

**OKLAHOMA WATER RESOURCES BOARD**  
**OFFICIAL MINUTES**  
**June 12, 2012**

**1. Call to Order**

The regular monthly meeting of the Oklahoma Water Resources Board was called to order by Vice Chairman F. Ford Drummond at 9:30 a.m., on June 12, 2012, at the Oklahoma Water Resources Board, 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 5, 2012, at 4:35 p.m., at the Oklahoma Water Resources Board's offices.

**A. Invocation**

Vice Chairman Drummond called the meeting to order, and welcomed the Board's newest member, Mr. Jason Hitch of Guymon representing the 3rd Congressional District. He asked Mr. Ed Fite to provide the invocation.

**B. Roll Call**

**Board Members Present**

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

**Board Members Absent**

Linda Lambert, Chairman  
Bob Drake

**Staff Members Present**

J.D. Strong, Executive Director  
Dean Couch, General Counsel  
Joe Freeman, Chief, Financial Assistance Division  
Julie Cunningham, Chief, Planning and Management Division  
Derek Smithee, Chief, Water Quality Programs Division  
Amanda Storck, Chief, Administrative Services Division  
Josh McClintock, Director of Government and Public Affairs  
Mary Schooley, Executive Secretary

**Others Present**

Ed Gordon, City Manager, City of Bartlesville, OK  
Mike Bailey, City of Bartlesville, OK  
Mike Hall, City of Bartlesville, OK  
Ben Oglesby, Municipal Finances Services, Inc., Edmond, OK  
Hopper Smith, Tarrant Regional Water District, Texas  
David Nickell, Chandler, OK  
James Melson, Chandler, OK  
Shelby Hudgens, Unimin, Roff, OK  
Henry N. Cook, Fairfax, OK  
Charlie Swinton, BancFirst, Oklahoma City, OK  
Curt Shelmire, Bank of America Merrill Lynch, Dallas, OK  
Steve Thompson, American Farmers Ranchers, Oklahoma City, OK  
Erin Boeckman, eCapitol, Oklahoma City, OK  
Angela Thompson, Wells Nelson & Associates, Oklahoma City, OK  
Michael Taylor, Department of Environmental Quality, Oklahoma City, OK  
Bodie Bachelor, Centennial Law Group, Duncan, OK  
Melina Foster, Canton, OK  
Linda Hysell, Canton, OK  
Jeff Rabon, Hugo, OK  
Pennie Embry, Eufaula, OK  
Greg Metcalfe, Oklahoma City, OK  
Arnella Karges, State Chamber, Oklahoma City, OK  
Jim Rodriguez, Oklahoma Aggregates Association, Oklahoma City, OK

**C. APPROVAL OF MINUTES**

Vice Chairman Drummond asked if there were corrections to the minutes of the May 8, 2012, Regular Meeting. There were none, and he stated he would entertain a motion to approve the minutes.

Mr. Sevenoaks moved to approve the minutes of the May 8, 2012 meeting, and Mr. Buchanan seconded.

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

Vice Chairman Drummond stated he is chairing the meeting today in Chairman Lambert's absence as she is traveling.

**D. EXECUTIVE DIRECTOR'S REPORT**

Executive Director J.D. Strong began his report also welcoming Mr. Jason Hitch to the Oklahoma Water Resources Board. He introduced Mr. Hitch, a Panhandle ranching family, and named several organizations and interests of Mr. Hitch.

Mr. Josh McClintock presented the legislative wrap-up. He said that the Legislature adjourned on May 25, coming to the wire on whether to have a special session on tax cuts and the budget. In the distributed a report under the state section is listed key budget bills and water bills that were under watch at the agency, and he briefed the members on the status of those measures. He said SB 1975 was the general appropriations bill funding all state agencies and was signed by Governor Fallin on May 29, a total of \$6.8 billion, or a 3% increase. For the OWRB, the total appropriation was just under \$7 million or a 27% increase over FY 2012; an additional \$1.5 million was added specifically to implement recommendations in the water plan. House Bill 2928 extended the sunset on the Gross Production Tax to 2016; this fund was used to pay for the water plan, and now will be used for implementation activities. Mr. Herrmann asked if the \$1.5 M is additional funds, and Mr. McClintock explained that it is, and coupled with the GPT monies, that is about \$3 M for OCWP implementation activities. House Bill 3065 is Speaker Steele's "Water for 2060 Act", water conservation, efficiency, recycling and reuse, and establishes a goal for the State to use no more fresh water in 2060 than what is used today, and creates an Advisory Council appointed by the Governor, Speaker, and Pro Tempore. The Council will work for three years to make recommendations to the OWRB and other state water agencies about water conservation measures that could be implemented over the next few years to conserve; the different user interest is specified and will look at issues such as brackish water, reuse, etc. The Executive Director of the OWRB will serve as chairman of the Advisory Council. Mr. McClintock explained HJR 1085 authored by Rep. Richardson/Senator Crain sends to the vote of the people a measure creating the Credit Enhancement Reserve Fund to allow OWRB to increase the leveraging capacity for the Financial Assistance Program. A Constitutional change is required and it is State Question 764 on the November ballot. Senate Bill 1327 regarding regional planning councils made it to Conference Committee but was not heard and died; other measures that died were HB 2836 regarding floodplain management and SB 1328 regarding surface/groundwater monitoring( addressed in the appropriations bill). Other measures that passed were: HB 1910 regarding well driller enforcement (signed 5/7/12); HB 2835 regarding gray water (signed 4/16/12); and SB 1043 regarding water reuse, signed 5/24/12).

