



MEMORANDUM

Council Agenda
Item No. X. K
2/25/2025

The City of OKLAHOMA CITY

TO: Mayor and City Council

FROM: Craig Freeman, City Manager

Concurrence with the Oklahoma City Water Utilities Trust in adopting a Resolution authorizing the General Manager or designee and the Financial Advisor to develop and issue a Request for Proposals to solicit quotes from financial institutions for a new tax-exempt bank note program for the purpose of providing interim funding; authorizing the General Manager or designee, General Counsel, Bond Counsel, and the Financial Advisor to negotiate an agreement with the successful proposer; approving Scope of Services Letter and Scope of Services Agreement; authorizing other agreements to the extent deemed necessary for such purposes; and containing other provisions related thereto.

Background:

The 10-year capital improvement program (CIP) (FY2025-2034) estimated cost is approximately \$5.9 billion, with \$2.7 billion of the total 10-year capital plan improvements slated for completion over the next five years. It will be necessary to ensure sufficient capital program financing is available to enable the Oklahoma City Water Utilities Trust (OCWUT) to meet projected water supply needs of central Oklahoma to 2060, meet federal, state, and local regulatory requirements, and maintain capital project schedules.

On January 28, 2025, PFM Financial Advisors LLC, financial advisor for OCWUT, presented financing considerations to increase OCWUT's financing capacity to award capital projects in the 10-year period given the current financial challenges identified in the ability obtain sufficient financing to execute the capital improvement program included capacity limitations of the Commercial Paper Program and compliance with state law related to financial institutions.

The tax-exempt bank draw note program is intended to provide short-term financing capacity for large capital projects which are high construction cost, multi-year construction draw down projects, and have a blended financial life longer than 30 years.

Staff recommends adoption and is available to answer questions.

Review:

Utilities

Recommendation: Concur with the Oklahoma City Water Utilities Trust in adopting the Resolution.