

OKLAHOMA WATER RESOURCES BOARD

OFFICIAL MINUTES

April 20, 2021

1. CALL TO ORDER

The Regular Meeting of the Oklahoma Water Resources Board was called to order by Chairman Robert L. Stallings, Jr., at 9:31 a.m. on April 20, 2021, in the second floor Board Room of the Oklahoma Water Resources Board located at 3800 N. Classen Boulevard, Oklahoma City, Oklahoma, 73118. 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 April 15, 2021, at 12:10 p.m. at the Oklahoma Water Resources Board's offices at 3800 N. Classen Boulevard, Oklahoma City, Oklahoma, and provided on the agency's website.

A. Roll Call. Chairman Stallings welcomed everyone to the meeting and asked for the roll call of members who participated in the meeting via video or telephone conferencing.

Board Members Present and Participated via Zoom Webinar

Robert L. Stallings, Jr., Chairman
Stephen Allen, Vice Chairman
Bob Drake, Secretary
Jennifer Castillo
Charles Darby
Suzanne Landess
Robert L. Melton
Matt Muller

Board Members Absent

Thomas A. Gorman

Staff Members Present and Participated via Zoom Webinar

Julie Cunningham, Executive Director
Sara Gibson, General Counsel
Joe Freeman, Chief, Financial Assistance Division
Bill Cauthron, Chief, Water Quality Programs Division
Chris Neel, Assistant Chief, Planning and Management Division
Mary Schooley, Executive Secretary

Others Presenting via Zoom Webinar

Dean Couch, Gable Gotwals, Oklahoma City, OK

B. Discussion, Amendments, and Vote to Approve Official Minutes of the March 16, 2021, Regular Meeting. Chairman Stallings stated members were provided the draft minutes of the March 16, 2021, meeting and asked if there were any discussion or amendments. There were no comments or questions. He stated he would entertain a motion to approve the meeting minutes.

Mr. Allen moved to approve the minutes of the March 16, 2021, Regular Meeting, and Mr. Darby seconded. There was no discussion, and Chairman Stallings called for the vote.

AYE: Melton, Drake, Muller, Castillo, Allen, Landess, Darby, Stallings

NAY: None

ABSTAIN: None

ABSENT: Gorman

C. Executive Director's Report

Ms. Julie Cunningham, Executive Director, welcomed everyone to the meeting and updated the members on the current drought outlook, anticipating harsh conditions in the western states. She noted Board Member transition whereby Mr. Bob Drake's and Mr. Stephen Allen's terms will end May 14, and that this is their last meeting. She thanked them for their service to the Board and generosity in volunteering their time and contribution to the agency. She stated the Board and staff would like to make a formal presentation in person in a few months. New incoming members, Ron Justice and Bob Latham, were confirmed by the Senate. Mr. Justice will serve Region 4 and rural residential water use, and Mr. Latham will serve Region 7 and industrial water use.

Regarding COVID-19 operations, the agency is preparing to return to work, lifting staffing level restrictions, is developing a longer-term hybrid of working from home policy, and have installed safety and security measures entering the reception area. The Governor's Executive Order remains in place and extends the Board's ability to meet virtually in May; however, any Board members that want to meet in person may do so. Chairman Stallings asked the members their preference about returning to meet in person, saying he would like to have more interaction among the members. Several members expressed a willingness to meet in person and it was decided the option to meet in person or meet virtually would be extended to the members for the May meeting.

Regarding calendar notes, Ms. Cunningham informed the members she attended the annual Washington DC Roundtable sponsored by the Western States Water Council and Interstate Council on Water Policy, where she serves on both Board of Directors. The group heard from ten different federal water agencies, a panel of Congressional Staffers from key committees – Senate Environment and Public Works, Energy and Natural Resources, and House Transportation and Infrastructure—and provided information on tracking stimulus funding. Staff is coordinating with Secretary Wagner's office and Council on Infrastructure Funding to stay informed on the American Jobs Act funding and OWRB staff have offered to put together the state request for projects that are "shovel worthy" so that projects are listed and criteria understood.