Mr. McClintock said he would be working with the Congressional Delegation to hopefully achieve matching funds, but the Congressional budget is still going through the appropriations process. The House passed the FY 13 Energy and Water Bill, with \$32 billion overall and \$4.8 for USCOE (an \$83M increase over its budget request but \$187M less than current budget). The Bureau of Reclamation received (\$76M and \$81M decrease (8%), and this will affect some of the programs the OWRB is involved with. He said there was an amendment to the House Appropriations bill that would have allowed the USCOE and the EPA to finalize their definition of "navigable waters" under the Clean Water Act which has been very controversial, but that amendment failed and no funds will be available to implement that process. The House Transportation and Infrastructure Committee also passed a bill dealing with the same issue, and the U.S. Geological Survey put out its draft 10-year Strategy for Water Science recommending a number of items including data collection, watershed modeling, resource assessments, and supply forecast and flood preparations were identified at top priorities. He expected there would be cuts in the President's budget.

Mr. Strong added to the legislative report that all but one of the OCWP priority recommendations that needed legislative action of some sort this legislative session were passed: ***infrastructure financing*** going to a vote of the people; ***water conservation, efficiency and reuse***--he mentioned the New York Times article--and the difference between Oklahoma and

California is Oklahoma is goal-oriented and this legislations sets up a task force to develop a plan to help groups be more efficient and to tap alternative supplies of water; **funding for monitoring** a 27% increase in the budget and doubles the amount of money for monitoring in the Water Quality Division, in addition to making sure there is better data for informed decisions also sets up for the first time a statewide comprehensive groundwater monitoring program and staff will be working to develop plans for these programs. Mr. Strong said the regional planning groups did not pass, he suspected largely that people believe -- comparing to Texas's program -- that the groups halt progress but rather has helped to build consensus for water projects in Texas, and other states that have regional groups say the same; the matter may come up again next session. Continuing, he said that **excess and surplus water** did not require legislative action, **additional funding for maximum annual yield studies** and the Legislature extended the Gross Production Tax that was going toward funding for the OCWP to get through the backlog of hydrologic studies and there will be additional money and do other small water plan implementation activities; **instream environmental flows** did not require legislative action but a four-year process is mapped and staff will be discussing how to continue with that process; and **State and Tribal water consultation resolution** did not require legislative action but that the State continue to address issues with the Tribes as well as the continuing mediation which continues to be productive. He said that over all he would grade the Legislative session an "A" session for the OWRB, in terms of water, and would have been an "A+" had the regional water planning groups pass--this was the "people's plan" because the idea came from the public through the public input process.

Mr. Herrmann commented education on the regional planning issue is needed, and the funding increase offsets the decreases of the past year. Mr. Strong said that the increases in funding are specific to a couple of areas, and the cuts over the past three fiscal years have been agency-wide and the money will not be used to bring the agency as a whole back to the previous funding levels three years ago, but regarding the monitoring and technical studies front, in which these funds are to go toward, will more than compensate for the cuts. He said this amount was in the budget to get back to the levels of the late 1990s in terms of statewide water quality monitoring, adding a groundwater monitoring component, and getting through statutorily required permitting models to allocate water.

Vice Chairman Drummond commented that the success of the 7 of 8 priority recommendations show how well the planning process went, the public input and work by staff underscores the right issues were chosen and while there is more work, follow up and implementation, kudos to the staff. Mr. Strong said the goal all along and why the Board spent such significant effort on the public input process in the water plan more than others was to make sure there was a set of well-vetted recommendations that had support. He said the fact that the recommendations are now leaping from the plan to implementation on all but one front, show the Board picked the right issues to focus on as priorities and that the process worked in terms of having recommendations that people supported.

