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City Clerk's Office

**PUBLIC NOTICE OF THE MEETING OF THE
OWASSO PUBLIC WORKS AUTHORITY**

Council Chambers, Old Central Building
109 N Birch, Owasso, OK 74055
Regular Meeting
Tuesday, October 4, 2016 – 6:30 pm

1. **Call to Order**
Chair Lyndell Dunn
2. **Roll Call**
3. **Consideration and appropriate action relating to a request for approval of the Consent Agenda. (All matters listed under "Consent" are considered by the Trustees to be routine and will be enacted by one motion. Any Trustee may, however, remove an item from the Consent Agenda by request. A motion to adopt the Consent Agenda is non-debatable.)**
 - A. Approve minutes:
 - September 20, 2016, Regular Meeting
 - B. Approve claims
4. **Consideration and appropriate action relating to items removed from the Consent Agenda**
5. **Consideration and appropriate action relating to Resolution 2016-03, approving professional services agreements; providing preliminary approval with respect to the issuance of the Authority's Sales Tax Revenue Note, Series 2016; and containing other provisions relating thereto**
Sherry Bishop

Staff recommends approval of Resolution 2016-03.
6. **Report from OPWA Manager**
7. **Report from OPWA Attorney**
8. **Official Notices to Authority (documents for acknowledgment or information only, no discussion or action will be taken)**
 - Payroll Payment Reports:
 - Pay Period Ending Date 9/17/16
9. **New Business (New Business is any item of business which could not have been foreseen at the time of posting of the agenda)**
10. **Adjournment**

Notice of Public Meeting filed in the office of the City Clerk and the Agenda posted at City Hall, 200 S Main (west side), at 6:00 pm on Friday, September 30, 2016.



Sherry Bishop, City Clerk

OWASSO PUBLIC WORKS AUTHORITY

MINUTES OF REGULAR MEETING Tuesday, September 20, 2016

The Owasso Public Works Authority met in regular session on Tuesday, September 20, 2016, in the Council Chambers at Old Central, 109 N Birch, Owasso, Oklahoma per the Notice of Public Meeting and Agenda filed in the office of the City Clerk and posted at City Hall, 200 S Main (west side), at 6:00 pm on Friday, September 16, 2016.

1. Call to Order

Chair Lyndell Dunn called the meeting to order at 7:31 pm.

2. Roll Call

Present

Chair – Lyndell Dunn

Vice-Chair – Chris Kelley

Trustee – Doug Bonebrake

Trustee – Jeri Moberly

A quorum was declared present.

Absent

Trustee – Bill Bush

Staff:

Authority Manager - Warren Lehr

Authority Attorney - Julie Lombardi

3. Consideration and appropriate action relating to a request for approval of the Consent Agenda. (All matters listed under "Consent" are considered by the Trustees to be routine and will be enacted by one motion. Any Trustee may, however, remove an item from the Consent Agenda by request. A motion to adopt the Consent Agenda is non-debatable.)

A. Approve minutes:

- September 6, 2016, Regular Meeting
- September 13, 2016, Regular Meeting

B. Approve claims

Dr. Kelley moved, seconded by Mr. Bonebrake to approve the Consent Agenda with claims totaling \$440,790.50.

YEA: Bonebrake, Kelley, Moberly, Dunn

NAY: None

Motion carried: 4-0

4. Consideration and appropriate action relating to items removed from the Consent Agenda

None

5. Report from OPWA Manager

None

6. Report from OPWA Attorney

None

7. Official Notices to Authority (documents for acknowledgment or information only, no discussion or action will be taken)

- Payroll Payment Reports:
 - Pay Period Ending Date 9/3/16
- Monthly Budget Status Report – August 2016

8. New Business (New Business is any item of business which could not have been foreseen at the time of posting of the agenda)

None

9. Adjournment

Ms. Moberly moved, seconded by Mr. Bonebrake to adjourn the meeting.

YEA: Bonebrake, Kelley, Moberly, Dunn

NAY: None

Motion carried 4-0 and the meeting adjourned at 7:32 pm.