Ms. Cunningham briefed the members on state legislation and the deadline for measures to be passed from the opposite house is April 22, and sine die is scheduled for May 28. She updated the members on legislation being tracked by staff including, HB 1093—brought by Secretary Wagner regarding establishing Water Quality Standards for nutrient trading; SB 2011—brought by the Panhandle Irrigation Association's to authorize the OWRB Executive Director to approve temporary and regular water use permits that are not protested after proper notice; appropriation requests for agency funding, Phase II of the Arbuckle Simpson Study, Ogallala mapping project, and the Master Irrigators Program.

Ms. Cunningham concluded her report announcing Governor Stitt has declared May 2021 Flood Awareness Month. There were no questions by members.

D. Financial Update

1. Budget Report. Mr. Cleve Pierce presented the budget report which is for the time period ending March 2021. He said the agency has spent 69% of the appropriated budget, leaving 31%; has spent 46% of the revolving fund leaving 54%; has spent 32% of federal dollars with 68% remaining, and overall, the budget remaining stands at 50%, with 25% of the fiscal year remaining. He said last year at this time the agency had 45% of the budget remaining, accounting for the difference due to IT projects. He said that staff

is preparing the FY 2022 budget and are expecting the appropriations to be flat. The state agency CFOs will be meeting with the State CFO to be updated regarding the budget.

Mr. Pierce concluded the report. Chairman Stallings asked if money saved by the agency is allowed to be carried forward. Mr. Pierce explained that revolving funds are like a checkbook and remain; however, staff spends as much of the General Revenue Funds as those funds will carry over into next year's budget with a time limit to be spent and are the only funds that could be potentially lost is the appropriated dollars if not spent by the deadline. There were no other questions.

E. Appointment of Acting Secretary for any meetings of the Board that may be held in May and June 2021. (Chairman Stallings considered this item prior to the Financial Update). Chairman Stallings stated Mr. Drake, Board Secretary, is retiring and the Board needs to appoint an Acting Secretary for matters considered at the May and June meetings. He asked Ms. Jennifer Castillo if she would be willing to serve as Acting Secretary and she agreed to be appointed to the office. No action by the Board was required.

2. FINANCIAL ASSISTANCE DIVISION

A. Consideration of and Possible Action on a Proposed Order Approving Emergency Grant for Town of Medicine Park, Comanche County. Recommended for Approval. Mr. Joe Freeman, Chief, Financial Assistance Division, stated to the members that this item is an emergency grant request from the Town of Medicine Park located in Comanche County. The town is requesting the grant to cover costs incurred for repairs to its water system caused by problems with recent freezing temperatures, including several water lines separated at the joints, water lines bursting, and the loss of both pumps. The town was able to hire a contractor, along with a city employee, made the repairs and were able to get the town back on line. The cost of the work was \$27,591.72, which will be funded by the emergency grant request of \$23,452.96, local funds of \$2,145.58 and in-kind labor of \$1,993.18. Staff recommended approval.

Mr. Freeman relayed comments to the Board from Medicine Park stating the purpose of applying for the grant was due to the huge impact by the storm when all residents were left without water at one point during the storm. It took several days and volunteer time and equipment to get the town up and running again. The town appreciates the OWRB, and all that it does.

Chairman Stallings stated the request by Medicine Park is for an emergency grant application and he would entertain a motion. Mr. Darby moved to approve the emergency grant to the Town of Medicine Park, and Ms. Castillo seconded. Chairman Stallings called for the vote.

AYE: Melton, Drake, Muller, Castillo, Allen, Landess, Darby, Stallings

NAY: None

ABSTAIN: None

ABSENT: Gorman

B. Consideration of and Possible Action on a Proposed Order Approving Emergency Grant for Rural Water District No. 13, Cherokee County. Recommended for Approval. Mr. Freeman stated this item is an emergency grant request from Cherokee County Rural Water District No. 13, located in Cherokee County. He said the District is requesting the grant because during the recent freeze experienced, the membranes in the filtration plant failed and was not able to produce water, and as a result need to be replaced. The estimated cost of replacement is \$69,780.00 which will be funded by the OWRB Emergency Grant of \$59,313.00 and local funds of \$10,467.00. Staff recommended approval.