Mr. Strong continued his report stating both the SRF programs continue with AAA ratings from Fitch Moody's, and S&P. On the Financial Assistance Program, those members that are on the Finance Committee know we received word that on the FAP loan program S&P lowered one notch its rating to a AA+. Two reports were distributed, (1) contains the rationale for the rating, and (2) the pricing book for the 2012A bond issue. He said regarding the S&P rating, it had nothing to do with this Board or staff or the management of the program or any

partners in the program, but was what has been talked about and that is we are beginning to "hit the wall" on capacity of the financing programs and meeting financing needs so the further we stretch the harder it is to maintain the top most rating. But, Mr. Strong stated there would continue to be very aggressive and competitive interest rates with an AA+ and will continue to be the financial assistance program of choice for most cities and rural water districts across the State. But, what it does mean is more than ever we have a tangible example of why we need to address the financial assistance needs our communities and rural water districts of the future not ten years from now, but right now. He said that having additional leveraging capacity -- such as that that might come from passage of S.Q. 764 -- would bring us back to that level. While you cannot forecast what a rating agency will do, looking at deficiencies, it was having enough reserve capacity to meet the obligations, so having additional leveraging capacity and reserve either through a pledge of credit through the state or an actual cash reserve, would have avoided that reduction. He said it is ever more important that the state do something before ratings continue to decline which would result in communities and rural water districts being on their own to find financing for the infrastructure issues.

Mr. Buchanan said it appeared a concern was the high concentration of the pool--as that is difficult in Oklahoma with a small population. Mr. Strong responded that is a variable that is not controllable, but the amount of reserve capacity is controllable; the Legislature acted during the session, and hopefully the voters will act in the Fall. Staff believes there is the right mix in the Board's portfolio having the large cities in the program has benefited the program and the cities and rural water districts across the State in the past. He explained the current situations with the surety policies. Vice Chairman Drummond asked the cost in difference between the AA+ and AAA rating, and Mr. Freeman responded that he suspected it would be a matter of about 15-25 basis points, and he would know better after the pricing call on the bond issue, but it will still be better than any community seeking financing on its own. He said the SRF bond issue that closed on Monday received excellent retail demand.

Continuing, Mr. Strong said the Arbuckle Simpson Aquifer Maximum Annual Yield Determination pre-hearing was held on May 9 at the Pontotoc Technology Center and the hearing was held May 15-16 at the Expo Center at Sulphur. The record was held open to receive initial briefs until May 31, and to submit written response briefs until June 14 (information available on the OWRB website). The hearing examiner expects with the large amount of information and data submitted and will take a couple of months before there is a recommendation by the hearing examiner so at the earliest the Board may see the proposed order in September.

Grant checks were presented at Calumet and Duke on May 11; Mr. Strong spoke at the Conference of Southwest Foundation in Dallas on May 15, and participated in Town Hall meetings at Atoka on May 17, and Antlers on May 31 at the invitation of the Agriculture groups; he attended the Western States Water Council at Seattle, Washington, June 6-8; and Dean Couch will be traveling to Washington, D.C. for a briefing with the Solicitor General on June 13 to discuss dismissal of the Tarrant Case. Beginning with the July Board meeting, Board meetings will be held on the third Tuesday of each month; July 17 will be the next Board meeting. He concluded his report with wishes for a Happy Father's Day June 17!

## E. Monthly Budget Report

Ms. Amanda Storck addressed the members and noted the distributed budget report as of the end of May. She said staff is currently working on the FY 2013 budget waiting on further instruction regarding the IT budget and then will be moving into the planning phase for the Strategic Plan. Mr. Drummond asked about the additional funding for water monitoring and how does that affect general operations. Ms. Storck said the agency received an additional \$1.5 million for water quality monitoring, and that funding will go for that program for groundwater monitoring. The \$2.6 million Gross Production Tax funds were renewed, and that will be split 50-50 between the Financial Assistance Division and Planning and Management and that will remain and will be used to fund technical studies in the water plan. Mr. Strong added the rest of the agency budget was "flat lined," and the staff has put together the budget based upon the appropriations received to look for opportunities to re-tool in Water Quality and Planning and Management where the monitoring and technical study programs lie to make the most efficient use of the money.

There were no further questions by members.

## 2. FINANCIAL ASSISTANCE DIVISION

A. Consideration of and Possible Action on a Proposed Order Approving Emergency Grant for Town of Canton, Blaine County. Recommended for Approval. Mr. Joe Freeman, Chief, Financial Assistance Division, stated to the members that this first item is a \$59,500.00 Emergency Grant request from the Town of Canton. In February, Canton's main water collection line was washed out at a creek crossing and the Town has installed a temporary fix for the line. He said that the grant requested of the Board will be used to construct a new aerial crossing and provide protection upstream of the proposed line to prevent the line from potentially being damaged in the future. The proposed project will consist of installing about 200 feet of new collection line with concrete support structures and connections to the new line. Mr. Freeman said the \$70,000 project will be funded with \$10,500.00 in local funds and the OWRB grant. Staff recommended approval.

Ms. Malina Foster, Canton Mayor, and Ms. Linda Hysell, Town Clerk, were present in support of the emergency grant.

