

**ORDINANCE NO. 2025 – 05**

**AN ORDINANCE AUTHORIZING A  
SUPPLEMENTAL WATER SUPPLY AGREEMENT WITH THE UTILITIES BOARD  
OF THE CITY OF CULLMAN RESPECTING THE  
SERIES 2024 BONDS OF THE BOARD AND A  
CONTINUING DISCLOSURE AGREEMENT PERTAINING TO  
THE SAID SERIES 2024 BONDS OF THE BOARD**

**BE IT ORDAINED** by the City Council of the City of Cullman, Alabama, a municipal corporation under the laws of the State of Alabama (the "City"), as follows:

**Section 1. Findings.** The Council does hereby find and declare that the following facts are true and correct:

(a) The City owns and operates a water distribution system (the "Distribution System") and The Utilities Board of the City of Cullman, a public corporation under the laws of the State of Alabama (the "Board") owns and operates a water supply system (the "Supply System");

(b) The Board is presently supplying to the City from the Supply System the City's requirements of filtered water for municipal purposes and for resale through the Distribution System pursuant to a Water Supply Agreement between the Board and the City dated as of June 1, 2011, as heretofore amended and supplemented by (i) an Amendment to Water Supply Agreement between the Board and the City dated December 8, 2014, (ii) a Supplemental Water Supply Agreement between the Board and the City dated March 12, 2015, (iii) a Second Supplemental Water Supply Agreement between the Board and the City dated October 1, 2017, (iv) a Third Supplemental Water Supply Agreement between the Board and the City dated as of April 1, 2020, and (v) a Fourth Supplemental Water Supply Agreement between the Board and the City dated as of July 14, 2020 (collectively, the "Existing Agreement");

(c) Due to the currently favorable interest rate environment the Board and the City have determined that it is necessary, desirable and in the public interest that the Board redeem and retire those of its \$42,110,000 original principal amount Water Revenue Bonds, Series 2015-A, dated March 12, 2015, scheduled to mature September 1, 2035 and aggregating \$5,175,000 (the "Refunded Series 2015-A Bonds") in order to realize substantial savings in interest costs incident to the water supply system of the Board pursuant to which the Existing Agreement has been entered; and

(d) In order for the Board to provide funds to pay the costs of redeeming, retiring, and refunding the Refunded Series 2015-A Bonds, it will be necessary for the Board to issue its \$4,775,000 aggregate principal amount of Water Revenue Bonds, Series 2024, dated December 19, 2024 (the "Series 2024

Bonds"), and the City hereby requests that the Board issue the Series 2024 Bonds for such purpose; and

(e) The Board and the City recognize that certain amendments to the Existing Agreement are necessary in order to enable the Board to issue the Series 2024 Bonds, and the Board and the City have determined to enter into the Supplemental Water Supply Agreement hereinafter described for such purpose; and

(f) Because the Series 2024 Bonds will be payable from revenues derived by the Board from the City pursuant to the Existing Agreement, as supplemented and amended by the Supplemental Water Supply Agreement, it will be necessary for the City to execute and deliver the Continuing Disclosure Agreement herein authorized respecting the Series 2024 Bonds.

(g) The Council deems it necessary, desirable and in the public interest that the City authorize, execute and deliver the Supplemental Water Supply Agreement and the Continuing Disclosure Agreement.

**Section 2. Authorization of Supplemental Water Supply Agreement.** The Council does hereby authorize and direct the Mayor of the City to execute and deliver, in the name and on behalf of the City, a Fifth Supplemental Water Supply Agreement with the Board dated December 19, 2024, in substantially the form presented to the meeting at which this ordinance is adopted (which form shall be attached as Exhibit I to the minutes of such meeting and is hereby adopted in all respects), with such changes as the said Mayor shall approve (the "Supplemental Water Supply Agreement"). The City Clerk is hereby authorized and directed to affix the seal of the City to the said Supplemental Water Supply Agreement and to attest the same. The Council hereby further ratifies and affirms the Existing Agreement, as supplemented and amended by the Supplemental Water Supply Agreement herein authorized.

**Section 3. Authorization of Continuing Disclosure Agreement; Disclosure Policies and Procedures.** The Mayor is hereby authorized and directed to sign, for and in the name and on behalf of the City, a Continuing Disclosure Agreement dated the date of the Series 2024 Bonds (herein called the "Continuing Disclosure Agreement"), in substantially the form presented to the meeting at which this ordinance is adopted (which form shall be attached as Exhibit II to the minutes of such meeting and is hereby adopted in all respects), with such changes as the said Mayor shall approve. The Council hereby further authorizes the City Clerk of the City to adopt and implement, for and on behalf of the City, such policies and procedures as said City Clerk shall deem necessary or desirable in order to facilitate compliance by the City with its obligations under the said Continuing Disclosure Agreement and its disclosure obligations generally incident to any current or future securities issued by the City.

**Section 4. General Authorization.** The Mayor and the City Clerk are each hereby further authorized and directed to execute, seal, attest and deliver such other agreements, instruments, notices, directions, orders, certificates or other documents as shall be necessary or desirable in order to consummate the transactions herein authorized.

**Section 5. Severability Provisions.** The various provisions of this ordinance are hereby declared to be severable. In the event any provision hereof shall be held invalid by a court of competent jurisdiction, such invalidity shall not affect any other portion of this ordinance.

ADOPTED this 9<sup>th</sup> day of December, 2024.

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President of the Council

Attest:

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City Clerk

APPROVED this 9<sup>th</sup> day of December, 2024

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Mayor

Exhibit I  
Form of Supplemental Water Supply Agreement

Exhibit II  
Form of Continuing Disclosure Agreement