



MEMORANDUM

Council Agenda
Item No. X. J
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 and the McGee Creek Authority in approving the Fiscal Year 2025 Loan Agreement with the Oklahoma City Water Utilities Trust, AC-24-0001-LA, estimated cost \$3,280,000.

Background:

The proposed Fiscal Year 2025 (FY2025) McGee Creek Authority (MCA) Budget is \$10,492,000. The FY2025 Loan Agreement between the Oklahoma City Water Utilities Trust (OCWUT) and MCA would be amended to include loan proceeds provided during FY2025. The loan proceeds are estimated at \$3,280,000 and would be reduced for any aliquot share payments, other funds, or income received by MCA during FY2025 not already anticipated in the budget. The loan funds shall be drawn down only as needed to fund the obligations of the MCA in accordance with its adopted budget and the terms of the loan agreement. The loan amount shall be automatically reduced to only reflect the funds transferred from OCWUT to the MCA pursuant to the loan agreement.

In compliance with Government Accounting Standards Board Statement 51 (Accounting and Financial Reporting for Intangible Assets) on a prospective basis (See Note II.A.5 of the FY2010 MCA Annual Financial Report), OCWUT reports its transfer of loan funds from the inception date as aliquot share payments; and MCA reports a portion of the prior loan proceeds as aliquot share revenues.

Review:

Utilities

Recommendation: Concur with the Oklahoma City Water Utilities Trust and the McGee Creek Authority in approving the Agreement.