SALLISAW MUNICIPAL AUTHORITY
REGULAR MEETING

June 9, 2025

**Time: Immediately Following the
Meeting of the Board of City Commissioners**

**Council Chambers
113 North Elm Street
Sallisaw, Oklahoma**

A G E N D A

"POSSIBLE ACTION" INCLUDES, BUT IS NOT LIMITED TO, APPROVAL, AUTHORIZATION, ADOPTION, REJECTION, DENIAL, AMENDMENT, TAKING NO ACTION, OR TAKING THE ITEM FOR DISPOSITION AT A LATER DATE OR TIME.

1. **Meeting called to order**

2. **Declaration of a quorum**

3. **Possible action on minutes of regular meeting of May 12, 2025 and special meeting of May 20, 2025**

4. **Possible action on Resolution 2025-03: Resolution of Lease Purchase Renewal on 2025 Aljon ADV 525 Rebuilt Core Landfill Compactor (Payoff 4/2031)**

5. **Possible Action on correction of Water Purchase Contract; Contract was presented as with Rural Water District #3 and should have been Rural Water District #8**

6. **Discussion and possible action on Resolution 2025-04; A Resolution Agreeing To File Application With The Oklahoma Water Resources Board (The "OWRB") For Financial Assistance Through The Drinking Water State Revolving Fund Loan Program, With The Loan Proceeds Being For The Purpose Of Acquiring, Constructing, Equipping And Installing An**

Automated Meter Reader System For The Authority's Water System; Approving A Legal Services Agreement And A Financial Advisory Agreement With Respect To The Aforesaid Automated Meter Reader System Project; And Containing Other Provisions Related Thereto

7. **Administrative reports**

8. **Adjourn**

Posted: 06/05/2025
Time: 5:15 p.m.

Kim Jamison

MINUTES

SALLISAW MUNICIPAL AUTHORITY

REGULAR MEETING

MAY 12, 2025

The Sallisaw Municipal Authority met in a regular meeting on May 12, 2025, in the Council Chambers, 113 North Elm, Sallisaw. Notice of the meeting was given by emailing Sequoyah County Times; by emailing KXMX; by posting at city hall on May 8, 2025, at 5:37 p.m.; by posting on the city's website; and, by giving notice to the City Clerk.

Members present:	Ernie Martens,	Chairman
	Kenny Moody,	Trustee, Ward 1
	Josh Bailey,	Trustee, Ward 2
	Brad Hamilton,	Trustee, Ward 4
Members absent:	Julian Mendiola,	Trustee, Ward 3
Staff present:	Brian Heverly,	General Manager
	Jordan Pace,	City Attorney
	Kim Jamison,	Secretary
	Robin Haggard,	Director of Finance
	Keith Miller,	Building Development Director
	Clint Smith,	IT Manager
	Chris Carter,	Senior Code Inspector
	Christian Sizemore,	Network Manager
	Kayle Griffin,	Chief Accountant
	George Bormann,	Economic Development Director
	Jamie Phillips,	Superintendent - Solid Waste

Others present: Lynn Adams; Tim Foote; Jeannie Richardson, Leslie Jacobs; Ray Jacobs; Philip Gay; Pamela Gay; Brian Sinyard; Michael Hogan, J.W. Fleetwood; Others Unidentified.

Meeting called to order

Chairman Martens called the meeting to order. The meeting began at 6:51 p.m.

Declaration of a quorum

A quorum was declared present.

Possible action on minutes of regular meeting of April 14, 2025

Motion was made by Moody, seconded by Hamilton, for approval. Vote: Moody aye; Hamilton aye; Bailey aye; Martens aye. Motion carried 4-0.

Discussion and possible action on Renewal of Water Contracts with Rural Water District No. 3, Rural Water District No. 4, and C.D. Water Systems, for the Purchase of Treated Water

Motion was made by Hamilton, seconded Moody, for approval of renewal of water contracts with Rural Water District No. 3, 4, and CD Water Systems. Vote: Hamilton aye; Moody aye; Bailey aye; Martens aye. Motion carried 4-0.

Discussion and possible action on Scope of Work and Quote from Algonquin Consultants, Inc. in the amount of $12,450.00 to conduct a Cultural Resource Archaeological Survey of both the landfill expansion area and the stream mitigation area prior to any earthwork or disturbances being done; and approval for Mayor to sign ensuing contract for the same price.

Motion was made by Hamilton, seconded by Moody, for approval of Scope of Work and Quote form Algonquin Consultants in the amount of $12,450.00 for cultural resource archaeological survey. Vote: Hamilton aye; Moody aye; Bailey aye; Martens aye. Motion carried 4-0. Motion was made by Hamilton aye; Moody aye, for approval for Mayor to sign the ensuing contract. Vote: Hamilton aye; Moody aye; Bailey aye; Martens aye. Motion carried 4-0.

Discussion and possible action concerning the proposal from Terra Foundation *in an amount not to exceed $26,910.00* to design the stream restoration project as a result of USACE's Permittee Responsible Mitigation requirements for the expansion of the Landfill and authorize the Mayor to sign the ensuing contract for the *not to exceed* price

Motion was made by Moody, seconded by Hamilton, for approval of proposal and to authorize the Mayor to sign the necessary documents. Vote: Moody aye; Hamilton aye; Bailey aye; Martens aye. Motion carried 4-0.

Discussion and possible action on Purchase Order No. 105278, issued to Warren Cat, in the amount of $210,000.00 for the purchase of one (1) used Caterpillar Model: 725C WT Articulated Truck for the Landfill Department

Motion was made by Moody, seconded by Hamilton, for approval of Purchase Order No. 105278. Vote: Moody aye; Hamilton aye; Bailey aye; Martens aye. Motion carried 4-0.

Administrative reports

None.

Adjourn

Motion was made by Moody, seconded by Hamilton, to adjourn. Vote: Moody aye; Hamilton aye; Bailey aye; Martens aye. Motion carried 4-0. The meeting ended at 6:59 p.m.

Approved this **9th** day of **June 2025**.