Lyndell Dunn, Chair

Lisa Wilson, Minute Clerk

Claims List

10/4/2016

| Budget Unit Title | Vendor Name | Payable Description | Payment Amount |
|----------------------------------|------------------------------------|---------------------------|------------------|
| OPWA | AMERICAN MUNICIPAL SERVICES CORP. | COLLECTION SERVICES | 139.91 |
| TOTAL OPWA | | | 139.91 |
| OPWA ADMINISTRATION | JPMORGAN CHASE BANK | OFFICE DEPOT-SURGE PROTEC | 15.19 |
| | JPMORGAN CHASE BANK | LOWES-FAUCET | 64.00 |
| | STANDLEY SYSTEMS, LLC | COPIER MAINTENANCE AGREEM | 182.82 |
| | AT&T | CONSOLIDATED PHONE BILL | 148.08 |
| | JPMORGAN CHASE BANK | LOWES-LAMPS/BATTERIES | 144.16 |
| | CITY OF OWASSO | ADMINISTRATIVE OVERHEAD | 15,416.00 |
| TOTAL OPWA ADMINISTRATION | | | 15,970.25 |
| UTILITY BILLING | TECHNICAL PROGRAMMING SERVICES INC | BILLING SERVICES | 1,613.38 |
| | TREASURER PETTY CASH | LOCKED BANK BAGS | 42.00 |
| | TYRONE EUGENE DINKINS | METER READER | 222.75 |
| | TODD C. KIMBALL | METER READER | 528.30 |
| | TYRONE EUGENE DINKINS | METER READER | 99.45 |
| | JPMORGAN CHASE BANK | OFFICE DEPOT-BANK BAG | 31.49 |
| TOTAL UTILITY BILLING | | | 2,537.37 |
| WATER | JPMORGAN CHASE BANK | HD SUPPLY-METER SET | 1,806.26 |
| | JPMORGAN CHASE BANK | DEQ-TRAINING/ELLIOTT | 124.00 |
| | JPMORGAN CHASE BANK | LOWES-PVC FITTINGS | 11.99 |
| | JPMORGAN CHASE BANK | LOWES-REBAR PINS | 145.00 |
| | JPMORGAN CHASE BANK | TOM STEED-OWPCA/AUGHAN | 105.00 |
| | JPMORGAN CHASE BANK | TOM STEED-OWPCA/ELLIOTT | 105.00 |
| | SPOK, INC. | PAGER USE | 89.40 |
| | JPMORGAN CHASE BANK | LOWES-COME ALONGS | 45.96 |
| | CITY OF TULSA DEPT OF FINANCE | LAB SERVICES FOR AUGUST | 500.00 |
| | TWIN CITIES READY MIX, INC | CONCRETE | 348.00 |
| | OWASSO TOP SOIL | DIRT | 100.00 |
| | TWIN CITIES READY MIX, INC | CONCRETE | 288.00 |
| | TWIN CITIES READY MIX, INC | CONCRETE | 336.00 |
| | JPMORGAN CHASE BANK | LOWES-FORMING SUPPLIES | 25.68 |
| | JPMORGAN CHASE BANK | GRAINGER-LADDER | 389.99 |
| | JPMORGAN CHASE BANK | ATWOOD-ZIP LOCK BAGS | 24.95 |
| | JPMORGAN CHASE BANK | HD SUPPLY-TAPPING SADDLES | 170.00 |
| | JPMORGAN CHASE BANK | SHELL-FUEL FOR SAW | 2.37 |
| | JPMORGAN CHASE BANK | HD SUPPLY-MRX 920 | 7,735.00 |
| | JPMORGAN CHASE BANK | GRAINGER-PPE | 10.11 |
| | JPMORGAN CHASE BANK | BROWN FARMS-SOD | 95.00 |
| | JPMORGAN CHASE BANK | BROWN FARMS-SOD | 95.00 |
| | JPMORGAN CHASE BANK | TRANSCO-PPE | 42.61 |
| | JPMORGAN CHASE BANK | HD SUPPLY-COUPPLINGS | 46.01 |

Claims List

10/4/2016

| Budget Unit Title | Vendor Name | Payable Description | Payment Amount |
|-----------------------------------|----------------------|---------------------------|------------------|
| WATER... | JPMORGAN CHASE BANK | HD SUPPLY-METER SET ADAPT | 159.64 |
| | JPMORGAN CHASE BANK | HD SUPPLY-HYDRANT | 98.85 |
| | JPMORGAN CHASE BANK | HD SUPPLY-METER SETTERS | 1,525.20 |
| | JPMORGAN CHASE BANK | HD SUPPLY-METER KEY | 27.70 |
| TOTAL WATER | | | 14,452.72 |
| WASTEWATER TREATMENT | JPMORGAN CHASE BANK | TRANSCO-PPE | 42.61 |
| | JPMORGAN CHASE BANK | HACH-AMMONIA TESTING | 209.17 |
| | JPMORGAN CHASE BANK | TULCO-OIL | 1,396.30 |
| | JPMORGAN CHASE BANK | INTERSTATE-BATTERY | 52.55 |
| | JPMORGAN CHASE BANK | OREILLY-GASKET COMPOUND | 14.98 |
| | JPMORGAN CHASE BANK | EVOQUA WATER-PARTS | 135.00 |
| | JPMORGAN CHASE BANK | GRAINGER-PPE | 10.11 |
| | JPMORGAN CHASE BANK | ROYAL FILTER-FILTERS | 485.15 |
| | JPMORGAN CHASE BANK | DALE & LEES-LAB AC RECHRG | 205.00 |
| | AT&T | CONSOLIDATED PHONE BILL | 65.04 |
| | JPMORGAN CHASE BANK | ALLIED ELEC-CONTROL PANEL | 377.61 |
| | JPMORGAN CHASE BANK | ATWOOD-GEAR PULLER | 29.99 |
| | SPOK, INC. | PAGER USE | 17.78 |
| | JPMORGAN CHASE BANK | OFFICE DEPOT-SUPPLIES | 41.76 |
| | JPMORGAN CHASE BANK | FASTENAL-BOLTS | 100.56 |
| | JPMORGAN CHASE BANK | WASTE MGMT-SLUDGE REMOVAL | 1,965.94 |
| | JPMORGAN CHASE BANK | LOWES-TOOLS/TOOLBOX | 170.79 |
| | JPMORGAN CHASE BANK | WASTE MGMT-SLUDGE REMOVAL | 1,458.07 |
| | JPMORGAN CHASE BANK | HOBBY LOBBY-SUPPLIES | 8.70 |
| | JPMORGAN CHASE BANK | LOWES-TOOL BOX | 31.95 |
| JPMORGAN CHASE BANK | HACH-TESTING AMMONIA | 280.49 | |
| TOTAL WASTEWATER TREATMENT | | | 7,099.55 |
| WASTEWATER COLLECTIONS | JPMORGAN CHASE BANK | PIKE PASS FEES | 10.20 |
| | JPMORGAN CHASE BANK | AFTER HOUR EXPENSE | 31.05 |
| | JPMORGAN CHASE BANK | FASTENAL-BOLTS | 2.40 |
| | SPOK, INC. | PAGER USE | 53.84 |
| | JPMORGAN CHASE BANK | ATWOOD-TARP | 39.97 |
| | JPMORGAN CHASE BANK | J & R EQUIP-REPAIR | 3,495.78 |
| | JPMORGAN CHASE BANK | J & R EQUIP-SHIPPING | 177.14 |
| | JPMORGAN CHASE BANK | J & R EQUIP-CAMERA REPAIR | 1,679.57 |
| | JPMORGAN CHASE BANK | J & R EQUIP-SHIPPING | 260.01 |
| | JPMORGAN CHASE BANK | HOME DEPOT-BATTERIES | 125.76 |
| | JPMORGAN CHASE BANK | HOME DEPOT-A/C LIFT ST | 229.00 |
| | JPMORGAN CHASE BANK | ATWOOD-ANTI FREEZE | 62.41 |
| | JPMORGAN CHASE BANK | LOWES-SUPPLIES | 70.45 |
| | JPMORGAN CHASE BANK | LOCKE-WIRE FITTINGS | 112.02 |
| | JPMORGAN CHASE BANK | LOCKE-FILTERS FOR A/C | 75.38 |

