

**OKLAHOMA WATER RESOURCES BOARD**  
**OFFICIAL MINUTES**  
**June 17, 2014**

**1. Call to Order**

The regular monthly meeting of the Oklahoma Water Resources Board was called to order by Chairman Rudy Herrmann at 9:30 a.m., on June 17, 2014, in the Second Floor Board Meeting Room at the Oklahoma Water Resources Board offices, located at 3800 N. Classen Boulevard, Oklahoma City, Oklahoma.

The meeting was conducted pursuant to the Oklahoma Open Meeting Law with due and proper notice provided pursuant to Sections 303 and 311 thereof. The agenda was posted on June 13, 2014, at 2:25 p.m. at the Oklahoma Water Resources Board's offices at 3800 N. Classen Boulevard, and provided on the agency's website.

Chairman Herrmann welcomed everyone to the meeting, and asked for the roll call of members.

**A. Roll Call**

**Board Members Present**

Rudy Herrmann, Chairman  
Tom Buchanan, Vice Chairman  
Bob Drake  
Ford Drummond  
Jason Hitch  
Marilyn Feaver  
Ed Fite  
Richard Sevenoaks

**Board Members Absent**

Linda Lambert, Secretary

**Staff Members Present**

J.D. Strong, Executive Director  
Jerry Barnett, General Counsel  
Amanda Storck, Chief, Administrative Services Division  
Joe Freeman, Chief, Financial Assistance Division  
Kent Wilkins, Assistant Chief, Planning and Management Division  
Derek Smithee, Water Quality Programs Division  
Lauren Sturgeon, Director of External Affairs  
Mary Schooley, Executive Secretary

Following the Roll Call, Chairman Herrmann recognized a quorum or members, and stated Mr. Hitch would serve as Assistant Secretary in the absence of Secretary Linda Lambert.

**Others Present**

Maxine Pruitt, City of Guthrie, OK  
Matthew Coe, P.E., Myers Engineering, Oklahoma City, OK  
Randy Worden, Central Oklahoma Master Conservancy District, Norman, OK  
Emily Summers, JRLR, Oklahoma City, OK  
Christie Southern, eCapitol, Oklahoma City, OK  
Steven Jolly, Ardmore Master Conservancy District, Davis, OK  
Amy Ford, Citizens for Arbuckle Simpson Aquifer, Durant, OK  
Josh McClintock, Creative Capitol Strategies, Edmond, OK  
Tom Lazerski, Oklahoma Gas and Electric, Oklahoma City, OK  
Charlie Swinton, BancFirst, Oklahoma City, OK  
Patty Thompson, Oklahoma Department of Environmental Quality, Oklahoma, OK  
Greg Carr, Oklahoma Department of Environmental Quality, Oklahoma City, OK  
Michael Taylor, Oklahoma Department of Environmental Quality, Oklahoma City, OK  
Jill Daugherty, Chickasaw Nation, Oklahoma City, OK  
Chris Cochran, BOSCO, Dallas, TX  
Bodie Bachelor, Centennial Law Group, Duncan, OK  
Lisa Impson, Chickasaw Nation

**B. APPROVAL OF MINUTES**

Chairman Herrmann said the draft minutes of the May 19, 2014, Regular Meeting had been distributed electronically. Chairman Herrmann asked if there were changes; there were none.

Mr. Fite moved to approve the minutes of the May 19, 2014, meeting, and Mr. Drake seconded. Chairman Herrmann called for the vote.

AYE: Hitch, Drake, Feaver, Fite, Sevenoaks, Drummond, Herrmann  
NAY: None  
ABSTAIN: Buchanan  
ABSENT: Lambert

**C. EXECUTIVE DIRECTOR'S REPORT**

Mr. J.D. Strong, Executive Director, said the Legislature had adjourned, and he asked Ms. Lauren Sturgeon to present the legislative update. Ms. Sturgeon noted the prepared legislative report, and said the remaining issues following the legislative adjournment is for the Governor's approval of the rules by June 25<sup>th</sup> by declaration to the Secretary of State's office for publication in the Oklahoma Register by July 17. Chairman Herrmann asked about the process this year, and Mr. Strong stated he would address that later in his report. Ms. Sturgeon continued stating that legislators are now filing interim study requests; the House has published the list but has not approved any requests. She said on the federal level, the House unveiled the Energy and Water Appropriation Budget, with full committee markup by June 18, and the Senate will be marking up its appropriations bill for water resources by June 19. She said the WRRDA (Water Resources Reform and Development Act) bill was signed by the President last week (June 10), and now begins writing the regulations for the new programs and existing programs. She said Mr. Strong testified before the House Transportation and Infrastructure

Subcommittee which he would speak about later. The members asked and Ms. Sturgeon replied the WRRDA measure is reauthorized every two years, but it has been about five years since the last reauthorization, she expected about a year before it is implemented. Mr. Strong said the bill does not contain earmarks, or specific beneficial projects for Oklahoma, as it is a new process authorizing COE projects and the McClellan-Kerr Navigation System.

