



# MEMORANDUM

Council Agenda  
Item No. X. J  
4/8/2025

## The City of OKLAHOMA CITY

TO: Mayor and City Council

FROM: Craig Freeman, City Manager

Concurrence with the McGee Creek Authority in adopting a Resolution authorizing the General Manager or designee to submit an application and provide such other information and documentation as may be required to establish a separate new account in the name of the McGee Creek Authority at Ameristate Bank as an escrow account for the McGee Creek Authority Residence Replacement Project WMC-037-1 Revised; authorizing the transfer of not more than \$400,000 to the new account; authorizing the McGee Creek Authority General Manager, the Oklahoma City Deputy Director of Utilities – Financial Services, and Oklahoma City Senior Financial Services Manager as authorized agents and signatories of the McGee Creek Authority on the new account and authorizing each to authorize draws and the issuance of checks on that account; authorizing the General Manager or designee to negotiate a fee with Ameristate Bank for the escrow account services.

### **Background:**

The McGee Creek Authority (MCA) was created by its Trust Indenture on August 1, 1977, as amended August 11, 1992. The Beneficiaries of MCA are The City of Oklahoma City, The City of Atoka, and the County of Atoka, and the Southern Oklahoma Development Trust. The Participants in MCA are The City of Oklahoma City, the Oklahoma City Water Utilities Trust, The City of Atoka, the County of Atoka, and the Southern Oklahoma Development Trust.

MCA has attempted to bid the construction of a residence on the McGee Creek Reservation to house the McGee Creek Dam Tender and his family so that MCA would have a continual presence on site for the operation, maintenance, and security of the McGee Creek Reservoir and MCA assets. The project will be readvertised as WMC-037-1 Revised.

The available contractors and the industry business model for construction of a residence were unable to provide reasonable bids for the construction of the residence under the Oklahoma Competitive Bidding Act. MCA has explored other methods to provide the necessary bonds, defined by Black's Law Dictionary as an obligation or promise, through contracts other than the traditional insurance industry provided surety bonds.

To ensure the construction performance of the residence by the successful contractor and to facilitate timely payment of the successful contractor within its business model, MCA proposes to establish an escrow account and claims payment process to guarantee and affirm performance under the contract for the protection of the ratepayers in accordance with the purpose of the Oklahoma Competitive Bidding Act.

To facilitate payment, MCA authorizes the General Manager to establish a separate new account and to authorize certain individuals to issue draws and sign checks for payments to the successful contractor. The General Manager is authorized to transfer funds to the new account for this purpose. Ameristate Bank requests documentation of the approval and authorization to establish the new account and the authorization of the signatories thereon.

**Cost:**

Not to exceed \$400,000

**Source of Funds:**

McGee Creek Authority-McGee Creek Capital Fund-McGee Creek Reservoir & Dam-McGee Creek Residence-Construction in Progress (3402-3902600-06430-WMC-037-1-54040007)

**Review:**

Utilities

**Recommendation:** Concur with the McGee Creek Authority in adopting the Resolution.