

**MINUTES OF
REGULAR MEETING OF THE DIRECTORS OF
THE OKLAHOMA DEVELOPMENT FINANCE AUTHORITY
September 29, 2021**

The Directors of the Oklahoma Development Finance Authority held an Annual Meeting at 10:00 a.m. on Thursday, September 29, 2021, 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. Bridger Cox, Secretary
Mr. D.R. Shipley, Member
Mr. Roger Wagner, Member

The following members of the Authority were ABSENT:

Mr. Brent Kisling, Ex-Officio
Mr. Hank Bradley, Member

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 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 AUGUST 25, 2021

Minutes of the meeting held August 25, 2021, 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. Cox seconded the motion. All members present voted Aye.

FINANCIAL REPORT

Mr. Davis reported that the trended financials were on pages 8 and 9 of the board packet. The revenue for FY 22 is a little over \$280,000 compared to \$294,000 last year shows a 5% decrease. The expenses were higher at \$203,000 versus \$169,000 and this leaves a net income of \$78,000 compared to \$125,000 a year ago. Mr. Davis stated that we are early in the year, and he does not anticipate that the trend will continue. He feels that we will catch up when a few deals are closed, and he expects more revenue in October and November.

Chairman Condley asked if there were any questions or comments concerning the report. Hearing none, he asked if there was a motion. Mr. Cox made a motion to approve the financial report, as presented. Mr. Shipley seconded the motion. All members present voted AYE.

NEW LOAN APPLICATIONS/PROJECTS

A. Oklahoma Development Finance Authority (ODFA) – \$20,000,000 Revenue Bonds, Alden Group Renewable Energy, LLC, Series 2021

Discussion and possible with respect to an inducement resolution pertaining to the issuance of one or more series of Private Activity Bonds or notes and inducement thereof for Alden Group Renewable Energy, LLC or an affiliate thereof to be located in Tulsa, Oklahoma; authorizing the filing of one or more applications for required designations or allocation of volume cap; recommending to the State that the actions requested in the resolution be authorized subject to the receipt of all required information, including the holding of a public hearing and final approval of the bonds or notes by the Authority; and authorizing other actions, requests, approvals and consents related thereto.

Mr. Stoner explained that on pages 60 to 62 is the application for \$20 million in revenue bonds for Alden Group Renewable Energy, LLC. The request today is an inducement resolution. This is the first step in the process. This is not an authorization to issue bonds; this project will return later, for authorization. The inducement resolution gives the ability for the project cost to start and be included and refunded with future bonds. Mr. Stoner stated that this is for the construction and equipping of a solid waste disposal facility in Tulsa. This is a \$23 million dollar project with \$3 million equity contribution resulting in an estimated \$20 million in future bonds. This is intended to be a direct placement and they expect to create 15 jobs and about a \$1 million new annual payroll.

Mr. Stoner introduced Mr. Jered Davidson, Bond Counsel to provide more details for the project. Mr. Davidson stated that he was contacted about four months ago about this potential project. At that time, they were exploring land operations, acquisitions, and that kind of stuff. They found a piece of property in Tulsa that was centrally located for them. Essentially, the process will be that they will take used grease from various restaurants establishments, wastewater treatment facilities and those kinds of things and bring them in and they will treat them with a heat transfer process and then sell the residual product to bio fuel refineries across the Midwest. That feedstock can be combined with other natural feedstocks to provide a higher fat content which essentially means more energy to be able to burn in the process. This is a new process related to brown grease and it has been very successful with yellow grease, like canola oils other seed type oils and those kind of things across the country.

Mr. Davidson said that he has worked with this development group one other time on a project in Atoka, OK, where they took spent oil and gas refinery parts and stripped the excess oil off those and then shipped those to further refinery facility in Texas for reuse. These bonds are anticipated to be direct placement transactions and they will hire a placement agent and they will get a cusip number, these are typically marketed to a limited group of sophisticated investors. These investors will be required to sign an investment letter or be directly placed with a financial institution. This is the first step; they currently have land under contract in Tulsa and they will be closing this week. This inducement resolution allows them to recapture the cost of the land. If they incur cost more than 60 days in advance of the adoption of the inducement resolution, then the costs are not illegible to be reimbursed on a federal tax-exempt basis. These are contemplated to be federally private activity bonds; they will be federal tax exempt. They will have to seek volume cap from the State of Oklahoma, that will be done with a carry forward application which opens in December. This means the project will end up closing sometime in the first or second quarter.

