



TO: Trustees, Oklahoma City Water Utilities Trust

FROM: Chris Browning, General Manager

Fiscal Year 2022 Loan Agreement with the McGee Creek Authority, AC-21-0002-LA estimated cost \$3,332,666.70.

Background:

The proposed Fiscal Year 2022 McGee Creek Authority (MCA) Budget is \$10,652,000. The Fiscal Year 2022 Loan Agreement between the Oklahoma City Water Utilities Trust (OCWUT) and MCA would be amended to include loan proceeds provided during FY2022. The loan proceeds are estimated at \$3,332,666.70 and would be reduced for any aliquot share payments, other funds, or income received by MCA during FY2022 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.

Recommendation: Agreement be approved.