Mr. Strong continued the legislative update informing the members about the rule-making process. He said there had been changes made to the process in the past in regard to the Legislature's involvement. There was still some confusion and he had met with the Chairs of the House and Senate Rules Committees about the outcome if the Legislature fails to act and it was determined that if the Legislature fails to approve agency rules, then it falls to the Governor, who can simply approve them by declaration. Essentially, the changes made last year which were intended to give the Legislature more control, and gave the Governor much more control. The Board had approved rules regarding the amendments to the Planning and Management rules and Financial Assistance rules, and there was an effort to disapprove the well spacing rules for the Arbuckle Simpson. Staff answered questions and addressed misinformation about what those rules did or did not do, and at the end of the day the Legislature failed to act on the bulk of the agency rules and now falls to the Governor through this declaration process. He said the Legislature has always had the ability to essentially disapprove rules, but there was no action in regard to the OWRB rules--they did not approve or disapprove OWRB rules--and he was not aware of an effort to correspond with the Governor's office about the rules. The Governor must affirmatively approve the rules; no action equals no approval.

Mr. Strong continued his report stating that mediation is ongoing and there is no new action regarding the Arbuckle-Simpson matter. General Counsel Jerry Barnett mentioned there is an issue regarding disposition of documents that were not in the record and once that is settled, he anticipated a briefing schedule and oral argument schedule. The Water for 2060 Council met May 20 and focused on the short list of recommendations on conservation efficiency, reuse and recycling in public water supply, municipal/industrial, as well as crop irrigation sectors; the next meeting will be in the Fall and focus on incentives and education efforts for efficiencies in other sectors. The Council will begin to formulate a final report of recommendations which is due in 2015 to the Governor and Legislatures.

Mr. Strong stated he had testified before the Congressional Transportation and Infrastructure Subcommittee on Water regarding the Waters of the U.S. rule on behalf of the Western Governors Association and Western States Water Council. Oklahoma Congressman Mullin is on the Committee; Mr. Strong described the other panelists and summarized his comments about the western states' concern about being left out of the rulemaking process when the states are the co-regulators under the Clean Water Act. The EPA and COE developed the rule the states will implement and yet the states were not allowed to get around the table and develop the rule where it will be implementable. The rule may work in the eastern states, but not in the arid western states; there are new definitions generating concerns that every ditch and dry gulch will be included, although EPA contends that is not so, there is concern about the language of the rule and interpretation of the rule. He explained the concerns by the agricultural industry and the intent of the rule, as well as other states' position. An extension has been granted for 91 days to October 20.

The EPA will be in town Wednesday to speak about its fracturing study, and Mr. Strong spoke to the Regional Area Economic Partnership conference in Newton, KS, about Water for 2060 initiatives. Drought conditions have improved yet there is still significant drought across the state and Mr. Strong said the agency received \$1.5 million for drought relief efforts for municipal and rural water providers. The 2014 Governor's Water Conference dates have been set for October 22-23 at the Renaissance/Cox Convention Center and Pat Mulroy, former general manager of the Southern Nevada Water Authority, is the expected keynote speaker. The next OWRB meeting is July 15, 2014.

Mr. Strong concluded his report responding to earlier questions about North Texas Municipal Water District turning on pumps to withdraw water out of Texoma. He explained that will not take

any additional water from Texoma than has been taken the last several decades, but the pumps were shut down due to invasive mussels and avoiding transporting them to Lake Lavon where water is mixed. A new pipeline was built with new technology that will eliminate the invasive species before reaching Lake Lavon; that infrastructure is built and there has been news about turning the pumps back on. Mr. Strong concluded his report; the members expressed a desire the October meeting be scheduled in conjunction with the conference program.

