

**MINUTES OF
AMENDED REGULAR MEETING OF THE DIRECTORS OF
THE OKLAHOMA DEVELOPMENT FINANCE AUTHORITY
March 1, 2022**

The Directors of the Oklahoma Development Finance Authority held an Amended Regular Meeting at 10:00 a.m. on Tuesday, March 1, 2022, in the Conference Room of the Oklahoma Development Finance Authority, 9220 North Kelley Avenue, Oklahoma City, Oklahoma.

The following members of the Authority were PRESENT:

Mr. Chris Condley, Chairman
Mr. Keith Ventris, Vice Chairman
Mr. Hank Bradley, Member
Mr. Bridger Cox, Secretary
Mr. Peter Carey, Member
Mr. D.R. Shipley, Member

The following member of the Authority was ABSENT:

Mr. Bridger Cox, Secretary
Mr. Brent Kisling, Ex-Officio

Others attending the meeting were members of the Oklahoma Development Finance Authority staff and other guests representing firms doing business with ODFA, who are listed on the Attendance Register which is kept in the original meeting file.

ROLL CALL

Chairman Condley called the meeting to order and requested a roll call from the Assistant Secretary, after which he declared a quorum present.

In response to a question by Chairman Condley, it was reported that notice of the Amended Regular Meeting of the Authority was filed in the office of the Oklahoma Secretary of State and public notice of this meeting was posted in prominent view at 9220 North Kelley Avenue, Oklahoma City, Oklahoma, twenty-four (24) hours prior to this meeting excluding Saturdays, Sundays, and legal holidays, all in compliance with the Oklahoma Open Meeting Act.

APPROVAL OF MINUTES OF THE MEETING OF JANUARY 28, 2022

Minutes of the meeting held January 28, 2022, had been sent electronically to the Board Members prior to the meeting and the reading was waived. Mr. Shipley made a motion to approve the minutes as transmitted. Mr. Carey seconded the motion. All members present voted Aye.

FINANCIAL REPORT

Ms. Davis reported that the financials for the month ending January 31, 2022, were not available at the time we published the board packet. He just received them yesterday and staff has not completed reviewing them and would have them available for the March meeting.

NEW LOAN APPLICATIONS/PROJECTS

A. Oklahoma Development Finance Authority (ODFA) – Not to exceed \$1,450,000,000 Ratepayer-Backed Bonds (Oklahoma Natural Gas), Series 2022

Discussion and possible with respect to a resolution authorizing the Oklahoma Development Finance Authority to issue its ratepayer-backed bonds (Oklahoma Natural Gas), Series 2022 (Federally Taxable) in the total aggregate principal amount not to exceed \$1,450,000,000 (the “Bonds”); authorizing the sale of the bonds at negotiated sale and waiving competitive bidding; approving a bond purchase agreement; approving an indenture of trust by and between the Authority and the trustee bank, whereby the Authority authorized issuance and delivery of the Bonds; approving and authorizing a securitization property purchase and sale agreement by and between the Authority and Oklahoma Natural Gas (the “Utility”); approving and authorizing a bill of sale by and between the Authority and the Utility; approving and authorizing a servicing agreement by and between the Authority and the Utility; providing that the organizational document creating the Authority is subject to the provisions of said bond indenture; approving the preliminary and final official statement pertaining to the bonds and authorizing distribution of the same; approving a continuing disclosure agreement; authorizing application and validation of the Bonds with the Supreme Court of the State of Oklahoma; approving and directing execution of the Bonds with the Supreme Court of the State of Oklahoma; approving and directing execution of the Bonds and other documents relating to the transaction; and containing other provisions relating thereto.

Mr. Davis stated that before he goes into Agenda Item A., he will discuss the background of the projects. The OG&E utility securitization bonds were authorized in December, and today we will discuss the three remaining projects that are in process. There may also be one additional application from a gas utility provider, Arkansas Oklahoma Gas, that provides utilities to rural areas with a small customer base. As of now they have not filed an application with the corporation commission. Mr. Davis stated that he has previously provided a lot of background information on how we got here, what caused it and what the next steps are so he will not go through all of that again. Mr. Davis brought the board members up to date on where the OG&E transaction is and

what the path has looked like. These next three agenda items will look a lot like what is happening to the OG&E bonds.