Claims List

10/4/2016

| Budget Unit Title | Vendor Name | Payable Description | Payment Amount |
|-------------------------------------|-----------------------------|---------------------------|-------------------|
| WASTEWATER COLLECTIONS | JPMORGAN CHASE BANK | CORNERSTONE-WASP SPRAY | 8.98 |
| | JPMORGAN CHASE BANK | GRAINGER-PPE | 10.11 |
| | JPMORGAN CHASE BANK | TRANSCO-PPE | 42.61 |
| | JPMORGAN CHASE BANK | HD SUPPLY-MANHOLE REPAIR | 168.00 |
| TOTAL WASTEWATER COLLECTIONS | | | 6,654.68 |
| REFUSE COLLECTIONS | JPMORGAN CHASE BANK | TRANSCO-PPE | 42.59 |
| | COVANTA LANCASTER, INC | REFUSE TIPPING FEES | 5,460.90 |
| | JPMORGAN CHASE BANK | GRAINGER-PPE | 10.11 |
| | AT&T | CONSOLIDATED PHONE BILL | 10.84 |
| | LENOX WRECKER SERVICE INC | TOWING | 335.00 |
| | CRANE CARRIER COMPANY | PARTS | 256.49 |
| | CRANE CARRIER COMPANY | PARTS | 134.71 |
| | UNITED ENGINES, LLC | PARTS | 3,275.27 |
| | UNITED ENGINES, LLC | REPAIRS | 3,346.93 |
| | SPOK, INC. | PAGER USE | 62.23 |
| TOTAL REFUSE COLLECTIONS | | | 12,935.07 |
| RECYCLE CENTER | AT&T | CONSOLIDATED PHONE BILL | 10.84 |
| | JPMORGAN CHASE BANK | GRAINGER-MASTER TOOL SET | 220.61 |
| | JPMORGAN CHASE BANK | CORNERSTONE-KEYS | 13.73 |
| | JPMORGAN CHASE BANK | CORNERSTONE-GATE OPENER | 99.72 |
| | JPMORGAN CHASE BANK | FASTENAL-RUBBER GLOVES | 27.00 |
| | JPMORGAN CHASE BANK | LOWES-GATE KEY PAD | 46.94 |
| | JPMORGAN CHASE BANK | EKLUND-AC MAINTENANCE | 105.00 |
| | JPMORGAN CHASE BANK | GRAINGER-TOOL SET | 126.80 |
| | JPMORGAN CHASE BANK | GRAINGER-TOOL CHEST | 399.99 |
| | JPMORGAN CHASE BANK | WASTE MGMT-TIPPING FEES | 1,035.45 |
| | JPMORGAN CHASE BANK | P & K EQUIP-MOWER REPAIRS | 206.08 |
| | JPMORGAN CHASE BANK | CULLISON-PLATFORM STEPS | 351.00 |
| | TOTAL RECYCLE CENTER | | |
| OPWA DEBT SERVICE | BANCFIRST | ORF-10-0014-CW/SANTA FE | 14,304.19 |
| | BANCFIRST | ORF-13-0005-CW/RANCH CR | 25,309.70 |
| | BANCFIRST | FAP-01-0003-L/01C | 6,402.53 |
| | BANCFIRST | FAP-10-0002-L/10 | 7,208.19 |
| | BANCFIRST | ORF-01-0002-L/01B | 11,828.79 |
| | BANCFIRST | ORF-99-0008-L/99B | 3,583.07 |
| | BANCFIRST | ORF-09-0007-CW/09C | 23,285.99 |
| | BANCFIRST | ORF-09-0003-CW/09B | 55,960.40 |
| | BANCFIRST | 874320013/13-06DW | 28,795.97 |
| TOTAL OPWA DEBT SERVICE | | | 176,678.83 |

Claims List

10/4/2016

| Budget Unit Title | Vendor Name | Payable Description | Payment Amount |
|-------------------------------|--------------------------|-----------------------|---------------------|
| FUND GRAND TOTAL | | | 239,111.54 |
| OPWA STF DEBT SERVICE | BANCFIRST | 874405004/2008 | 99,880.84 |
| TOTAL OPWA STF DEBT SERVICE | | | 99,880.84 |
| FUND GRAND TOTAL | | | 99,880.84 |
| OPWA ST SUB - DEBT SERV | SF SHOPS INVESTORS, L.P. | DEVELOPMENT AGREEMENT | 54,012.10 |
| TOTAL OPWA ST SUB - DEBT SERV | | | 54,012.10 |
| FUND GRAND TOTAL | | | 54,012.10 |
| OPWA GRAND TOTAL | | | \$393,004.48 |



TO: The Honorable Chair and Trustees
Owasso Public Works Authority

FROM: Sherry Bishop
Assistant City Manager

SUBJECT: Proposed Sales Tax Revenue Note, Series 2016
Resolution 2016-03

DATE: September 30, 2016

BACKGROUND:

Following the purchase of land, the City Council has been considering the design of new fire and public safety training facilities. The project would be funded through the capital improvements fund (third-penny sales tax). Long-term financing would be needed if the project is to be built soon.

