

**MINUTES OF A SPECIAL MEETING OF CLINTON PUBLIC WORKS AUTHORITY
WEDNESDAY, OCTOBER 29, 2014**

Minutes of a special meeting of the Chairman and Trustees of the Clinton Public Works Authority of the City of Clinton, Oklahoma, Custer County, held at the Clinton City Hall on Wednesday, October 29, 2014, at 6:00 p.m. A notice of this meeting with agenda was posted on the bulletin board in the lobby of the Clinton City Hall on October 27, 2014.

Chairman Seth Adams called the meeting to order with the following present:

Chairman: Seth Adams

Trustee: Don Rodolph, Jason Hulin, Wheeler Lowry, Mustafa Sami

City Manager: Mark Skiles

City Clerk: Lisa Anders

Deputy Clerk: Shona Stermer

Public Works Director: Donald Webb

Treasurer: Debra Blanchard

Media: Gerald Green and Mike Smith

Others: David Crabtree, Kris Wermey, Mary Helen Jones, Joyce Kenney, Ben Oglesby, Rick Smith, Dacia Phillips and others.

AGENDA ITEM NO. 2A: CONSIDERATION AND POSSIBLE ACTION TO APPROVE WATER SYSTEM PROJECTS AND ESTIMATED COSTS TO BE FINANCED FROM PROCEEDS OF A REVENUE BOND ISSUE

City Manager Mark Skiles introduced Rick Smith of Municipal Finance Services, Inc.

Mr. Smith presented a powerpoint presentation regarding project budget/ scope and water rate recommendations. The water project budget is \$28,563,910 without the Canute lines.

Motion was made by Trustee Rodolph and seconded by Trustee Sami to approve the project components and estimated costs to be financed.

Chairman put the motion to a roll call vote:

Aye: Rodolph, Sami, Hulin, Lowry, Adams

Nay: None

Chairman declared the motion carried.

AGENDA ITEM NO. 3. CONSIDERATION AND POSSIBLE ACTION WITH RESPECT TO WATER RATE ADJUSTMENTS NECESSARY TO REPAY DEBT SERVICE REQUIREMENTS ASSOCIATED WITH THE ISSUANCE OF REVENUE BONDS TO FUND WATER SYSTEM IMPROVEMENTS AND COVER OPERATION AND MAINTENANCE COSTS RELATED THERETO

Rick Smith reviewed the details regarding tax-exempt revenue bonds for a 30 year term. He explained the recommendation of implementing water rate increases in phases with the first increase effective January 1, 2015. A review of the water utility customers to include the consumption and percentage of total consumption was discussed. It was noted that the top ten water customers consume 34% of the water.

Smith recommended an increase to the current water surcharge of \$.16 per month to \$1.50 per month effective January 1, 2015 and January 1, 2016 increase to a total of \$3.00 per month. He explained that this revenue would be restricted to pay for water costs.

Smith reviewed the rates increases for Phase 1 and explained that the use of the current rate structure was applied. He also recommended implementing Phase 2 rate increases effective January 1, 2016.

Smith said he is working with the City Attorney regarding a resolution that will be brought to the Authority for review regarding implementing the rate increases.

Chairman Adams asked about a sales tax option.

Smith explained that a sales tax option had been discussed and that is the reason the rates are being proposed in phases. He said that Phase I rates are needed now.

Trustee Sami said he appreciated the clear presentation of the information.

Trustee Rodolph asked if this would be an action item on the next agenda.

City Manager Mark Skiles said it would be on the November 4th agenda.

ADJOURN

Motion was made by Trustee Sami and seconded by Trustee Lowry to adjourn the meeting.

Chairman put the motion to a roll call vote:

Aye: Sami, Lowry, Rodolph, Hulin, Adams

Nay: None

Chairman declared the meeting adjourned at 6:40 p.m.