NOTICE OF SPECIAL MEETING AND AGENDA OF THE BOARD OF TRUSTEES OF THE CUSHING HOSPITAL AUTHORITY AND

CUSHING INDUSTRIAL AUTHORITY SEPTEMBER 18, 2023

7:00 PM CUSHING CITY HALL 100 JUDY ADAMS BLVD.

THE BOARD MAY DISCUSS, CONSIDER, AND VOTE ON ANY ITEM LISTED ON AGENDA IN ANY ORDER:

1. Call to Order

- a. Roll Call
- b. Declaration of Quorum

2. Consent Agenda

- a. Approve CIA claims totaling: \$8,333.33
- b. Approve minutes: August 21, 2023 (Special joint meeting of Cushing Hospital and Cushing Industrial Authority)

3. Resolutions

a. CUSHING INDUSTRIAL AUTHORITY RESOLUTION NO. 05-2023: A resolution authorizing the Cushing Industrial Authority (the "Authority") to issue its revenue bonds or notes, in one or more series, on a taxable or tax exempt basis, in the aggregate principal amount of not to exceed \$75,000,000 to finance certain carbon capture facilities (the "obligations"); authorizing execution of a Certificate of Determination setting forth the interest rates, redemption provisions, size, and maturities of the obligations; waiving competitive bidding and authorizing the sale of the obligations at negotiated sale at a price less than par, including original issue discount; approving the form of the bond purchase agreement, if necessary; approving and authorizing execution and delivery of the obligations, an Indenture of Trust (the "Indenture"), loan agreement and additional documents supporting the transaction; authorizing a preliminary official statement, official statement, limited offering memorandum or other offering document; authorizing the execution, modification and delivery of any documents regarding the obligations including security, tax, and other documents as deemed necessary by staff; and containing other provisions related thereto.

4. Executive Session

- a. Executive Session pursuant to 25 O.S. §307(C)(11) to discuss matters pertaining to economic development, including financial assistance to entice a business for community economic benefit.
- b. Executive session pursuant to 25 O.S. §307(B)(3) to discuss the purchase or appraisal of real property.

5. Adjournment

Filed in the office of City Clerk and posted on the main lobby entrance door of City Hall at 2:58 PM on September 14, 2023.

Terry Brannon, City Manager

Jerrica Worthy, City Clerk

SEPTEMBER 2023 CLAIMS

CUSHING INDUSTRIAL AUTHORITY

** CLAIMS **

| OPERATING FUND (475) | \$8,333.33 |
|-----------------------|------------|
| ADDED TO CLAIMS (475) | \$ - |
| , , | |
| | |
| | |
| TOTAL | \$8 333 33 |

PACKET: 21685 CIA 08/2023

, ENDOR SET: 01

FUND : 475 CUSHING INDUSTRIAL AUTH.

NON-DEPARTMENTAL DEPARTMENT: 00

BUDGET TO USE: CB-CURRENT BUDGET

BANK: 6

REPORT GRAND TOTAL:

8,333.33

VENDOR NAME ITEM # G/L ACCOUNT NAME DESCRIPTION CHECK# AMOUNT CUSHING ECONOMIC DEVELO I-71 475-500-3420 CONTRACT - CE SEPTEMBER CEDF 001828 8,333.33 DEPARTMENT 00 NON-DEPARTMENTAL TOTAL: 8,333.33 FUND 475 CUSHING INDUSTRIAL AUTH. TOTAL: 8,333.33

IN ACCORDANCE WITH THE OKLAHOMA OPEN MEETING LAW, THE AGENDA WAS POSTED AUGUST 17, 2023, AT 3:05 P.M. AT THE CUSHING CITY HALL, 100 JUDY ADAMS BOULEVARD, CUSHING, OKLAHOMA

MINUTES OF THE SPECIAL MEETING CUSHING HOSPITAL AUTHORITY AND CUSHING INDUSTRIAL AUTHORITY HELD AT 100 JUDY ADAMS BLVD. AUGUST 21, 2023 7:00 P.M.

THE BOARD MAY DISCUSS, CONSIDER, AND VOTE ON ANY ITEM LISTED ON AGENDA IN ANY ORDER:

- 1. Call to Order
 - a. Roll Call
 - b. Declaration of Quorum

The Special Meeting of the Cushing Hospital Authority and the Cushing Industrial Authority was called to order on August 21, 2023, by Chairman Lofton.

