

OKLAHOMA WATER RESOURCES BOARD OFFICIAL MINUTES

December 5, 2019

1. CALL TO ORDER

The regular monthly meeting of the Oklahoma Water Resources Board was called to order by Chairman Robert L. Stallings, Jr., at 3:30 p.m. on December 5, 2019, in Reed D Second Floor Ballroom at the Sheraton Midwest City Hotel at the Reed Center, 5750 Will Rogers Road, Midwest City, Oklahoma, 73110. 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 December 2, 2019, at 4:15 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; and posted at the meeting location on December 4, 2019.

Chairman Stallings opened the meeting thanking those persons who had attended the 40th Annual Governor's Water Conference and Research Symposium, and expressed his appreciation to the OWRB staff.

A. Roll Call. Chairman Stallings asked for the roll call of members.

Board Members Present

Robert L. Stallings, Jr., Chairman
Bob Drake, Secretary
Ford Drummond
Jennifer Castillo
Suzanne Landess
Robert L. Melton
Matt Muller

Board Members Absent

Stephen Allen, Vice Chairman
Charles Darby

Staff Members Present

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

Others Present

Michael Taylor, Cowan Group, Oklahoma City, OK
Craig Stokes, City of Collinsville, OK
Shawnda Cox, Oklahomans for Responsible Water Policy, Antlers, OK
Tom Liu, Bank of American Securities, New York, NY

Bodie Batchelor, Centennial Law Group, Duncan, OK
Charlie Swinton, BancFirst, Oklahoma City, OK
Marla Peek, Oklahoma Farm Bureau, Oklahoma City, OK
Newakis Weber, Chickasaw Nation, Ada, OK

B. Discussion, Amendments, and Vote to Approve Official Minutes of the October 15, 2019, Regular Meeting. Chairman Stallings asked if there were any comments or proposed amendments to the minutes of the October 15, 2019, meeting minutes. There were no changes or discussion, and the Chairman stated he would accept a motion to approve the minutes.

Mr. Drummond moved to approve the minutes of the October 15, 2019, meeting, and Mr. Melton seconded. There was no discussion. Chairman Stallings called for the vote.

AYE: Drake, Castillo, Landess, Drummond, Melton, Stallings

NAY: None

ABSTAIN: Muller

ABSENT: Allen, Darby

C. Executive Director's Report

Ms. Julie Cunningham, Executive Director, welcomed everyone in attendance and thanked those who had attended the conference. She said that she and staff had met with the Office of Management and Enterprise Services to discuss an agency IT six-year plan. There have been several items the agencies struggled to meet timeframes and she intended to meet monthly to keep projects on track, either by other contract or a dedicated staff person. Staff also met at the Oklahoma Farm Bureau regarding the Master Irrigator Program at Oklahoma State University; last year staff met with the Oklahoma Panhandle Irrigators, NRCS, OK Farm Bureau, Oklahoma Conservation Commission and others to form a partnership and identify potential funding sources and incentives to establish a program.

Secretary of Energy and Environment Wagner met with all cabinet directors at the OSU-OKC facility and also met with Secretary Ostrowe about projects including the Oklahoma Mobile ID. On October 31, the agency received its annual EPA program evaluation and report on the Clean Water State Revolving Fund and complimented the agency on its coordination with federal, state, and tribal entities which is a good return on the investment of federal dollars.

Ms. Cunningham and Mr. Wilkins met with Representative Dills on November 19 about the ability to assist military personnel who have certain skills to fast track into the water industry. Staff has looked at the shortage of workforce issues as regards well drillers, pump installers, and water treatment operators, and there may be an opportunity to work with the Representative on legislation this next session.

Ms. Cunningham attended the Keep Oklahoma Beautiful annual award banquet. Ms. Lori Johnson on the OWRB Financial Assistance Division was nominated for the Team Builder Award for her work with the Oklahoma Conservation Commission to establish green infrastructure financing for project at Grand Lake and Lake McMurry. She invited Mr. Joe Freeman to address the Board regarding the recent refunding bond issues. Mr. Freeman announced that the refunding of the four SRF bond issues approved by the Board at the October Board meeting for both the Clean Water and Drinking Water SRF program resulted in the agency having refunded approximately \$154 million dollars in bonds. After having obtained AAA ratings from two agencies, Standard and Poor's and Fitch (a third rating was unnecessary), and in addition to tax law changes, issued a taxable bond issue at 3.9-times overprescribed, having received one-half billion in bonds. He said the big savings for the OWRB at 10.76% resulted in total savings of \$22,375,000.00. The team was very pleased with the transaction which was conducted through notification on BondLink after the holiday.