Mr. Drake thanked Mr. Strong and Ms. Sturgeon for their work during the Legislative Session, particularly regarding the last 48 hours of the session regarding the rules that affected his area. There were no other questions or comments by members.

#### **D. Monthly Budget Report**

Ms. Amanda Storck, Chief, Administrative Services Division, stated to the members that the monthly report for May 2014 had been provided. She said the agency did not receive funding cuts in the last months as staff had been alerted and had been conservative. She distributed a spreadsheet requested by the members illustrating the Board's appropriation history for the past ten years delineating operations and pass-through funding. She also distributed a report by the Office of Management and Enterprise Services which addressed the members' earlier questions about consolidation as of January 31 -- the projected savings over six years is \$94 million. Mr. Herrmann asked and Ms. Storck responded that funding for the Comprehensive Water Plan is outside of the operations category illustrated on the spreadsheet. The big news, Chairman Herrmann stated, is that the operations shows that funding has been received for programs recommended by the OWCP. Ms. Storck said there was \$1.5 million for the groundwater monitoring and the REAP funding was based upon a percentage of the general collections. There was discussion about the increase from 2012-2013 was for one program in Water Quality, the allocation of funding and budget cuts for 2015 and that each division proposed its response to the 5.5% cut. Mr. Strong added the agency is faced with cutting personnel costs while not laying off employees, which is balanced by under filling positions, reducing travel, etc., while maintaining the viability of the agency programs. Mr. Buchanan asked how much of the \$4.8 projection for FY2015 is water monitoring dollars, and Ms. Storck responded \$2.6 million; those programs received the largest amount of general revenue funds and therefore took the largest cut.

Ms. Storck concluded her report.

## **2. FINANCIAL ASSISTANCE DIVISION**

A. Consideration of and Possible Action on a Proposed Order Approving Emergency Grant for Fletcher Public Works Authority, Comanche County. Recommended for Approval. Mr. Joe Freeman, Chief, Financial Assistance Division, stated to the members that this first item is a \$21,471.00 Emergency Grant Application from the Fletcher Public Works Authority located in Comanche County. He said it is estimated that approximately 200 feet of sewer line has collapsed. Currently, the discharge is being pumped to a manhole, and in order to correct the problem, the PWA proposes to replace approximately 210 feet of 8" sewer line. The project will be funded with \$3,789.00 in local funds, and the OWRB grant. Staff recommended approval.

Mr. Dick Herrin, Fletcher Mayor, was present in support of the emergency grant request. The Mayor said the population is 1200 and 500 water meters, and 99% of the town's revenue is generated through TH Roger Lumber Company and selling water. He described the Town's water and financial situation and events time frame, and that the town had borrowed \$35,000 to repair the initial collapse then the second collapse occurred and they applied for the grant from the OWRB. The Town has also

received funds to conduct a study of its sewer lines and the top problems have been identified the top and the town will pursue grant dollars to address them.

Chairman Herrmann stated the Board appreciated the Mayor's dedication, and he would entertain a motion to approve the grant request.

Mr. Drake moved to approve the request, and Mr. Drummond seconded.

AYE: Hitch, Drake, Feaver, Fite, Sevenoaks, Drummond, Buchanan, Herrmann

NAY: None

ABSTAIN: None

ABSENT: Lambert

B. Consideration of and Possible Action on a Proposed Order Approving Drinking Water Funding Application for Guthrie Public Works Authority, Logan County. Recommended for Approval. Mr. Freeman stated this item is a \$470,000.00 loan request from the Guthrie Public Works Authority. The requested funding will be to extend 7,100 feet of water line to the Town of Coyle. Guthrie currently supplies water to Langston University and Coyle will tie onto the Guthrie water supply line to Langston. The funding will be provided through the Drinking Water State Revolving Fund Loan Program; Mr. Freeman noted provisions of the loan agreement. Guthrie has been a long-term loan customer of the Board's and currently has four loans outstanding with a total balance of approximately \$17.7 million; the debt coverage ratio stands at approximately 1.6-times. Mr. Freeman stated that if the project is built correctly through the Department of Environmental Quality, the principal will be forgiven as a consolidation project. Staff recommended approval.

Ms. Maxine Pruitt, Guthrie Public Works Director, Mr. Jon Wolf, Financial Advisor with Municipal Finance Services, and Mr. Matthew Coe, engineer, were present in support of the loan application.