____
Secretary to the Authority

(SEAL)

MINUTES

SALLISAW MUNICIPAL AUTHORITY

SPECIAL MEETING

MAY 20, 2025

The Sallisaw Municipal Authority, in conjunction with Board of City Commissioners, met in a special meeting on May 20, 2025, in the Council Chambers, 113 North Elm Street, Sallisaw. Notice of the meeting was given by e-mailing to Sequoyah County Times; by e-mailing KXMX; by posting at City Hall on May 14, 2025, at 11:30 A.M.; by posting on the city's website; and, by giving notice to the City Clerk.

Members Present:	Ernie Martens,	Chairman
	Kenny Moody,	Trustee, Ward 1
	Josh Bailey,	Trustee, Ward 2
	Julian Mendiola,	Trustee, Ward 3
	Brad Hamilton,	Trustee, Ward 4
Members Absent :	None	
Staff Present :	Brian Heverly,	City Manager
	Jordan Pace,	City Attorney
	Kim Jamison,	City Clerk
	Robin Haggard,	Finance Director
	Keith Miller,	Building Development Director
	Kayle Griffin,	Chief Accountant
	Kenny Shakingbush,	Superintendent – Street
	Terry Franklin,	Police Chief
	John Weber,	Captain
	Jamie Phillips,	Superintendent – Solid Waste
	Jessica Robertson,	Business Support Manager
	Bryan Hyler,	Crew Leader – Street
	Gene Martin,	Superintendent – Equipment Services
	Doug Martin,	Sr Network Technician
	Les Walters,	Superintendent – Parks
	Anthony Armstrong,	Fire Chief
	CJ Eppler,	Superintendent – WWTP
	Jarod Vinson,	Superintendent - WTP
	Amy Pace,	Prevention Services Director
	Micki Kimble,	Coalition Manager

Meeting Called to Order

Mayor Martens called the meeting to order. The meeting began at 9:00 A.M.

Declaration of a Quorum

A quorum was declared present.

Pledge of Allegiance

City Manager led everyone in the Pledge of Allegiance.

Presentation and Review of Proposed FY 2026 Budget

The City Manager opened with going over some housekeeping items. He reviewed the mission statement, which has not changed. He went over the schedule. He turned it over to Robin Haggard, Finance Director.

The Finance Director recapped FY 25 projects and purchases. She then presented an in-depth overview of the preliminary budget for FY 2026. The key elements that make up the FY 2026 budget include: anticipated revenues and planned appropriations; equipment purchases from capital improvement; building facility projects; Water Treatment Plant lagoon; AMI system; soccer fields; skateboard park; continued landfill expansion process; sewer lines; employee salary and benefits; animal shelter expansion, Brushy Lake pump repairs. The general fund revenue is made up of taxes; gross receipt taxes, permits and licenses; municipal court fines; interest; pool revenues; sale of property and equipment; property rental; refunds; transfers into GF from SMA; and balance forwards. General Fund Expenditures: salaries and benefits; insurances; operating supplies; maintenance- vehicle, facility and equipment; software license; sports complex and brushy park; transfers out of sales and use tax; and transfers for non-profit organizations. SMA type revenues: taxes from general fund; utility revenues; interest; penalties; bad debt recovery; utility connection revenues; and balance forward amounts. SMA expenses: transfers out of sales and use tax; transfers out to other funds for support; electric purchase power cost; telecommunication programming; land purchases related to utilities; engineering fees; other utility related expenditures; and debt service. Across all funds electric service provides 34.85% of revenue, sales tax 20.59%, use tax 2.52%; telecommunications 7.61%, water and sewer 10.41%, solid waste 9.92%, utility penalties 0.35%; other GF revenues 4.28%; grant revenue 9.47%. The expenses across all funds are SMA-Telecom 7.3%; capital projects/purchases 7.55%; salaried 23.55%, employee insurance 5.37%; retirement 2.59%; other employee benefits 5.58%, electric purchase power costs 20.26%; debt service 8.26% and GF daily dept operations 19.55% . She reviewed the sales tax breakdown. She then reviewed sales tax, use tax, and the hotel motel tax amounts showing positive overall growth of all.

The General Fund estimated revenue for FY 2026 is $30.9 million. An increase of 8%. The non-proprietary departments budget increased $850,000, most of that increase is for salaries and benefits. The proprietary departments budget increased 7% to an operating budget of $1.2 million. General Fund transfers and contributions include, $9.1 million transfers of sales and use tax, $147.5k to support groups. SIC was increased to $40,000.00 The total contingency, sundry, and transfer total $10.7 million. The appropriations by category were reviewed. Airport was discussed briefly; facilities, and the need for additional hangars. The City Manager advised that health insurance premiums increased. Also, there is an extra payroll this upcoming year, this occurs every 11 years. These were factors in the salary and benefit cost increase. There are 151 full-time positions budgeted for FY 26. This does not include restructuring and additional personnel requests. These are allowed for in contingency, if approved. WC premiums have not been received. Insurance increases were discussed. We had 8 new personnel requests, 2 were funded. Retirement was reviewed. There was a mandated increase for police pension. Insurance rates were discussed.

A break was taken.

Capital Improvement Fund. This fund is used for items with a cost greater than $5,000 and a useful life greater than 2 years. For the new Fiscal Year, the Capital Improvement Fund budget is $3,933,682, before any final adjustments. Expenses for the new year include ongoing lease purchase payments, capital improvement contingency, reserve for future PD construction. A total of $2.2 million in new requests were funded.

The Chief Accountant reviewed all special revenue funds and grant funds, how they operate and any goals.

The City Manger presented Proposed Restructuring and City Staffing. It would include reallocating current positions, move a position from the Street Department to the Water/Sewer Department. As well as moving a Finance position to Economic Development. Reclassify several positions. Create additional first line supervisor positions. Give Crew Leaders authority and move to pay grade 17. New job descriptions for all proposed positions. Additional personnel requests: transition from part-time to full-time in Customer Service; transition from temp to full-time in Humane; add one (1) water distribution position, and one fleet maintenance position. The restructure plan was presented. Approximate cost is $235,000.00

At 11:57 a break was taken for lunch. It was stated that the break would be 45 minutes. The meeting resumed at 12:44 p.m.

