

# OKLAHOMA WATER RESOURCES BOARD OFFICIAL MINUTES

September 14, 2021

## 1. CALL TO ORDER

The Regular Meeting of the Oklahoma Water Resources Board was called to order by Chairman Matt Muller, at 9:30 a.m. on September 14, 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 September 10, 2021, at 2:15 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 Muller welcomed everyone to the meeting and asked for the roll call of members.

### Board Members Present

Matt Muller, Chairman  
Jennifer Castillo, Secretary  
Thomas A. Gorman  
Ron Justice  
Suzanne Landess  
Bob Latham  
Robert L. Melton  
Robert L. Stallings, Jr.

### Board Members Absent

Charles Darby, Vice Chairman

### Staff Members Present

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

### Others Attending

None.

B. Discussion, Amendments, and Vote to Approve Official Minutes of the August 17, 2021 Regular Meeting. Chairman Muller stated members were provided the draft minutes of the August 17, 2021, meeting and asked the Board's pleasure regarding the minutes. There were no comments or amendments.

Mr. Gorman moved to approve the minutes of the August 17, 2021, Regular Meeting, and Mr. Stallings seconded. Chairman Muller called for the vote.

AYE: Gorman, Justice, Castillo, Melton, Stallings, Latham, Landess, Muller

NAY: None

ABSTAIN: None

ABSENT: Darby

C. Executive Director's Report

Ms. Julie Cunningham, Executive Director, welcomed everyone to the meeting and began her report by providing the members with a copy of Proposed Committee Assignment sheets prepared by Mary Schooley. No vote is required, and Ms. Cunningham advised the Board to let Mary Schooley know if they had any objections to their committee assignments.

Ms. Cunningham announced the retirement of Mary Schooley and applauded her 40 plus years of service to the state of Oklahoma. Mary has been an invaluable part of the Water Board and the Board took a moment to give Mary a round of applause. Ms. Schooley stated it has been an honor and a pleasure to work for the Board. Director Cunningham, then introduced Stephany Lively who will be replacing Ms. Schooley as the Executive Administrator.

Ms. Cunningham advised the Board the 2021 Governor's Water Conference is still scheduled for December 1-2, 2021, but the decision has been made to move the conference to a virtual event. The Sheraton Hotel at the Reed Conference Center is closed for repairs and is unable to accommodate the conference. Online registration for the Water Conference is up and running on the OWRB website.

There will be a need for a November and December Board meeting. Joe Freeman, Chief, Financial Assistance Division is anticipating several loans that will need approval.

Oklahoma Floodplain Managers Association annual meeting is scheduled for September 20-22, 2021. The North American Lake Management Society meeting is scheduled in Oklahoma City on November 15-18<sup>th</sup>. Last month, Director Cunningham opened the Oklahoma Rural Water Association Conference along with Secretary of Energy and Environment's new attorney, Vicki Tran and DEQ Director Scott Thompson. Ms. Cunningham was able to fill in on another talk about our funding program.

Interstate Council on Water Policy, ICWP, met and invited the Executive Director from the Council for Infrastructure Financing Authorities, CIFA, regarding the various forms of federal funding coming down and how states are lining that out as far as legislation to prioritize infrastructure construction projects. Staff members also met with new the director of the Oklahoma Geological Survey.

September 9<sup>th</sup>, the Tulsa Regional Water Planning Group met to discuss the Comprehensive Water Plan and their planning efforts. There are several of these water planning groups throughout the state. Staff is meeting with these groups to see how they can be involved to help put together the statistics and priorities for the next Water Plan.

Also, on September 9<sup>th</sup> in Tulsa, staff met with US Army Corps of Engineers about the yearly application for the Planning Assistance to the States funding. This is a funding mechanism for the Water Plan and Water Plan implementation. The agency is required to match funding by 50% and the tribes who are also eligible to receive funding, do not have that matching requirement; therefore, OWRB is working with the tribes to combine the funds for planning initiatives and construction projects.

On September 13<sup>th</sup> Chris Neel attended the Hydrogen Task Force meeting. Several staff members have contributed to this task force. Ms. Cunningham briefed the Board on this task force at the August 17, 2021 board meeting. The Hydrogen Task Force report is due the beginning of December. There will be several recommendations and the OWRB will be vital in the water availability piece of the recommendations.

