendment, Revision or Conditional Approval, in Whole or in Part regarding the relocation of the natural gas line and entry gate on SH-76 in Newcastle
2. DISCUSSION, CONSIDERATION and POSSIBLE ACTION, including, but not limited to, Approval, Denial, Amendment, Revision or Conditional Approval, in Whole or in Part regarding the improvements to the natural gas system
3. DISCUSSION, CONSIDERATION and POSSIBLE ACTION, including, but not limited to, Approval, Denial, Amendment, Revision or Conditional Approval, in Whole or in Part regarding utility rate adjustments for FY 2022
4. CONSIDER AND TAKE ACTION WITH RESPECT TO A RESOLUTION AUTHORIZING THE TUTTLE PUBLIC WORKS AUTHORITY (THE "AUTHORITY") TO ISSUE ITS UTILITY SYSTEM REVENUE NOTE, SERIES 2021 (THE "NOTE") IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT-TO-EXCEED \$2,500,000; WAIVING COMPETITIVE BIDDING AND AUTHORIZING THE NOTE TO BE SOLD ON A NEGOTIATED BASIS; APPROVING AND AUTHORIZING EXECUTION OF A SUPPLEMENTAL NOTE INDENTURE AUTHORIZING THE ISSUANCE AND SECURING THE PAYMENT OF THE NOTE; PROVIDING THAT THE ORGANIZATIONAL DOCUMENT CREATING THE AUTHORITY IS SUBJECT TO THE PROVISIONS OF THE INDENTURE; RATIFYING AND CONFIRMING AN AMENDED LEASE AGREEMENT, AS AMENDED, BY AND BETWEEN THE CITY OF TUTTLE, OKLAHOMA (THE "CITY"); ESTABLISHING THE AUTHORITY'S REASONABLE EXPECTATION WITH RESPECT TO THE ISSUANCE OF TAX-EXEMPT OBLIGATIONS BY THE

AUTHORITY IN CALENDAR YEAR 2021, AND DESIGNATING THE NOTE AS A QUALIFIED TAX-EXEMPT OBLIGATION; AUTHORIZING EXECUTION OF PROFESSIONAL SERVICES AGREEMENTS; AUTHORIZING THE AUTHORITY'S FINANCIAL ADVISOR TO DISTRIBUTE BID PACKAGES TO PROSPECTIVE FINANCIAL INSTITUTIONS IN CONNECTION WITH A PROPOSED UTILITY SYSTEM REVENUE FINANCING; AUTHORIZING AND DIRECTING THE EXECUTION OF THE NOTE AND OTHER DOCUMENTS RELATING TO THE TRANSACTION; AND CONTAINING OTHER PROVISIONS RELATING THERETO.

Young presented Item 4 is refinancing the 2011 Utility note, item 2 and 3 are related to relocating gas line on SH-76 and making improvements. This is not ready for approval as we are in the study and discuss phase only. He stated the City will likely borrow money for this in the future. He stated this is not intended for a decision tonight.

Oglesby passed out the financing information. He stated our current rate is 3.74% and he thinks a 2.0% or less is possible with savings of approximately \$108,000 on the ten-year note. He presented information on refinancing the current loan or adding additional money for gas improvements. He stated the savings are net of the cost issuance.

Perryman presented regarding Item 1, stating gas company not interested in acquiring new customers from the City. We don't have the costs for improvements yet, but the City will need a new gate for access to gas and there are options to decide on for this.

Slattery stated the numbers and projections are being calculated. He stated a new gate on the south end of town will solve some of the problems downtown, but the east side of town will need upsizing. Young stated line bigger than 4 inch will be needed for future growth.

McLeroy asked for customer number on SH-76 and Slattery stated approximately 34 customers. Dickson asked what our obligation to those customers is. Young stated there is no obligation per discussions with the City Attorney. Young stated ONG would want the City to build the line and then they would consider taking those customers. McLeroy requested staff contact City of Newcastle to ask how this is affecting them.

Perryman exited the meeting at 6:14 p.m.

Slattery explained possible tap at Cimarron Road and Rock Creek Road. He stated the largest need is the downtown and the south connection would solve this. McLeroy asked for cost estimate. Slattery stated \$350,00 to \$500,000 and a 6 inch line will have to be contracted out to a vendor. Young stated we also have to look at right-of-way issues.

Slattery stated the line from SH-76 need to be increased to a 6 inch line. Young asked what members thought about refinancing. Smith stated we need to keep options open until we have the information to make a decision. Oglesby stated it would be best to do all of this as one note to include refinancing and gas system improvements. Young stated the additional money may be more than \$1,000,000. Oglesby presented information about the City's debt capacity including a document with a debt service schedule.

Young presented item 3 discussing utility rate adjustments. He presented the suggested rate changes are in accordance with the 5-year plan for a 7.5% increase annually. He stated

he is working on water fees and stated the capital improvement fee has not been increased in 11 years. Members discussed raising CIP fee by \$1. Young stated he will have this ready for the October agenda.

No Action Taken on Items 1 through 4

ANNOUNCEMENTS

ADJOURNMENT

Motion was made by Littleton, seconded by Dickson to adjourn the Tuttle Public Works Authority special meeting at 6:51 p.m. Motion carried as follows:

Aye: Dickson, Littleton, Hughes, Smith and McLeroy

Nay: None

Attest:

TPWA Secretary

Chairman, Aaron McLeroy