City Manager Heverly reviewed Capital Improvement Proposals and Projects. A list of the funded items was reviewed. Also included were those requests that were unfunded. Prior to detailed discussions, he asked that Council think over the requests tonight and bring back anything they felt anything needed to be changed. Brian presented, as well as Supervisors, the detailed requests.

A 10-minute break was taken at 1:40 p.m.

Discussion of requests continued.

Motion was made by Moody, seconded by Bailey, to recess the meeting and reconvene on May 21st at 9:00 a.m. Vote: Moody aye; Bailey aye; Mendiola aye; Hamilton aye; Martens aye. Motion carried 5-0. The meeting recessed at 2:37 p.m.

Wednesday, May 21, 2024

Board Present: Ernie Martens; Kenny Moody; Josh Bailey; Julian Mendiola; Brad Hamilton

Staff Present: Brian Heverly; Robin Haggard; Kayle Griffin; Jordan Pace; Kim Jamison; Doug Martin; John Weber; Jessica Robertson; Amy Pace: Micki Kimble; Jamie Phillips; Jarod Vinson; Anthony Armstrong; Ted Capps; Gene Martin; Kenny Shakingbush; Bryan Hyler.

Others Present: Lynn Adams; others unidentified.

The meeting began by the City Manager leading everyone in the Pledge of Allegiance.

Discussion of Capital Improvement Proposals resumed. Council advised that If funding allowed then the Office Building for the WWTP as well as the reel trailer for Telecommunication should be purchased since the costs were minimal. They also felt the digger truck for the electric department should be the next item considered for funding (being placed as the next item below the cut line).

Topics discussed in depth. Master Fee Schedule; Diamondnet Cable Service; Comprehensive Master Plan; Storm Drainage; Brushy Lake.

11:51 a break was taken for lunch. Return at 12:45 p.m.

Items discussed in depth: Landfill; WWTP; Debt maintenance/reduction; Fire Department; City Manager 10-year plan.

Motion was made by Moody, seconded by Bailey, to adjourn the meeting. Vote: Moody aye; Bailey aye; Mendiola aye; Hamilton aye; Martens aye. Motion carried 5-0. The meeting ended at 1:28 p.m.

Approved this 9th day of June 2025.

____
Secretary to the Authority
[Seal]

RESOLUTION NO. 2025-03

RESOLUTION OF LEASE PURCHASE RENEWAL

WHEREAS, on the 10th day of April 2025, a certain Lease Purchase Agreement was made and entered into by and between **FIRSTAR BANK,** Sallisaw, Oklahoma and the **SALLISAW MUNICIPAL AUTHORITY,** Sallisaw, Oklahoma**,** covering the following described property and referred to as equipment, to-wit:

ONE (1) 2025 ALJON ADV 525 REBUILT CORE LANDFILL COMPACTOR, SN: R25-14952

WHEREAS, the expiration date of aforesaid Lease Purchase Agreement is June 30, 2025, unless extended in the manner provided in said Lease Purchase Agreement, and

WHEREAS, it is the desire of the Trustees of the Sallisaw Municipal Authority to renew, extend and revitalize said Lease Purchase Agreement and all of its terms and provisions, and

WHEREAS, funds sufficient to pay the rentals under said agreement are now or will be legally at the disposal of said Sallisaw Municipal Authority and the obligations created by the extension, renewal and revitalization of said agreement will not exceed the income and revenue provided for such purposes for such period of time; and

WHEREAS, all monthly rentals due under the Lease Purchase Agreement have been fully paid;

NOW, THEREFORE, upon motion made by ______________________, seconded by ____________________________, and upon a vote carried.

BE IT RESOLVED;

That the Lease Purchase Agreement hereinafter referred to be and the same is hereby renewed, extended and revitalized, all in accordance with the provisions of Section 430.1 of Title 62 Oklahoma Statutes (1991), as amended, for the period commencing on the 1st day of July, 2025, and ending on the 30th day of June, 2026, unless prior to June 30, 2026, the rentals paid shall equal, but not exceed the purchase price of the real property as set forth in Paragraph 7 of the original Agreement, in which event, the provisions of Paragraph 7 of the aforementioned Lease Purchase Agreement shall control.

APPROVED this __9th___ day of ___June___, 2025.

SALLISAW MUNICIPAL AUTHORITY

By: ______________________________
Ernie Martens, Chairman

ATTEST:

____
Kim Jamison, City Clerk

(SEAL)

APPROVED this ___________ day of __________________, 2025.

Firstar Bank

By: ______________________________
President

ATTEST:

____
Secretary

(SEAL)

RURAL WATER DISTRICT NO. 8
WATER PURCHASE CONTRACT

This contract for the sale and purchase of water is entered into as of the ____**9th**___ day of ____**June**_______**, 2025,** between the **SALLISAW MUNICIPAL AUTHORITY,** hereinafter referred to as the **"AUTHORITY"**, and **RURAL WATER DISTRICT NO. 8 ,** hereinafter referred to as the **"DISTRICT".**

WITNESSETH

WHEREAS, the **DISTRICT** has been organized and established for the purpose of constructing and operating a water supply distribution system serving water users within the area described in plans now on file in the office of the **DISTRICT** and to accomplish this purpose, the **DISTRICT** will require a supply of treated water, and

WHEREAS, the **AUTHORITY** owns and operates a water supply distribution system with the capacity currently capable of serving the present customers of the **AUTHORITY** system and the estimated number of water users to be served by the said **DISTRICT,** and

WHEREAS, by motion on the _____**9th**_______ day of ___**June**__ **2025,** by the Board of Trustees of the **AUTHORITY,** the sale of water to the **DISTRICT** in accordance with the provisions of the said motion was approved, and the execution of this contract carrying out the said motion by the chairman of the Board of Trustees and attested by the Secretary was duly authorized, and

WHEREAS, by motion of the Board of Directors of the **DISTRICT**, enacted on the __________ day of ____________________, 2025 the purchase of water from the **AUTHORITY** in accordance with the terms set forth in the said motion was approved and the execution of this contract by the Chairman, and attested by the Secretary, was duly authorized;

NOW, THEREFORE, in consideration of the foregoing and mutual agreements set forth,

THE AUTHORITY AGREES:

