Robert Johnston

From: Deann Langston <Deann.Langston@owrb.ok.gov>
Sent: Thursday, November 20, 2025 9:54 AM
To: David Berrong; City Manager; chriswolff@mfsok.com; abrooks@okpublicfinancelaw.com; Ryan Meacham; Matthew Coe
Cc: Andy Allen; Traci King
Subject: BOARD APPROVAL - CLINTON PWA - FAP-26-0008-L
Attachments: 2.H. Letter of Binding Commitment CLINTON PUBLIC WORKS AUTHORITY - FAP-26-0008-L.pdf; 2.H. EXECUTED Board Order CLINTON PWA .pdf

Follow Up Flag: Follow up
Flag Status: Flagged

We are pleased to let you know that your OWRB Funding Application was approved at our Board Meeting Tuesday.

Attached is your Approval Packet which includes the executed Board Order and Letter of Binding Commitment (LOBC).

Please return the executed LOBC.

If you have any questions, please feel free to reach out.

Deann Langston
Administrative Programs Officer III
Financial Assistance Division
OKLAHOMA WATER RESOURCES BOARD
405.530.8832 • owrb.ok.gov • Facebook • Twitter

OKLAHOMA

BEFORE THE OKLAHOMA WATER RESOURCES BOARD
STATE OF OKLAHOMA

IN THE MATTER OF LOAN APPLICATION)
NO. FAP-26-0008-L IN THE NAME OF)
THE CLINTON PUBLIC WORKS AUTHORITY)
CUSTER COUNTY, OKLAHOMA)

ORDER APPROVING LOAN APPLICATION

This matter came on for consideration before the Oklahoma Water Resources Board (the "Board") on the 18th day of November, 2025.

WHEREAS, The Clinton Public Works Authority (the "Applicant") has made its Application for Funding No. FAP-26-0008-L (the "Loan Application") to the Board for a loan from the proceeds of the Board's State Loan Program Revenue Bonds issued pursuant to the 2016 General Bond Resolution dated as of November 1, 2016, as supplemented and amended (the "Bond Resolution"), and authorized by Title 82 Oklahoma Statutes 2021, Sections 1085.31 *et seq*, as amended; and

WHEREAS, the Applicant intends to use the loan to provide for acquisition, development, and utilization of storage and control facilities for water and sewage systems for the use and benefit of the public and for the conservation and distribution of water for beneficial purposes in or from reservoirs or other storage facilities and/or refinancing indebtedness originally incurred for such purposes; and

WHEREAS, the Board has completed its review of the Loan Application and related information, and finds that the Loan Application should be approved according to the terms and conditions set forth below.

NOW, THEREFORE, LET IT BE RESOLVED AND ORDERED BY THE OKLAHOMA WATER RESOURCES BOARD:

Application for Funding No. FAP-26-0008-L in the name of The Clinton Public Works Authority be and the same is hereby approved. Subject to and contingent upon the Board's receipt of sufficient funds, a loan shall be made to the Applicant for the following purpose and subject to the following terms and conditions:

Purpose

The loan proceeds, along with other funds of the Applicant, if any, will be used to (i) construct a lift station with bar screen facilities, a force main, a bar screen access stairwell pit, a splitter box, and a manhole, all related appurtenances (the "Project"), (ii) satisfy the Local Reserve Requirement, if necessary and (iii) pay related costs of issuance, all as more specifically set forth in the Application.

Terms and Conditions

1. A loan shall be made out of proceeds of the Board's State Loan Program Revenue Bonds to the Applicant to provide funds for the Project described in the Loan Application in an aggregate principal amount not to exceed $5,390,000.00. The Applicant shall pay interest on the loan at a fixed or variable rate to be established periodically by the Board. Principal and interest payments shall be made on a semi-annual basis or as otherwise provided for under the Bond Resolution. The term of the loan shall be no longer than thirty (30) years.

2. The loan shall be secured with a lien on the revenues of the Applicant's water and sewer systems, a 3 cent sales tax and may include a mortgage on the Applicant's water and sewer systems and other real property.