Anticipating council's approval to proceed with design and construction of the project, staff met with financial advisors to develop a possible financing plan. The OPWA has worked with the same advisors for many years. Municipal Financial Services, Inc. has served as financial advisor to the City and the OPWA for about five years. Allan Brooks with The Public Finance Law Group has served as bond counsel for more than 20 years.

Because of the current, extremely low interest rates, the recommendation is to proceed as soon as possible toward locking in an interest rate with approval of a loan.

SALES TAX REVENUE NOTE, SERIES 2016:

Staff has reviewed current budgets and projected cash flow needs over the next several years for all current capital improvement projects. In addition to funding the fire project, an objective of this financing is not to delay other projects expected to be under construction in the next five to six years.

The current cash flow available to fund capital improvement projects would be reduced by the amount of new debt payments. In order not to delay projects expected to be ready for bid in the next year, additional funding is recommended to supplement the existing cash on hand for immediate projects.

The proposed Sales Tax Revenue Note would also include \$3.5 million for stormwater projects currently in design and expected to be under construction within a year. The Note would be repaid by the third-penny sales tax.

RESOLUTION:

Resolution 2016-13 would approve professional services agreements with Municipal Financial Services as financial advisor and with The Public Finance Law Group as bond counsel. An

agreement with each firm is attached. The fee for each firm is 1% of the principal amount of the Note, not to exceed \$175,000, plus expenses of \$2,500.

The resolution grants preliminary authorization for the issuance of a Sales Tax Revenue Note. The Authority is not obligated to complete or approve the loan transaction.

Additionally, the resolution directs Bond Counsel and Financial Advisor to proceed with structuring the Note. This allows Bond Counsel and Financial Advisor to proceed as necessary to solicit bids from banks for the financing.

PROPOSED ACTION:

Approval of the resolution serves as preliminary approval to seek bids for financing capital improvement projects.

The October 11 work session meeting will provide an opportunity to review the proposed financing. Final action on the proposed loan is anticipated on the November 1 agenda and would require approval by both the City Council and the OPWA Trustees. OPWA debt requires approval by a 3/4 vote of the Trustees and the Council.

RECOMMENDATION:

Staff recommends approval of OPWA Resolution 2016-03 approving professional services agreements; providing preliminary approval with respect to the issuance of the Authority's Sales Tax Revenue Note, Series 2016; and containing other provisions relating thereto.

ATTACHMENTS:

OPWA Resolution 2016-03
Financial Advisor Services Agreement
Agreement for Bond Counsel Services

**OWASSO PUBLIC WORKS AUTHORITY
OWASSO, OKLAHOMA
OPWA RESOLUTION 2016-03**

A RESOLUTION APPROVING PROFESSIONAL SERVICES AGREEMENTS; PROVIDING PRELIMINARY APPROVAL WITH RESPECT TO THE ISSUANCE OF THE AUTHORITY'S SALES TAX REVENUE NOTE, SERIES 2016; AND CONTAINING OTHER PROVISIONS RELATING THERETO.

WHEREAS, The Owasso Public Works Authority (the "Authority") has under consideration the issuance of its Sales Tax Revenue Note, Series 2016 (the "Note"), the proceeds all of which will be utilized to finance capital improvements as contemplated by Ordinance No. 763 of the City of Owasso, Oklahoma (the "City"); and

WHEREAS, it is deemed desirable for the Authority to give preliminary authorization for the issuance of the Note; and

NOW, THEREFORE, BE IT RESOLVED BY THE TRUSTEES OF THE OWASSO PUBLIC WORKS AUTHORITY, TULSA COUNTY, OKLAHOMA:

Section 1. Professional Services Agreements. The Authority is authorized to enter into professional services agreements with Municipal Finance Services, Inc., as financial advisor, and The Public Finance Law Group PLLC, as bond counsel. The Chairman or Vice Chairman and Secretary or Assistant Secretary of the Authority are authorized to execute and deliver said professional services agreement on behalf of the Authority and take all such other action in connection therewith.

Section 2. Preliminary Authorization. The Authority hereby grants preliminary authorization for the issuance of the Note, and directs its Bond Counsel and Financial Advisor to proceed with structuring the Note. The Authority shall not be bound to complete the Note transaction.

Section 3. Other Matters. The Chairman or Vice Chairman and Secretary or Assistant Secretary of the Authority are hereby authorized and directed to do all other lawful things necessary to carry out the terms and conditions of this Resolution.

ADOPTED AND APPROVED THIS 4TH DAY OF OCTOBER, 2016.

THE OWASSO PUBLIC WORKS AUTHORITY

Lyndell Dunn, Chair

ATTEST:

Sherry Bishop, Authority Secretary

APPROVED AS TO FORM:

Julie Lombardi, Authority Attorney

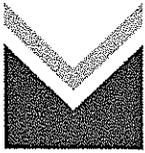
STATE OF OKLAHOMA)
)SS
COUNTY OF TULSA)

I, the undersigned, Authority Secretary of The Owasso Public Works Authority, Tulsa County, Oklahoma, an Oklahoma public trust, do hereby certify that the above and foregoing is a true, full and correct copy of an excerpt from the minutes of a meeting of the Board of Trustees of said public trust held on the date above stated, all as recorded in the official minutes of such meeting. I further certify that the "Open Meeting Law" was complied with for such meeting.