1. (Quality and Quantity) To furnish the **DISTRICT,** at the point of delivery hereinafter specified, during the term of this contract or any renewal or extension thereof, potable treated water meeting applicable purity standards of the State Board of Health in such quantity as may be requested by the **DISTRICT.**

2. (Point of Delivery and Pressure) That water will be furnished at a reasonable constant normal pressure calculated at 40 psi from an existing eight-inch main supply at a master meter located approximately 1490' east of Interstate 40 on U.S. Highway 64 east of Sallisaw on the south side of Highway 64. If a greater pressure than that normally available at the point of delivery is requested by the **DISTRICT,** the cost of providing such greater pressure shall be borne by the **DISTRICT.** The pressure pumps of the **DISTRICT** shall be operated at a rate not to exceed 100 gpm and shall be operated during those hours which the **AUTHORITY** has lowest consumption; said hours are to be approved by the **AUTHORITY.** Emergency failures of pressure or supply due to main supply line breaks, power failure, flood, fire and use of water to fight fire,

earthquake or other catastrophe shall excuse the **AUTHORITY** from this provision for such reasonable period of time as may be necessary to restore service.

3. (Billing Procedure) To furnish the Chairman of the **DISTRICT**, at Sallisaw, Oklahoma, not later than the 15th day of each month, with a statement of the amount of water furnished the **DISTRICT.**

4. (Master Meter) The **DISTRICT** may calibrate the master water meter to determine its accuracy and if by such test the previous readings of the reader shall be disclosed to be inaccurate, previous billings shall be corrected for the six months period immediately prior to such test in accordance with the percentage of inaccuracy determined over 2%. If the meter fails to register for any period, the amount of water furnished during such period shall be estimated by the water department of the **AUTHORITY**, taking into account previous billings for the twelve (12) month period immediately prior thereto. The master metering equipment shall be read by the **AUTHORITY** monthly.

<u>THE DISTRICT AGREES:</u>

1. (Rates and Payment Date) To pay the **AUTHORITY** not later than due date listed on the statement. The amount of water used to be determined by the reading of a master meter to be provided and installed by the **AUTHORITY** and the following rates to be applied to this gross amount.

a. First 14,000,000 gallons per month - **$5.18** per thousand gallons. This charge for water is based on anticipated cost and if cost exceeds this amount, the **AUTHORITY** shall have the right to renegotiate the contract.

b. The **DISTRICT** agrees that for any water used in excess of the amount set forth above, the 14,000,000 gallons per month. The **DISTRICT** will pay to the **AUTHORITY** a charge of **$5.46** per thousand gallons for all water used over the gallon limit allowed.

c. The **DISTRICT** agrees to pay any temporary surcharge, which is assessed by the **AUTHORITY** to its other customers, as part of an approved water conservation program.

d. The **DISTRICT** agrees to pay additional rate increases if the **AUTHORITY** increases rates for other water customers during the term of this agreement.

2. If payment for said water is not made within 30 days after receipt of said statement, the **AUTHORITY** may, at its option and upon ten (10) day notice by registered letter to the office of the **DISTRICT**, discontinue the furnishing and sale of water to the **DISTRICT.** Upon failure to pay for said water within such 30-day period, the **AUTHORITY** may institute legal action to enforce collection of any such amount due and the **DISTRICT** agrees to pay for all expenses of suit, including a reasonable attorney's fee.

3. The DISTRICT agrees to provide to the AUTHORITY a monthly report showing water loss for the previous month. This report is to be submitted with payment. **The District agrees to take reasonable action to maintain its system to minimize water loss.**

4. The DISTRICT agrees to abide by and strictly enforce all water conservation measures as mandated by the AUTHORITY.

IT IS FURTHER MUTUALLY AGREED BETWEEN THE AUTHORITY AND THE DISTRICT, AS FOLLOWS:

1. (Term of Contract) This contract shall be for a period of one (1) year beginning July 1, 2025, and ending June 30, 2026, at the termination of which the **AUTHORITY** and the **DISTRICT** may renegotiate.

2. It is further agreed that the **DISTRICT** may sell water to the Town of Gans, Oklahoma.

3. (Failure to Deliver) That the **AUTHORITY** will at all times operate and maintain its system in an efficient manner and will take such action as may be necessary to furnish the **DISTRICT** with quantities of water required by the **DISTRICT.** Temporary or partial failures to deliver water shall be remedied with all possible dispatch. In the event of an extended shortage of water or the supply of water available to the **AUTHORITY** is otherwise diminished over an extended period of time, the supply of water to **DISTRICT** consumers shall be reduced or diminished. The **AUTHORITY** shall retain first right and priority to the availability of its water.

4. (Regulatory Agencies) That this contract is subject to such rules, regulations or laws as may be applicable to similar agreements in the State of Oklahoma and the **AUTHORITY** and **DISTRICT** will collaborate in obtaining such permits, certificates or the like, as may be required to comply therewith.

5. The **DISTRICT** hereby agrees to hold the **AUTHORITY** harmless from any and all actions, claims, demands or judgments arising from the maintenance, upkeep or operation of their respective distribution equipment and facilities and to defend at their expense all such actions whereby the **AUTHORITY** may be named as a party.

6. (Successor to the **DISTRICT**) That in the event of any occurrence rendering the **DISTRICT** incapable of performing under this contract, any successor of the **DISTRICT**, whether the result of legal process, assignment or otherwise, shall succeed to the rights of the **DISTRICT** hereunder.

IN WITNESS WHEREOF, the parties hereto, acting under authority of their respective governing bodies, have caused this contract to be duly executed in two (2) counterparts, each of which shall constitute an original.