PRESENT: ROBERSON, BRANYAN, DOWELL, ORTON, LOFTON

ABSENT: NONE

c. Presentation by Cushing Hospital Foundation Chairman Lee Roy Kalka.

Cushing Hospital Foundation Chairman, Lee Roy Kalka, presented a donation of \$116,321.00 for one-third of the cost of a new 3D Mammography machine to Trustee Dowell. Hospital Foundation member Pam Hawthorn was also present.

RECESS: THE SPECIAL MEETING OF THE CUSHING HOSPITAL AUTHORITY AND THE CUSHING INDUSTRIAL AUTHORITY WAS RECESSED AT 7:15 P.M.

<u>RECONVENE:</u> THE SPECIAL MEETING OF THE CUSHING HOSPITAL AUTHORITY AND THE CUSHING INDUSTRIAL AUTHORITY WAS RECONVENED AT 7:46 P.M.

- 2. Consent Agenda
 - a. Approve CIA claims totaling: \$8,333.33
 - b. Approve CHA claims totaling: \$135,006.36
 - c. Approve minutes: July 17, 2023 (Special joint meeting of Cushing Hospital and Cushing Industrial Authority)

MOTION: A MOTION WAS MADE BY TRUSTEE ROBERSON TO APPROVE THE CONSENT AGENDA AS PRESENTED. THE MOTION WAS SECONDED BY TRUSTEE DOWELL AND RESULTED IN THE FOLLOWING ROLL CALL VOTE.

AYES: ROBERSON, BRANYAN, DOWELL, ORTON, LOFTON

NAYS: NONE

3. General Business

a. Consideration and possible action with respect to approving professional services agreements with The Public Finance Law Group PLLC as Bond Counsel, and Municipal Finance Services, Inc., as financial advisor, in connection with the issuance of bonds or notes for Southern Rock Energy.

City Attorney, Jonathan Huseman, spoke briefly about the agreement.

Cushing Economic Development Director Bruce Johnson gave an update on refinery project.

Mr. Wolf with Municipal Finance Services was present and spoke briefly.

MOTION: A MOTION WAS MADE BY TRUSTEE ROBERSON TO APPROVE THE AGREEMENT WITH THE PUBLIC FINANCE LAW GROUP PLLC AND MUNICIPAL FINANCE SERVICES, INC. THE MOTION WAS SECONDED BY TRUSTEE BRANYAN AND RESULTED IN THE FOLLOWING ROLL CALL VOTE.

AYES: ROBERSON, BRANYAN, DOWELL, ORTON, LOFTON

NAYS: NONE

b. Authorize the City Manager to issue a purchase order to Hillcrest Hospital Cushing in an amount up to \$232,642.00 to support the purchase of a Selenia Dimensions 3D Performance System, and all appurtenances, and to authorize payment.

City Attorney Huseman made the announcement that it would be added to the agreement that the machine would always be kept here at the Cushing Hospital location.

MOTION: A MOTION WAS MADE BY TRUSTEE ROBERSON TO AUTHORIZE THE CITY MANAGER TO ISSUE A PURCHASE ORDER TO HILLCREST HOSPITAL CUSHING IN AN AMOUNT UP TO \$232,642.00 TO SUPPORT THE PURCHASE OF A SELENIA DIMENSIONS 3D PERFORMANCE SYSTEM, AND ALL APPURTENANCES, AND TO AUTHORIZE PAYMENT. THE MOTION WAS SECONDED BY VICE-CHAIRMAN ORTON AND RESULTED IN THE FOLLOWING ROLL CALL VOTE.

AYES: ROBERSON, BRANYAN, DOWELL, ORTON, LOFTON

NAYS: NONE

c. Budget Amendment: Amend the FY 2023-2024 CHA fund budget for Hospital Foundation donation and corresponding expenditure.

MOTION: A MOTION WAS MADE BY TRUSTEE BRANYAN TO APPROVE THE AMENDMENT OF THE FY 2023-2024 CHA FUND BUDGET FOR HOSPITAL FOUNDATION DONATION AND CORRESPONDING EXPENDITURE. THE MOTION WAS SECONDED BY TRUSTEE ROBERSON AND RESULTED IN THE FOLLOWING ROLL CALL VOTE.