Regarding the state legislature, earlier this month Ms. Cunningham attended interim studies on the marijuana grow house issue. The OWRB was asked to participate in a study among other utility providers, about what the agency is seeing with the increased construction of grow houses across the state. Director Cunningham provided a power point presentation reflecting that the agency has seen an increase in inquiries from senators, legislators and concerned parties. The OWRB has received 16 complaints. Some of the grow houses have not gotten their water permits but OWRB does not have access to the Oklahoma Medical Marijuana Authority (OMMA) permitting database. There are several other agencies that have regulatory authority that have not had an opportunity to coordinate with OMMA. Ms. Cunningham advised she was informed by a utility provider that some of the grow houses begin as domestic construction then continue to grow into a commercial operation. Chairman Muller asked Ms. Cunningham if she had relayed the Board's concerns to the study committee regarding the agency not having access to the OMMA permitting database. Ms. Cunningham confirmed she had.

Director Cunningham continued by refreshing the board about the agency's enforcement abilities, stating OWRB does not have enforcement powers, and the agency can pursue voluntary compliance. Director Cunningham can issue a cease-and-desist order, the agency can institute a civil action in district court or turn the unlawful use over to the district attorney resulting in a misdemeanor. Ms. Cunningham then reviewed the well driller and pump installer program that manages the licensure of anyone engaged in drilling and pump installations. There are 620 drillers right now and anyone who is illegally drilling, not licensed or not submitting their well logs are subject to a \$5,000.00 penalty.

Ms. Cunningham provided recommendations to the interim studies to coordinate with OMMA and others to set up a system to cross verify the permits and activities and to adopt the Oklahoma Comprehensive Water Plan and Well Driller Advisory Council recommendations. Another recommendation is to identify funding for increased inspection and field presence to address construction and potential pollution. The Drillers Council is in favor of an intent to drill system which is a recommendation that came out of the Water Plan.

Ms. Cunningham concluded her report. There were no other questions by members.

#### D. Financial Update

1. Budget Report. Mr. Cleve Pierce presented the budget report for the period ending August 2021. He said much of this money has not been spent and what has been spent has been for salary and benefits. He said for the period, the agency has spent 9% of the appropriated budget, leaving 91%; has spent 8% of the revolving budget leaving 92%; and has spent 5% of federal dollars with 95% remaining. Overall, the total budget remaining is 92% with 83% of the fiscal year remaining. He stated the agency has been finishing up FY21 obligations and once those expenses are cleared out then FY22 expenses will be paid out.

Mr. Pierce concluded the report, and there were no questions.

## 2. **FINANCIAL ASSISTANCE DIVISION**

A. Consideration of and Possible Action on a Proposed Order Approving Clean Water Funding Application for Grove Municipal Services Authority, Delaware County. Recommended for Approval. Mr. Joe Freeman, Chief, Financial Assistance Division, stated to the members that the first item is a \$1,000,000.00 loan request from the Grove Municipal Services Authority located in Delaware County. They are requesting the loan proceeds for the installation of a screw press and line stabilization system at their wastewater treatment plant. He said the loan will be funded through the Clean Water State Revolving Fund (CWSRF) Loan Program, noted the provisions of the loan agreement and said the debt coverage ratio stands at 6.31-times. Staff recommended approval of the loan request.

Mr. Freeman read a message from Andy Stewart, Chairman of the Authority, who said, "I want to express our appreciation and gratitude to the Board. Your assistance to rural municipalities like ours is vital to our communities."

Chairman Muller asked for questions or concerns. Mr. Stallings asked if the 2.4 cent sales tax was an increase or existing tax? Mr. Freeman advised it exists. Mr. Muller asked if there were any further questions. There were no questions, and he asked the Board's pleasure. Mr. Stallings moved to approve the loan, and Mr. Melton seconded. There were no further questions or discussions and Mr. Muller called for the vote.