SALLISAW MUNICIPAL AUTHORITY

BY:__________________________________
Chairman of the Board of Trustees

ATTEST:

____
Secretary

(SEAL)

Approved as to form:

____
Jordan Pace, City Attorney

RURAL WATER DISTRICT NO. 8

By:_____________________________

Chairman

ATTEST:

____

Secretary

(SEAL)

AGENDA ITEM COMMENTARY

Meeting Date:	June 9, 2025
Board:	Sallisaw Municipal Authority
Subject:	Resolution 2025-04

ITEM TITLE: Discussion and possible action on Resolution 2025-04; A Resolution Agreeing To File Application With The Oklahoma Water Resources Board (The "OWRB") For Financial Assistance Through The Drinking Water State Revolving Fund Loan Program, With The Loan Proceeds Being For The Purpose Of Acquiring, Constructing, Equipping And Installing An Automated Meter Reader System For The Authority's Water System; Approving A Legal Services Agreement And A Financial Advisory Agreement With Respect To The Aforesaid Automated Meter Reader System Project; And Containing Other Provisions Related Thereto

INITIATOR: City Manager

STAFF INFORMATION SOURCE:

BACKGROUND: These items relate to approving an application to the OWRB for loan forgiveness funding to fund the second phase of the SMA's AMR/AMI meter reader project.

EXHIBITS:
1. RESOLUTION 2025-04 APP OWRB
2. SALLISAW_LGLSRV OWRB_6-9-25
3. Sallisaw Municipal Authority MA K 6.5.25

KEY ISSUES: N/A

FUNDING SOURCE: Proposed OWRB Loan Forgiveness

RECOMMENDATION: Approval of Resolution 2025-04

RESOLUTION NO. 2025-04

A RESOLUTION AGREEING TO FILE APPLICATION WITH THE OKLAHOMA WATER RESOURCES BOARD (THE "OWRB") FOR FINANCIAL ASSISTANCE THROUGH THE DRINKING WATER STATE REVOLVING FUND LOAN PROGRAM, WITH THE LOAN PROCEEDS BEING FOR THE PURPOSE OF ACQUIRING, CONSTRUCTING, EQUIPPING AND INSTALLING AN AUTOMATED METER READER SYSTEM FOR THE AUTHORITY'S WATER SYSTEM; APPROVING A LEGAL SERVICES AGREEMENT AND A FINANCIAL ADVISORY AGREEMENT WITH RESPECT TO THE AFORESAID AUTOMATED METER READER SYSTEM PROJECT; AND CONTAINING OTHER PROVISIONS RELATED THERETO

WHEREAS, The Sallisaw Municipal Authority (the "Authority") has under consideration a project consisting of acquiring, constructing, equipping and installing an automated meter reader system for the Authority's water system (the "Project"); and

WHEREAS, it is deemed desirable for the Authority to retain professionals in connection with the issuance of obligations through the Oklahoma Water Resources Board for such purpose;

BE IT RESOLVED BY THE TRUSTEES OF THE SALLISAW MUNICIPAL AUTHORITY:

Section 1. Application. The Authority shall file an Application(s) with the Oklahoma Water Resources Board seeking financial assistance through the Drinking Water State Revolving Fund Loan Program; and the Chairman or Vice Chairman and Secretary or Assistant Secretary of the Authority are hereby authorized to execute said Application(s) for and on behalf of the Authority. The Authority is further authorized to advance to the Oklahoma Water Resources Board the necessary application fees in connection with the referenced Application(s), if any.

Section 2. Legal and Financial Advisory Services Agreements. The Authority is hereby authorized to enter into a legal services agreement with Johanning & Byrom, PLLC as bond counsel and Jordan Pace, Attorney at Law, as general counsel, as well as a financial advisory agreement with The Baker Group, Oklahoma City, Oklahoma as financial advisor, each with respect to the aforesaid Project.

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.

PASSED AND APPROVED THIS 9TH DAY OF JUNE, 2025.

THE SALLISAW MUNICIPAL AUTHORITY

By____________________________________
Chairman of Trustees

ATTEST: (Seal)

____
Secretary of Trustees

I, the undersigned Secretary of The Sallisaw Municipal Authority, a public trust, hereby certify that the foregoing is a true, correct, and complete copy of a Resolution adopted by the Trustees of the Authority at a meeting held on the date therein stated, as the same appears on file in my office as a part of the official records thereof.

____
Secretary of Trustees

(Seal)

LEGAL SERVICES AGREEMENT

THIS AGREEMENT, made this 9th day of June, 2025, between The Sallisaw Municipal Authority, a public trust, hereinafter called Authority and Johanning & Byrom, PLLC, Oklahoma City, Oklahoma, hereinafter called Johanning & Byrom; WITNESSETH:

IT IS AGREED that the aforesaid Johanning & Byrom shall perform all the customary legal services as Financial Legal Counsel for the Authority necessary to the issuance of indebtedness incurred to provide funds for acquiring, constructing, equipping and installing an automated meter reader system for the Authority's water system, such services to include, but not to be restricted to, the preparation of all legal documents, instruments and contracts requisite to the incurring of indebtedness by the Authority which may be issued in one or more series and to provide legal counsel to the Trustees of the Authority in all matters relating to the foregoing. The relationship established by this Agreement shall be solely and only attorney and client. The services rendered by Johanning & Byrom under this Agreement shall not include advice concerning investments by the Authority. The compensation of Johanning & Byrom for all of the foregoing services hereby is fixed at an amount equal to two and one-half percent (2.50%) of the principal amount of such indebtedness with a minimum compensation of $20,000.00 per separate issuance of indebtedness, and such compensation shall be paid out of the money received from the issuance of such indebtedness and from other funds of the Authority. PROVIDED, the foregoing compensation shall be payable only upon receipt of funding for the aforesaid project by the Authority from the Oklahoma Water Resources Board. The General Counsel to the Authority shall be paid an additional amount equal to one-half of the aforesaid compensation. Johanning & Byrom shall also be paid a fixed amount of $2,500.00 per issuance of indebtedness for reimbursement of expenses incurred in the performance of the duties provided in this Agreement.

THE SALLISAW MUNICIPAL AUTHORITY

By__________________________________
Chairman of Trustees

ATTEST: (Seal)

____
Secretary of Trustees

JOHANNING & BYROM, PLLC

By__________________________________
Chris Byrom

The BakerGroup

1601 Northwest Expressway, 21st Floor
Oklahoma City, Oklahoma 73118
405.415.7200
800.937.2257
www.GoBaker.com

Municipal Advisor Services Agreement

Ladies and Gentlemen:

On behalf of The Baker Group LP ("we" or "The Baker Group"), we wish to thank you for the opportunity to serve as municipal advisor to the Sallisaw Municipal Authority, Oklahoma ("you" or "Client"), with respect to the financial analysis services relating to the issuance of your OWRB loan (the "Issue"). Upon your acceptance, this engagement letter (the "Agreement") will serve as our mutual agreement with respect to the terms and conditions of our engagement as your municipal advisor with respect to such services effective on the date this Agreement is executed by you (the "Effective Date").

