

R-2324-119
Resolution

A RESOLUTION OF THE NORMAN UTILITIES AUTHORITY (THE “BORROWER”) APPROVING A LOAN APPLICATION TO THE OKLAHOMA WATER RESOURCES BOARD; DECLARING THE INTENT OF THE BORROWER TO EXPEND CERTAIN FUNDS IN CONNECTION WITH CERTAIN WASTEWATER SYSTEM IMPROVEMENTS WITH SAID EXPENDITURES TO BE REIMBURSED FROM PROCEEDS OF DEBT TO BE INCURRED BY THE BORROWER; APPROVING AND AUTHORIZING A CLEAN WATER SRF LOAN FROM THE OKLAHOMA WATER RESOURCES BOARD IN THE TOTAL AGGREGATE PRINCIPAL AMOUNT OF \$5,000,000; APPROVING THE ISSUANCE OF A PROMISSORY NOTE IN THE TOTAL AGGREGATE PRINCIPAL AMOUNT OF \$5,000,000, 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 AN AMENDED LEASE AGREEMENT WHEREBY THE CITY OF NORMAN, OKLAHOMA LEASED ITS WATER AND SANITARY SEWER SYSTEMS TO THE BORROWER; APPROVING VARIOUS COVENANTS; APPROVING AND AUTHORIZING THE ESTABLISHMENT OF A PROJECT COSTS DISBURSEMENT ACCOUNT; APPROVING PROFESSIONAL SERVICES AGREEMENTS; APPROVING AND AUTHORIZING PAYMENT OF FEES AND EXPENSES; AND CONTAINING OTHER PROVISIONS RELATING THERETO.

WHEREAS, the Norman Utilities Authority, Cleveland County, Oklahoma (the “Borrower”), was organized under Title 60, Oklahoma Statutes 2021, Sections 176-180.4, as amended, for the purpose of furthering the public functions of The City of Norman, Oklahoma (the “City”); and

WHEREAS, the Borrower is authorized and has determined to construct improvements to the water reclamation facility serving the City, including specifically the construction of a dewatering centrifuge, the replacement of a blower, administrative building renovations, and construction of a storage building, all related to the water reclamation facility (collectively, 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 \$5,000,000.00; 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 2024 Clean Water SRF Promissory Note to Oklahoma Water Resources Board in the original principal amount of \$5,000,000.00 (the “2024 Note”), said 2024 Note being secured by a lien on the revenues derived from the water and sanitary sewer systems of the Borrower (collectively the “System”), provided however, that the 2024 Note

is not secured by the capital improvement charge established pursuant to Section 21-107 of the Code of the City or the sewer service maintenance rate established pursuant to Ordinance No. 0001-56 of the City and codified in Section 21-112 of the Code of the City; and

WHEREAS, said pledge of revenue derived from the sale of water is subject to the pledge by the City for the purpose of purchasing water from the Central Oklahoma Master Conservancy District (the “District”) pursuant to a Contract dated September 5, 1961, as amended by a First Amendment to Contract dated as of December 1, 2006, by and among the Borrower, the City, and the District (collectively, the “Conservancy District Contract”); and

WHEREAS, said pledge of revenues derived from the System is on a parity in all respects with the lien securing the Borrower’s (i) Series 2009B Clean Water SRF Promissory Note to Oklahoma Water Resources Board dated August 28, 2009, issued in the original principal amount of \$7,640,000.00; (ii) Series 2014 Clean Water SRF Promissory Note to Oklahoma Water Resources Board dated April 29, 2014, issued in the original principal amount of \$50,300,000.00; (iii) Utility System Revenue Note, Series 2015 dated March 10, 2015, issued in the original principal amount of \$17,505,000.00; (iv) Utility System Revenue Note, Series 2016 dated May 19, 2016, issued in the original principal amount of \$9,380,000.00; (v) Series 2017 Drinking Water SRF Promissory Note to Oklahoma Water Resources Board dated January 31, 2017, issued in the original principal amount of \$31,000,000.00; (vi) Series 2018 Promissory Note to Oklahoma Water Resources Board dated July 18, 2018, issued in the original principal amount of \$12,000,000.00; and (vii) Series 2022 Clean Water SRF Promissory Note to Oklahoma Water Resources Board dated November 4, 2022, issued in the original principal amount of \$15,000,000.00; (collectively, the “Existing Indebtedness”); and

WHEREAS, it is the Borrower’s intent to eventually fund the cost of the Project through the issuance of tax-exempt debt obligations; and

WHEREAS, the Borrower desires to initially fund certain costs pertaining to the Project out of the Borrower’s cash reserves; and

WHEREAS, the Borrower further desires to declare its official intent to reimburse itself with the proceeds of tax-exempt debt incurred by the Borrower, as required by Section 1.150-2 of the Treasury Regulations promulgated pursuant to Sections 103 and 141-150 of the Internal Revenue Code of 1986, as amended; 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 2024 Note.