GIVEN UNDER MY HAND THIS 4TH DAY OF OCTOBER, 2016.

(SEAL)

Sherry Bishop, Authority Secretary



**MUNICIPAL
FINANCE
SERVICES, INC.**
est. 1990

mfsok.com

P: 405.340.1727

F: 405.340.3607

3933 E. Covell Road
Edmond, OK 73034

P.O. Box 747
Edmond, OK 73083-0747

FINANCIAL ADVISOR SERVICES AGREEMENT

THE OWASSO PUBLIC WORKS AUTHORITY SALES TAX REVENUE NOTE, SERIES 2016

THIS AGREEMENT is entered into as of OCTOBER 4, 2016, by and among MUNICIPAL FINANCE SERVICES, INC. ("MFSOK") and THE OWASSO PUBLIC WORKS AUTHORITY (the "Authority"), a public trust with the City of Owasso, Oklahoma (the "City") as beneficiary.

RECITALS

WHEREAS, the Authority desires to engage MFSOK as financial advisor in connection with financing certain capital improvements, including a new public safety center/fire station and certain stormwater system improvements, with a SALES TAX REVENUE NOTE, SERIES 2016 (the "Note") in the approximate amount of \$21.3 million, and

WHEREAS, the aforementioned capital improvements may hereafter be referred to collectively as the "Projects", and

WHEREAS, MFSOK has demonstrated the necessary professional capabilities, experience and resources to provide financial advisory services required by the Authority as outlined herein.

NOW, THEREFORE, the Authority and MFSOK, in consideration of the mutual covenants and agreements herein contained and other good and valuable consideration, do hereby agree as follows:

AGREEMENTS

I. Scope of Services.

MFSOK will render the following services as financial advisor to the Authority:

- A. Preparation of a preliminary financing plan identifying a tentative time schedule, proposed project costs, required revenue sources and security features and estimated debt service requirements under various repayment terms and conditions; and

- B. Assess the Authority's existing obligations and covenants to ensure the proposed financing conforms with any existing revenue pledges and agreements securing such obligations; and
- C. Prepare a Bid Information Document, with City staff and Bond Counsel input; and
- D. Distribute the Bid Information Document to financial institutions that may have an interest in the Note; and
- E. Represent the Authority in discussions with potential creditors about the Note and the Bid Information Document; and
- F. Prepare any supplemental information required by potential creditors reviewing the Bid Information Document; and
- G. Review all bids received and prepare a report for the Authority with recommendations for awarding the Note; and
- H. Upon award of the Note, review documents related to the Note; and
- I. Coordinate the Note closing with other parties.

MFSOK and Authority acknowledge The Public Finance Law Group PLLC as Bond Counsel on the transaction under separate contract or contracts. MFSOK may rely on opinions and advice from legal representatives of the Authority and will not be held responsible for any legal advice, directly or indirectly, rendered by the legal representatives involved in the transaction.

MFSOK's services are limited to those specifically set forth herein. MFSOK's services do not extend past the closing of the Note.

II. Compensation and Reimbursements

- A. Compensation for Financial Advisor Services. For services as financial advisor to the Authority, MFSOK shall be paid at the time of issuance a fee based on the principal amount of each Note, calculated as follows:
 - 1.0% of the principal amount of the Note, not to exceed \$175,000
- B. Expenses. MFSOK shall also be paid a fixed amount of \$ 2,500.00 to cover expenses incurred as part of the transaction, provided that any filing, publication, recording or printing costs or similar third party costs required in connection with the Note shall be paid directly by the Authority.
- C. Payment and Contingency. Fees and expenses shall be payable by Authority at the time of issuance of the Note. Payment for all fees and expenses hereunder shall be made at

closing from proceeds of the Note or from other available funds of the Authority and shall be contingent upon issuance of the Note.

III. Term and Termination

- A. **Term of Agreement.** Unless otherwise terminated as provided herein, this Agreement shall be in force and effect for a period of one year from its date of execution, but shall automatically be extended for subsequent years, if necessary, unless terminated as provided herein.
- B. **Termination of Agreement and Services.** This Agreement and all financial advisor services to be rendered hereunder may be terminated at any time by written notice from either party, with or without cause. In that event, all finished and unfinished documents prepared for the Authority, shall, at the option of Authority, become its property and shall be delivered to it or any party it may designate, provided that MFSOK shall have no liability whatsoever for any subsequent use of such documents.

IV. Successors and Assigns

MFSOK may not assign its obligations under this Agreement without the written consent of Authority except to a successor partnership or corporation to which all or substantially all of the assets and operations of MFSOK are transferred. Authority may assign its rights and obligations under this Agreement to (but only to) any other public entity that issues the Note (if not the Authority). Authority shall not otherwise assign its rights and obligations under this Agreement without written consent of MFSOK. All references to MFSOK and Authority in this Agreement shall be deemed to refer to any successor of MFSOK and to any such assignee of Authority and shall bind and inure to the benefit of such successor and assignee whether so expressed or not.

V. Municipal Advisor Registration and Acknowledgement

Authority hereby acknowledges that MFSOK is registered as a Municipal Advisor pursuant to applicable Securities and Exchange Commission ("SEC") and Municipal Securities Rulemaking Board ("MSRB") rules and regulations. Authority further acknowledges receipt of MFSOK's Form ADV Part 2A Brochure and 2B Brochure Supplements as required by the SEC and Oklahoma Department of Securities prior to entering into this Agreement.