Ms. Jacque Cialone, District Manager, provided a statement which Mr. Freeman read. She said the microfiltration system was seriously compromised by the cold water that was being filtered from the lake, and despite efforts by the crew and multiple local entities, they were unable to maintain the necessary processing power. The OWRB grant is an amazing opportunity to relieve the financial burden as the District

moves forward to correct other issues caused by the storm, and she thanked the Board for its time and consideration.

Chairman Stallings stated he would entertain a motion on the emergency grant request by the Cherokee County RWD #13. Mr. Allen moved to approve the emergency grant to Cherokee County RWD #13, and Mr. Melton seconded. Chairman Stallings called for the vote.

AYE: Melton, Drake, Muller, Castillo, Allen, Landess, Darby, Stallings
NAY: None
ABSTAIN: None
ABSENT: Gorman

C. Consideration of and Possible Action on a Proposed Order Approving Emergency Grant for Ratliff City Oklahoma Water Trust, Carter County. Recommended for Approval. Mr. Freeman stated this item is an \$63,750.00 emergency grant request from the Ratliff City Water Trust located in Carter County. He said Ratliff City purchases water from the Western Carter County Rural Water Corporation who obtains water from the City of Davis. During the recent severe freeze event, Davis experienced issues with its water system and was unable to provide water to the Water Corporation and therefore, water for Ratliff City. The Trust has now decided it will refurbish two wells, drill a new well, and plug a well that is unusable to have a continuous source of water. The project is estimated to cost \$75,000.00 and will be funded with the requested OWRB emergency grant of \$63,750.00 and local funds of \$11,250.00. Staff recommended approval.

Mr. Freeman relayed a statement from Mayor Micah Newell that the grant will be beneficial to help the City become self sufficient in providing water to the community.

Chairman Stallings stated the Ratliff City Water Trust has requested an emergency grant for problems resulting from freezing. He said would entertain a motion.

Mr. Drake moved to approve the emergency grant to the Ratliff City Oklahoma Water Trust, and Ms. Castillo seconded.

AYE: Melton, Drake, Muller, Castillo, Allen, Landess, Darby, Stallings
NAY: None
ABSTAIN: None
ABSENT: Gorman

D. Consideration of and Possible Action on a Proposed Order Approving Drinking Water Funding Application for Rural Water District No. 8, McCurtain County. Recommended for Approval. Mr. Freeman stated that this item is an \$850,000.00 loan request from McCurtain County Rural Water District #8. The District is requesting the loan to go along with \$821,621.59 from the Oklahoma Department of Transportation (ODOT) for the relocation and increase in water line size. He said the ODOT is widening State Highway 3 which requires the District's line to be moved. The ODOT has agreed to pay the cost equivalent for the relocation of the existing 6-inch line along that section of HWY 3. However, to provide adequate hydraulic capacity to serve the western portion of the District, the District wants to replace the exiting line with a 10-inch line, which is the purpose of the loan request.

Mr. Freeman stated the loan will be funded through the Drinking Water State Revolving Fund, and he noted provisions of the loan agreement. He said the District's water connections have increased by approximately 13% over the last 10 years, and the District has one outstanding loan with the Board with a balance of \$2.8 million dollars. The District's debt coverage ratio stands at approximately 1.98-times. Staff recommended approval of the loan request.

Mr. Freeman read a prepared statement on behalf of the District expressing its appreciation to the Board for its efforts as it related to the refinancing of the current water line rebuild project. He said the District is growing rapidly and financing provided by the OWRB has been an invaluable tool as it attempts to stay ahead of the District's every-increasing demand. The OWRB and ODEQ staffs have gone out of their way to make the process as easy as possible, and the District thanked everyone involved.

