MINUTES
LAWTON WATER AUTHORITY SPECIAL MEETING
DECEMBER 14, 2004 - 6:00 P.M.
WAYNE GILLEY CITY HALL COUNCIL CHAMBER

The meeting was called to order at 6:05 p.m. by Chairman John P. Purcell, Jr. Notice of meeting and agenda were posted on the City Hall notice board as required by law.

ROLL CALL
PRESENT: Bill Shoemate, Rex Givens, Glen Devine, Amy Ewing-Holmstrom, Robert Shanklin, Jeffrey Patton, Stanley Haywood, Randy Warren.
ABSENT: None.
ALSO PRESENT: Larry Mitchell, City Manager; John Vincent, City Attorney; Karen Mull, Acting City Clerk; Col. G. Keith Herring, Fort Sill Liaison

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CONSIDER APPROVAL OF MINUTES OF THE LAWTON WATER AUTHORITY SPECIAL MEETING OF NOVEMBER 9, 2004.

MOVED by Shanklin, SECOND by Warren, to approve the Minutes of the Lawton Water Authority special meeting of November 9, 2004. AYE: Ewing-Holmstrom, Shanklin, Patton, Haywood, Warren, Shoemate, Givens, Devine. NAY: None. MOTION CARRIED.

BUSINESS ITEM:

1. Consider a resolution authorizing the Lawton Water Authority (the "Authority") to issue its Sales Tax and Utility System Revenue Bonds, Series 2004 (the "Bonds") in the aggregate principal amount of not to exceed $11,000,000; authorizing the sale of the Bonds to the underwriters at negotiated sale and waiving competitive bidding; approving a Certificate of Determination and a Bond Purchase Agreement with the underwriters; approving a Series 2004 Supplemental Bond Indenture authorizing the issuance and securing the payment of the Bonds; approving the official statement pertaining to said Bonds and authorizing distribution of the same; approving a Security Agreement; approving a continuing Disclosure Agreement; authorizing and directing the execution of Bonds and other documents relating to the transaction; and containing other provisions relating thereto, and take action. Exhibits: Resolution No. 04-_____.

Rick Endicott, Finance Director, said discussions began in October on the process to issue bonds for the 2005 CIP. A list of $9.9 million in projects was distributed in October, and this item will allow sale of the bonds. Endicott said the original numbers were estimates and that Mike Prescott, Financial Advisor, is present to give an overview.

Mike Prescott, Wells, Nelson Associates, said when this began a month ago they were not sure whether they would have to capitalize the bond debt service reserve fund. An application was made to a bond insurer requesting a surety bond in lieu of a debt service reserve fund. After reviewing the City and Water Authority's financial situations, the bonding agent agreed to issue a surety bond, so instead of capitalizing the debt service reserve fund in the amount of about $1 million, a surety bond will be purchased for approximately $17,500 or less, depending on final interest rates. Prescott said they were attempting to get $9.9 million and issue as few bonds as possible, which should save money in the long run.

Prescott said the decision to wait until tomorrow to go to the bond market with the underwriter was due to the Federal Reserve meeting today to consider increasing the discount rate, which they did by one-quarter of a percent. This information should encourage more buyers to bid on the bonds and provide a better interest rate. Mitchell asked if there was an estimate on what the rate might be. Prescott said about

3.153.2%, and the rate received in 2001 was about 2.98%. Prescott said one difference was the length of the issue, but the rates are close and pretty good.

Shanklin asked what the $9.9 million would be used for. Endicott said he recalled some projects being for water distribution, computer hardware and software, streets, and that there are others.

MOVED by Warren, SECOND by Ewing-Holmstrom, to approve the resolution to authorize the Lawton Water Authority to issue its sales tax and utility revenue bonds. AYE: Shanklin, Patton, Haywood, Warren, Shoemate, Givens, Devine, Ewing-Holmstrom. NAY: None. MOTION CARRIED.

There was no further business and the meeting adjourned at 6:10 p.m. upon motion, second and roll call vote.

JOHN P. PURCELL, JR., CHAIRMAN

ATTEST:

SECRETARY