VI. Conflict of Interest Statement

As of the date of this agreement, MFSOK has performed a reasonable diligence to determine if there are any conflicts of interest that should be brought to the attention of the Authority. During the diligence process, MFSOK has determined that no material conflict of interest has been identified.

Since the compensation arrangement included in Section II includes a component that is based on the completion of a transaction, this may be viewed as a conflict of interest regarding our ability to provide unbiased advice to enter into such transaction. This viewed conflict of interest will not impair MFSOK's ability to render unbiased and competent advice to the Authority. The fee paid to MFSOK increases the cost of borrowing to the Authority. The increased cost occurs from compensating MFSOK for municipal advisory services provided.

If MFSOK becomes aware of any, actual or potential conflict of interest not mentioned above during this agreement, MFSOK will promptly provide the Authority a supplement written disclosure with sufficient details of the change, if any, which will allow the Authority to evaluate the situation.

VII. Legal Events and Disciplinary History

MFSOK does not have any legal events and disciplinary history on its Form MA and Form MA-I, which includes information about any criminal actions, regulatory actions, investigations, terminations, judgments, liens, civil judicial actions, customer complaints, arbitrations and civil litigation. The Authority may electronically access MFSOK's most recent Form MA and each most recent Form MA-I filed with the Commission at the following website:
www.sec.gov/edgar/searchedgar/companysearch.html.

There have been no material changes to a legal or disciplinary event disclosure on any Form MA or Form MA-I filed with the SEC.

VIII. Fiduciary Duty

MFSOK is registered as a Municipal Advisor with the SEC and Municipal Securities Rulemaking Board ("MSRB"). As such, MFSOK has a Fiduciary duty to the Authority and must provide both a Duty of Care and a Duty of Loyalty that entails the following.

Duty of Care:

- A. exercise due care in performing its municipal advisory activities;
- B. possess the degree of knowledge and expertise needed to provide the Authority with informed advice;
- C. make a reasonable inquiry as to the facts that are relevant to the Authority's determination as to whether to proceed with a course of action or that form the basis for any advice provided to the Authority; and
- D. undertake a reasonable investigation to determine that MFSOK is not forming any recommendation on materially inaccurate or incomplete information; MFSOK must have a reasonable basis for:
 - a. any advice provided to or on behalf of the Authority;
 - b. any representations made in a certificate that it signs that will be reasonably foreseeably relied upon by the Authority, any other party involved in the municipal securities transaction or municipal financial product, or investors in the Authority securities; and
 - c. any information provided to the Authority or other parties involved in the municipal securities transaction in connection with the preparation of an official statement.

Duty of Loyalty:

MFSOK must deal honestly and with the utmost good faith with the Authority and act in the Authority's best interests without regard to the financial or other interests of MFSOK. MFSOK will

eliminate or provide full and fair disclosure (included herein) to Authority about each material conflict of interest (as applicable). MFSOK will not engage in municipal advisory activities with the Authority as a municipal entity, if it cannot manage or mitigate its conflicts in a manner that will permit it to act in the Authority's best interests. As of the date of this agreement, MFSOK has performed a reasonable diligence to determine if there are any conflicts of interest that should be brought to the attention of the Authority.

IX. Recommendations

If MFSOK makes a recommendation of a municipal securities transaction or municipal financial product or if the review of a recommendation of another party is requested in writing by the Authority and is within the scope of the engagement, MFSOK will determine, based on the information obtained through reasonable diligence of MFSOK whether a municipal securities transaction or municipal financial product is suitable for the Authority. In addition, MFSOK will inform the Authority of:

- A. the evaluation of the material risks, potential benefits, structure, and other characteristics of the recommendation;
- B. the basis upon which MFSOK reasonably believes that the recommended municipal securities transaction or municipal financial product is, or is not, suitable for the Authority; and
- C. whether MFSOK has investigated or considered other reasonably feasible alternatives to the recommendation that might also or alternatively serve the Authority's objectives.

If the Authority elects a course of action that is independent of or contrary to the advice provided by MFSOK, MFSOK is not required on that basis to disengage from the Authority.

X. Record Retention

Pursuant to the Securities and Exchange Commission (SEC) record retention regulations, Municipal Finance Services, Inc. is required to maintain in writing, all communication and created documents between Municipal Finance Services, Inc. and the Authority for five (5) years after the maturity of any obligation.

Notices

Any and all notices pertaining to this Agreement shall be sent by U.S. Postal Service, first class, postage prepaid to:

MFSOK:
Municipal Finance Services, Inc.
Attn: Rick Smith
P.O. Box 747
Edmond, OK 73083-0747

AUTHORITY:
The Owasso Public Works Authority
Attn: Chairman
PO Box 180
Owasso, OK 74055-0180

Acceptance

If there are any questions regarding the above, please do not hesitate to contact Municipal Finance Services, Inc. If the foregoing terms meet with your approval, please indicate your acceptance by executing all original copies of this letter and keeping one copy for your file.

Authority and MFSOK have executed this Agreement by the duly authorized representatives as of the date provided hereof and such Agreement was approved at a meeting duly called and held in full compliance with the Oklahoma Open Meeting Act.

MUNICIPAL FINANCE SERVICES, INC.

