

**OKLAHOMA WATER RESOURCES BOARD
OFFICIAL MINUTES**

July 8, 2003

1. Call to Order

The regular monthly meeting of the Oklahoma Water Resources Board was called to order by Chairman Grandstaff, at 9:30 a.m., on July 8, 2003, in the Board Room of 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.

A. Invocation.

Member Ervin Mitchell gave the invocation.

B. Roll Call

Board Members Present

Grady Grandstaff, Chairman
Glenn Sharp, Vice Chairman
Ervin Mitchell, Secretary
Harry Currie
Lonnie Farmer
Jack Keeley
Richard McDonald
Bill Secrest
Richard Sevenoaks

Board Members Absent

None

Staff Members Present

Duane A. Smith, Executive Director
Mike Melton, Assistant to the Director
Dean Couch, General Counsel
Jim Schuelein, Chief, Administrative Services Division
Joe Freeman, Chief, Financial Assistance Division
Mike Mathis, Chief, Planning and Management Division
Derek Smithee, Chief, Water Quality Programs Division
Mary Lane Schooley, Executive Secretary

Others Present

Tom Frailey, Hight, Heldermon, Lee, Chickasha, OK
Richard Landes, Grady County Rural Water District #1, Shawnee, OK
Jeff Packham, Capitol News Network, Oklahoma City, OK
Jana Hight, Mustang, OK
Martha Ober, BancFirst, Oklahoma City, OK
Katy VanWye, BancFirst, Oklahoma City, OK
Gene Whatley, Oklahoma Rural Water Association, Oklahoma City, OK
Vince Miller, Apple Valley Home Owners Association, Oklahoma City, OK
Steve Fox, City of El Reno, Ardmore, OK
Ronn Cupp, The State Chamber, Oklahoma City, OK
Lisa Soeder, Soeder & Associates, Hartford, CT
Jim Barnett, Kerr Irvine Rhodes Ables, Oklahoma City, OK
Sarah Penn, Office of the Attorney General, Oklahoma City, OK
Jim Lockett, City of El Reno, OK
Brent Riley, Bank of America, Oklahoma City, OK
John & Virginia Holbird, Apple Valley Homeowner's Association, Oklahoma City, OK
Larry Wallis, Newman Development, Oklahoma City, OK
Gene Turner, Grady County Rural Water District #1, Amber, OK
Janice Smart, The Journal Record, Oklahoma City, OK
Marilyn Baldwin, Tulsa Metropolitan Utility Authority, Tulsa, OK
Stan Jones, Tulsa Metropolitan Utility Authority, Tulsa, OK
James Wilbanks, Office of State Finance, Oklahoma City, OK
Gary Tillman, BOSCO, Oklahoma City, OK
Gary Lee, Hight, Heldermon, Lee, Hinton, OK
David Griesel, El Reno, OK
Sandra Cushing; Ron Griesel; Oklahoma City, OK
Richard Gravlin, Shadow Lake Development Company, Oklahoma City, OK
Mat Jordan, Red Frog Labs, Edmond, OK
Jack Bonny, State Representative, Burns Flat, OK
Larry Beatty, Hinton, OK
Cathie Arnold, Norman, OK
Ted Heldermon, Hinton, OK
Brenda Maxey; Sand Springs; Wells Nelson, Oklahoma City, OK
Chris Cochran, Capitol West, Oklahoma City, OK
Thomas Enis, Hight, Heldermon, Lee, Oklahoma City, OK
Charles Newton, Oppenheim/BOSCO, Oklahoma City, OK
Roger Rinehart, City of El Reno, OK
George K. Sites; Danny Wright; Norman, OK
Danny Wright, Hinton, OK
Marla Peek, OK Farm Bureau, Oklahoma City, OK`

C. APPROVAL OF MINUTES

Chairman Grandstaff stated the draft minutes of the June 10, 2003 Regular meeting have been distributed. He said he would entertain a motion to approve the minutes unless there were deletions or additions. Mr. Farmer moved to approve the minutes of the June 10, 2003, Regular Meeting, and Mr. Sharp seconded.