Ms. Cunningham announced the 2020 rulemaking schedule which includes the presentation and hearing and public comment on proposals at the January Board meeting and Board vote at the February or March meeting. April 1 is the deadline to be submitted to the Legislature and Governor for review.

Ms. Cunningham concluded her report introducing Mr. Gene Doussett and announcing his retirement on December 12, 2019, after 41 years of service to the State of Oklahoma and the Oklahoma Water

Resources Board. Mr. Doussett has worked in every division of the agency in water quality monitoring, dam safety, interstate stream compacts, and most recently as the agency complaints coordinator, and is a versatile and valued player in the OWRB family. Mr. Doussett addressed the Board and expressed his appreciation for a long career and complimented the agency and employees for its job serving the public.

D. Financial Update

1. Budget Report. Mr. Cleve Pierce, Administrative Services Division Chief, addressed the members and stated the budget report is for the time period ending November 2019. He said for the time period, the agency has spent 34% of the appropriated budget, leaving 66%; has spent 27% of the revolving budget leaving 73%; and has spent 21% of federal dollars leaving 79%. The overall budget remaining stands at 72% with 58% of the fiscal year remaining, keeping within the 2% spend rate for the agency. He said the Senate and House are conducting budget hearings early and he and Ms. Cunningham will be working with the agency directors earlier than usual.

Mr. Pierce concluded his report, and there were no questions by members.

2. **FINANCIAL ASSISTANCE DIVISION**

A. Consideration of and Possible Action on a Proposed Order Approving Clean Water Funding Application for Elgin Public Works Authority, Comanche County. Recommended for Approval.

Mr. Joe Freeman, Chief, Financial Assistance Division, stated to the members that this item is for a \$2.4 million funding request by the Elgin Public Works Authority in Comanche County. He said Elgin utilizes lagoons to treat its wastewater combined with flow rate application of effluent on irrigation fields. The Authority is requesting the loan to expand storage capacity due to the city's growth. The project will include the installation of a grinder at the inlet of the lift station, a new storage basin at the treatment lagoons, increase irrigation capacity and correct inflow and infiltration into the basin. The loan will be funded through the Clean Water State Revolving Loan Program, and Mr. Freeman noted provisions of the loan agreement. Over the last ten years, Elgin's water connections have increased by approximately 40% and a 30% increase in sewer connections. Elgin currently has two loans with the Board with a combined balance of approximately \$2.5 million and debt coverage ratio stands at 1.35-times. Staff recommended approval of the loan request.

Mayor Larry Thoma represented the Elgin PWA. There were no questions by members.

Mr. Drake moved to approve the CWSRF loan to the Elgin Public Works Authority, and Ms. Castillo seconded. Chairman Stallings called for the vote.

AYE: Drake, Muller, Castillo, Landess, Drummond, Melton, Stallings

NAY: None

ABSTAIN: None

ABSENT: Allen, Darby

B. Consideration of and Possible Action on a Proposed Order Approving Drinking Water Funding Application for Miami Special Utilities Authority, Ottawa County. Recommended for Approval.

Mr. Freeman explained this item is a \$2,785,000.00 loan request from the Miami Special Utilities Authority and is requesting the loan proceeds to replace existing water lines, install new water lines, and construction of a new storage tank. The loan will be funded through the Drinking Water SRF, and Mr. Freeman noted provisions of the loan agreement. Miami SUA has four outstanding loans with the Board with a combined balance of approximately \$1.6 million; the debt coverage ratio stands at 1.9-times. Staff recommended approval of the loan.

Mr. Nate Ellis, Bond Counsel, was present representing the Miami Special Utilities Authority. Mr. Drummond commented about the amount of rain received in the area this past year.

Mr. Drummond moved to approve the Drinking Water SRF funding to the Miami Special Utilities Authority, and Mr. Melton seconded. There were no questions, and Chairman Stallings called for the vote.

AYE: Drake, Muller, Castillo, Landess, Drummond, Melton, Stallings

NAY: None

ABSTAIN: None

ABSENT: Allen, Darby

C. Consideration of and Possible Action on a Proposed Order Approving Clean Water Funding Application for Tahlequah Public Works Authority, Cherokee County. Recommended for Approval. Mr. Freeman said this item is a \$6,750,000.00 loan request by the Tahlequah Public Works Authority located in Cherokee County. He said the Authority is requesting the loan for improvements to the wastewater system by expanding the wet weather pump station, construction of a third flow equalization basin, constructing headworks, and repairing and upgrading existing digesters. He said the loan will be funded through the Clean Water SRF loan program, and he noted provisions of the loan agreement. Tahlequah has three loans with the Board for a combined principal balance of approximately \$16.3 million, and the debt coverage ratio stands at 2.88-times. Staff recommended approval of the loan request.