Chairman Stallings stated the RWD has requested \$850,000.00 for a pipeline project, and he would entertain a motion. Ms. Castillo moved to approve the DWSRF loan to the McCurtain County RWD #8, and Mr. Darby seconded. Chairman Stallings called for the vote.

AYE: Melton, Drake, Muller, Castillo, Allen, Landess, Darby, Stallings

NAY: None

ABSTAIN: None

ABSENT: Gorman

E. Consideration of and Possible Action on a Proposed Order Approving Drinking Water Funding Application for Copan Public Works Authority, Washington County. Recommended for Approval. Mr. Freeman stated this next item is a \$2,000,000.00 dollar loan request from the Copan Public Works Authority, that is requesting the loan to install approximately 6.4 miles of 6-inch water line between Washington County RWD #7, and Osage County RWD #20, to allow Copan to supply water to Osage District #20. He said the loan funds will also be used to rehabilitate the Copan water treatment plant including expanding the current building and adding two new multi-media filters, relocate the chlorine feed, install two new chlorine feed pumps at the Osage #20 storage tank, and add aeration to the Washington District #7 standpipe. The loan will be funded through 100% loan forgiveness through the Drinking Water SRF Capitalization Grant set aside funds received by the Department of Environmental Quality. Mr. Freeman said Copan will be required to comply with all DWSRF loan provisions to qualify for the loan forgiveness. Staff recommended approval of the loan application.

Chairman Stallings stated Copan is requesting to add water lines, and he would entertain a motion. Mr. Allen moved to approve the DWSRF loan to the Copan PWA, and Mr. Melton seconded. Chairman Stallings called for the vote.

AYE: Melton, Drake, Muller, Castillo, Allen, Landess, Darby, Stallings

NAY: None

ABSTAIN: None

ABSENT: Gorman

F. Consideration of and Possible Action on a Proposed Order Approving Drinking Water Funding Application for The Edmond Public Works Authority, Oklahoma County. Recommended for Approval. Mr. Freeman stated this last item is a \$20,000,000.00 loan request from the Edmond Public Works Authority. The Authority is requesting the loan in stall approximately 14,300 feet of 24-inch water line, approximately 4,550 feet of 18-inch water line, construction of a two-million-gallon storage tank, and demolition of three 500,000-gallon water tanks. Mr. Freeman stated the loan will be funded through the Drinking Water SRF Loan Program, and he noted provisions of the loan agreement. Since 2010, Edmond's water connections have increased by more than 16%, and sewer connections have increased by more than 15%. Edmond currently has four loans with the Board with a combined balance of \$21.6 million dollars; the debt coverage ratio stands at approximately 3.11-times. Staff recommended approval of the loan request.

Mayor Dan O'Neill asked Mr. Freeman to express the City's appreciation to the Board for consideration of the loan request.

Chairman Stallings asked for a motion to approve the \$20 million loan request from the Edmond Public Works Authority for improvements. Mr. Darby moved to approve the DWSRF loan to the Edmond PWA, and Mr. Drake seconded. Chairman Stallings called for the vote.

AYE: Melton, Drake, Muller, Castillo, Allen, Landess, Darby, Stallings

NAY: None

ABSTAIN: None

ABSENT: Gorman

Mr. Freeman expressed his appreciation to Mr. Drake and Mr. Allen for their service on the Board, and for support of the Board's loan program.

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 Stallings stated staff requested discussion of item 3.D.6. separately. There were no requests to move items to the Special Consideration Agenda.

B. Discussion, Questions, and Responses Pertaining to Any Items Remaining on Summary Disposition Agenda and Action on Items Listed. There being no questions or discussion about the remaining items, Chairman Stallings stated he would entertain a motion for approval of the Summary Disposition items, except item 3.D.6.

Mr. Allen moved to approve the Summary Disposition Agenda items, and Mr. Melton seconded. Chairman Stallings called for the vote.