On December 21st the Board voted to authorize the issuance and December 22nd the Council of Bond Oversight met and approved the issuance of the OG&E bonds. That afternoon, Jered Davidson with the Public Finance Law Group filed a validation petition to the Oklahoma Supreme Court which is a required approval that is needed by statute. This is the prudent thing to do if you are going to sell bonds because investors want to know if they are constitutional or not. On January 26th he attended the referee hearing at the Supreme Court. On February 9th one of the newest judges on the bench, recused herself from the OG&E case. Mr. Davis believes maybe there was a financial interest conflict. According to OSCN on February 14th the case was assigned to the Supreme Court and on the 16th, there was an order asking the Oklahoma Attorney General to indicate whether they were going to intervene in the case or not. The Attorney General's office had until March 1st to make that decision. Mr. Davis stated that he might hear something on this by the end of the day. If the Attorney General is going to intervene with the OG&E case, they must have a brief filed by April 1st. In the event they do file a brief, ODFA and any protestants will have 15 days to file a brief. Mr. Davis added that we are in a holding pattern waiting for the judgment of the Supreme Court. There was another case that was filed on January 18th at the Supreme Court. This case number is 120157 and it is a ratepayer protest. It is asking the courts to look at the constitutionality, the sale of state debt without a vote of the people and disapproval of any bonds under Senate Bill 1050. The OG&E case is specifically for the OG&E issuance and there are protests there as well.

The case 120157 is a stand-alone case and is a challenge to the program and its entirety. ODFA had until February 8th to file a response to the case and a response was filed on February 7th. The Supreme Court has asked the Attorney General to indicate whether they will intervene or not. The Attorney General has until March 15th to respond. If they do intervene, they will have until April 15th to file a brief. If they do file a brief, the Authority and protestants will have 15 days to file briefs. The three items on the agenda today are for Oklahoma Natural Gas, PSO and Summit. Mr. Davis stated that Centerpoint is the predecessor throughout this process, and they have been going through an acquisition by Summit. The legal documents are being drawn up with Summit.

Mr. Davis stated that he is asking the Board for authorization to issue these utility securitization bonds. On March 10th, these bonds will also be on the Council of Bond Oversight's agenda for approval. If they are approved each issue will then go to the Oklahoma Supreme Court for validation.

Item A is for the Oklahoma Natural Gas to issue an amount not to exceed \$1,450,000,000. These bonds will be a 25-year term as laid out in the financing order. Mr. Davis added that bond counsel Jered Davidson with the Public Finance Law Group is available for questions as well.

Mr. Davidson reiterated that ODFA does not dictate the terms of any of these bonds. The Corporation Commission has done a full prudency review and analyzed the applications for each utility and sets forth the amounts that they can recover. The next phase of the process each of these series will have to go before the Supreme Court so all three of these issues will be filed with

them after the Council of Bond Oversight approval. If we do receive Supreme Court validation it might be 30 to 45-day timeline to issue the bonds. Mr. Davidson is hopeful to have all the transactions completed by fall.

Lastly, Mr. Davis added that in order for the Corporation Commission to issue a financing order and for ODFA to utilize Senate Bill 1050 it must be proven that this financing offers substantial savings to the utility ratepayers. The comparison is the cost to recapture these corporations issuing corporate debt. In recent utility securitizations he has seen 2.15% versus the corporate bond of 8 to 10%.

Mr. Shipley made a motion to approve the project. Mr. Carey seconded the motion. Upon Roll Call, the vote was as follows:

AYE: Bradley, Carey, Condley, Shipley, Ventris
NAY: NONE

B. Oklahoma Development Finance Authority (ODFA) – Not to exceed \$725,000,000 Ratepayer-Backed Bonds (Public Service Company of Oklahoma), Series 2022