Representing Tahlequah PWA was Mr. Mike Doublehead who thanked the Board for working with the city to make investments in its infrastructure. Tahlequah was awarded, "United States of America Best Water 2019."

Mr. Drummond moved to approve the Clean Water SRF funding for the Tahlequah PWA, and Ms. Castillo seconded. There was no discussion, and Chairman Stallings called for the vote.

AYE: Drake, Muller, Castillo, Landess, Drummond, Melton, Stallings

NAY: None

ABSTAIN: None

ABSENT: Allen, Darby

D. Consideration of and Possible Action on a Proposed Order Approving Drinking Water Funding Application for Collinsville Municipal Authority, Tulsa County. Recommended for Approval. Mr. Freeman stated this item is for consideration of a funding request in the amount of \$8,291,000.00 by the Collinsville Municipal Authority located in Tulsa County. He said the Authority is requesting the loan to construct a 2mgd water treatment plant, rehabilitate high service pumps and raw water pump stations at the Oologah and Collinsville lakes. The loan will be funded through the Drinking Water SRF loan program, and Mr. Freeman noted provisions of the loan agreement. The Authority has three loans with the Board with a combined balance of approximately \$1 million. The water connections have increased by 9% and the sewer connections have increased by approximately 23% over the last ten years. The debt coverage ratio stands at 1.81-times. Staff recommended approval.

Representing Collinsville MA was Assistant City Manager Craig Stokes. Mr. Drummond asked if the Authority provided water for the rural water districts in the area. Mr. Stokes answered they do not; there are 800 new houses in the city of Collinsville which will be served by the city and by the rural water district.

There were no other questions, and Chairman Stallings asked for a motion. Mr. Drake moved to approve the Drinking Water SRF loan to the Collinsville Municipal Authority, and Ms. Landess seconded.

There was no discussion, and Chairman Stallings called for the vote.

AYE: Drake, Muller, Castillo, Landess, Drummond, Melton, Stallings

NAY: None

ABSTAIN: None

ABSENT: Allen, Darby

E. Consideration of and Possible Action on a Proposed Order Approving Clean Water Funding Application for Duncan Public Utilities Authority, Stephens County. Recommended for Approval.

Mr. Freeman said this item is a \$20,446,000.00 request by the Duncan Public Utilities Authority that is requesting the loan for rehabilitation of manholes and sewer lines. He said the loan will be funded through the Clean Water SRF loan program, and he noted provisions of the loan agreement. Duncan PUA currently has six outstanding loans with the Board with a combined balance of approximately \$14.5 million; the debt coverage ratio stands at 1.88-times. Staff recommended approval of the funding request.

Representing the Duncan Public Utilities Authority was Mr. Chris Gander, Financial Advisor, and Mr. Alan Brooks, Bond Counsel. Mr. Brooks spoke on behalf of City Manager Kim Meeks expressing the Authority's appreciation for the Board's support for the structuring of loans over the years allowing significant work to the system to occur.

Mr. Muller asked if the Authority anticipated any other major projects in the near future, and Mr. Brooks responded this particular project regards two of four drainage basins and will they evaluate whether the third and fourth will be done. He said the project primarily regards water line work as the wastewater plant is in good shape. Most communities that have plants taken care of are now looking at distribution systems, he added. Chairman Stallings asked the amount of linear feet, and Mr. Brooks said he didn't know the amount as the project will be done in phases and much of the work will be manholes.

There were no other questions, and Chairman Stallings asked for a motion. Mr. Muller moved to approve the Clean Water SRF loan to the Duncan Public Utilities Authority, and Ms. Castillo seconded.

- AYE: Drake, Muller, Castillo, Landess, Drummond, Melton, Stallings
- NAY: None
- ABSTAIN: None
- ABSENT: Allen, 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 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. Chairman Stallings asked if there were any items that needed to be moved or withdrawn; there were none.

Chairman Stallings asked for a motion for approval of all items. Mr. Drummond moved to approve the Summary Disposition Agenda, and Mr. Melton seconded.

There were no questions or discussion, and Chairman Stallings called for the vote.

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

The following items were approved:

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

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

<u>Item No.</u>	<u>Application No.</u>	<u>Entity Name</u>	<u>County</u>	<u>Amount Recommended</u>
None				

2. 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-20-0011-CW	East Central Oklahoma Water Authority	Muskogee	\$ 36,130.00
b.	ORF-18-0015-CW	Cameron Public Works Authority	LeFlore	43,310.00
c.	ORF-20-0009-CW	Meeker Public Works Authority	Lincoln	78,000.00

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

1. Information Sharing Access Agreement between OWRB and FEMA to share information to determine eligibility for benefits following flooding events or other disasters.
2. Professional Services Contract employing HISINC, L.L.C. to administer, manage and implement floodplain administration assignments as requested by OWRB.
3. Professional Engineering Services Agreement between Freese and Nichols, Inc. and OWRB to provide assistance in implementing the FEMA CTP Program in Oklahoma creating and maintaining accurate flood hazard data for OWRB.
4. Amendment to Interagency Agreement between OWRB and OSU to extend the budget/project period of the Taxonomic Identification Project.