By: _____
Rick A. Smith, President

THE OWASSO PUBLIC WORKS AUTHORITY

By: _____
Chairman
Date: October 4, 2016



t 405.235.3413 • f 405.235.2807
5657 N. CLASSEN BOULEVARD, SUITE 100 • OKLAHOMA CITY, OK 73118

AGREEMENT FOR BOND COUNSEL SERVICES

THE OWASSO PUBLIC WORKS AUTHORITY SALES TAX REVENUE NOTE, SERIES 2016

THIS AGREEMENT is entered into as of October 4, 2016, by and between THE PUBLIC FINANCE LAW GROUP PLLC (“PFLG”) and THE OWASSO PUBLIC WORKS AUTHORITY (the “Issuer”), a public trust with the City of Owasso, Oklahoma (the “City”) as its beneficiary, as follows:

RECITALS

WHEREAS, the Issuer desires to engage PFLG as bond counsel in connection with the financing of certain capital improvements as contemplated by Ordinance No. 763 of the City, along with related costs (the “Project”); and

WHEREAS, to finance all or a portion of the costs of the Project, the Issuer intends to issue its Sales Tax Revenue Note, Series 2016 in the approximate principal amount of \$21.3 million (the “Note”); and

WHEREAS, PFLG possesses the necessary professional capabilities and resources to provide the legal services required by Issuer as described in this Agreement.

AGREEMENTS

1. Scope of Services.

A. *Bond Counsel Services.* PFLG will render the following services as bond counsel to the Issuer:

- (1) Consultation with representatives of the Issuer and the City, including the City Manager, City Attorney, Issuer’s Counsel, Finance Director, financing and accounting staff, financial advisors, and others, with respect to the timing, terms and legal structure of the proposed financing.
- (2) Preparation of loan, security and other authorizing documents (the “Financing Documents”).
- (3) Review of documentation with respect to any letter of credit, bond insurance and/or reserve fund surety policy provided in connection with the Note, if any.

- (4) Attendance at such meetings or hearings of the Issuer and the City and working group meetings or conference calls as the Issuer may request, and assistance to the Issuer staff in preparation of such explanations or presentations to the governing body of the Issuer and the City as they may request.
- (5) Preparation of final closing papers to be executed by the Issuer required to effect delivery of the Note and coordination of the Note closing.
- (6) Rendering of bond counsel's customary final legal opinion on the validity of the securities and, with respect to the tax-exempt securities, the exemption from gross income for federal income tax purposes and from Oklahoma personal income tax of interest thereon.

PFLG and Issuer acknowledge that Issuer shall be represented by Julie Lombardi, Esq., City Attorney (“Issuer’s Counsel”) for the purpose of rendering day-to-day and ongoing general counsel legal services. PFLG shall circulate documents to and coordinate its services with Issuer’s Counsel to the extent requested by Issuer or Issuer’s Counsel.

PFLG and Issuer further acknowledge that the Issuer shall be represented by Municipal Finance Services, Inc., a municipal advisor pursuant to the terms of SEC Rule 15Ba1-1 (referred to herein as an “Independent Registered Municipal Advisor” or “IRMA”). PFLG is a firm of attorneys who provide legal advice or services of a traditional legal nature to a client, and PFLG and its attorneys do not represent themselves to be a financial advisor or financial expert. Therefore, PFLG is excluded from the definition of Municipal Advisor, and PFLG does not intend to provide any advice with respect to municipal financial products or the issuance of municipal securities outside of the scope of traditional legal services and advice customarily rendered by bond counsel in public finance transactions. Notwithstanding the foregoing, in the event certain advice may be construed as beyond the scope of traditional legal services, the Issuer specifically acknowledges that PFLG may avail itself of the IRMA exemption under SEC Rule 15Ba1-1 on the basis that (i) the Issuer is represented by an Independent Registered Municipal Advisor not associated with PFLG, (ii) the Issuer hereby advises PFLG that the Issuer is represented by and will rely on the advice of its duly retained Independent Registered Municipal Advisor, and (iii) the Issuer has been advised that PFLG is not a municipal advisor and PFLG owes no federal statutory fiduciary duty to the Issuer.

In rendering opinions and performing legal services under this Agreement, PFLG shall be entitled to rely on the accuracy and completeness of information provided, certifications made by, and opinions provided by counsel to, Issuer, the Independent Registered Municipal Advisor, property owners and other parties and consultants, without independent investigation or verification.

PFLG’s services are limited to those specifically set forth above. PFLG’s services do not include representation of Issuer or any other party to the transaction in any litigation or other legal or administrative proceeding involving the Note, the Project or any other matter. PFLG’s

services also do not include any responsibility for compliance with state blue sky, environmental, land use, real estate or similar laws or for title to or perfection of security interests in real or personal property. PFLG will not be responsible for preparing, reviewing, or opining with respect to the Issuer's Official Statement and/or any Continuing Disclosure Undertakings for the Note, including but not limited to the accuracy, completeness or sufficiency of the Official Statement, Continuing Disclosure Undertaking, or other offering material relating to the Note. PFLG's services do not include any financial advice or analysis. PFLG will not be responsible for the services performed or acts or omissions of any other participant. Also, PFLG's services will not extend past the date of issuance of the Note and will not, for example, include services related to rebate compliance or continuing disclosure or otherwise related to the Note, proceeds of the Note, or the Project after issuance of the Note.

2. Compensation and Reimbursements.

A. *Compensation for Bond Counsel Services.* For services as bond counsel to the Issuer, PFLG shall be paid a fixed fee at the time of issuance of the Note of one percent (1.0%) of the principal amount of the Note, subject to a maximum fee not to exceed \$175,000.00.

B. *Expenses.* PFLG shall also be paid a fixed amount of \$2,500.00 to cover expenses and transcript production and distribution, provided, that any filing, publication, recording or printing costs or similar third party costs required in connection with the Note shall be paid directly by the Issuer, but if paid by PFLG on behalf of the Issuer, shall be reimbursed to PFLG on demand.