Discussion and possible with respect to a resolution authorizing the Oklahoma Development Finance Authority to issue its ratepayer-backed bonds (Public Service of Oklahoma), Series 2022 (Federally Taxable) in the total aggregate principal amount not to exceed \$725,000,000 (the “Bonds”); authorizing the sale of the bonds at negotiated sale and waiving competitive bidding; approving a bond purchase agreement; approving an indenture of trust by and between the Authority and the trustee bank, whereby the Authority authorized issuance and delivery of the Bonds; approving and authorizing a securitization property purchase and sale agreement by and between the Authority and Public Service of Oklahoma (the “Utility”); approving and authorizing a bill of sale by and between the Authority and the Utility; approving and authorizing a servicing agreement by and between the Authority and the Utility; providing that the organizational document creating the Authority is subject to the provisions of said bond indenture; approving the preliminary and final official statement pertaining to the bonds and authorizing distribution of the same; approving a continuing disclosure agreement; authorizing application and validation of the Bonds with the Supreme Court of the State of Oklahoma; approving and directing execution of the Bonds with the Supreme Court of the State of Oklahoma; approving and directing execution of the Bonds and other documents relating to the transaction; and containing other provisions relating thereto.

Mr. Davis stated that all the discussion that was made for item A applies for this item as well. This is for the Public Service Company of Oklahoma, and he is asking for authorization of the bonds and not to exceed \$725,000,000. This project has a 20-year term per the financing order. The financing order was approved on February 10th. Mr. Davis stated that again this had the same vote as OG&E and ONG where the Corporation Commission voted with a 2-1 vote with Commissioner

Anthony voting no. There is a 30-day window to protest the Corporation Commission action and the deadline would be March 12th.

Mr. Carey made a motion to approve the project. Mr. Shipley seconded the motion. Upon Roll Call, the vote was as follows:

AYE: Bradley, Carey, Condley, Shipley, Ventris
NAY: NONE

C. Oklahoma Development Finance Authority (ODFA) – Not to exceed \$95,000,000 Ratepayer-Backed Bonds (Summit Utilities Oklahoma), Series 2022

Discussion and possible with respect to a resolution authorizing the Oklahoma Development Finance Authority to issue its ratepayer-backed bonds (Summit Utilities Oklahoma), Series 2022 (Federally Taxable) in the total aggregate principal amount not to exceed \$95,000,000 (the “Bonds”); authorizing the sale of the bonds at negotiated sale and waiving competitive bidding; approving a bond purchase agreement; approving an indenture of trust by and between the Authority and the trustee bank, whereby the Authority authorized issuance and delivery of the Bonds; approving and authorizing a securitization property purchase and sale agreement by and between the Authority and Summit Utilities Oklahoma (the “Utility”); approving and authorizing a bill of sale by and between the Authority and the Utility; approving and authorizing a servicing agreement by and between the Authority and the Utility; providing that the organizational document creating the Authority is subject to the provisions of said bond indenture; approving the preliminary and final official statement pertaining to the bonds and authorizing distribution of the same; approving a continuing disclosure agreement; authorizing application and validation of the Bonds with the Supreme Court of the State of Oklahoma; approving and directing execution of the Bonds with the Supreme Court of the State of Oklahoma; approving and directing execution of the Bonds and other documents relating to the transaction; and containing other provisions relating thereto.

Mr. Davis stated that this is the last item for the utility securitization act. The Authority is asking for authorization not to exceed \$95,000,000 Ratepayer-Backed Bonds for the benefit of Summit Utilities Oklahoma. The financing order was also approved on February 10th. Unlike the Corporation Commission action on OG&E, ONG and PSO, two of the Corporation Commissioners voted yes and Mr. Anthony did not vote. Mr. Anthony did not provide a dissenting opinion for Summit.

Mr. Carey made a motion to approve the project. Mr. Shipley seconded the motion. Upon Roll Call, the vote was as follows:

AYE: Bradley, Carey, Condley, Shipley, Ventris
NAY: NONE

D. Oklahoma Development Finance Authority (ODFA) – \$1,200,000 Oklahoma Community Economic Development Pooled Finance Act Award (Town of Goldsby), Series 2022

Discussion and possible with respect to a resolution acknowledging receipt of a Determination Letter from the Oklahoma Department of Commerce (“ODOC Determination Letter”); implementing the financial incentive described in the ODOC Determination Letter, namely, the Oklahoma Community Economic Development Pooled Finance Act (Town of Goldsby Project), Series 2022, in an aggregate principal amount estimated at \$1,200,000 (the “Award”); approving and authorizing the execution and delivery of a Funding Agreement and other related documents; and containing additional matters relating thereto.