Mr. Sevenoaks asked about whether the line would cross an existing bridge or would be new structures in the creek, and Mayor Foster responded it would be a new structure.

Mr. Buchanan moved to approve the emergency grant to the Town of Canton, and Mr. Hitch seconded.

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

B. Consideration of and Possible Action on a Proposed Order Approving State Loan Program Revenue Bond Loan Funding Application for Fairfax Public Works Authority. Mr. Freeman said that this item is a \$1,980,000.00 loan request from the Fairfax Public Works Authority in Osage County. He said that the Fairfax PWA is requesting the loan to refinance a

Clean Water State Revolving Fund loan and a Rural Development Loan. He said the original loans were for sewer system improvements, construction of a new water treatment plant, installing an 8-inch transmission line and for other water system improvements. Mr. Freeman noted provisions of the loan agreement, indicating the loan would be funded through the Board's State Revenue Bond Loan Program (FAP), and will bear a fixed interest rate. He said the benefits of refinancing is reduction of Fairfax's total debt service by over \$282,000.00 allowing the debt to be paid off eight years earlier than scheduled. A benefit for the OWRB is improvement to its collateral position by adding water revenue to the sewer and gas revenues now pledged; Fairfax debt cover ratio stands at approximately 2.2-times. Staff recommended approval.

Mr. Henry N. Cook, PWA Vice Chairman, was present in support of the loan application.

There were no questions by the members, and Vice Chairman Drummond said he would entertain a motion.

Mr. Hitch moved to approve the FAP loan to the Fairfax Public Works Authority, and Mr. Herrmann seconded.

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

C. Consideration of and Possible Action on a Proposed Order Approving Drinking Water Funding Application for Chandler Municipal Authority, Lincoln County. Recommended for Approval. Mr. Freeman said this item is for consideration of a \$2.5 million loan request by the Chandler Municipal Authority. He said the Authority is requesting the loan to construct a new pump station, rehabilitate two pump stations, and lay approximately 23,000 feet of water line. Mr. Freeman said the loan would be funded through the Drinking Water State Revolving loan program, and he noted provisions of the loan agreement. He said that over the past ten years, Chandler's water and sewer connections have increased by approximately 4% and its debt coverage ratio stands at approximately 1.5-times. Staff recommended approval of the loan application.

Mr. James Melson, City Manager and Mr. David Nickell, Public Works Director, were present in support of the loan application.

Mr. Sevenoaks asked about the use of PVC line, and Mr. Nickell answered it would be 95% PVC line with ductile connections.

There were no other questions, and Mr. Herrmann moved to approve the DWSRF loan to the Chandler MA, and Mr. Sevenoaks seconded.

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

D. Consideration of and Possible Action on a Proposed Order Approving Drinking Water Funding Application for Bartlesville Municipal Authority, Washington County, Recommended for Approval. Mr. Freeman informed the members that this item is a \$4,025,000.00 loan request by the Bartlesville Municipal Authority. He said the loan is requested to install an automated

meter reading and automated meter information system which will result in lower costs of operation and conservation of resources for Bartlesville. Mr. Freeman stated the loan will be funded through the Drinking Water State Revolving Fund loan program, and he noted provisions of the loan agreement. He said that Bartlesville has been a long-time, excellent customer of the Board's and currently has five outstanding loans with the Board, with a total principal balance of approximately \$43.7 million dollars. Mr. Freeman said that over the last ten years, the water connections have increased by 8%, and sewer connections by approximately by 12%; Bartlesville's debt coverage ratio stands at approximately 1.37-times. Staff recommended approval of the loan application.

Mr. Ed Gordon, City Manager; Mr. Mike Hall, Utilities Director; and Mr. Mike Bailey, Finance Director, were present in support of the loan request.

Mr. Herrmann saluted the initiative and asked what the expected water conservation impact would be, by virtue of being able to identify problems earlier. Mr. Hall responded he expected an 8% reduction, and to be able to identify a leak within 24 hours. He said an important component was the customer portal and the ability to be able to identify/notify leaks within a short amount of time. Mr. Drummond asked what vendor will be used and Mr. Bailey named three vendors being reviewed and said in particular they are looking at their future capability; final proposals will be submitted Friday. Mr. Herrmann said this is an example the type of investment that needs to happen across all sectors across the state to achieve the Water 2060 objective. Mr. Sevenoaks said it would be interesting to discover how many dead meters are in the system and how much revenue will increase.

Mr. Gordon stated there is up to \$500,000.00 in "green money" available, and because of the hydraulic upgrade done the past few years, Bartlesville was eligible for \$2 million in ARRA funds. He complimented the OWRB's program.