Mr. Hitch asked how common is it to use the one-cent sales tax, and Mr. Freeman responded it is fairly general and the Board accepts sales tax on a regular basis. Sales tax is used in most communities--certain communities use water sewer revenue to operate their Authorities, and sales tax is a common use of proceeds for operations. Mr. Hitch asked if it is used to subsidize another town, and Mr. Freeman answered that in this case involving principal forgiveness it could not, the loan would not have to be prepaid. The loan is closed and the Board has total security the \$470,000 will be repaid. Chairman Herrmann asked and Mr. Freeman explained the concept of principal forgiveness and he said there is a portion of the Drinking Water SRF Capitalization Grant that DEQ applies for that EPA directs must be used for principal forgiveness. In Oklahoma, the OWRB and DEQ agreed to use it to encourage consolidation; DEQ looks closely at communities for consolidation rather than building new treatment plants and other capacities.

Mr. Sevenoaks asked the source of Guthrie's water, and Mr. Wolf answered Liberty Lake and Cottonwood Creek. Ms. Pruitt addressed the members and asked Mr. Wolf to answer questions -- he responded about Guthrie having built a line to Langston in 2005, and in 2012 Coyle exceeded levels of uranium in its water supply and looked at various options. Guthrie stepped up and provided the option after having completed its treatment plant upgrade to a capacity of 6 MGD and is now in a position to provide water to Langston University and Coyle. He said it is a perfect story of regionalization. Mr. Drummond asked about the comfort level to achieve the principal forgiveness and Mr. Coe responded it is a simple project of a 7,000 foot line with disinfection at the pump station and a master meter at Coyle for monitoring.

Chairman Herrmann asked for a motion to proceed. Mr. Fite moved to approve the DWSRF loan to the Guthrie Public Works Authority, and Ms. Feaver seconded.

AYE: Hitch, Drake, Feaver, Fite, Sevenoaks, Drummond, Buchanan, Herrmann

NAY: None

ABSTAIN: None  
ABSENT: Lambert

C. Resolution Authorizing the Issuance of Oklahoma Water Resources Board State Loan Program Revenue Bonds in Aggregate Principal Amount not to Exceed \$20,000,000; at a Net Interest Cost not to Exceed Six Percent (6.0%); Providing for the Issuance of Said Bonds in One or More Series; Approving and Authorizing Execution of a Twenty-Seventh Supplemental Bond Resolution and, if Deemed Advisable, an Additional Supplemental Bond Resolution for Each Additional Series; Waiving Competitive Bidding on the Bonds and Authorizing the Sale Thereof by Negotiation and at a Discount Pursuant to the Terms of a Contract of Purchase Pertaining Thereto; Approving a Preliminary Official Statement with Respect to Said Bonds; Authorizing the Chairman or Vice Chairman to Deem Preliminary Official Statements for Additional Series of Bonds Final; Directing Deposit of Proceeds Derived from the Issuance of the Bonds in the State Treasury and Requesting the State Treasurer to Remit Such Proceeds to the Bond Trustee; Ratifying and Approving the Form of Promissory Note and Loan Agreement to be Executed by Borrowers in the State Loan Program; Authorizing Execution of Such Other and Further Instruments, Certificates and Documents as may be Required for the Issuance of the Bonds; Directing Payment of Costs of Issuance and Containing Other Provisions Relating to the Issuance of the Bonds. Recommended for Approval. Mr. Freeman said this item is for the consideration of an authorizing resolution for a new issuance of FAP Loan Program Bonds. The bonds are proposed to be used to fund loans for Wilburton and Rogers County Rural Water District #8. The loans will be presented at the July Board meeting for approval. The bond issue will be presented to the Bond Oversight Council for approval on June 26, 2014, and the proposed pricing of the bonds will be mid-July after the next Board meeting, and closing set for approximately August 1.

Mr. Freeman stated the resolution authorizes the following items: an issuance of bonds not to exceed \$20 million dollars, authorizing execution of 27 supplemental bond resolutions for the issuance of the bonds, authorizing the issuance be on a negotiated basis, directing deposit of the proceeds to the State Treasurer and remittance to BancFirst, the Board's Trustee bank; approving the form of promissory note and loan agreement, and directing payment of the cost of issuance and authorizing other documents as necessary to close the issuance. Staff recommended approval.

Mr. Chris Cochran, BOSCO, senior underwriter for this issuance, and Jacob Bachelor, bond counsel for the FAP program, were present.

Chairman Herrmann stated the interest is not to exceed 6%; what is the expected rate? Mr. Freeman answered the rate is expected to be dramatically different, and Mr. Cochran added the numbers had been updated recently and the rate is at 3.5%. Mr. Freeman said the net present value savings is about 8-9%. Mr. Hitch asked if the loans are staggered or all for 20 year amortization, and Mr. Freeman answered the proceeds will be used to shorten the life of both loans.

Chairman Herrmann stated he would accept a motion to proceed. Mr. Hitch moved to approve the resolution authorizing issuance of FAP loan program bonds, and Mr. Buchanan seconded.

AYE: Hitch, Drake, Feaver, Fite, Sevenoaks, Drummond, Buchanan, Herrmann  
NAY: None  
ABSTAIN: None  
ABSENT: Lambert

### 3. SUMMARY DISPOSITION AGENDA ITEMS

Any item listed under this Summary Disposition Agenda may, at the requested of any member of the Board, the Board’s staff, or any other person attending this meeting, may be transferred to the Special Consideration Agenda. Under the Special Consideration Agenda, separate discussion and vote or other action may be taken on any items already listed under that agenda or items transferred to that agenda from this Summary Disposition Agenda.

A. Requests to Transfer Items from Summary Disposition Agenda to the Special Consideration Agenda, and Action on Whether to Transfer Such Items.

Chairman Herrmann read the statement above, and asked if there were requests to transfer items to the Special Consideration Agenda. There were no requests to transfer items.

B. Discussion, Questions, and Responses Pertaining to Any Items Remaining on Summary Disposition Agenda and Action on Items and Approval of Items listed.

Chairman Herrmann asked if there are amendments to the Summary Disposition Agenda. There were no amendments.

Mr. Hitch moved to approve the Summary Disposition Agenda, and Mr. Drake seconded. Chairman Herrmann called for the vote.

Mr. Buchanan asked about the monitoring partnership with the US Geological Survey, and if the non-city entities were new gages to the program. Mr. Strong said there are no new partners in this program; it is rare, but there are a couple of private partners. Mr. Smithee added those entities do not get the federal cost match that government receives, they pay 100%. Mr. Sevenoaks asked what is collected and Mr. Strong said some are data, but most are for flow.

There were no other questions, and Chairman Herrmann called for the vote.

AYE: Hitch, Drake, Feaver, Fite, Sevenoaks, Drummond, Buchanan, Herrmann

NAY: None

ABSTAIN: None

ABSENT: Lambert

The following items were approved:

C. Consideration of and Possible Action on Financial Assistance Division Items:

1. Rural Economic Action Plan (REAP) Grant Applications:

<u>Item No.</u>	<u>Application No.</u>	<u>Entity Name</u>	<u>County</u>	<u>Amount Recommended</u>
EODD				
a.	FAP-13-0032-R	Hanna Public Works Authority	McIntosh	\$99,999.00
NODA				
b.	FAP-13-0013-R	Town of Fairmont	Garfield	27,105.70
OEDA				
c.	FAP-13-0003-R	Taloga Public Works Authority	Dewey	95,000.00
d.	FAP-13-0007-R	Forgan Public Works Authority	Beaver	51,400.00

D. Consideration of and Possible Action on Contracts and Agreements:

1. Joint Funding Agreement with U.S. Geological Survey for the Continuation of the Data Collection and Water Monitoring Program FY15.

2. Memorandum Agreement with USGS and the City of Ada for water monitoring and data collection.
3. Memorandum Agreement with USGS and Applied Energy Services, Shady Point, Inc. for water monitoring and data collection.
4. Memorandum Agreement with USGS and Arkansas-Oklahoma Arkansas River Compact Commission for water monitoring and data collection.
5. Memorandum Agreement with USGS and Central Oklahoma Master Conservancy District for water monitoring and data collection.
6. Memorandum Agreement with USGS and CP Kelco for water monitoring and data collection.
7. Memorandum Agreement with USGS and Fort Cobb Reservoir Master Conservancy District for water monitoring and data collection.
8. Memorandum Agreement with USGS and Grand River Dam Authority for water monitoring and data collection.
9. Memorandum Agreement with USGS and Hardage Site Remedy Corp for water monitoring and data collection.
10. Memorandum Agreement with USGS and The City of Lawton for water monitoring and data collection.
11. Memorandum Agreement with USGS and Lugert-Altus Irrigation District for water monitoring and data collection.
12. Memorandum Agreement with USGS and the City of Moore for water monitoring and data collection.
13. Memorandum Agreement with USGS and the City of Norman for water monitoring and data collection.
14. Memorandum Agreement with USGS and the Oklahoma Department of Wildlife Conservation for water monitoring and data collection.
15. Memorandum Agreement with USGS and Poteau Valley Improvement Authority for water monitoring and data collection.
16. Memorandum Agreement with USGS and the Cherokee Nation for water monitoring and data collection.
17. No-Cost Time Extension Agreement between OWRB and Oklahoma State University Department of Natural Resource Ecology and Management to develop and implement a comprehensive wetland monitoring program for the oxbow wetlands and lakes in Oklahoma.
18. Professional Services Contract between OWRB and the Oklahoma Rural Water Association for continued instruction and study in the technical assistance and training to rural water system operators.
19. Professional Services Engagement Letter with Crawford & Associates, P.C. to provide accounting services related to the Board's financial assistance programs.
20. Interagency Agreement between OWRB and DEQ to administer laboratory services for implementation of water quality monitoring.



21. Interagency Agreement between OWRB and OMES, ISD to consolidate information technology positions and assets of the executive level mandated by Oklahoma State statute under Title 62.
  22. Professional Services Engagement Letter with John M. Arledge & Associates, P.C. to provide auditing services related to the Board's financial assistance programs for CWSRF and DWSRF loan administrative funds
  23. Professional Services Engagement Letter with John M. Arledge & Associates, P.C. to provide auditing services related to the Board's financial assistance programs for revenue bond issues.
  24. Professional Services Engagement Letter with John M. Arledge & Associates, P.C. to provide auditing services related to the Board's financial assistance programs for the Oklahoma Clean Water State Revolving Fund Loan Account Program
- E. Consideration of and Possible Action on Applications for Temporary Permits to Use Groundwater:
1. Turkey Creek Golf Club, L.L.C., Kingfisher County, #2013-605
  2. Danny & Linda Floyd, Dewey County, #2014-520
  3. Anita Ruth Canfield, Harper County, #2014-539
- F. Consideration of and Possible Action on Applications to Amend Temporary Permits to Use Groundwater:
1. Bryan Kroeker, Alfalfa County, #2000-581
  2. Dolese Bros. Co., Oklahoma County, #2006-553
  3. Tyler Streck, Darrel L. Unruh Revocable Trust, and Joyce M. Unruh Revocable Trust, Kingfisher County, #2011-661
- G. Consideration of and Possible Action on Applications for Regular Permits to Use Groundwater:
1. Hutson Farms Family L.P. and Big Elk Holdings, L.L.C., Beckham County, #2013-602
  2. Raymond & Julie Scheffler, Eugene & Cynthia Scheffler, and David & Elizabeth Gwinn, Blaine County, #2013-645
  3. Ella Elizabeth Miller Revocable Trust, Canadian County, #2014-506
  4. Bowlegs-Lima WD, Inc., Seminole County, #2014-525
- H. Consideration of and Possible Action on Applications to Amend Regular Permits to Use Groundwater:  
None
- I. Consideration of and Possible Action on Applications for Seasonal Term Permits to Use Stream Water:  
None
- J. Consideration of and Possible Action on Applications for Regular Permits to Use Stream Water:
1. John Lawrence Chrisman, Wagoner County, #2014-001
  2. Flint Ridge Rural Water District, Delaware County, #2014-003
  3. 2A Farms, Okfuskee County, #2014-008
- K. Consideration of and Possible Action on Dam and Reservoir Construction:
1. FRA Land, L.L.C., Cleveland County, #OK12563
  2. T. J. & Joy Davidson, Love County, #OK30475
  3. Susan McCarty, Love County, #OK30476
  4. XTO Energy, Inc., Love County, #OK30477
  5. Warren Edward Strate, Love County, #OK30478
- L. Consideration of and Possible Action on Well Driller and Pump Installer Licensing:
1. New Licenses and Operators
    - a. Licensee: Red Sand Drilling

DPC-0906

- |    |                                     |          |
|----|-------------------------------------|----------|
| 1. | Operator: Kenneth Schovanec         | OP-2045  |
| b. | Licensee: GFAC Engineering, Inc.    | DPC-0908 |
| 1. | Operator: Paul Vansickle            | OP-1274  |
| c. | Licensee: Double J Energy, L.L.C.   | DPC-0910 |
| 1. | Operator: James Ewers               | OP-2047  |
| 2. | New Operators to Existing Licenses: |          |
| a. | Licensee: Venture Drilling, Inc.    | DPC-0215 |
| 1. | Operator: Justin Brittain           | OP-2049  |
| b. | Licensee: METCO                     | DPC-0653 |
| 1. | Operator: Moustapha Ary             | OP-2040  |
| 2. | Operator: Haroon Hassan             | OP-2050  |
| 3. | Operator: Kalyn Couch               | OP-2051  |

M. Consideration of and Possible Action on Permit Applications for Proposed Development on State Owned or Operated Property within Floodplain Areas:

None

N. Consideration of and Possible Action on Applications for Accreditation of Floodplain Administrators:

Names of floodplain administrators to be accredited and their associated communities are individually set out in the June 17, 2014 packet of Board materials.

**4. QUESTIONS AND DISCUSSION ABOUT AGENCY MATTERS AND OTHER ITEMS OF INTEREST.**

There were no items discussed or questions by the members.

**5. SPECIAL CONSIDERATION**

A. There were no Special Consideration items for the Board's consideration.

B. Consideration of and Possible Action on Items Transferred from Summary Disposition Agenda, if any. There were no items transferred from the Summary Disposition Agenda.

**6. ELECTION OF OFFICERS**

**Chairman Herrmann**

Chairman Herrmann stated this item is for the annual election of officers. He suggested the Board consider each office separately.

Chairman Herrmann asked for nominations for the office of Chairman.

Mr. Drake nominated Mr. Rudy Herrmann as Chairman, and Mr. Buchanan seconded.

There were no other nominations. Mr. Drake moved that nominations close, and that Mr. Herrmann be elected by acclamation. Mr. Fite seconded and called for the vote.

AYE: Drake, Feaver, Fite, Sevenoaks, Drummond, Buchanan, Herrmann

NAY: None

ABSTAIN: None

ABSENT: Lambert, Hitch (Mr. Hitch left the room at 10:27 a.m.)

Mr. Rudy Herrmann was elected as Chairman. Chairman Herrmann stated he is prepared to work on behalf of the Board and the State of Oklahoma, and he appreciated everyone's support.

Chairman Herrmann asked for nominations for Vice Chairman.

Ms. Feaver nominated Ms. Linda Lambert as Vice Chairman, even though she is absent. Mr. Buchanan seconded.

Chairman Herrmann stated he had spoken with Ms. Lambert and she is prepared to serve.

There were no other nominations, and Mr. Fite moved that Ms. Lambert be elected by acclamation. Mr. Buchanan seconded.

Chairman Herrmann called for the vote.

AYE: Drake, Feaver, Fite, Sevenoaks, Drummond, Buchanan, Herrmann

NAY: None

ABSTAIN: None

ABSENT: Lambert, Hitch (Mr. Hitch left the room at 10:27 a.m.)

Ms. Linda Lambert was elected as Vice Chairman.

Mr. Hitch returned at 10:29 a.m. Mr. Drake suggested Mr. Hitch vote, and Chairman Herrmann said the vote had been completed. Mr. Hitch indicated his support for the two officers elected.

Chairman Herrmann asked for nominations for the office of Secretary.

Mr. Drummond nominated Mr. Tom Buchanan as Secretary. Mr. Fite seconded.

There were no other nominations, and Mr. Fite moved Mr. Buchanan be elected by acclamation. Mr. Sevenoaks seconded.

Chairman Herrmann called for the vote.

AYE: Hitch, Drake, Feaver, Fite, Sevenoaks, Drummond, Buchanan, Herrmann

NAY: None

ABSTAIN: None

ABSENT: Lambert

Mr. Tom Buchanan was elected as Secretary.

Chairman Herrmann thanked the officers for serving. Mr. Sevenoaks asked about the position of "Assistant Secretary." General Counsel Barnett and Chairman Herrmann explained the Board approves a resolution annually designating all members as "assistant secretary," the most recently approved resolution stands until another is approved.

## **7. PROPOSED EXECUTIVE SESSION**

**Chairman Herrmann**

As authorized by the Oklahoma Open Meeting Act in Section 307(B)(1) of Title 25 of the Oklahoma Statutes, an executive session may be held for the purpose of discussing the employment, hiring, appointment, promotion, demotion, disciplining or resignation of any individual salaried public officer or employee.

Pursuant to this provision, the Board proposes to hold an executive session for the purpose of discussing the employment (evaluation, possible increase in salary, and other terms and conditions of employment) of the Executive Director.

**A. Vote on whether to hold Executive Session. Before it can be held, the Executive Session must be authorized by a majority vote of a quorum of members present and such vote must be recorded.**

Chairman Herrmann stated the purpose of the proposed executive session. General Counsel Barnett stated no statement of advisement by the General Counsel is required for this item as with executive sessions associated with litigation; this item is permissible by virtue of being on the agenda.

Mr. Fite moved the Board enter executive session, and Mr. Buchanan seconded. There was no discussion, and Chairman Herrmann called for the vote.

AYE: Hitch, Drake, Feaver, Fite, Sevenoaks, Drummond, Buchanan, Herrmann  
NAY: None  
ABSTAIN: None  
ABSENT: Lambert

**B. Designation of person to keep written minutes of Executive Session, if authorized.**

Chairman Herrmann designated Executive Secretary Mary Schooley as the person to keep written minutes of the session.

**C. Executive Session, if authorized.**

The Board entered Executive Session at 10:30 a.m. on Tuesday, June 17, 2014.

**D. Return to open meeting.**

At 11:00 a.m., Mr. Drake moved the Board return Regular Session, and Mr. Buchanan seconded.

AYE: Hitch, Drake, Feaver, Fite, Sevenoaks, Drummond, Buchanan, Herrmann  
NAY: None  
ABSTAIN: None  
ABSENT: Lambert

**8. Consideration of and possible action on employment, including but not limited to evaluation of performance, increase in salary, or other change in terms and conditions of employment, of the Executive Director.**

Chairman Herrmann asked the meeting room doors be opened, and stated the Board has returned from Executive Session. He said the item on the agenda is to consider the compensation level of the Executive Director. He said he would welcome a motion from the Board.

Mr. Hitch moved the Board set the Executive Director's salary at \$116,000.00, and Mr. Buchanan seconded. There was no discussion. Mr. Drummond commented the Board appreciated Mr. Strong's hard work and thought he was doing a great job; the Board recognized the budgetary constraints which was taken into the Board's consideration but wanted to reward Mr. Strong for excellent work. Chairman Herrmann commented \$119,000 would be too far relative to budget and other matters which is the sense the Board came to as a group, but every person is totally impressed with Mr. Strong's work. There were no other comments, and Chairman Herrmann called for the vote.

AYE: Hitch, Drake, Feaver, Fite, Sevenoaks, Drummond, Buchanan, Herrmann  
NAY: None  
ABSTAIN: None  
ABSENT: Lambert

**9. NEW BUSINESS**

Under the Open Meeting Act, this agenda item is authorized only for matters not known about or which could not have been reasonably foreseen prior to the time of posting the agenda or any revised agenda.

Chairman Herrmann stated there were no New Business items for the Board’s consideration. He reminded the members the next meeting would be held on Tuesday, July 15, 2014, at 9:30 a.m. in the Oklahoma City meeting room. He noted he would be absent, and members commented about their attendance at the July meeting.

**10. ADJOURNMENT**

There being no further business, Chairman Herrmann adjourned the meeting of the Oklahoma Water Resources Board at 11:03 a.m. on Tuesday, June 17, 2014.

**OKLAHOMA WATER RESOURCES BOARD**

\_\_\_\_\_/s/\_\_\_\_\_  
Absent  
Rudolf J. Herrmann, Chairman

\_\_\_\_\_/s/\_\_\_\_\_  
Linda P. Lambert, Vice Chairman

\_\_\_\_\_/s/\_\_\_\_\_  
Edward H. Fite

\_\_\_\_\_/s/\_\_\_\_\_  
Absent  
F. Ford Drummond

\_\_\_\_\_/s/\_\_\_\_\_  
Marilyn Feaver

\_\_\_\_\_/s/\_\_\_\_\_  
Absent  
Richard Sevenoaks

\_\_\_\_\_/s/\_\_\_\_\_  
Bob Drake

\_\_\_\_\_/s/\_\_\_\_\_  
Jason W. Hitch

**ATTEST:**

\_\_\_\_\_/s/\_\_\_\_\_  
Absent  
Tom Buchanan, Secretary  
(SEAL)