Mr. Stoner stated that a summary was provided on page 20 of the Board packets. This program is the Oklahoma Department of Commerce’s Business Expansion Incentive Program. An application is made to the Department of Commerce and their research division determine if there is a net positive benefit for the State before it comes to the ODFA Board. This is nearly a \$5 million project for a water treatment facility.

Mr. Stoner introduced Mr. Adam Vossen, Town Administrator along with the Mayor of Goldsby. Mr. Vossen gave a presentation over the Town of Goldsby to the board members.

Mr. Stoner added that this is a P3 infrastructure incentive which allows ODFA to capture withholding taxes to support the incentive award up to a 3-year period.

Mr. Ventris made a motion to approve the project. Mr. Shipley seconded the motion. Upon Roll Call, the vote was as follows:

AYE:	Bradley, Carey, Condley, Shipley, Ventris
NAY:	NONE

REVIEW AND POSSIBLE APPROVAL OF TRAVEL CLAIMS

Mr. Shipley made a motion to approve the travel claims. Mr. Carey seconded the motion. All members present voted AYE.

PRESIDENT'S REPORT

Mr. Davis reported that on pages 21-22 is the Authorities Operation and Business Development Report. ODFA is actively managing thirty-one projects in the Business Expansion Incentive Program which includes P3. This incentive program has the capacity of \$200 million to incentivize economic development and infrastructure. There is \$35 million out for the thirty-one projects and there is \$165 million that is still available out of this \$200 million pool.

The Oklahoma Innovation Expansion was the follow-up to the 2020 Bounce Back Program (COVID response) these were smaller incentives provided to Oklahoma businesses anywhere from \$25,000 to \$150,000 that was paid out to companies monthly. There were 105 awards for \$7.5 million and to date there has been \$5.59 million total payments made through February with \$1.03 million remaining to collect and disburse. The 2021 program will end June 2022, it ran for 12 months. ODFA is actively working with the Oklahoma Department of Commerce, Oklahoma Manufacturing Alliance, Select Oklahoma, and metro Chambers to promote the next expansion program. The application window will be from April 4th and will close April 15th. Mr. Davis added that there is a lot of excitement about the program and this program has opened the doors to many manufacturers across the state. Mr. Stoner and Ms. Harris have done a great job getting in front of the companies and it has opened opportunities for the businesses to utilize the authorities' programs.

Mr. Davis stated that in January the Board authorized the issuance of real property projects under the Oklahoma State Regents Higher Ed Master Lease Real Property Program and not to exceed \$200 million. Mr. Davis stated that we will not get close to that number and have not for quite a few years. The Board also authorized the issuance of the Master Lease Equipment program not to exceed the statutory cap of \$50 million. The real property projects have been submitted to the state legislature for approval and he has received the approved list. There are five refunding projects for \$35.7 million and twelve new money projects for \$57.3 million. These projects are from Northeastern State University, OSU Center for Health in Tulsa, OU has a handful of projects. Mr. Davis did not anticipate having this many possible projects and he is a little concerned about the refunding projects because of the interest rates. He will monitor the interest rate and projects and see what they will look like.

Mr. Davis added that this is the season for legislation, and he is following economic development legislation. The Department of Commerce has seven request bills that he will be tracking as well as administration of being a government entity. This Thursday is the deadline for bills to be moved out of the committees of the house of origin. This Friday he expects to have a better picture of what is real and what is left.

Mr. Davis stated that this concluded the President's Report. Chairman Condley made note that no formal action was taken during the President's report.

ADJOURNMENT

Chairman Condley asked if there were any announcements. Hearing none, he asked if there was a motion to adjourn. Mr. Ventris made a motion to adjourn. Mr. Bradley seconded the motion. All members present voted AYE.

These minutes officially approved and adoption this ____ day of _____, 2022.

Chairman

SEAL

Assistant Secretary