Mr. Hitch asked if the system is a SCADA system, and if it would be secure. Mr. Gordon answered there are several different systems being reviewed, and the bid will be awarded within the next 30 days, but it will be a secure system and he described the mechanics of the system the city is requesting. Mr. Hitch asked about the level of detail the city will be aware of customers' use, and Mr. Gordon said the city will be able to detect spikes in use and can notify the customer. Mr. Hitch was concerned about the level of information about a customer being intrusive. Mr. Gordon answered the city is conservative and did not intend to monitor citizens.

Mr. Sevenoaks asked about contingency supplies for drought conditions this summer, and Mr. Gordon said that staff has met, there is a long-term water committee, and the City has gone through a Planning Assistance to the States Study with the US Corps of Engineers to secure long term water for the City which indicated water should come from Copan (it comes from Hulah today). They are waiting on favorable pricing from the COE, and a pipeline will have to be built.

Vice Chairman Drummond complimented the City of Bartlesville for being proactive in its planning, working on a regional basis, and getting projects going.

Mr. Herrmann moved to approve the DWSRF loan to the Bartlesville Municipal Authority, and Mr. Hitch seconded.

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

E. Consideration of and Possible Action on a Proposed Order Approving State Loan Program Revenue Bond Loan Funding Application for Hugo Municipal Authority, Choctaw County. Recommended for Approval. Mr. Freeman said this loan request is from the Hugo Municipal Authority to refinance debt for existing Rural Development notes which were for wastewater treatment plant improvements, install interceptor lines, and rehabilitate the collection system and also improvements to its water treatment plant. He said the loan will be funded through the FAP State Bond Loan Program, and he noted provisions of the loan agreement. Mr. Freeman stated that as a result of the refinancing, Hugo will be able reduce its amortization of debt by over ten years, and reduce debt service savings of approximately \$1.7 million. Hugo's debt coverage ratio stands at approximately 1.4-times. Staff recommended approval.

Hugo City Manager Jeff Rabon was present in support of the loan request.

Mr. Herrmann asked if Rural Development had a refinancing mechanism. Mr. Rick Smith, Municipal Finance Systems, responded that Rural Development would possibly refinance, if there was a new loan the municipality or rural water district were pursuing, but that is not the case with Hugo.

There were no other questions, and Vice Chairman Drummond said he would entertain a motion.

Mr. Fite moved to approve the loan to the Hugo Municipal Authority, and Ms. Feaver seconded.

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

NAY: None

ABSTAIN: None

ABSENT: Lambert, Drake

### **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 from the Summary Disposition Agenda to the Special Consideration Agenda.

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

Vice Chairman Drummond asked if there were any questions regarding the Summary Disposition Agenda items. Ms. Julie Cunningham asked that the following items be withdrawn from the Board's consideration due to notice problems: 3.E. 3. Hat Creek Cattle Company #2012-519; 3.I.2. & 3., Wigington Family Trust #1954-791 and Kelli Litsch, #1957-494; and, K.1. & 2., Smith Construction #2011-071 and #2011-072.

There were no other requests, comments, or questions about items on the Summary Disposition Agenda.

Vice Chairman Drummond asked for a motion to approve the Summary Disposition Agenda as amended. Mr. Fite so moved to approve the Summary Disposition Agenda as amended, and Mr. Herrmann seconded the motion.

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

The following items were approved:

C. 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 Contracts and Agreements, Recommended for Approval:

1. Joint Funding Agreement with U.S. Geological Survey for the Continuation of the Monitoring Program FY 2013.
2. Lease Agreement with the Department of Central Services to lease office space for OWRB's Tulsa office in the Kerr State Office Building.
3. Lease Agreement Renewal with Burgess & Burgess, Inc. to lease office space for OWRB's Lawton office.
4. Professional Services Contract with Emily H. Mezell to provide services of Hearing Examiner for administrative hearings as may be assigned by the Board.
5. Addendum to Contract with Oklahoma Department of Agriculture, Food and Forestry for collection of water column and fish samples at 303(d) listed sites for pesticide analysis.
6. Contract with Oklahoma Rural Water Association to provide technical assistance and training to rural water and wastewater system operators and board members in the state.
7. Second Extended and Amended Agreement with American Municipal Tax-Exempt Compliance Corp. for arbitrage rebate calculation and consulting services.
8. Professional Services Engagement Letter with John M. Arledge & Associates, P.C. to provide auditing services related to the Board's financial assistance programs.
9. Professional Services Engagement Letter with Crawford & Associates, P.C. to provide accounting services related to the Board's financial assistance programs.