C. *Payment.* Fees and expenses shall be payable by Issuer at the time of issuance of the Note. Payment of all fees and expenses hereunder shall be made at closing from proceeds of the Note and shall be entirely contingent upon issuance of the Note.

D. *Termination of Agreement and Legal Services.* This Agreement and all legal services to be rendered under it may be terminated at any time by written notice from either party, with or without cause. In that event, all finished and unfinished documents prepared for adoption or execution by Issuer, shall, at the option of Issuer, become its property and shall be delivered to it or to any party it may designate; provided that PFLG shall have no liability whatsoever for any subsequent use of such documents. In the event of termination by Issuer, PFLG shall be paid for all satisfactory work, unless the termination is made for cause, in which event compensation, if any, shall be adjusted in the light of the particular facts and circumstances involved in the termination. If not sooner terminated as aforesaid, this Agreement and all legal services to be rendered under it shall terminate upon issuance of the Note; provided that Issuer shall remain liable for any unpaid compensation or reimbursement due under Section 2 hereof. Upon termination, PFLG shall have no future duty of any kind to or with respect to the Note or the Issuer.

3. Nature of Engagement; Relationships With Other Parties.

The role of bond counsel, generally, is to prepare or review the procedures for issuance of the bonds, notes or other evidence of indebtedness and to provide an expert legal opinion with respect to the validity thereof and other subjects addressed by the opinion. Consistent with the historical origin and unique role of such counsel, and reliance thereon by the public finance market, PFLG's role as bond counsel under this Agreement is to provide an opinion and related legal services that represent an objective judgment on the matters addressed rather than the partisan position of an advocate.

In performing its services in connection with the Note, PFLG will act as special counsel to Issuer with respect to issuance of the Note; i.e., PFLG will assist the Issuer's Counsel in representing Issuer but only with respect to validity of the Note and the Financing Documents, and the tax status of interest on the Note, in a manner not inconsistent with the role of bond counsel described above.

Issuer acknowledges that PFLG regularly performs legal services for many private and public entities in connection with a wide variety of matters. For example, PFLG has represented, is representing or may in the future represent other public entities, underwriters, trustees, rating agencies, insurers, credit enhancement providers, lenders, contractors, suppliers, financial and other consultants/advisors, accountants, investment providers/brokers, providers/brokers of derivative products and others who may have a role or interest in the Note financing or the Project or that may be involved with or adverse to Issuer in this or some other matter. PFLG agrees not to represent any such entity in connection with the Note financing, without the consent of Issuer. Given the special, limited role of bond counsel described above, Issuer acknowledges that no conflict of interest exists or would exist, and waives any conflict of interest that might appear actually or potentially to exist, now or in the future, by virtue of this Agreement or any such other attorney-client relationship that PFLG may have had, have or enter into, and Issuer specifically consents to any and all such relationships.

4. Limitation of Rights to Parties; Successor and Assigns.

Nothing in this Agreement or in any of the documents contemplated hereby, expressed or implied, is intended or shall be construed to give any person other than Issuer and PFLG any legal or equitable right or claim under or in respect of this Agreement, and this Agreement shall inure to the sole and exclusive benefit of Issuer and PFLG.

PFLG may not assign its obligations under this Agreement without written consent of Issuer except to a successor partnership or corporation to which all or substantially all of the assets and operations of PFLG are transferred. Issuer may assign its rights and obligations under this Agreement to (but only to) any other public entity that issues the Note (if not the Issuer). Issuer shall not otherwise assign its rights and obligations under this Agreement without written consent of PFLG. All references to PFLG and Issuer in this Agreement shall be deemed to refer

to any such successor of PFLG and to any such assignee of Issuer and shall bind and inure to the benefit of such successor and assignee whether so expressed or not.

5. Counterparts.

This Agreement may be executed in any number of counterparts and each counterpart shall for all purposes be deemed to be an original, and all such counterparts shall together constitute but one and the same Agreement.

6. Notices.

Any and all notice pertaining to this Agreement shall be sent by U.S. Postal Service, first class, postage prepaid to:

PFLG:

The Public Finance Law Group PLLC
5657 North Classen Boulevard, Suite 100
Oklahoma City, OK 73118
Attention: Allan A. Brooks, III or Nathan D. Ellis

ISSUER:

The Owasso Public Works Authority
200 South Main
Owasso, OK 74055
Attention: City Manager

[Remainder of Page
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Issuer and PFLG have executed this Agreement by their duly authorized representatives as of the date provided above.

THE PUBLIC FINANCE LAW GROUP PLLC

By: _____
Nathan D. Ellis

THE OWASSO PUBLIC WORKS AUTHORITY

By: _____
Title: Chair
Date: October 4, 2016

OWASSO PUBLIC WORKS AUTHORITY
PAYROLL PAYMENT REPORT
PAY PERIOD ENDING DATE 09/17/16

| <u>Department</u> | <u>Payroll Expenses</u> | <u>Total Expenses</u> |
|-----------------------|-------------------------|-----------------------|
| OPWA Administration | 10,482.45 | 15,618.91 |
| Utility Billing | 5,692.80 | 10,802.91 |
| Water | 14,726.22 | 24,833.22 |
| Wastewater | 11,358.28 | 19,758.76 |
| Wastewater Collection | 8,312.86 | 13,672.16 |
| Refuse | 12,011.33 | 19,225.43 |
| Recycle Center | 898.56 | 1,463.26 |
| <u>FUND TOTAL</u> | <u>63,482.50</u> | <u>105,374.65</u> |