3. The funds shall be reserved for the Applicant for a period of one (1) year from the date of this Order. In the event the loan is not closed on or before such date, the Board reserves the right to (i) approve, at the Applicant's request, a reasonable extension of time to close the loan, or (ii) de-obligate all or a portion of the loan funds in order to be used by the Board to make other loans, as the Board determines shall permit the best use of the funds. Funds shall be provided to the Applicant from proceeds of the Board's State Loan Program Revenue Bonds in accordance with the requirements of the Bond Resolution.

4. The Board's Staff is authorized to determine what additional conditions or requirements shall be necessary in order to assure the soundness of the loan and compliance with applicable financial, legal, and Bond Resolution requirements. The Board's Staff is further authorized to approve future modifications or additions to the project purposes and uses of funds approved herein, provided such modifications or additions will not materially and adversely affect the loan.

5. The loan shall be subject in all respects to the provisions of the Applicant's promissory note(s), loan agreement(s), and other loan documents which shall be executed by proper officials of the Applicant and a Board Member at or prior to loan closing as appropriate.

6. Additional loans may be made at such times, for such projects of the Applicant, at such repayment periods and interest rates, and upon such other terms and conditions as may be agreed to and approved by the Board and the Applicant.

So ordered this 18th day of November, 2025, in regular and open meeting of the Oklahoma Water Resources Board.

OKLAHOMA WATER RESOURCES BOARD

Thomas A. Gorman, Chairman

ATTEST:

Suzanne Landess, Secretary

(SEAL)

JULIE CUNNINGHAM
EXECUTIVE DIRECTOR



OKLAHOMA
Water Resources Board

KEVIN STITT
GOVERNOR

LETTER OF BINDING COMMITMENT

November 20, 2025

Mr. David Berrong, Chairman
The Clinton Public Works Authority
Post Office Box 1177
Clinton, OK 73601

Re: Notice of Approval and Commitment of Funds FAP-26-0008-L, The Clinton Public Works Authority, Custer County

Dear Mr. Berrong:

We are pleased to formally notify you that on November 18, 2025 the Oklahoma Water Resources Board (OWRB) approved The Clinton Public Works Authority's (the "Authority") request for a loan. With this approval, and upon The Clinton Public Works Authority's written acceptance of this "Letter of Binding Commitment," limitations, requirements, and points of understanding set out below, the Board has committed funds to be made available to The Clinton Public Works Authority for purposes detailed in the enclosed Board Order.

The terms and conditions set forth in the Promissory Note, Loan Agreement, and other loan documents shall be mutually agreed to and approved by the Authority and OWRB or their authorized agents as appropriate before said documents are executed and binding upon respective parties. The Promissory Note, Series 2025, shall not exceed the aggregate principal amount of $5,390,000.00. It is our understanding that funding of this project, estimated at $5,176,436.00, is being secured as follows:

Sources of Funds (Est.)		**Uses of Funds (Est.)**	
Loan Proceeds	$5,176,436.00	Project	$5,004,632.50
		Bond Counsel	67,205.45
		Financial Advisor	67,205.45
		OWRB Costs of Issuance	21,113.29
		Local Counsel	15,529.31
		Trustee Bank	750.00
Total	$5,176,436.00	**Total**	$5,176,436.00

In acceptance of this "Letter of Binding Commitment," The Clinton Public Works Authority acknowledges that it must agree to the following terms before the loan funds for construction will be advanced:

1. A copy of the project's construction plans and specifications needs to be provided for our review and comments.

2. A copy of the construction permit, when issued by the Department of Environmental Quality, should be furnished.

3. After project bid opening, the engineer should submit a complete tabulation of all bids with a revised project budget to the Authority. The Authority should then submit copies of the bid tabulation, project budget, engineer's recommendation and the Authority's recommendation to the OWRB. After the contracts are awarded, the Authority must provide one set of signed contract documents with the required insurance and bonds to the OWRB for approval.

4. a. The Authority's bond counsel, Mr. Allan Brooks, will need to prepare drafts of the necessary loan documents, including the Loan Agreement, Promissory Note, Trust Agreement, Mortgage, Financing Statements, Arbitrage and Use of Proceeds Certificate, Applicant Questionnaire, and Opinion of Bond Counsel. Mr. Brooks will seek the assistance of the Authority's local counsel in furnishing easement descriptions, if applicable, property title opinion, and the local counsel's legal opinion concerning this loan. These must be submitted for our staff's review and approval before we will order the money to close the loan.

   b. The OWRB must receive, within 15 days after closing, file-stamped copies of each Financing Statement (separate and apart from the copies that will be bound in the transcript we will receive later).