AYES: ROBERSON, BRANYAN, DOWELL, ORTON, LOFTON

NAYS: NONE

4. Executive Session

- a. Executive Session pursuant to 25 O.S. §307(C)(11) to discuss matters pertaining to economic development, including financial assistance to entice a business for community economic benefit. Presentation by Economic Development Director Bruce Johnson.
- b. Executive Session pursuant to 25 O.S. §307(C)(11) to discuss matters pertaining to economic development, including financial assistance to entice a business for

community economic benefit. Presentation by Economic Development Director Bruce Johnson.

MOTION: A MOTION WAS MADE BY TRUSTEE ROBERSON TO ENTER INTO EXECUTIVE SESSION FOR THE PURPOSE OF DISCUSSING AGENDA ITEMS 4A AND 4B. THE MOTION WAS SECONDED BY TRUSTEE DOWELL AND RESULTED IN THE FOLLOWING ROLL CALL VOTE.

AYES: ROBERSON, BRANYAN, DOWELL, ORTON, LOFTON

NAYS: NONE

EXECUTIVE SESSION: ENTERED INTO EXECUTIVE SESSION AT 8:04 P.M. RETURNED FROM EXECUTIVE SESSION AT 9:26 P.M.

No action taken.

5. Adjournment

MOTION: A MOTION WAS MADE BY VICE-CHAIRMAN ORTON TO ADJOURN THE AUGUST 21, 2023, SPECIAL MEETING OF THE CUSHING HOSPITAL AUTHORITY AND THE CUSHING INDUSTRIAL AUTHORITY AT 9:26 P.M. THE MOTION WAS SECONDED BY TRUSTEE ROBERSON AND RESULTED IN THE FOLLOWING ROLL CALL VOTE.

AYES: ROBERSON, BRANYAN, DOWELL, ORTON, LOFTON

NAYS: NONE

RICKY LOFTON, CHAIRMAN CUSHING HOSPITAL AUTHORITY AND THE CUSHING INDUSTRIAL AUTHORITY

(SEAL)

ATTEST:

JERRICA WORTHY, SECRETARY



Agenda Item Cover Sheet

TO THE HONORABLE CHAIRMAN AND MEMBERS OF THE BOARD OF COMMISSIONERS / BOARD OF TRUSTEES OF THE CMA / CHA / CIA / CEFA

| Date of Meeting: September 18, 2023 | Agenda Item No: | 3A |
|-------------------------------------|-----------------|----|
|-------------------------------------|-----------------|----|

Subject: Consideration and possible action on City Resolution No. 12-2023, APPROVING THE INCURRENCE OF INDEBTEDNESS BY THE CUSHING INDUSTRIAL AUTHORITY ISSUING ITS REVENUE BONDS OR NOTES (THE "OBLIGATIONS") IN ONE OR MORE SERIES OR SUBSERIES; PROVIDING THAT THE ORGANIZATIONAL DOCUMENT CREATING THE AUTHORITY IS SUBJECT TO THE PROVISIONS OF THE INDENTURE AUTHORIZING THE ISSUANCE OF THE OBLIGATIONS; WAIVING COMPETITIVE BIDDING AND AUTHORIZING THE SALE OF SAID OBLIGATIONS BY THE AUTHORITY AT NEGOTIATED SALE AT A PRICE LESS THAN PAR OR WITH PREMIUM; AUTHORIZING THE EXECUTION OF ALL NECESSARY DOCUMENTS; AND CONTAINING OTHER PROVISIONS RELATING THERETO.