E. Consideration of and Possible Action on Applications for Temporary Permits to Use Groundwater:

1. Jimmie L. & Faye L. Purvine, Dewey County, #2019-509
2. Bergen Minerals, LLC, Cleveland County, #2019-526

F. Consideration of and Possible Action on Applications to Amend Temporary Permits to Use Groundwater:

1. Estack, LLC, Kingfisher County, #2011-547

G. Consideration of and Possible Action on Applications for Regular Permits to Use Groundwater:

1. Steve K. Long, Texas County, #2019-528
2. Cavin lee & Cholanda Desiree Ainsworth, Choctaw County, #2019-542
3. G. E. Sparkes and V. M. Sparkes Revocable Trust, Garfield County, #2019-543
4. Marilyn Hutton, Tillman County, #2019-544

H. Consideration of and Possible Action on Applications to Amend Regular Permits to Use Groundwater:

1. Roger & Marilyn Fischer, Texas County, #1990-517B
2. Ronald K. Griesel Family Trust, Canadian County, #2002-562
3. Oklahoma Sand, LLC, Love County, #2017-543

- I. Consideration of and Possible Action on Applications to for Term Permits to Use Stream Water:
 - 1. Border Sands, LLC, Jefferson County, #2019-016
 - 2. Bluefin Water Solutions, LLC, McClain County, #2019-024
 - 3. Bluefin Water Solutions, LLC, Grady County, #2019-025
 - 4. Grant & Joy Beadles, Kiowa County, #2019-028

- J. Consideration of and Possible Action on Applications for Regular Permits to Use Stream Water:
 - 1. H & H Cattle Ranch, LLC, Grady County, #2018-076
 - 2. Alan J. Forman Revocable Trust dated April 20, 2012, Kingfisher County, #2019-027
 - 3. 1992 Forster Revocable Trust, Thomas and Dana Forster, Johnston County, #2019-042

- K. Consideration of and Possible Action on Applications to Amend Regular Permits to Use Stream Water:
 - 1. Jimmie D. Moreland, Grant County, #1979-091

- L. Consideration of and Possible Action on Dam and Reservoir Construction:
None

- M. Consideration of and Possible Action on Well Driller and Pump Installer Licensing:
 - 1. New Licenses, Accompanying Operator Certificates and Activities:
None
 - 2. New Operators, Licensee Name Change, and/or Activities for Existing Licenses:
 - a. Licensee: Authentic Drilling, Inc. DPC-0967
 - 1. Operator: Brandon Raglang OP-2300
 - b. Licensee: B & H Construction DPC-0765
 - 1. Operator: Timothy Runyon OP-2301
 - c. Licensee: Metco DPC-0653
 - 1. Operator: Stephen Bettis OP-2302
 - d. Licensee: Grateful Drilling, LLC DPC-1027
 - 1. Operator: Juan Bazan OP-1222
 - 2. Operator: Raynaldo Soto OP-1948

- N. Consideration of and Possible Action on Permit Applications for Proposed Development on State Owned or Operated Property within Floodplain Areas:
 - 1. Frontier Windpower II, LLC, Kay County, #FP-19-17
 - 2. Oklahoma Department of Transportation, McClain County, #FP-19-18

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

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

- A. No items. There were no questions or discussion about agency matters or other items of interest by the Board Members.

5. SPECIAL CONSIDERATION

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

6. NEW BUSINESS

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

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

Mr. Muller relayed a message of appreciation from Mr. Tom Buchanan, former OWRB member and Water Pioneer awardee, who was unable to stay for the Board meeting.

Chairman Stallings noted the distributed list of proposed regular meeting dates for 2020 and asked for the Board members' comments.

7. ADJOURNMENT

There being no further business, Chairman Stallings adjourned the meeting of the Oklahoma Water Resources Board at 4:00 p.m. on December 5, 2019.

OKLAHOMA WATER RESOURCES BOARD

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

_____/s/_____
Stephen B. Allen, Vice Chairman

_____/s/_____
Charles Darby

_____/Absent_____
F. Ford Drummond

_____/s/_____
Robert L. Melton, Sr.

_____/s/_____
Jennifer Castillo

_____/s/_____
Matt Muller

_____/s/_____
Suzanne V. Landess

ATTEST:

_____/s/_____
Bob Drake, Secretary

(SEAL)