10. Lease Agreement Renewal with ELF Properties LLC for leasing office space for OWRB's McAlester office.
11. Lease Agreement Renewal with Mori White for leasing office space for OWRB's Woodward office.
12. Agreement with the Office of the Secretary of the Environment for the Clean Water Act FY 2012 § 104 (b)(3) Urban Waters Small Grants Program, CA#UW-00F50401.
13. Memorandum Agreement between OWRB, USGS and Poteau Valley Improvement Authority for water monitoring and data collection.
14. Memorandum Agreement between OWRB, USGS and CP Kelco for water monitoring and data collection.
15. Fifth Amended Agreement with Charles T. Dumars for professional legal services.
16. *Joint Funding Agreement with USGS for the project titled " Comparison of the Historic Drought of 2011 with Previous Droughts of the 20<sup>th</sup> Century". Item added*
17. *Contract for Lab Analysis with Oklahoma Department of Environmental Quality. Item added*

E. Applications for Temporary Permits to Use Groundwater:

1. Consolidated Rural Water & Sewer District No. 1 of Jefferson County, Grady & Stephens Counties, #2011-668
2. Wesley C. & Regina Miller, Custer County, #2012-515
3. *Hat Creek Cattle Company, LLC, Roger Mills County, #2012-519 Item withdrawn*
4. Cedar Ridge Country Club, Tulsa County, #2012-522
5. The Leroy Hart GST Exemption Residuary Trust, the Leroy Hart and Denise Hart Revocable Trusts, and Leroy & Denise Hart, Caddo County, #2012-527
6. The Dal L. & Beki L. Houston Revocable Trust, Woods County, #2012-533
7. Deanna Barger, Caddo County, #2012-540
8. R. Dean Smith, Caddo County, #2012-542
9. R. Dean Smith, Caddo County, #2012-543
10. Gregg & Susan Ward, Dewey County, #2012-553
11. The Roy J. Harper III GST Exemption Residuary Trust and the Frank Harper & Pauline M. Harper Revocable Trusts, Washita County, #2012-562
12. F. M. Erickson III and Bonnie Kay Erickson, Woods County, #2012-566
13. Enid Municipal Authority, Major County, #2012-574

F. Applications to Amend Temporary Permits to Use Groundwater:

1. Calvin & Julia Bachmann, Roger Mills County, #1981-752

G. Applications for Regular Permits to Use Groundwater:

1. Brad & Shelley Maddoux, Beckham County, #2012-520

2. Wayne E. Schmedt and Theo Fred Schmedt, Tillman County, #2012-551
3. Arthur & Lesa Hatfield, Texas County, #2012-552
4. Joseph L. Ramsey, Kiowa County, #2012-555
5. Kelli Litsch and Staci Wechsler, Washita County, #2012-558
6. Steven D. & Cherry Teresa Cryer, Cimarron County, #2012-563
7. The Robert & Linda Killebrew Living Trusts and Robert & Linda Killebrew, Tillman County, #2012-571

H. Applications to Amend Regular Permits to Use Groundwater:

1. Jeff & Jeri Slatten, Beaver County, #1978-610
2. Link Raney 2000 Trust, Beckham County, #1984-615
3. Turner Brothers Farms, Inc., Beckham County, #1986-593
4. Prestage Farms of Oklahoma, LLC, Texas County, #1994-662

I. Applications to Amend Prior Rights to Use Groundwater:

1. Wayne E. Schmedt and Theo Fred Schmedt, Tillman County, #1949-062
2. *David R. Wigington & Shirley E. Wigington Family Trust, Blaine County, #1954-791 Item withdrawn*
3. *Kelli Litsch, Washita County, #1957-494 Item withdrawn*
4. Tim & Tonia Hladik, Kingfisher County, #1969-145

J. Applications for Term Permits to Use Stream Water:

None

K. Applications for Regular Permits to Use Stream Water:

1. *C. H. Smith Construction, Inc. dba Verdigris Valley Sod Farms, Rogers County, #2011-071 Item withdrawn*
2. *C. H. Smith Construction, Inc., dba Verdigris Valley Sod Farms, Rogers County, #2011-072 Item withdrawn*
3. Alfred O. "Dell" Wood, Johnston County, #2012-003
4. Destry Harber, Latimer County, #2012-008
5. Gregg & Susan Ward, Dewey County, #2012-014
6. Charles & Conita Tipton, Hughes and Coal Counties, #2012-017
7. S & J Farms, Inc., Sequoyah County, #2012-021

L. Well Driller and Pump Installer Licensing:

1. New Licenses, Accompanying Operator Certificates and Activities:

- |              |   |          |
|--------------|---|----------|
| a. Licensee: | Weaver Water Well Services, LLC   | DPC-0856 |
| 1. Operator: | Mark Weaver   | OP-1914  |
| Activities:  | Pump Installation   |          |
| b. Licensee: | Sunbelt Environmental Services, Inc.  | DPC-0844 |
| 1. Operator: | Neal Farrar   | OP-1892  |
| Activities:  | Groundwater wells, groundwater test holes and observation wells<br>Monitoring wells and geotechnical borings<br>Heat exchange wells |          |
| c. Licensee: | WDC Exploration & Wells   | DPC-0858 |