And

Consideration and possible action on CIA Resolution No. 05-2023,

AUTHORIZING THE CUSHING INDUSTRIAL AUTHORITY (THE "AUTHORITY") TO ISSUE ITS REVENUE BONDS OR NOTES, IN ONE OR MORE SERIES, ON A TAXABLE OR TAX EXEMPT BASIS, IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT TO EXCEED \$75,000,000 TO FINANCE CERTAIN CARBON CAPTURE FACILITIES (THE "OBLIGATIONS"); AUTHORIZING EXECUTION OF A CERTIFICATE OF DETERMINATION SETTING FORTH THE INTEREST RATES, REDEMPTION PROVISIONS, SIZE, AND MATURITIES OF THE OBLIGATIONS; WAIVING COMPETITIVE BIDDING AND AUTHORIZING THE SALE OF THE OBLIGATIONS AT NEGOTIATED SALE AT A PRICE LESS THAN PAR, INCLUDING ORIGINAL ISSUE DISCOUNT; APPROVING THE FORM OF THE BOND PURCHASE AGREEMENT, IF NECESSARY; APPROVING AND AUTHORIZING EXECUTION AND DELIVERY OF THE OBLIGATIONS, AN INDENTURE OF TRUST (THE "INDENTURE"), LOAN AGREEMENT AND ADDITIONAL DOCUMENTS SUPPORTING THE TRANSACTION; AUTHORIZING A PRELIMINARY OFFICIAL STATEMENT, OFFICIAL STATEMENT, LIMITED OFFERING MEMORANDUM OR OTHER OFFERING DOCUMENT: AUTHORIZING THE EXECUTION, MODIFICATION AND DELIVERY OF ANY DOCUMENTS REGARDING THE OBLIGATIONS INCLUDING SECURITY, TAX, AND OTHER DOCUMENTS AS DEEMED NECESSARY BY STAFF; AND CONTAINING OTHER PROVISIONS RELATED THERETO.

Staff Resources: City Manager; City Attorney; City Clerk/Finance Director

I. Summary

The CIA has previously engaged Municipal Finance Services and Public Law Finance Group to be bond advisors for the refinery project. Last year, the CIA, as a sponsor, applied to the State for a portion of the available private equity bonds that can be sold for the refinery project. The award amount was \$75 million. These are private bonds—they are not the City's or CIA's money, but the CIA will have a role in administering them.

The two resolutions allow the CIA (and City) to seek the sell of such bonds, should they become necessary.

Contrary to rumors, these bonds are private, and the money raised will not be the City's or CIA's; the City/CIA is not funding the refinery project and other than the costs of the initial application and accounting/audit costs if the bonds are sold, the citizens of Cushing's public funds are not being used for this project.

II. Fiscal Impact

The fiscal impact is limited, but there will be some cost associated with accounting and auditing of the bond revenue.

III. Recommended Action

Motion to approve resolutions on the City and CIA agenda.

CUSHING INDUSTRIAL AUTHORITY RESOLUTION NO. 05-2023

A RESOLUTION AUTHORIZING THE CUSHING INDUSTRIAL AUTHORITY (THE "AUTHORITY") TO ISSUE ITS REVENUE BONDS OR NOTES. IN ONE OR MORE SERIES, ON A TAXABLE OR TAX EXEMPT BASIS, IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT TO EXCEED \$75,000,000 TO FINANCE CERTAIN CARBON CAPTURE FACILITIES (THE "OBLIGATIONS"); AUTHORIZING EXECUTION OF A CERTIFICATE OF DETERMINATION SETTING FORTH THE INTEREST RATES, REDEMPTION PROVISIONS, SIZE, AND MATURITIES OF THE OBLIGATIONS; WAIVING COMPETITIVE BIDDING AND AUTHORIZING THE SALE OF THE OBLIGATIONS AT NEGOTIATED SALE AT A PRICE LESS THAN PAR, INCLUDING ORIGINAL ISSUE DISCOUNT; APPROVING THE FORM OF THE BOND PURCHASE AGREEMENT, IF NECESSARY; APPROVING AND AUTHORIZING EXECUTION AND DELIVERY OF THE OBLIGATIONS, AN INDENTURE OF TRUST (THE "INDENTURE"), LOAN AGREEMENT AND ADDITIONAL DOCUMENTS SUPPORTING TRANSACTION; AUTHORIZING A PRELIMINARY OFFICIAL STATEMENT, OFFICIAL STATEMENT, LIMITED OFFERING MEMORANDUM OR OTHER OFFERING DOCUMENT: AUTHORIZING THE EXECUTION, MODIFICATION AND DELIVERY OF ANY DOCUMENTS REGARDING THE OBLIGATIONS INCLUDING SECURITY, TAX, AND OTHER DOCUMENTS AS DEEMED NECESSARY BY STAFF; AND CONTAINING OTHER PROVISIONS RELATED THERETO.