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

AYE: Condley, Cox, Shipley, Ventris, Wagner
NAY: NONE

B. Oklahoma Development Finance Authority (ODFA) – \$1,650,000 Oklahoma Community Economic Development Pooled Finance Act Award (Altus Flood), Series 2021

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 (Altus Flood Project), Series 2021, in an aggregate principal amount estimated at \$1,650,000 (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 this next project is for \$1.65 million from the Oklahoma Community Economic Development Pooled Finance Act Award, Series 2021. The project summary is on page 23. Mr. Stoner added that Gary Jones, the city manager from Altus is not able to be here today and he apologized that it did not work out for him. This is the second time that the City of Altus has applied for P3 style award incentive. In July 2020, they applied and received \$4 million to replace 13,000 feet of a water main that effected the city and was a tremendous benefit to Altus Air Force Base. This project is for \$1.9 million to straighten and cement the creek channel that would mitigate a significant flood problem at the entrance of the base. Earlier this week, the base commander had commented that he has been trying to get this project done for almost 20 years. The flood mitigation project will allow for two future projects that have already been defined. The first priority for the base is for security improvements at the main gate. There is significant improvement for tractor trailers as well as turnouts and things available that don't exist today. This is a primary concern for the Air Force Base. They are also evaluating new housing to be added by eliminating the flood risks associated right there near the base. This will be supported by federal civilian personnel withholding taxes; there are 1,332 employees and over \$75,000 average wage supporting this project. Mr. Stoner added that based on ODFA's history with the City of Altus with this structure will pay off in a 6-month period. There is a lot of support and a lot of benefits to the City of Altus as well as the Air Force base.

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

AYE: Condley, Cox, Shipley, Ventris, Wagner
NAY: NONE

REVIEW AND POSSIBLE APPROVAL OF TRAVEL CLAIMS

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

PRESIDENT'S REPORT

Mr. Davis introduced alumni from the Authorities that were present at the meeting including, Mr. Jim Fulmer, John Harris, Barbara Weber, and Sarah Hardy. He also introduced Ms. Niki Batt with the Attorney General's Office.

He then stated that the business operation development report was located on pages 24-25 of the board packet. The Business Expansion Incentive Program has 29 active projects that have closed and are receiving payments. The outstanding balance on these is \$48.5 million this is out of \$200 million in capacity. We are below 25% on the utilization of this program. He then updated the

Board on the 2020 Bounce Back Program which was designed to help some of the smaller Oklahoma businesses during the COVID 19 crisis. Mr. Davis stated that they extended the maturity for 32 of the companies, this was about \$1 million dollars and \$449,000 in payments were made in August to the companies this leaves about \$586,000 remaining to collect and disburse. Mr. Davis looks for Bounce Back to wind down in the next couple of months. The Oklahoma Innovative Expansion Program that was patterned after Bounce Back through the Department of Commerce approved 105 projects with an award amount of \$7.5 million. ODFA has made \$1.5 million in total payments through September; and we are 90 days into the program. There is \$5.9 million remaining to collect and disburse. Mr. Davis expects the OIEP program to move along faster than the Bounce Back program.

Mr. Davis then updated the board on the ratepayer relief utility securitization created by Senate Bill 1050 for the investor owned; regulated utilities, there is continued work with the financing group with weekly calls. There are also ad hoc calls here and there, tackling issues and making sure we are prepared when the financing order comes from the Corporation Commission. Mr. Davis has also had continued calls with state partners which includes the Attorney Generals Office, the State Treasurer's Office, State Bond Advisor, and the Corporation Commission. Mr. Davis expects the Investor/Public website information portal to be live by the middle of October. There is a vendor called BondLink that the state already has a relationship with. It is for municipal bond issuers. BondLink is really designed for an issuer like the Oklahoma Student Loan Authority that goes out and issues bonds once a year and they own the bonds it is not a conduit. The pricing structure and platform is setup for that and there is a lot of disclosures, news, and information about the organization. In ODFA's case this becomes a little bit more complicated when we issue bonds for a development group, regional healthcare system and ODFA is not able to compel them to put information on this site. They are compelled to put the information on MSRB through electronic municipal market access EMMA system. Mr. Davis stated that they are building this web site out with the mindset with as much investor focus as it is public access to get information. There will be enacting legislation, statutes, and information about ODFA. The board members and working team will be listed. The link will be made available to the board members once it is up and running. You will be able to go to the website and select 'keep me posted' so if there are any changes to the website you will receive an email. The website will not be ODFA's holistically but will be for the Oklahoma utility bonds. The minutes and the agendas will be available on the website.

The other part of the utility ratepayer relief was Senate Bill 1049 which was for the unregulated utilities, and this was designed for a loan program which did not exist. In August, Mr. Davis had talked about GRDA had expressed interest and they were asking the board for approval to utilize the program. Mr. Davis stated that he worked with the State Bond Advisor and the financial analyst, and they finalized the loan application for the program. This was sent to GRDA around September 8th and they are working on getting the application submitted.

Mr. Davis reported that he has been working with HBC CPA's and Advisors on the ODFA audit there has been field work and sending out confirmations and running down requests. He feels the audit has gone smoothly and he will be meeting with the auditors in the next 10 days to go over the draft and finalize the report and they will deliver the audit in October to the board.

Mr. Davis stated that Ms. Slifer resigned and even though being shorthanded we continue to work on the FY 2022 financial projections. Mr. Davis reported that a job posting for her replacement as business analyst, credit analyst, relationship manager has been sent out through social media, through all the networks and is looking to fill the position.

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. Cox made a motion to adjourn. Mr. Shipley seconded the motion. All members present voted AYE.

These minutes officially approved and adoption this ____ day of _____, 2021.

Chairman

SEAL

Assistant Secretary