I. **Scope of Municipal Advisor Services to be provided by The Baker Group.** (a) You hereby engage The Baker Group to serve as municipal advisor with respect to the proposed issuance of the securities, and in such capacity The Baker Group agrees to provide advice as to the structure, timing, terms of the Issue, including the following services, if and as requested by you (the "Scope of Services"):

A. Provide some or all of the following services with respect to Client's new Issue(s):

- Evaluate options or alternatives with respect to the proposed new Issue.
- Review recommendations made by other parties to Client with respect to the new Issue;
- Review financial and other information regarding Client, the proposed Issue, and any source of repayment of or security for the Issue;
- Consult with and/or advise Client on actual or potential changes in marketplace practices, market conditions, regulatory requirements or other matters that may have an impact on Client and its financing plans;
- Assist Client in establishing a plan of financing with respect to the Issue;
- Assist Client in establishing the structure, timing, terms and other similar matters concerning the Issue;
- Prepare the financing schedule for the Issue;
- Provide assistance as to scheduling, coordinating and meeting procedural requirements relating to any required bond referendum for the Issue, other than through cash or in-kind contributions with respect to such referendum, if applicable.
- Consult and meet with representatives of Client and its agents or consultants with respect to the Issue;

- Attend meetings of Client's governing body where the Issue is to be discussed or considered for approval, as requested;
- Advise Client on the manner of sale of the Issue;
- Assist in the gathering of information with respect to financial, statistical and factual information relating to Client in connection with the preparation of the preliminary and final official statement for the Issue;
- If the Issue is to be sold on a competitive bid basis and Client has not engaged disclosure counsel to prepare the preliminary and final official statement, prepare the preliminary and final official statement and the bid package, obtain CUSIP numbers and provide an electronic version of the official statement to the winning underwriter;
- If the Issue is to be sold on a negotiated basis, assist in the preparation and review of the preliminary and final official statement;
- Make arrangements for printing, advertising and other vendor services necessary or appropriate in connection with the Issue;
- Advise Client with regard to any continuing disclosure undertaking required to be entered into in connection with the Issue, including advising on the selection of a dissemination agent;
- In a competitive bid sale, assist Client in collecting and analyzing bids submitted by underwriters and in connection with Client's selection of a winning bidder for the Issue;
- In a negotiated sale, assist Client in the selection of underwriters for the Issue;
- At the time of sale of the Issue provide Client with relevant data on comparable issues recently or currently being sold nationally and by comparable Clients;
- In a negotiated sale, coordinate pre-pricing discussions, supervise the sale process, advise Client on matters relating to retail or other order periods and syndicate priorities, review the order book, advise on the acceptability of the underwriter's pricing, and offer to purchase;
- Advise Client with respect to recommendations made by the underwriters and other interactions between Client and the underwriters;
- Review required underwriter disclosures to Client;
- Assist Client in selecting legal and other professionals (such as trustee, escrow agent, accountant, feasibility consultant, etc.) to work on the Issue;
- Assist the Client to respond to questions from bidders, underwriters, or potential investors;
- Arrange and facilitate visits to, prepare materials for, and make recommendations to Client in connection with credit ratings agencies, insurers and other credit or liquidity

providers;

- Work with bond counsel and other transaction participants to prepare and/or review necessary authorizing documentation of Client and other documents necessary to finalize and close the Issue;

- Coordinate working group sessions, closing, delivery of the new Issue and transfer of funds;

- Prepare a closing memorandum or transaction summary, together with general guidance for Client with respect to post-closing requirements relating to the use and investment of bond proceeds and the payment of debt service; and

- Provide such other usual and customary financial advisory services as may be requested by Client.

B. Provide some or all of the following services with respect to Client's outstanding Issue(s):

- Advise Client on potential exercise of optional or other call rights, or potential tender offers, for outstanding Issue(s);

- Advise Client on potential refunding or other refinancing opportunities of its outstanding Issue(s);

- Review recommendations made by other parties to Client with respect to outstanding Issue(s);

- Evaluate options or alternatives for Client with respect to, and assist in identifying, financing opportunities, including recommendations by other parties to Client for potential financings;

- Consult with and/or advise Client on actual or potential changes in marketplace practices, market conditions, regulatory requirements or other matters that may have an impact on Client's outstanding Issue(s);

- Advise Client on post-issuance disclosure compliance matters, including specific issues that may arise from time to time and the preparation, review and revision of applicable policies and procedures, relating to outstanding Issue(s);

- Assist Client and its dissemination agent in the preparation of annual filings or other continuing disclosures required under continuing disclosure undertakings for outstanding Issue(s);

- Advise Client on matters relating to compliance with, including testing and/or reporting on compliance with, bond or other covenants relating to outstanding ssue(s) (it being understood that legal counsel to the Client will provide any advice that falls within the scope of legal advice);

- Review documentation of outstanding Issue(s) with Client personnel and with Client's bond counsel and other consultants;

- Assist Client in responding to inquiries from investors or other market participants in connection with Client's outstanding Issue(s);

Under Municipal Securities Rulemaking Board ("MSRB") Rule G-23, The Baker Group will not be able to serve as underwriter or placement agent for the Issue.

(b) The Scope of Services is subject to the following limitations:

(i) The Scope of Services is limited solely to the services described above and is subject to any limitations set forth within the description of the Scope of Services.

(ii) Unless otherwise provided in the Scope of Services described herein, The Baker Group is not responsible for preparing any preliminary or final official statement. The Baker Group is not responsible to certify as to the accuracy or completeness of any preliminary or final official statement, other than with respect to any information about The Baker Group provided by The Baker Group for inclusion in such documents.

(iii) The Scope of Services does not include tax, legal, accounting or engineering advice with respect to the Financing or in connection with any opinion or certificate rendered by counsel or any other person at closing and does not include review or advice on any feasibility study.