AYE: Melton, Drake, Muller, Castillo, Allen, Landess, Darby, Stallings

NAY: None

ABSTAIN: None

ABSENT: Gorman

The following items were approved:

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

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

Item No.	Application No.	Entity Name	County	Amount Recommended
None				

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

1. Professional Services Engagement Letter with Arledge & Associates, P.C. to provide auditing services related to the Board's financial assistance programs for FAP Administration Fund.

2. Professional Services Engagement Letter with Arledge & Associates, P.C. to provide auditing services related to the Board's financial assistance programs for CWSRF and DWSRF Loan Administration Fund Audits.

3. Professional Services Engagement Letter with Arledge & Associates, P.C. to provide auditing services related to the Board's financial assistance programs for Revenue Bond Issues Audit.

4. Professional Services Engagement Letter with 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 Uniform Guidance Single Audit.

5. Amendment of Joint Funding Agreement with U.S. Geological Survey increasing funding and modifying the ending date related to Washita Reach 3 & 4 agreement.

6. *Resolution of the Board authorizing an application for funding assistance through the U.S. Department of the Interior, Bureau of Reclamation's WaterSMART Applied Science Grant Program to support a study of the Ada-Vamoosa Basin Boundary. **Removed to separate consideration.***

- E. Consideration of and Possible Action on Applications for Temporary Permits to Use Groundwater:
None
- 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:
 - 1. Adams Alfalfa Farms, Inc., Grady County, #2021-502
- H. Consideration of and Possible Action on Applications to Amend Regular Permits to Use Groundwater:
 - 2. Sheldon Wilson, Cimarron County, #2000-555
- I. Consideration of and Possible Action on Applications to Amend Prior Right to Use Groundwater:
None
- J. Consideration of and Possible Action on Applications to for Term Permits to Use Stream Water:
None
- K. Consideration of and Possible Action on Applications for Regular Permits to Use Stream Water:
 - 1. Ten Point Farms, LLC, Murray County, #2021-001
- L. Consideration of and Possible Action on Applications to Amend Regular Permits to Use Stream Water:
 - 1. Town of Chelsea, Rogers County, #1964-884
- M. Consideration of and Possible Action on Dam and Reservoir Construction:
City of Claremore (Claremore Lake), Rogers County, #OK02341
- N. Consideration of and Possible Action on Well Driller and Pump Installer Licensing:
 - 1. New Licenses, Accompanying Operator Certificates and Activities:
 - a. Licensee: Benito Felipe Mejia DPC-1037
Operator: Benito Felipe Mejia OP-2356
 - b. Licensee: Get R Done Water Well Company DPC-1039
Operator: Mark Guindon OP-2357
 - c. Licensee: Western Drilling, Inc. OP-1041
Operator: Jeff Seinke OP-2358
 - d. Licensee: EPC Engineering and Testing DPC-1043
Operator: Chad Lowry OP-2359
- O. Consideration of and Possible Action on Permit Applications for Proposed Development on State Owned or Operated Property within Floodplain Areas:
None
- P. Consideration of and Possible Action on Applications for Accreditation of Floodplain Administrators:
 - 1. Steven Haga, Logan County, #FPA-004
 - 2. Dennis Yochum, LeFlore County, #FPA-005
 - 3. Justin Dowd, City of Bixby, #FPA-007

Consideration of Item 3.D.6.

Resolution of the Board authorizing an application for funding assistance through the U.S. Department of the Interior, Bureau of Reclamation's WaterSMART Applied Science Grant Program to support a study of the Ada-Vamoosa Basin Boundary. Chairman Stallings asked OWRB General Counsel Sara Gibson to present the resolution. Ms. Gibson stated the U.S Bureau of Reclamation has requested the resolution as part of the application process through WaterSMART, and has asked to separate the item because after the agenda was posted, staff determined the amount of the resolution needed to be increased by \$4,000, making the new amount \$118,296.00. Ms. Gibson corrected the amount to \$118,012.50.