AYE: Currie, Farmer, Keeley, McDonald, Mitchell, Secrest, Sevenoaks, Sharp, Grandstaff
NAY: None
ABSTAIN: None
ABSENT: None

D. EXECUTIVE DIRECTOR'S REPORT

Mr. Duane Smith, Executive Director, stated that this morning is a celebration because the Oklahoma Water Resources Board has achieved an AA+ rating on its bond issuance that will save Oklahoma communities, rural water districts and municipal entities millions of dollars because of the fantastic program the legislature began over 20 years ago. Mr. Smith stated that the \$25 million dollar appropriation has now led to a savings in Oklahoma communities that could not have been attained in any other way. He used the example of a recent loan to the city of Rush Springs where, by utilizing the Board's program, saved the citizens \$323,000, but also that without the program, there would be no avenue for Rush Springs to borrow money for improvements.

Mr. Smith introduced the special guests who attended the meeting to make comments to the Board about the success of the program and its impact to the citizens of Oklahoma: Speaker of the House Larry Adair, Speaker-elect Jari Askins, Speaker Pro Tempore Danny Hilliard, Representative Jack Bonny, and Senator Bruce Price. The Board's programs will save ten communities in the districts represented more than 13 million dollars over the next 20 years. Others in attendance in support of the program were Ronn Cupp, The State Chamber; Gene Whatley, Oklahoma Rural Water Association; Danny George, Oklahoma Municipal League; and James Wilbanks, Office of State Finance.

Mr. Smith explained the importance of the AA+ rating. He said the OWRB bond program is the highest rated state issuer in Oklahoma, and the highest rated in the nation for a similar program for these types of bonds. He said that Standard & Poors awarded the rating upgrade because of the strong financial management and oversight of the program. Beginning with the legislative appropriation, the Board's representation as well as OWRB staff, all led to the upgrade. Mr. Smith complimented Mr. Joe Freeman, Chief of the Financial Assistance program for the excellent management of the program; he also recognized the members of the Board's Financial Assistance program staff who work with communities every day.

Mr. Smith said that it has been important to the Board that the program is managed by Oklahomans. He recognized members of the Board's finance team for their involvement in the success of the program, and for having created the best program in the nation: Mr. Don Kiser, long-time bond counsel; Chris Cochran and Robert Jones, Senior Managers from Capitol West Securities; Mr. Charlie Newton and Gary Tillman, Co-Managers from Oppenheim/BOSC; Brenda Maxey representing Keith McDonald with Wells Nelson as Co-Manager. He also recognized Mr. Rick Smith with Municipal Finance Services.

Mr. Smith asked Mr. Cochran to speak to the Board members and guests about the uniqueness of Board' \$100 million bond issue closing July 9, and to briefly look at the future needs of the program (proceeding to agenda item 2.A.1. below).

2. FINANCIAL ASSISTANCE DIVISION

A. Presentation of Overview of the Oklahoma Water Resources board Revenue Bond State Loan Program:

1. Presentation by Service Providers: Mr. Chris Cochran addressed the members and stated that on Wednesday morning the OWRB Finance Team will be closing the 10th-ever OWRB Financial Assistance Program bond issue. That issue represents another significant milestone in the success in what he believed to be without question the single most important bond program ever created in the history of the State of Oklahoma. He said that from Guymon to Poteau, from Tulsa to Walters, from Elk City to Sallisaw, people living in every corner and every county in this state have benefited from the low-cost financing program. Projects that would not have otherwise been affordable have become affordable under the program, and water and sewer bills across the state are lower today because of the Board's program.

Mr. Cochran reiterated the importance of the bond closing of \$100 million in bonds. That bond money over a period of years will be used to make loans to varying entities across the state for water and sewer improvements. The water and sewer revenues are then used to repay the loans and ultimately to pay off the bonds. He noted, however, that the municipalities that come to the OWRB do not have to, they do have options and the ability to issue their own tax-exempt bonds. The only reason they come to the Board's program is if they are provided a better deal for their financing in terms of interest rate and cost versus what they can do on their own. Since the program came into effect in 1986, the Board has been providing a better deal.