AYE: Gorman, Justice, Castillo, Melton, Stallings, Latham, Landess, Muller  
NAY: None  
ABSTAIN: None  
ABSENT: Darby

B. Consideration of and Possible Action on a Proposed Resolution Selecting a Bond Counsel in Connection with the Issuance of One or More Obligations to Provide Funding for the State Loan Program. Recommended for Approval. Mr. Freeman stated on July 19, 2021 staff distributed proposals due August 24, 2021. Proposals were received from the Lock Lord Law Firm and the Centennial Law Group. Proposals were reviewed based on new money revenue bond experience, Oklahoma and local bond counsel experience, and experience of the assigned attorneys. Mr. Freeman then consulted with Andrew Messer, Deputy State Treasurer for Debt Management as well as the Board's finance committee. Mr. Freeman recommended the selection of the Centennial Law Group as bond counsel for the FAP loan program. Mr. Stallings moved to approve, and Mr. Melton seconded. Mr. Muller asked for questions and discussion. There were no further questions and Mr. Muller called for the vote.

AYE: Gorman, Justice, Castillo, Melton, Stallings, Latham, Landess, Muller  
NAY: None  
ABSTAIN: None  
ABSENT: Darby

C. Consideration of and Possible Action on a Proposed Resolution Selecting Investment Banker(s) in Connection with the Issuance of One or More Obligations to Provide Funding for the State Loan Program. Recommended for Approval. Mr. Freeman stated they submitted requests for proposals in July, 2021 and in August, 2021 had received proposals from Stifel Nicolaus, BOK Financial Securities and Stephens Securities. Proposals were reviewed based on each firm's relevant bond experience, the assigned personnel's relevant bond experience, marketing and distribution capabilities, and quality of proposal and fees. Mr. Freeman also consulted with Andrew Messer and members of the finance committee. Mr. Freeman recommended the selection of BOK Financial Securities as senior manager and Stifel Nicolaus as co-manager. Mr. Stallings moved to approve, and Mr. Melton seconded. Mr. Muller asked for questions or discussions and when there were none, he called for the vote.

AYE: Gorman, Justice, Castillo, Melton, Stallings, Latham, Landess, Muller  
NAY: None  
ABSTAIN: None  
ABSENT: Darby

D. Consideration of and Possible Action on a Proposed Resolution Selecting a Disclosure Counsel to the Board in Connection with the Board's Financing Programs. Recommended for Approval. Mr. Freeman said in April 2019 the Board began retaining disclosure counsel as a result of increased focus on the municipal bond market by the Securities and Exchange Commission. Disclosure counsel provides advice directly to the agency regarding securities law issues, facilitates consistency in the agency's disclosure information and prepares preliminary official statements and official statements for bond offerings. Mr. Freeman advised they submitted requests for proposals in July, 2021 and received four proposals in August, 2021. Proposals were received from Kutak Rock law firm located in Denver, Orick law firm located in Houston, the Lock Lord firm located in Dallas and the Gilmore, and Bell firm in Kansas City. Proposals were reviewed based on the firm's disclosure counsel experience, disclosure counsel experience of the lawyers assigned to our account and fees.

The proposals were reviewed by Kate Burum, Assistant General Counsel and Anne Burger Entreklin, SRF Financial Advisor with Hilltop Securities, and Mr. Freeman. He also consulted with Andrew Messer at the Treasurer’s Office and the finance committee. Mr. Freeman then recommended the selection of the firm, Gilmore and Bell as disclosure counsel. Mr. Stallings moved to approve, and Ms. Castillo seconded. Mr. Muller asked for questions and comments. There weren’t any questions and Mr. Muller called for the vote.

- AYE: Gorman, Justice, Castillo, Melton, Stallings, Latham, Landess, Muller
- NAY: None
- ABSTAIN: None
- ABSENT: Darby

**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. There were no requests to transfer 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. Chairman Muller asked if there were changes to the Summary Disposition Agenda. There were none; he asked the Board’s pleasure regarding the Summary Disposition Agenda items.

Ms. Landess moved to approve the Summary Disposition Agenda items, and Mr. Stallings seconded. Chairman Muller called for the vote

- AYE: Gorman, Justice, Castillo, Melton, Stallings, Latham, Landess, Muller
- NAY: None
- ABSTAIN: None
- ABSENT: Darby

The following items were approved:

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

1. CWSRF Principal Forgiveness Loan Applications:

<u>Item No.</u>	<u>Application No.</u>	<u>Entity Name</u>	<u>County</u>	<u>Amount Recommended</u>
a.	ORF-22-0009- CW	Grand River Dam Authority	Mayes	\$100,000.00

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

1. Agreement between City of Coweta and OWRB to collect hydrographic data of the Coweta Oxbow when oxbow is at or near normal pool elevation, identifying any issues relating to possible siltation during periods of heavy flooding in the watershed.

