MINUTES
LAWTON WATER AUTHORITY SPECIAL MEETING
OCTOBER 24, 2017 - 6:00 P.M.
LAWTON CITY HALL
COUNCIL CHAMBERS/AUDITORIUM

The meeting was called to order at 6:01 p.m. by Acting Chairman Doug Wells. Notice of meeting and agenda were posted on the City Hall notice board as required by law.

ROLL CALL

PRESENT: Bob Morford, Keith Jackson, Caleb Davis, Jay Burk, Dwight Tanner, Jr., Cherry Phillips, V. Gay McGahee, Doug Wells.

ABSENT: None

ALSO PRESENT: Jerry Ihler, City Manager; Frank Jensen, City Attorney; Traci Hushbeck, City Clerk, COL Samuel Curtis, Fort Sill Liaison.

CONSIDER APPROVAL OF MINUTES OF JUNE 13, 2017.

MOVED by Phillips, SECOND by McGahee, to approve the minutes of June 13, 2017. AYE: Jackson, Davis, Burk, Tanner, Phillips, McGahee, Wells, Morford. NAY: None. MOTION CARRIED.

NEW BUSINESS ITEM:

1. Consider and take action with respect to a resolution approving and authorizing an Amendment to the Agreement with the Waurika Lake Master Conservancy District (The "District") related to the refinancing of the 2010 Indebtedness of the District pertaining to acquisition of the Additional Storage Capacity of Lake Waurika, and containing other provisions relating thereto. Exhibits**:** Resolution No. 17-__ and Original OWRB Loan for Additional Storage Capacity Repayment Schedule.

Ihler stated he distributed an executive summary he received late yesterday afternoon. Waurika Lake Master Conservancy District entered into a loan agreement with the Oklahoma Water Resources Board in 2010 to borrow just under $28 million to acquire the additional water storage capacity in Lake Waurika. When the lake was first constructed the conservancy district had purchased a little over 27% and in 2010 they purchased the remaining 72.5%. The loan closed in November 2010 and the existing loan is a 25-year repayment term maturing in the year 2035 and the outstanding principle is $22.3 million with an average debt service of $1.8 million per year. The OWRB has been working with the districts to determine if refinancing the bonds would produce any economic benefits under the current market conditions because of lower interest rates. If they would, any interest cost savings would be passed on to the six cities of which Lawton is the largest majority holder of Lake Waurika, approximately 59.5%. When the executive summary was put together on October 6th and based on the current interest rates then, the annual debt payments would be about $70,000 less for year for the district. The refinancing of the new bonds would be over the remaining 18 year term of the loan. There would be a savings of $1.26 million with the interest rate on October 6th. They did a recalculation today and the savings would actually be around $1.4 million. For Lawton, if it were to close today, it would be about $46,265 per year. The Waurika Conservancy District has already turned in a request to refinance and the OWRB is going to consider the application at their November 1st meeting. If the savings achieved are still determined to be beneficial at the time the board considers it, then we would move forward and market the bonds and then set the final interest rates. If for some reason that the interest rates go up and there is no beneficial savings then we would just continue to move forward with the current loan we are under. They are asking the authority to approve an amendment to the existing agreement for the 2010 loan with the Waurika Conservancy District.

Phillips stated some of this information in the agenda item is not correct.

Ihler stated the last statement in the agenda item commentary states that the new loan structure interest rate will be 3.4% for the term of 25 years, but we won't know for sure on November 1st what the interest rate will be and the term of the loan is not 25 years, it is 18 years.

Phillips questioned if they need to change that.

Ihler stated the authority will approve a resolution authorizing the authority to execute the amendment to the agreement with the Waurika Lake Master Conservancy District and we won't actually know the details of the agreement until the loan is established and the bonds are set.

MOVED by Burk, SECOND by Morford, to approve **Resolution 17-04**. AYE: Davis, Burk, Tanner, Phillips, McGahee, Wells, Morford, Jackson. NAY: None. MOTION CARRIED.

ADJOURNMENT

There being no further business to consider, the meeting adjourned at 6:11 p.m. upon motion, second and roll call vote.

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FRED L. FITCH, CHAIRMAN

ATTEST:

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TRACI HUSHBECK, SECRETARY