WHEREAS, the Cushing Industrial Authority (the "Authority"), under the authority of and pursuant to the provisions of Title 60, Oklahoma Statutes 2021, Sections 176 *et seq.*, as amended (the "Act"), has been duly established as a public trust and an agency of the State of Oklahoma (the "State") for public purposes as therein provided, with The City of Cushing, Oklahoma (the "City") as its beneficiary; and

WHEREAS, Southern Rock Energy Partners, LLC (or an affiliate thereof) or a related person thereto (collectively, the "Borrower"), has requested that the Authority authorize and issue its Obligations in the amount of not to exceed \$75,000,000 (the "Obligations"), on a taxable or tax-exempt basis, for the purpose of (i) financing the cost of acquiring, constructing, rehabilitating, developing, improving and equipping certain capital improvements, infrastructure, land and equipment with respect to carbon capture facilities (collectively, the "Project"), (ii) funding a debt reserve fund, if necessary, (iii) funding any related capitalized interest, if deemed necessary, and (iv) paying certain costs associated with the issuance of the Obligations.: and

WHEREAS, the Authority on November 21, 2022, adopted an inducement resolution pertaining to the Project, and

WHEREAS, a public hearing was held in on September 18, 2023, at 7:00 p.m. in the Commission Chambers of the City located at 100 Judy Adams Blvd, in Cushing, Oklahoma, pertaining to the issuance of Obligations and the proposed plan of finance to accomplish the Project in accordance with the Internal Revenue Code of 1986, as amended (the "Code") requirements; and

WHEREAS, the Authority has heretofore determined that the financing by the Authority will be in furtherance of the purposes of the Act and the Trust Indenture creating the Authority.

NOW, THEREFORE, BE IT RESOLVED BY THE TRUSTEES OF THE CUSHING INDUSTRIAL AUTHORITY:

SECTION 1. INDEBTEDNESS AUTHORIZED; CERTIFICATE OF DETERMINATION. The Authority approves an indebtedness by the issuance of its Solid Waste Disposal Facilities Revenue Obligations, in one or more series or subseries, in the aggregate principal amount of not to exceed \$75,000,000 (the "Obligations"), for the purpose of (i) accomplishing the Project, (ii) funding a debt service reserve fund or surety policy, if deemed necessary, (iii) funding any related capitalized interest or working capital, if deemed necessary, and (iv) paying certain costs associated with the issuance of the Obligations. The Chairman or Vice Chairman are hereby authorized to execute a Certificate of Determination establishing the principal amount, payment dates, interest rates and appropriate title or series designation, if necessary, and redemption provisions with respect to the Obligations. The Obligations shall be issued in the form and manner as provided in, and shall be delivered in accordance with, the terms and provisions of an Indenture of Trust. The Obligations shall not constitute obligations of the State of Oklahoma or any political subdivision or agency thereof or personal obligations of the Trustees of the Authority or general obligations of the Authority, but shall be limited obligations of the Authority payable solely from and secured by the Trust Estate established therefore under the Indenture, including amounts received from or on account of the Borrower.

SALE OF THE OBLIGATIONS. Competitive bidding on the sale of said Obligations is waived and the Obligations are authorized to be sold to either (a) a financial institution as a private placement, or (b) an underwriting firm or firms (collectively, the "Underwriter") pursuant to the terms of the Bond Purchase Agreement defined in Section 3 herein (in either instance, to be designated in the Certificate of Determination of the Authority and referred to as the "Purchaser"). The Obligations are authorized to be sold to the Purchaser at negotiated sale at a discount of not to exceed 1.0% representing the Purchaser's discount and not to exceed 4.0% representing original issue discount as shall be more fully described along with the maturities and interest rates as set forth in a Certificate of Determination on the day of pricing of the Obligations, provided the average rate of interest shall not exceed the limits as provided in the Oklahoma Public Trust Act.

SECTION 3. BOND PURCHASE AGREEMENT. The form of the Bond Purchase Agreement between the Authority, the Borrower and the Underwriter (the "Bond Purchase Agreement"), copies of such instrument is presently on file in the Office of the Authority Secretary and with the minutes of this meeting being made a part hereby of reference, is hereby approved with such additions, omissions and changes as may be approved by the persons executing the same upon review by and consultation with Authority Counsel, and the Chairman or Vice-Chairman and Secretary or Assistant Secretary of the Authority are authorized and directed to execute and deliver same for and on behalf of the Authority.