- 1. Operator: Christopher Thornburg OP-1916  
Activities: Groundwater wells, groundwater test holes and observation wells  
Monitoring wells and geotechnical borings  
Pump installation
- d. Licensee: Harrison & Cooper DPC-0831
- 1. Operator: Kenny Cooper OP-1849  
Activities: Groundwater wells, groundwater test holes and observation wells  
Monitoring wells and geotechnical borings
- e. Licensee: B2D Enterprises DPC-0807
- 1. Operator: Bobby J. Criswell, Jr. OP-1817  
Activities: Groundwater wells, groundwater test holes and observation wells  
Pump installation
- f. Licensee: Farwest Corrosion Control DPC-0860
- 1. Operator: Nathaniel Lee Bishop, Jr. OP-1921  
Activities: Cathodic protection wells

2. New Operators, Licensee Name Change, and/or Activities for Existing Licenses:

- a. Licensee: Associated Environmental Industries, Corp. DPC-0269
- 1. Operator: Scott Ryan Griffin OP-1912  
Activities: Monitoring wells and geotechnical borings
- b. Licensee: Whitetail Drilling, LLC DPC-0463
- 1. Operator: Aaron F. Womack OP-1913  
Activities: Monitoring wells and geotechnical borings
- c. Licensee: Burgess Engineering & Testing, Inc. DPC-0484
- 1. Operator: Gregory Scott Garland, Jr. OP-1995  
Activities: Monitoring wells and geotechnical borings
- d. Licensee: Lake Country Drilling DPC-0674
- 1. Operator: Chris Hayes OP-1772  
Activities: Heat exchange wells
- e. Licensee: S & S Well Service DPC-0726
- 1. Operator: Steve Sullivan OP-1495  
Activities: Pump installation
- f. Licensee: Mohawk Drilling DPC-0563
- 1. Operator: Ryan Thompson OP-1917  
Activities: Monitoring wells and geotechnical borings
- 2. Operator: Jeremy Brimer OP-1918  
Activities: Monitoring wells and geotechnical borings
- g. Licensee: Professional Service Industries, Inc. DPC-0772
- 1. Operator: Sheldon Lauritsen OP-1920

M. Proposed Order for Informal Disposition:

- 1. Joshua D. Manning in the matter of Drilling/Pump Contractor License No. 0823 and Operator Certification No. 1839

N. Dam and Reservoir Construction:

- 1. Ski Island Lake, Oklahoma County, #OK02406

O. Permit Applications for Proposed Development on State Owned or Operated Property within Floodplain Areas:

1. Oklahoma Department of Transportation, Noble County, #FP-12-04
2. Oklahoma Department of Transportation, Creek County, #FP-12-08
3. Oklahoma Department of Transportation, Noble County, #FP-12-09
4. Oklahoma Department of Transportation, Creek County, #FP-12-10
5. Oklahoma Department of Transportation, Kingfisher County, #FP-12-12
6. Oklahoma Department of Transportation, Cleveland County, #FP-12-13

P. Applications for Accreditation of Floodplain Administrators:

Names of floodplain administrators to be accredited and their associated communities are individually set out in the June 12, 2012 packet of Board materials.

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

A. No items.

There were no items of agency matters for presentation to the Board.

**5. SPECIAL CONSIDERATION**

For INDIVIDUAL PROCEEDINGS, a majority of a quorum of Board members, in a recorded vote, may call for closed deliberations for the purpose of engaging in formal deliberations leading to an intermediate or final decision in an individual proceeding under the legal authority of the Oklahoma Open Meeting Act, 25 O.S. 2001, Section 307 (B)(8) and the Administrative Procedures Act, 75 O.S. 2001, Section 309 and following.

A majority vote of a quorum of Board members present, in a recorded vote, may authorize an executive session for the purposes of CONFIDENTIAL COMMUNICATIONS between the public body and its attorney concerning a pending investigation, claim, or action if the public body, with the advice of its attorney, determines that disclosure will seriously impair the ability of the public body to process the claim or conduct the pending investigation, litigation, or proceeding in the public interest, under the legal authority of the Oklahoma Open Meetings Act, 25 O.S. 2001, Section 307(B)(4).

A. No items.

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

B. Items transferred from Summary Disposition Agenda, if any.

There were no items transferred from the Summary Disposition Agenda.

**6. CONSIDERATION OF SUPPLEMENTAL AGENDA ITEMS, IF ANY**

There were no Supplemental Agenda items for the Board's consideration.

## 7. ELECTION OF OFFICERS

Vice Chairman Drummond

Vice Chairman Drummond stated this item is for the election of officers.

Mr. Fite asked if all the members (officers) were eligible to serve another year. Vice Chairman Drummond answered, yes, and Ms. Feaver stated she had a motion.

Ms. Feaver stated she would nominate, for a one-year term beginning July 1, Ford Drummond as Chair, Linda Lambert as Vice Chair, and Tom Buchanan as Secretary.