(c) The Scope of Services may be changed only by written amendment or supplement to the Scope of Services described herein. The parties agree to amend or supplement the Scope of Services described herein promptly to reflect any material changes or additions to the Scope of Services.

(d) If you have designated The Baker Group as your independent registered municipal advisor ("IRMA") for purposes of SEC Rule 15Bal-l(d)(3)(vi) (the "IRMA exemption") with respect to the activities and aspects described in the Scope of Services, the Scope of Services as they relate to such designation as IRMA shall be subject to any limitations with respect to The Baker Group's activities as IRMA as may be provided in the Scope of Services described herein. The Baker Group is not responsible for verifying that it is independent (within the meaning of the IRMA exemption as interpreted by the SEC) from another party wishing to rely on the exemption from the definition of municipal advisor afforded under the IRMA exemption. Any reference to The Baker Group, its personnel and its role as IRMA in your written representation contemplated under SEC Rule 15Bal-l(d)(3)(vi)(B) is subject to prior approval by The Baker Group, and you agree not to represent, publicly or to any specific person, that The Baker Group is your IRMA with respect to any aspect of municipal financial products or the issuance of municipal securities, or with respect to any specific municipal financial product or any specific issuance of municipal securities, outside the Scope of Services without The Baker Group's prior written consent.

2. **Municipal Advisor's Regulatory Duties When Servicing You.** MSRB Rule G-42 requires that The Baker Group make a reasonable inquiry as to the facts that are relevant to your determination whether to proceed with a course of action or that form the basis for, and advice provided by The Baker Group to you. The rule also requires that The Baker Group undertake a reasonable investigation to determine that it is not basing any recommendation on materially inaccurate or incomplete information. The Baker Group is also required under the rule to use reasonable diligence to know the essential facts about Client and the authority of each person acting on your behalf.

You agree to cooperate, and to cause your agents to cooperate, with The Baker Group in carrying out these regulatory duties, including providing to The Baker Group accurate and complete information and reasonable access to relevant documents, other information and personnel needed to fulfill such duties. In addition, you agree that, to the extent you seek to have The Baker Group provide advice with regard to any recommendation made by a third party, you will provide to The Baker Group written direction to do so as well as any information you have received from such third party relating to its recommendation.

3. **Compensation.** (a) For its Services, The Baker Group's fee is 2.50% of the principal amount of the Issue issued with a minimum fee of $20,000.00. In addition to the fee, the Issuer shall pay an amount of not to exceed $2,000 as reimbursement for payment of CUSIPs, Continuing Disclosure review, printing, and mailing/distribution charges (if any). Travel-related expenses will not be billed to you separately as they are included in the fee. If additional services are requested by you, The Baker Group will prepare and submit to you an estimate of the total cost associated with such additional services. You will review and approve in writing such cost estimate for additional services and the total compensation and reimbursement to be paid by you to The Baker Group for such approved additional services shall not exceed the approved amount.

(b) The Baker Group will submit bills to the Client for Services rendered upon completion of services rendered.

4. **Out-of-Pocket Expenses.** The Baker Group shall be responsible for any costs it may incur in the performance of its obligations under this Agreement unless otherwise provided herein.

5. **Term and Termination.** The term of this Agreement shall extend from the Effective Date to the date of the closing of the offering of the Issue. Notwithstanding the forgoing, either party may terminate The Baker Group's engagement at any time without liability or penalty upon at least 30 days' prior written notice to the other party.

6. **Limitation of Liability.** In the absence of willful misconduct, bad faith, gross negligence or reckless disregard of obligations or duties hereunder on the part of The Baker Group or any of its associated persons, The Baker Group and its associated persons shall have no liability to you for any act or omission in the course of, or connected with, rendering services hereunder, or for any error of judgment or mistake of law, or for any loss arising out of any issuance of municipal securities, any municipal financial product or any other investment, or for any financial or other damages resulting from your election to act or not to act, as the case may be, contrary to any advice or recommendation provided by The Baker Group to you. No recourse shall be had against The Baker Group for loss, damage, liability, cost or expense (whether direct, indirect or consequential) of yours arising out of or in defending, prosecuting, negotiating or responding to any inquiry, questionnaire, audit, suit, action, or other proceeding brought or received from the Internal Revenue Service in connection with the financing or otherwise relating to the tax treatment of the financing, or in connection with any opinion or certificate rendered by counsel or any other party. Notwithstanding the foregoing, nothing contained in this paragraph or elsewhere in this Agreement shall constitute a waiver by you of any of your legal rights under applicable U.S. federal securities laws or any other laws whose applicability is not permitted to be contractually waived, nor shall it constitute a waiver or diminution of The Baker Group's fiduciary duty to you under Section 15B(c)(l) of the Securities Exchange Act of 1934, as amended, and the rules thereunder.

7. **Required Disclosures.** MSRB Rule G-42 requires that The Baker Group provide

you with disclosures of material conflicts of interest and of information regarding certain legal events and disciplinary history. Such disclosures are provided in The Baker Group's Municipal Advisor Disclosure Statement delivered to you together with this Agreement.

The Baker Group is registered as a municipal advisor with the U.S. Securities and Exchange Commission ("SEC") and the MSRB and is subject to the regulations and rules on municipal securities activities established by the SEC and MSRB. The website address for the MSRB is www.msrb.org. The MSRB website includes educational material about the municipal securities market, as well as a municipal advisory client brochure that describes the protections that may be provided by the MSRB rules and how to file a complaint with an appropriate regulatory authority.

8. **Waiver of Jury Trial**. EACH PARTY AGREES TO WAIVE ANY RIGHT TO A TRIAL BY JURY WITH RESPECT TO ANY CLAIM, COUNTERCLAIM OR ACTION ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THE RELATIONSHIP BETWEEN THE PARTIES. PARTIES AGREE TO WAIVE CONSEQUENTIAL AND PUNITIVE DAMAGES.

9. **Choice of Law**. This Agreement shall be construed and given effect in accordance with the laws of the State of Oklahoma.

10. **Binding Effect: Assignment.** This Agreement shall be binding upon and inure to the benefit of you and The Baker Group, our respective successors and permitted assigns; provided, however, neither party may assign or transfer any of its rights or obligations hereunder without the prior written consent of the other party.