SECTION 4. INDENTURE. The Indenture of Trust, as may be supplemented and amended from time to time (collectively, the "Indenture"), by and between the Authority and a Trustee Bank (the "Trustee"), authorizing the issuance of and securing the payment of the Obligations approved in Section 1 hereof, is hereby approved and the Chairman or Vice Chairman and Secretary or Assistant Secretary of the Authority are authorized and directed to execute and deliver same for and on behalf of the Authority together with such additions, omissions and

changes as may be approved by the persons executing the same. The Trustee selected shall be set forth in the Certificate of Determination authorized pursuant to Section 1.

SECTION 5. LOAN AGREEMENT. The Authority hereby approves and authorizes the execution of a Loan Agreement by and between the Authority and Southern Rock Energy Partners, LLC (or an affiliate thereof), as Company or Borrower (the "Loan Agreement"), which Loan Agreement pertains to the security for the Obligations. The Chairman or Vice Chairman and Secretary or Assistant Secretary of the Authority are authorized and directed to execute and deliver same for and on behalf of the Authority together with such additions, omissions and changes as may be approved by the persons executing the same.

SECTION 6. ORGANIZATIONAL DOCUMENT SUBJECT TO THE INDENTURE. The organizational document creating the Authority is subject to the provisions of the Indenture referenced in Section 4 hereof.

SECTION 7. OFFICIAL STATEMENT. The forms of the Preliminary Official Statement and the Final Official Statement, or in the alternative a Limited Offering Memorandum (collectively, the "Official Statement") outlining the terms, conditions and security for the Obligations are hereby adopted and approved and the Chairman or Vice Chairman of the Authority is authorized to approve any corrections, additions or deletions thereto for and on behalf of the Authority and is further authorized and directed to execute and deliver same for and on behalf of the Authority. The Chairman or Vice Chairman are authorized to approve any corrections, additions or deletions thereto for and on behalf of the Authority, and thereupon the Chairman or Vice Chairman of the Authority is authorized and directed to execute and deliver for and on behalf of the Authority a certificate deeming the Official Statement to be "final" in accordance with the requirements of Rule 15c2-12 of the Securities and Exchange Commission promulgated pursuant to the Securities and Exchange Act of 1934. The Authority authorizes the Underwriter to distribute the Official Statement in connection with the sale of the Bonds.

SECTION 8. CONTINUING DISCLOSURE AGREEMENT. The Continuing Disclosure Agreement is hereby approved in substantially the draft form as presented at this meeting with such additions, omissions and changes as may be approved by the persons executing the same upon review by and consultation with the legal counsel, and the Chairman or Vice-Chairman and Secretary or Assistant Secretary of the Authority are authorized and directed to execute and deliver same for and on behalf of the Authority.

SECTION 9. EXECUTION OF NECESSARY DOCUMENTS. The Chairman or Vice Chairman and Secretary or Assistant Secretary of the Authority are hereby authorized and directed on behalf of the Authority to execute and deliver the Obligations to the Underwriter upon receipt of the purchase price and are further authorized and directed to execute all necessary closing and delivery papers required by Bond Counsel and Special Tax Counsel including, but not limited to, professional services agreements, the Bond forms, tax or tax compliance documents, closing certificates, continuing disclosure or other security or securities related documents, disbursement orders, a Landlord Estoppel and Consent or any other letter, representation or certification otherwise necessary and attendant to the issuance and delivery of the Obligations; approve the disbursement of the proceeds of the Obligations, including any costs of issuance; to approve and make any changes to the documents approved by this Resolution, the execution and delivery of such documents being conclusive as to the approval of any changes contained therein by the Authority; and to execute, record and file any and all the necessary

financing statements, security instruments, including but not limited to the documents approved hereby, and to consummate the transaction contemplated hereby.

PASSED, APPROVED, AND ADOPTED this 18th day of September, 2023.

| | COSHING INDOSTRIAL AUTHORITY |
|---------------------------------|------------------------------|
| (SEAL) | |
| ATTEST: | Ricky Lofton, Chairman |
| Jerrica A. Worthy, Secretary | |
| APPROVED AS TO FORM: | |
| Jonathan Huseman, City Attorney | |