Mr. Cochran said with the close of the issue tomorrow, the gap has never been wider--the gap between what the Board can do for a municipality with its loans versus what the municipality is able to do on its own. He said there are three reasons why: First, the rating will save the Board money on bonds, saving the municipalities money on their loans and saving people money on the utility bills. The Board received the rating increase because Standard and Poor's recognized the Board's conservative management practices and it is what America strives for in such a program. Secondly, a high credit rating means low interest rates, and the interest rate on the Board's variable bonds for the next nine months is .87%, the lowest interest rate in the history of Oklahoma, and the lowest rate ever received on this program. And third, the cost of the bond issuance is the lowest ever paid on any of the Board' bond issues. He said that because of these three factors, no municipality has a justification for not being a part of this program.

Mr. Cochran also discussed the future of the program and the need for the Board and financial management team to look ahead and anticipate roadblocks. He said the program is at its peak right now, and there are two issues that pose obstacles to the future success of the program. First, the funding of the bond debt service reserve—a fund held by the trustee bank that serves as a cushion in the event of a shortfall in revenues or default—can no longer be protected by the purchase of surety bonds as in the past because surety bonds are not available by the industry unless the Board also purchases a bond insurance policy on the principle and interest of the bond issue, costing about \$500,000.00 at each issue. He emphasized there must be a solution to this concern before the Board issues its next bond issue or there is a possibility of halting the next issue. He said there are many solutions, but he would personally recommend that the State of Oklahoma provide the surety bond as it currently does for the Oklahoma Development Finance Authority through its credit enhancement reserve fund, and such a fund could be tailored for the Board's program. Resolution to this concern will take a lot of time and action and needs to be addressed soon.

Secondly, Mr. Cochran said that he is of the opinion the Board will need to increase the revenues to the program. Right now, there is not enough revenue generated from the spread charged on the loans to cover all the costs of administration and operation of the program. For example, if Poteau were to make a loan from the issue at .87%, the spread above that designed in 1986 is to pay for the costs of operating the Financial Assistance Division, cost of the bonds, and so forth. The bad news is that it is insufficient, but there will not be a problem for years to come. However, if the problem is not addressed, there will be a situation in the future where

bonds will come due and there will not be enough money to pay, causing a default. The problem has been caught early and can be corrected before there is a real problem.

In summary, Mr. Cochran stated that this program has never been at a higher pinnacle than it is right now which is a credit to many people in the room. He said he wanted to come to the Board today to talk about the program's future. And he said it has been an honor to be the investment banker and member of the financing team for the highest rated agency in the state of Oklahoma's history. He said the team stands ready to assist the Board in moving the program forward.

2. Discussion and Questions by Board Members: There were no questions or discussion about the comments made during the presentation.

B. Consideration of and Possible Action on a Proposed Order Approving Loan for Rural Water District #1, Grady County, Oklahoma. Recommended for Approval. Mr. Joe Freeman, Chief, Financial Assistance Division, stated to the members that the Grady County Rural Water District #1 had made application for a loan in the amount of \$259,900.00 from the Drinking Water SRF program. The loan, along with a REAP grant, will finance the drilling of two new wells, install well houses, and complete line extensions to tie into the existing system. Mr. Freeman noted provisions of the loan agreement, saying the district would realize a savings of approximately \$207,000.00, or \$4.75 per tap per month. Staff recommended approval of the loan application.

Mr. Gene Turner, chairman; Mr. Wickie Riley, Board member; and Skip Landes, engineer were present in support of the loan request.

Mr. Mitchell moved to approve the loan to the Grady County Rural Water District #1, and Mr. Sharp seconded.