2. No-cost Professional Services Agreement between Gold Systems, Inc. and OWRB extending the term of service of previous agreement providing consulting and software development services as part of a fully federal funded grant.
- E. Consideration of and Possible Action on Applications for Temporary Permits to Use Groundwater:
    1. None
  - F. Consideration of and Possible Action on Applications to Amend Temporary Permits to Use Groundwater:
    1. Thomas R. & Karen S. Coomes, Harmon County, #1984-540
  - G. Consideration of and Possible Action on Applications for Regular Permits to Use Groundwater:
    1. White Family Minerals, LLC, Tillman County, #2021-521
  - H. Consideration of and Possible Action on Applications to Amend Regular Permits to Use Groundwater:
    1. None
  - I. Consideration of and Possible Action on Applications to Amend Prior Right to Use Groundwater:
    1. None
  - J. Consideration of and Possible Action on Applications to for Term Permits to Use Stream Water:
    1. None
  - K. Consideration of and Possible Action on Applications for Regular Permits to Use Stream Water:
    1. White Brothers Cattle Company, Grady County, #2021-008
  - L. Consideration of and Possible Action on Applications to Amend Regular Permits to Use Stream Water:
    1. None
  - M. Consideration of and Possible Action on Well Driller and Pump Installer Licensing:
    1. New Licenses, Accompanying Operator Certificates and Activities:
      - a. Licensee: Buck’s Welding DBA DPC-1063  
Operator: Buck Miller, Jr. OP-2380
    2. New Operators, Licensee Name Change, and/or Activities for Existing Licenses
      - a. Licensee: Associated Environmental Industries, Inc. DPC-0269  
Operator: Matthew Warden OP-2381
      - b. Licensee: Burgess Engineering and Testing DPC-0484  
Operator: Basil Abdulkareem OP-2382  
Operator: Darrell White OP-2385
      - c. Licensee: C & G Water Well, LLC DPC-0454  
Operator: Jamie Caldwell OP-2383
      - d. Licensee: Hoffman and Ewbank DPC-0063  
Operator: Arthur Parrish OP-2384
  - N. Consideration of and Possible Action on Dam and Reservoir Construction:
    1. Oklahoma City Water Utilities Trust (Hefner Lake Dam), Oklahoma County, #OK02535
  - O. 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, Muskogee County, PF-2021-09

2. Oklahoma Department of Transportation, Grant County, FP-2021-11

- P. Consideration of and Possible Action on Applications for Accreditation of Floodplain Administrators:  
1. None

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

A. The Financial Assistance Division presented on two new programs they are offering. The Sponsorship Program is being implemented on a pilot basis to incentivize nonpoint source pollution mitigation projects. If an entity is coming to OWRB for a CWSRF traditional loan, they can “sponsor” a nonpoint source project and receive a reduced interest rate to cover the cost of the sponsored project. The Sewer Overflow and Stormwater Reuse Municipal Grants Program (OSG) is a new EPA grant program OWRB will be administering. The funds will be utilized for planning and design for sewer overflow and stormwater management projects listed on the CWSRF Project Priority List.

5. **SPECIAL CONSIDERATION**

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

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.

7. **ADJOURNMENT**

There being no further business, Chairman Muller adjourned the Regular Meeting of the Oklahoma Water Resources Board at 10:40 a.m., on September 14, 2021.

**OKLAHOMA WATER RESOURCES BOARD**

\_\_\_\_\_/s/\_\_\_\_\_  
Matt Muller, Chairman

\_\_\_\_\_/s/\_\_\_\_\_  
Charles Darby, Vice Chairman

\_\_\_\_\_/s/\_\_\_\_\_  
Robert L. Melton, Sr.

\_\_\_\_\_/s/\_\_\_\_\_  
Suzanne V. Landess

/s/            
Robert L. Stallings, Jr.

          /s/            
Thomas A. Gorman

          /s/            
Ron Justice

      Absent        
B. Latham

***ATTEST:***

          /s/            
Jennifer Castillo, Secretary  
(SEAL)