5. The Authority has chosen to fulfill the Local Reserve Fund Requirement by meeting and maintaining a Super Debt Coverage Requirement. If the Authority at a later time fails to maintain the Super Debt Coverage Requirement then the Authority must within 90 days of written notification by the OWRB either 1) provide written proof of official action taken by the Authority to increase utility rates in an amount sufficient to meet the Super Debt Coverage Requirement, 2) provide written proof that the Authority currently meets the Minimum Rating Requirement, 3) provide a certificate of insurance from a Qualified Bond Insurer evidencing that the Authority meets the Surety Requirement, or 4) provide written proof to the OWRB that the Authority has made an initial deposit into the Local Reserve Account in the amount of $1/24^{th}$ of the Cash Reserve Requirement and will continue to make monthly deposits in a like manner for a period of not more than 24 months until the Cash Reserve Requirement is fully funded.

6. A local trustee bank shall be selected by the borrower and approved by the OWRB. For a bank to qualify to serve as a local trustee, it must: (a) have a trust department; (b) have at least $100,000,000.00 in assets; (c) have capital, surplus and undivided profits of at least $10,000,000.00; and (d) have previously acted or currently be acting as trustee on similar municipal bond issues. The role of the trustee includes but is not limited to, disbursing

loan funds upon requisitions by the borrower, collecting monthly payments from the borrower and making semi-annual loan payments to the OWRB's trustee bank.

7. The Authority is required to obtain and furnish proof of the following insurance and bonds prior to loan closing and throughout the term of the loan upon policy expiration dates:

   a. The treasurer or other official entrusted with handling the funds for the Authority will be covered by a Position Fidelity bond. The amount of the bond must be at least equal to the maximum amount of money that the Authority may have on hand at any one time. The bond shall also have a power-of-attorney attached.

   b. The Authority must carry extended insurance coverage on the utility system sufficient to cover all mortgage indebtedness with standard mortgage clause in favor of the mortgagee or mortgagees as their interests may appear.

   c. The Authority must carry liability insurance.

   d. Worker's compensation insurance must be carried on the person or persons operating the utility system. The policy must be in effect at loan closing or start of construction, whichever occurs first.

8. The Authority shall employ a licensed operator to operate the utility system as required by the Department of Environmental Quality. A copy of the operator's license(s) should be submitted.

9. The Authority must complete and submit to OWRB the "Insurance Certification" form to verify that sufficient insurance coverage is carried on the Authority's system and personnel. This form will be sent to the Authority upon project completion and must be returned to OWRB within 30 days of receipt.

As stated in the attached OWRB Order, upon applicant's acceptance of this "Letter of Binding Commitment," the funds will be reserved for the Authority for one year, until November 18, 2026. Accordingly, the Authority must accept this letter of commitment as soon as possible in order to proceed in a timely fashion with loan closing. Please return one original executed copy of the acceptance, page 5. Should you have any questions regarding this notification and letter of commitment, please feel free to contact me at (405) 530-8800.

OKLAHOMA WATER RESOURCES BOARD

Lori Johnson — 11/20/2025

Lori Johnson, Chief
Financial Assistance Division

Date

ATTEST:

Jessica L. Peterson — 11/20/2025

(Signature)

Date

(SEAL)

Enclosure: OWRB Board Order

ACCEPTANCE:

On behalf of The Clinton Public Works Authority, I, the undersigned, being duly authorized to take such action, do hereby accept and agree to the terms and conditions of this "Letter of Binding Commitment." The applicant understands that the State's purpose for this "Letter of Binding Commitment" is to inform the applicant that the loan has been approved and that the funds for the loan will be reserved for a limited time upon applicant's acceptance of the terms of the "Letter of Binding Commitment." This "Letter of Binding Commitment" also acts as the written loan commitment from the borrower that is required under the Internal Revenue Code section 149(f)(4). Following applicant's acceptance of the "Letter of Binding Commitment," the parties will proceed to close the loan in a timely manner consistent with the proposed bond closing date.

The Clinton Public Works Authority

_____ _____

(Signature) Date
David Berrong, Chairman

ATTEST:

_____ _____

(Signature) Date

(SEAL)

LOBC Copy List

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