11. **Entire Agreement.** This instrument, including all appendices hereto, contains the entire agreement between the parties relating to the rights herein granted and obligations herein assumed. This Agreement may not be amended, supplemented, or modified except by means of a written instrument executed by both parties.

12. **Severability.** If any provision of this Agreement is, or is held or deemed to be, invalid, inoperative or unenforceable as applied in any particular case in any jurisdiction or jurisdictions because it conflicts with any provisions of any constitution, statute, rule or public policy, or for any other reason, such circumstances shall not make the provision in question invalid, inoperative or unenforceable in any other case or circumstance, or make any other provision or provisions of this Agreement invalid, inoperative or unenforceable to any extent whatever.

13. **No Third-Party Beneficiary.** This Agreement is made solely for the benefit of the parties and their respective successors and permitted assigns. Nothing in this Agreement, express or implied, is intended to confer on any person, other than the parties and their respective successors and permitted assigns, any rights, remedies, obligations, or liabilities under or by reason of this Agreement.

14. **Authority.** The undersigned represents and warrants that he or she has full legal authority to execute this Agreement on behalf of Client.

15. **Counterparts.** This Agreement may be executed in counterparts, each of which shall be an original, but which taken together, shall constitute one and the same instrument.

If there is any aspect of this Agreement that you believe requires further clarification, please do not hesitate to contact us. If the foregoing is consistent with your understanding of our engagement, please sign and return a copy of this letter.

Again, we thank you for the opportunity to assist you with the Financing and the confidence you have placed in us.

Very truly yours,

. **THE BAKER GROUP**

By: ______________________

Name: Randall Nelson

Title: Director of Public Finance

This Agreement is hereby accepted for and on behalf of:

SALLISAW MUNICIPAL AUTHORITY, OKLAHOMA

By: ______________________

Name:

Title:Chairman

Date: June 9, 2025

DISCLOSURE STATEMENT OF

THE BAKER GROUP

This Disclosure Statement is provided by The Baker Group ("The Baker Group") to Sallisaw Municipal Authority, Oklahoma` ("you" or the "Client") in connection with the Municipal Advisor Engagement Letter dated, June 9 2025 (the "Agreement"). This Disclosure Statement provides information regarding conflicts of interest and legal or disciplinary events of The Baker Group required to be disclosed to you pursuant to MSRB Rule G-42(b) and (c)(ii).

PART A - Disclosures of Conflicts of Interest

MSRB Rule G-42 requires that municipal advisors provide to their clients' disclosures relating to any actual or potential material conflicts of interest, including certain categories of potential conflicts of interest identified in Rule G-42, if applicable. If no such material conflicts of interest are known to exist based on the exercise of reasonable diligence by the municipal advisor, municipal advisors are required to provide a written statement to that effect.

Material Conflicts of Interest - The Baker Group makes the disclosures set forth below with respect to material conflicts of interest in connection with the Scope of Services under this Agreement, together with explanations of how The Baker Group addresses or intends to manage or mitigate each conflict.

General Mitigations - As general mitigations of The Baker Group's conflicts, with respect to all of the conflicts disclosed below, The Baker Group mitigates such conflicts through its adherence to its fiduciary duty to you, which includes a duty of loyalty to you in performing all municipal advisory activities for you. This duty of loyalty obligates The Baker Group to deal honestly and with the utmost good faith with you and to act in your best interests without regard to The Baker Group's financial or other interests. In addition, because The Baker Group is a broker-dealer with significant capital due to the nature of its overall business, the success and profitability of The Baker Group is not dependent on maximizing short-term revenue generated from individualized recommendations to its clients but instead is dependent on long-term profitably built on a foundation of integrity, and strict adherence to its fiduciary duty. Furthermore, The Baker Group's municipal advisory supervisory structure, leveraging our long-standing and comprehensive broker-dealer supervisory processes and practices, provides strong safeguards against individual representatives of The Baker Group potentially departing from their regulatory duties due to personal interests. The disclosures below describe, as applicable, any additional mitigations that may be relevant with respect to any specific conflict disclosed below.

Compensation-Based Conflicts. The fees due under this Agreement will be based on the size of the Financing and payment of such fees shall be contingent upon the closing of the Financing. While this form of compensation is customary in the financial markets, this may present a conflict because it could create an incentive for The Baker Group to recommend unnecessary financings or financings that are disadvantageous, or to advise you to increase the size of the issue. This conflict of interest is mitigated by the general mitigations described above.

PART B - Disclosures of Information Regarding Legal Events and Disciplinary History

The U.S. Securities and Exchange Commission ("SEC") requires that municipal advisors provide their municipal advisory clients with certain disclosures of legal or disciplinary events material to the Issuer's evaluation of the municipal advisor or the integrity of the municipal advisor's management or advisory personnel. Disclosures that a municipal advisor is to make available on its SEC Form MA consist of information regarding any criminal action, regulatory actions, investigations, terminations, judgements, liens, civil judicial actions, customer complaints, arbitrations, and civil litigation.

The date of the last addition to the legal and disciplinary event disclosures on SEC Form MA was October 22, 2018. The basis for this addition was to disclose a regulatory disciplinary event administered by the SEC and resolved on June 18, 2015.

The Municipal Advisor's most recent SEC Form MA and Form MA-I filings may be electronically accessed utilizing the search feature available through the SEC Edgar website at https://www.sec.gov/edgar/searchedgar/companysearch.html.

PART C -Future Supplemental Disclosures

As required by MSRB Rule G-42, this Disclosure Statement may be supplemented or amended, from time to time as needed, to reflect changed circumstances resulting in new conflicts of interest or changes in the conflicts of interest described above, or to provide updated information with regard to any legal or disciplinary events of The Baker Group. The Baker Group will provide you with any such supplement or amendment as it becomes available throughout the term of the Agreement.

AGENDA ITEM COMMENTARY

Meeting Date: June 9, 2025
Board: Sallisaw Municipal Authority
Subject:

ITEM TITLE: Administrative reports

INITIATOR:

STAFF INFORMATION SOURCE:

BACKGROUND:

EXHIBITS:

KEY ISSUES:

FUNDING SOURCE:

RECOMMENDATION: