

OKLAHOMA WATER RESOURCES BOARD
OFFICIAL MINUTES
December 2, 2015

1. CALL TO ORDER

The regular monthly meeting of the Oklahoma Water Resources Board was called to order by Chairman Linda Lambert at 3:30 p.m., on December 2, 2015, in the Sooner Room of the Embassy Suites Hotel and Conference Center, 2501 Conference Drive, Norman, Oklahoma. The December Board meeting was held in conjunction with the 36th Annual Governor's Water Conference.

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 November 30, 2015, at 12:30 p.m. at the Oklahoma Water Resources Board's offices at 3800 N. Classen Boulevard, and provided on the agency's website.

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

A. Roll Call

Board Members Present

Linda Lambert, Chairman
Ford Drummond, Vice Chairman
Stephen Allen
Tom Buchanan
Bob Drake
Marilyn Feaver
Ed Fite
Richard Sevenoaks

Board Members Absent

Jason Hitch, Secretary

Staff Members Present

J.D. Strong, Executive Director
Rob Singletary, General Counsel
Amanda Storck, Chief, Administrative Services Division
Lori Johnson, Assistant Chief, Financial Assistance Division
Julie Cunningham, Chief, Planning and Management Division
Derek Smithee, Chief, Water Quality Programs Division
Mary Schooley, Executive Secretary

Others Present

Bud Ground, Environmental Federation of Oklahoma, Oklahoma City, OK
Rick Schlegel, Garber/Beaver; Woodward, OK
Trey Walker, Garber/Beaver; Woodward, OK
Warren Dell, Garber City Council, Garber, OK

Sam Strecker, City of Garber, OK
Cyrus Worff, Municipal Finance Services, Inc., Edmond, OK
Marilyn Barton, Logan County Rural Water District #1, Edmond, OK
Eddie Rhandour, Oklahoma Department of Environmental Quality, Oklahoma City, OK
Justin Hodge, Oklahoma Department of Environmental Quality, Oklahoma City, OK

Chairman Lambert noted that the minutes from the last meeting are not available today due to the change in date for today's meeting; however, the November and December meeting minutes will be approved at the January 2016 meeting.

B. Executive Director's Report

Mr. J.D. Strong, OWRB Executive Director, stated that the Governor's Water Conference was an excellent, well done conference, and he complimented staff on their efforts. He said there was no update on the State Legislative activities since the last meeting a few weeks ago, and Congress is on break at this time. He said Ms. Julie Cunningham had spoken on November 18 to a Senate interim study on Oklahoma's water reservoirs focusing on public water supply and use of reservoirs. Ms. Cunningham added the discussion regarded conservation and easier and more cost-effective ways to get new water supplies.

Mr. Strong said the agency is working on budget activities and the Governor's Executive Order to look at a 10% cut in expenses, non-critical expenses – cuts in the past years have eliminated non-critical expenses—and Chiefs are looking at ways to prepare for the budget shortfall, which is an unknown amount of the cut to the OWRB at this time. Chairman Lambert asked when the cuts might go into effect, and Mr. Strong answered there is no decision on the current fiscal year and the focus now is on how much less might be appropriated for the next fiscal year beginning July 1 of next year. There may be some cuts for the current fiscal year, but he hoped that did not happen, but the staff is living "extra lean." There will be budget hearing December 9.

Mr. Strong reported that mediation meetings continued; no update at this time. He attended the Kansas Governor's Water Conference November 17-19 where the state's quasi water plan, "Vision for the Future of Water in Kansas" which was kicked off by Governor Brownback. He will be traveling to Weatherford on December 3 by invitation of the Oklahoma Commerce Department for an expansion project at the Kodak facility. He will attend a briefing on December 7 in Tulsa with General Bostick of the Corps of Engineers Headquarters and said no announcement had been made regarding the replacement for Mr. John Roberts who is retiring at the end of December (reception December 17). The Drought Contingency Planning Task Force meeting will be held in Ada on December 8 and involves the Chickasaw/Choctaw/Bureau of Reclamation project for regional drought contingency planning which Ms. Cunningham will attend. The agency's bond closing will be December 15, the Oklahoma Groundwater Association Conference will be January 13, and the next OWRB meeting will be January 19, 2016, at 9:30 a.m. at the Oklahoma City office. At that meeting, he said there would be rules presented and several protested permits may be ready for the Board's consideration.

Mr. Sevenoaks asked and Mr. Strong informed the members about Governor's Fallin's request that Mr. Strong lead a Water for 2060 Produced Water Working Group for the oil and gas industry to look at water reuse and recycling to avoid injection and to turn wastewater into a resource.

There were no other questions or comments, and Chairman Lambert thanked Mr. Strong and the staff for the outstanding program and speakers brought together for the 2015 Governor's Water Conference. Mr. Buchanan also thanked Chairman Lambert for her role in the conference.

C. Monthly Budget Report.

Ms. Storck presented the budget report for November 2015 stating the agency has 71% of funding available, and 58% of the fiscal year remaining. She said there will be a budget hearing the next week and the agency will have 20 minutes to present to joint appropriations committee. The information requested is the same as every year, but this year the agency was asked to respond to scenarios of cuts of 5%, 7.5%, and 10%, an increase from last year of 3%, 5% and 7.5%. Revolving fund information was provided regarding purpose and 3-year and 5-year balances, performance measures for all programs, and information provided to Secretary Teague in response to the Governor's Executive Order including purchases over \$10,000, travel and memberships for the upcoming year.

There were no other questions by members.

2. **FINANCIAL ASSISTANCE DIVISION**

A. Consideration of and Possible Action on a Proposed Order Approving Drinking Water Funding Application for Rural Water, Sewer and Solid Waste Management District No. 1, Logan County. Recommended for Approval. Ms. Lori Johnson, Assistant Chief, OWRB Financial Assistance Division, presented the following items in Mr. Joe Freeman's absence.

Ms. Lori Johnson stated to the members that this item is a \$1.4 million dollar Drinking Water State Revolving Fund program loan to Rural Water, Sewer and Solid Waste Management District No. 1 in Logan County. She said the District is requesting the loan in order to provide water to the Town of Meridian which needs a new water source due to high levels of arsenic. The project is to install approximately 36,000 feet of 4-inch water line, construct a new storage tank, relocate an existing stand pipe and installing a storage tank, pump station and chemical feed system. Ms. Johnson noted provisions of the loan agreement, and stated the District currently has three loans with an outstanding balance of approximately \$2.5 million dollars; the debt coverage ratio stands at approximately 2.1-times. Staff recommended approval of the loan application.

District Chairman Marilyn Martin, General Manager Betty Thompson, and Engineer David Wyatt were present in support of the loan application.

Mr. Drummond asked if the source of water is from Langston, and what is Langston's source. Mr. Wyatt answered the source is University Lake. Chairman Lambert asked how long it would take to remedy the arsenic issue, and Mr. Wyatt answered the arsenic issue will be resolved once the project is online which should take about seven months. The project is taking the current water wells out of production.

Mr. Fite moved to approve the Drinking Water SRF loan to the Logan County RWSSWM District #1, and Mr. Allen seconded. There were no other comments, and Chairman Lambert called for the vote.

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

B. Consideration of and Possible Action on a Proposed Order Approving Drinking Water Funding Application for Garber Municipal Authority, Garfield County. Recommended for Approval. Ms. Johnson stated to the members this item is a \$2.1 million dollar loan request by the Garber Municipal Authority located in Garfield County. She said the Authority is requesting the loan in order to

construct approximately 11.5 miles of 8-inch PVC water line, 2.6 miles of 6-inch water line, and to construct a booster pump station. She said the loan will be funded through the Drinking Water State Revolving Loan Fund Program, and she noted provisions of the loan agreement. Ms. Johnson said that based upon the Authority’s 2013 audit, the debt coverage ratio stands at approximately 1.7-times, and staff recommended approval of the loan request.

Representing the Garber Municipal Authority was Mayor Sam Strecker, Chairman; Warren Dell, Councilman; and Rich Schlegel and Trey Walker, project engineers.

Mr. Strong asked if the project was taking advantage of the consolidation incentive SRF funds available. Ms. Johnson said yes, both projects today are regionalization projects.

There were no questions, and Chairman Lambert stated she would entertain a motion to approve the application.

Mr. Drake move to approve the Drinking Water SRF loan to the Garber Municipal Authority, and Ms. Feaver seconded. Chairman Lambert called for the vote.

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

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 Lambert stated there are no requests for items to be deferred or withdrawn from the Summary Disposition Agenda.

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

Chairman Lambert stated if there were no questions, she would entertain a motion to approve the Summary Disposition Agenda.

Mr. Drummond moved to approve the Summary Disposition Agenda, and Ms. Feaver seconded. There were no questions or comments, and Chairman Lambert called for the vote.

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

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>
None				

- D. Consideration of and Possible Action on Contract and Agreements.
None
- E. Consideration of and Possible Action on Applications for Temporary Permits to Use Groundwater:
 1. Judy Redmond Kee, Grady County, #2015-526
 2. Cecil E. Cales & Nona L. Cales Trust, Osage County, #2015-586
 3. The Five-B Corporation, Major County, #2015-587
 4. Danny & Linda Floyd, Dewey County, #2015-590
- F. Consideration of and Possible Action on Applications to Amend Temporary Permits to Use Groundwater:
None
- G. Consideration of and Possible Action on Applications for Regular Permits to Use Groundwater:
None
- H. Consideration of and Possible Action on Applications to Amend Regular Permits to Use Groundwater:
 1. Town of Beaver, Beaver County, #2013-604
- I. Consideration of and Possible Action on Applications to Amend Prior Rights to Use Groundwater:
None
- J. Consideration of and Possible Action on Applications for Regular Permits to Use Stream Water:
 1. Purcell Public Works Authority, McClain County, #2015-001
 2. Purcell Public Works Authority, McClain County, #2015-002
 3. John Meyer and Thomas Meyer, Kingfisher County, #2015-016
 4. John H. Toland and Roy K. Carr, Okmulgee County, #2015-027
- K. Consideration of and Possible Action on Applications to Amend Permits to Use Stream Water:
 1. Town of Maysville, McClain County, #1970-156
- L. Consideration of and Possible Action on Dam and Reservoir Construction:
None
- M. Consideration of and Possible Action on Well Driller and Pump Installer Licensing:
None
- N. Consideration of and Possible Action on Permit applications for Proposed Development on State Owned or Operated Property within Floodplain Areas:
 1. Oklahoma Department of Transportation, Hughes County, #FP-15-23
 2. Oklahoma Department of Transportation, Beckham County, #FP-15-24
 3. Oklahoma Department of Transportation, Garfield County, #FP-15-25
 4. Oklahoma Department of Transportation, Kingfisher County, #FP-15-27
 5. Oklahoma Department of Transportation, Kingfisher County, #FP-15-28
 6. Oklahoma Department of Transportation, Kingfisher County, #FP-15-29
 7. Oklahoma Department of Transportation, Kingfisher County, #FP-15-30
 8. Oklahoma Department of Transportation, Kingfisher County, #FP-15-31
- O. Consideration of and Possible Action on Applications for Accreditation of Floodplain Administrators:
None

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

A. No items. There were no items of discussion for the Board's consideration.

5. SPECIAL CONSIDERATION

A. No items. 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. 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.

There were no New Business items for the Board's consideration.

7. ADJOURNMENT

There being no further business, Chairman Lambert adjourned the meeting of the Oklahoma Water Resources Board at 3:50 p.m. on December 2, 2015.

OKLAHOMA WATER RESOURCES BOARD

_____/s/_____
Linda P. Lambert, Chairman

_____/s/_____
F. Ford Drummond, Vice Chairman

_____/s/_____
Edward H. Fite

_____/s/_____
Marilyn Feaver

_____/s/_____
Richard Sevenoaks

_____/s/_____
Bob Drake

_____/s/_____
Tom Buchanan

_____/s/_____
Stephen B. Allen

ATTEST:

_____/s/_____
Jason W. Hitch, Secretary (SEAL)