AYE: Currie, Farmer, Keeley, McDonald, Mitchell, Secrest, Sevenoaks, Sharp, Grandstaff
NAY: None
ABSTAIN: None
ABSENT: None

C. Consideration of and Possible Action on a Proposed Order Approving Loan for Sand Springs Municipal Authority, Tulsa County. Recommended for Approval. Mr. Freeman said this loan requested by the Sand Springs Municipal Authority is in the amount of \$3,496,838.000. The proceeds will be used to refinance the remaining portion of the Authority's interim construction loan that the Board provided in November 2001. The construction loan was for wastewater system improvements including constructing a headworks, install belt filter presses, constructing a bio-filter, a new flow-splitter box, rehabilitate clarifiers, and install yard piping. He said that \$1,266,838.000 of the loan proceeds will be funded through the Board's Clean Water SRF loan program, at 1/2-point administrative fee with a maturity not to exceed twenty years. He said that \$2,230,000 will be funded through the Board's revenue bond loan program at the interest rate in place at the time of closing. Mr. Freeman noted other provisions of the loan agreement, saying that the Authority will save over \$1.7 million over twenty years. Staff recommended approval of the request.

Ms. Brenda Maxey, financial advisor, was present in support of the loan request.

Mr. Secrest moved to approve the loan for the Sand Springs Municipal Authority, and Mr. McDonald seconded.

AYE: Currie, Farmer, Keeley, McDonald, Mitchell, Secrest, Sevenoaks, Sharp, Grandstaff
NAY: None

ABSTAIN: None
ABSENT: None

D. Consideration of and Possible Action on a Proposed Order Approving Loan for Tulsa Metropolitan Utility Authority, Tulsa County. Recommended for Approval. Mr. Freeman said this item is for the consideration of a \$4,750,000.00 loan request by the Tulsa Metropolitan Utility Authority to refinance the Authority's 1992B OWRB loan. The new loan will be funded through the Board's 2003B bond issue at a fixed interest rate, for a maturity of approximately nine years. Mr. Freeman noted the provisions of the loan agreement. He said Tulsa currently has 16 outstanding loans with the Board totaling \$78 million, and two loans in the process of being closed totaling \$22 million. Estimated savings to Tulsa is \$649,000.00 in interest expense. Staff recommended approval of the loan request.

Mr. Stan Jones, Treasurer Division Manager for the City of Tulsa, was present in support of the loan request.

Mr. Farmer moved to approve the loan application to the Tulsa Metropolitan Utility Authority, and Mr. McDonald seconded.

AYE: Currie, Farmer, Keeley, McDonald, Mitchell, Secrest, Sharp,
Grandstaff
NAY: None
ABSTAIN: Sevenoaks
ABSENT: None

E. Consideration of and Possible Action on a Proposed Resolution Authorizing Certain Individuals to Sign and Act on Behalf of the Board Regarding the Board's Financial Assistance Program, State Revolving Fund Programs, and Issues of Indebtedness, and Authorizing Members to Act as Assistant Secretary. Recommended for Approval. Mr. Freeman explained to the members that this resolution authorizes each member of the Board individually—except for the chairman—to act as assistant secretaries, in the absence of the Board's secretary, and allows the Board's trustee to know the composition of the Board and to have signatures on file for verification. The resolution is the same as previously approved signatory resolutions. Staff recommended approval.

Mr. McDonald moved to approve the resolution authorizing certain individuals to sign on behalf of the board, and Mr. Sharp seconded.

AYE: Currie, Farmer, Keeley, McDonald, Mitchell, Secrest, Sevenoaks, Sharp,
Grandstaff
NAY: None
ABSTAIN: None
ABSENT: None

F. Consideration of and Possible Action on a Proposed Resolution Authorizing the Issuance of Oklahoma Water Resources Board Revolving Fund Revenue Bonds Series 2003 in Aggregate Principal Amount not to Exceed \$125,000,000.00; Approving and Authorizing Execution of a Master Trust Agreement and a Bond Indenture Providing for the Issuance of Said Bonds; Waiving Competitive Bidding on the Bonds and Authorizing the Sale Thereof by Negotiation and at a Discount Pursuant to the Terms of a Contract of Purchase Pertaining Thereto; Approving a Preliminary Official Statement with Respect to Said Bonds; Directing Deposit of Proceeds Derived from the Issuance of the Bonds in the State Treasury and Requesting the State Treasurer to Remit Such Proceeds to the Bond Trustee; Ratifying and Approving the Form of Promissory Note and Loan Agreement to be Executed by Borrowers of Bond Proceeds; Authorizing Execution of Such Other and Further Instruments, Certificates and

Documents as may be Required for the Issuance of the Bonds; Directing Payment of Costs of Issuance and Containing Other Provisions Relating to the Issuance of the Bonds.

