



MEMORANDUM

Council Agenda
Item No. X. W
4/9/2024

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, to proceed with the development of the financing plan for certain improvements of the Oklahoma City Water Utilities Trust and the refunding of certain outstanding obligations of the Oklahoma City Water Utilities Trust, including preparation of a preliminary official statement and solicitation of ratings; ratifying and confirming the actions of the General Manager in distributing a solicitation of underwriters from the pool of prequalified underwriters for the issuance of utility system revenue refunding and improvement bonds in one or more series; ratifying and affirming professional services agreements related to bond and financing professionals; and containing other provisions related thereto.

Background:

The Oklahoma City Water Utilities Trust (OCWUT) Financial Plan relies on a blend of pay-as-you-go and debt funding to execute the capital improvement program. On September 12, 2023, PFM Financial Advisors LLC, financial advisor for OCWUT, presented financing considerations to increase OCWUT's capacity to award capital projects given the current financial and economic environment. One of the current challenges identified includes capacity limitations of the existing short-term financing program. A Tax-Exempt Bank Draw Note program is being pursued to provide funding capacity for construction of the South Canadian Wastewater Treatment Plant improvements and the 2nd Atoka Pipeline projects. Until this financing program is established, some of these projects have already been awarded to maintain construction schedules.

On October 23, 2023, OCWUT adopted a Resolution to reimburse its cash reserves for pay-as-you-go funded capital expenditures for the South Canadian Wastewater Treatment Plant and 2nd Atoka Pipeline projects, from a future tax-exempt financing, either through the Tax-Exempt Bank Draw Note program or through a Tax-Exempt Revenue Bond issuance, whichever comes first.

This Resolution was prepared by bond counsel to authorize the bond issue and the preparation of such documents and authorize the Chairman to execute such documents. Staff is working with PFM Financial Advisors LLC and OCWUT's co-bond counsel (The Public Finance Law Group, PLLC, and Williams, Box, Forshee & Bullard, P.C.), on completing steps necessary for the bond issuance this spring.

Review:

Utilities

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