Vice Chairman Drummond asked if there were any other nominations. There were no other nominations and Mr. Drummond asked for a motion to elect the slate of nominees.

Mr. Herrmann moved to elect the slate of officers as nominated, and Mr. Fite seconded.

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

NAY: None

ABSTAIN: None

ABSENT: Lambert, Drake

The Board officers for 2012-2013 are: Ford Drummond, Chairman; Linda Lambert, Vice Chairman; and Tom Buchanan, Secretary.

**Mr. Strong stated the representative of the Attorney General's office was not yet present, and suggested the Board consider item 9.**

## 9. PROPOSED EXECUTIVE SESSION

Vice Chairman Drummond

*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.***

Vice Chairman Drummond read the authorizing statement for the purpose of the proposed Executive Session (as stated above).

Mr. Buchanan moved to enter an Executive Session.

Mr. Sevenoaks asked if there had to be an Executive Session for this matter, and Mr. Strong said there did not have to be, but it is proposed. Vice Chairman Drummond stated any discussion and decision will be made in open session. Mr. Sevenoaks said he preferred the discussion of this kind be in open session, but he would bow to the wishes of the majority.

Ms. Feaver seconded the motion, and Vice Chairman Drummond called for the vote.

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

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

Vice Chairman Drummond designated Executive Secretary Mary Schooley to keep written minutes of the Executive Session.

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

The Board entered the Executive Session at 10:45 a.m.

**D. Return to open meeting.**

The doors were opened and the public was allowed to enter the meeting.

Mr. Sevenoaks moved to return to Open Session, and Mr. Buchanan seconded.

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

The Board returned to Regular Session at 10:59 a.m.

**10. 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.** *Items 9. and 10. Added*

Upon returning to Regular Session, Mr. Buchanan moved that the Board accept the Executive Committee recommendation to raise the Executive Director's Salary to \$100,000.00, and Mr. Sevenoaks seconded.

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

**8. PROPOSED EXECUTIVE SESSION Vice Chairman Drummond**

As authorized by the Oklahoma Open Meeting Act in Section 307(B)(4) of Title 25 of the Oklahoma Statutes, an executive session may be held for the purpose of confidential communications between a public body and its attorney concerning a pending

investigation, claim, or action if the public body, with the advice of its attorney, determines that disclosure will seriously impair the ability of the public body to process the claim or conduct a pending investigation, litigation or proceeding in the public interest.

Pursuant to this provision, the Board proposes to hold an executive session for the purpose of discussing *Chickasaw Nation and Choctaw Nation v. Fallin, et al., Oklahoma Water Resources Board v. United States on behalf of the Choctaw Nation et al., and Tarrant Regional Water District v. Herrmann.*

Vice Chairman Drummond read the authorizing statement for the purpose of the proposed Executive Session (as stated above).

Statement by legal counsel advising on whether disclosure of the discussion of the litigation will seriously impair the ability of the Board and State to conduct the present and proposed litigation in the public interest.

Mr. Dean Couch, OWRB General Counsel, stated for the record that it is his view and advice that disclosure of this discussion would seriously impair the ability of the Water Board to deal with this litigation and the recommendation is to have these discussions in Executive Session.

**A.** Vote on whether to hold Executive Session upon determination that disclosure of the discussion of the litigation will seriously impair the ability of the Board and State to conduct the present and proposed litigation in the public interest. 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.

Vice Chairman Drummond asked for a motion. Mr. Buchanan moved to enter Executive Session, and Mr. Sevenoaks seconded.

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

NAY: None

ABSTAIN: None

ABSENT: Hitch, Lambert, Drake

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

Vice Chairman Drummond designated Executive Secretary Mary Schooley to keep written minutes of the Executive Session.

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

The Board entered Executive Session at 11:03 a.m.

Return to open meeting and possible vote or action on any matter discussed in the Executive Session.

The doors were opened and the public was allowed to enter the meeting.

Mr. Sevenoaks moved to return to Open Session and Mr. Buchanan seconded.

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

The Board returned to Regular Session at 11:46 a.m. There was no action by the Board as a result of the Executive Session.

**11. 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.

Vice Chairman Drummond reminded the members the next meeting is Tuesday, July 17, 2012, at 9:30 a.m.

**12. ADJOURNMENT**

There being no further business, Vice Chairman Drummond adjourned the meeting of the Oklahoma Water Resources Board at 11:47 a.m. on Tuesday, June 12, 2012.

**OKLAHOMA WATER RESOURCES BOARD**

\_\_\_\_\_/s/\_\_\_\_\_  
F. Ford Drummond, Chairman

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

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

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

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

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

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

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

*ATTEST:*

\_\_\_\_\_/s/\_\_\_\_\_

Tom Buchanan  
(SEAL)