NOW, THEREFORE, BE IT RESOLVED BY THE TRUSTEES OF THE NORMAN UTILITIES AUTHORITY, CLEVELAND COUNTY, OKLAHOMA:

Section 1. 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 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).

Section 2. Reimbursement. The Borrower intends to initially fund certain capital costs in connection with the Project from the Borrower's funds. The Borrower reasonably expects to reimburse any Borrower funds expended with the proceeds of subsequent debt to be incurred by the Borrower. The Borrower anticipates issuing debt for the Project in one or more series in an aggregate amount not to exceed approximately \$5,000,000.00. Said reimbursement may be funded by one or more debt issuances and may be funded as a component of a larger debt issuance for multiple projects. This Resolution constitutes a declaration of official intent as is required pursuant to Section 1.150-2 of the Treasury Regulations promulgated pursuant to Sections 103 and 141-150 of the Internal Revenue Code of 1986, as amended.

Section 3. Issuance of Note. The Borrower is hereby authorized to accept said loan and issue its 2024 Note payable to the Board and secured by a pledge of revenue derived from the operation of the System, said pledge of revenue being subject and subordinate in all respects to the pledge of revenue in favor of the Conservancy District Contract, and said pledge of revenue being on a parity with the pledge of revenue in favor of the Existing Indebtedness, all as referenced above. The officers of the Borrower are hereby authorized and directed to execute said 2024 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 2024 Note shall be \$5,000,000, and the rate of interest on the 2024 Note shall be a fixed rate of interest not to exceed four percent (4.0%) per annum inclusive of administrative fees of one half of one percent (1/2%), and the maturity of the 2024 Note shall be not later than thirty (30) years following the date the Project is completed. The Chairman or Vice Chairman is authorized to execute a Certificate of Determination establishing the interest rate and preliminary principal payment schedule for the 2024 Note.

Section 4. 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 5. 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 2024 Note. The Trust Agreement by and between the Borrower and the Local Trustee, pertaining to the 2024 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 6. 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 2024 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 7. Covenants of Borrower. Until payment in full of the 2024 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. Lease Agreement. The Amended Lease Agreement and Operation Maintenance Contract dated as of November 1, 1984, by and between the City and the Borrower (the “Lease Agreement”), whereby the City leased to the Borrower its presently existing and hereafter acquired water and sanitary sewer systems and whereby the Borrower agreed to operate and maintain the same, is hereby ratified and confirmed and the term of said Lease Agreement shall extend until the 2024 Note is paid.

Section 9. 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 10. Professional Service Agreement. The Chairman or Vice Chairman and Secretary or Assistant Secretary of the Borrower are hereby authorized and directed on behalf of the Borrower to execute a professional services agreement with The Public Finance Law Group PLLC and the Floyd & Driver, PLLC, as Co-Bond Counsel.

Section 11. 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 13TH DAY OF FEBRUARY, 2024.

NORMAN UTILITIES AUTHORITY

Chairman

ATTEST:

Secretary

(SEAL)

CERTIFICATE
OF
AUTHORITY ACTION

I, the undersigned, hereby certify that I am the duly and acting Secretary of the Norman Utilities Authority.

I further certify that the Trustees of the Norman Utilities Authority held a Regular Meeting at 6:30 o'clock P.M., on February 13, 2024, after due notice was given in full compliance with the Oklahoma Open Meeting Act.

I further certify that attached hereto is a full and complete copy of a Resolution that was passed and approved by said Trustees at said meeting as the same appears in the official records of my office and that said Resolution is currently in effect and has not been repealed or amended as of this date.

I further certify that below is listed those Trustees present and absent at said meeting; those making and seconding the motion that said Resolution be passed and approved, and those voting for and against such motion:

PRESENT:

ABSENT:

MOTION MADE BY:

MOTION SECONDED BY:

AYE:

NAY:

WITNESS MY HAND THIS 13TH DAY OF FEBRUARY, 2024.

NORMAN UTILITIES AUTHORITY

(SEAL)

Secretary

EXHIBIT "A"

Fees and Expenses Paid at Closing

The Public Finance Law Group PLLC	
Legal Fee and Out-of-Pocket Expenses	\$25,000.00
Floyd & Driver, PLLC	
Legal Fee and Out-of-Pocket Expenses	\$22,500.00
Municipal Finance Services, Inc.	
Financial Advisor Fee and Out-of-Pocket Expenses	\$26,500.00
BancFirst	
Trustee Bank Acceptance Fee	\$500.00