Chairman Stallings stated he would entertain a motion for the resolution in the amended amount of \$118,012.50. Mr. Drake move to approve the amended resolution, and Mr. Darby seconded.

AYE: Melton, Drake, Muller, Castillo, Allen, Landess, Darby, Stallings
NAY: None
ABSTAIN: None
ABSENT: Gorman

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

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

5. SPECIAL CONSIDERATION

A. Consideration of and Possible Action in the Matter on Application for Temporary Permit to Use Groundwater No. 2018-605, Enerstream Water Solutions, LLC, Kingfisher County:

1. Summary – Mr. Chris Neel stated to the members that this item is to consider a regular permit to use groundwater in Kingfisher County, #2018-605 in the name of Enerstream Water Solutions. He explained that on October 24, 2018, Enerstream Water Solutions made an application requesting to use 1,201.8 acre-feet of groundwater per year from 10 wells in Kingfisher County. The water is proposed to be withdrawn from the El Reno Minor Groundwater Basin where there is no Maximum Annual Yield or Equal Proportionate Share determinations, and two acre-feet per acre of land dedicated is authorized; the land dedicated is 600.9 acres of land for the purposes of mining – drilling and completion of oil and gas wells, public water supply, irrigation and commercial use. Notice was published in the Kingfisher Times on February 6 and February 13, 2019, and the Board received a protested application in March 2019, and a hearing was conducted December 17, 2020. During the hearing, the protestant raised the issue of proper notice; post-hearing, the Hearing Examiner (HE) determined notice was not given to two landowners within 1,320 feet of the applicant's proposed wells, namely, Robert G. Boeckman LLC, and Donald and Bonnie L. Yost Revocable Living Trust. Mr. Neel stated the HE issued an order on January 26, 2021, giving the parties 30 days to present additional proof of notice to the two landowners. The applicant failed to comply with the order, and the HE issued the proposed order for consideration today to dismiss the application.

2. Discussion and presentation by parties. Mr. Neel stated Mr. Dean Couch is representing the protestants and participated via the Zoom webinar. Mr. Couch stated the protestants agreed with the proposed order, it is accurate, and requested the Board's approval and adoption of the order.

There were no representatives of the applicant present at the meeting.

3. Possible Executive Session; and 4. Return to open meeting and possible vote or action on any matter discussed in the Executive Session, if authorized. The Board did not vote to enter executive session.

5. Vote on whether to approve the Proposed Order as presented or as may be amended, or vote on any other action or decision relating to the Proposed Order.

Chairman Stallings stated he would entertain a motion. Ms. Gibson noted the caption of the order needed to be amended to reflect the application was in Kingfisher County (another Enerstream application is

in Blaine and Custer County). Chairman Stallings asked the amendment regarding Kingfisher County be included in the motion.

Mr. Allen moved to approve the proposed order, and Mr. Muller seconded. Chairman Stallings called for the vote.

- AYE: Melton, Drake, Muller, Castillo, Allen, Landess, Darby, Stallings
- NAY: None
- ABSTAIN: None
- ABSENT: Gorman

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

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. Chairman Stallings stated the next meeting will be held May 18, 2021.

7. ADJOURNMENT

There being no further business, Chairman Stallings adjourned the Regular Meeting of the Oklahoma Water Resources Board at 10:16 a.m. on April 20, 2021.

OKLAHOMA WATER RESOURCES BOARD

_____/s/_____
Robert L. Stallings, Jr., Chairman

Charles Darby

Robert L. Melton, Sr.

Suzanne V. Landess

_____/s/_____
Matt Muller

Thomas A. Gorman

_____/s/_____
Ron Justice

B. Latham

ATTEST:

_____/s/_____
Jennifer Castillo, Acting Secretary
(SEAL)

Members voted to approve the April 20, 2021, meeting minutes at the May 18, 2021, Board meeting which was held via videoconference and in person. Members in attendance in person signed the document..