Recommended for Approval. Mr. Joe Freeman stated to the members that this resolution authorizes the issuance of the Board's Revolving Fund Revenue Bond Series 2003 to fund the Drinking Water State Revolving Fund loan program. He said that the resolution authorizes a number of specific items: an issuance of bonds not to exceed \$125 million, execution of a master trust agreement and bond indenture, issuance on a negotiated basis at a discount, approving preliminary official statement, directing deposit of proceeds with State Treasurer for admittance to the bond trustee, approving the form of promissory note and loan agreement, approving payment of the cost of issuance and authorizing other such documents as required for the issuance of bonds. Staff recommended approval.

There were no questions or comments by the Board or members of the public.

Mr. Sharp moved to approve the Resolution Authorizing the Issuance of Oklahoma Water Resources Board Revolving Fund Revenue Bonds Series 2003, and Mr. Mitchell seconded.

AYE: Currie, Farmer, Keeley, McDonald, Mitchell, Secrest, Sevenoaks, Sharp, Grandstaff
NAY: None
ABSTAIN: None
ABSENT: None

3. SUMMARY DISPOSITION AGENDA

Chairman Grandstaff stated that any item listed under this Summary Disposition Agenda may, at the request of any member of the Board, the Board's staff, or any other person attending this meeting, 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.

Mr. Sevenoaks asked about the resolution authorizing the chairman or vice chairman to execute intergovernmental agreement with the U.S. Department of Interior, Bureau of Reclamation for study of the Arbuckle-Simpson Aquifer. Mr. Smith responded that the cooperative agreement with the Bureau of Reclamation was expected to be ready for presentation to the Board today; however, it is not, and the Board's option is to wait until next month, or give the chairman or vice chairman the authority to sign the agreement when it becomes ready so that work on the study can begin. Mr. Sevenoaks asked if this agreement and study is in response to the Legislature's request for the study; Mr. Smith responded that \$270,000 of state money was matched 50-50 with the Bureau of Reclamation for this first year of the five-year study. Mr. Smith added that the Peer Review Group has been put together and consists of the U.S. Geological Survey, Oklahoma Geological Survey, Oklahoma State University and the Kerr Research Lab, with the Water Board staff as the lead. The group will be looking at the scope of work and all the technical components of the study. Mr. Sevenoaks asked that a presentation be made to the Board about the scope of work, at the next meeting held in Oklahoma City.

There were no requests to transfer items to the Special Consideration Agenda. However, Mr. Jim Schuelein asked that several contracts be withdrawn from the Board's consideration: 3.D.2., 3.D.3., 3.D.7., 3.D.9., and 3.D.10.

Mr. Mathis stated agenda items 3.E.2., #2003-530, 3.J.2. #2003-004 and 3.J.4. #2003-013, should be withdrawn from the Board's consideration as there were publication and notification inaccuracies with these applications.

B. Discussion, Questions, and Responses Pertaining to Any Items Remaining on the Summary Disposition Agenda and Action on items and Approval of Items 3.C. through 3. N.

There being no other questions regarding any items on the Summary Disposition Agenda, Mr. McDonald moved to approve the Summary Disposition Agenda as amended, and Mr. Keeley seconded.

AYE: Currie, Farmer, Keeley, McDonald, Mitchell, Secrest, Sevenoaks, Sharp, Grandstaff
 NAY: None
 ABSTAIN: None
 ABSENT: None

The following items were approved:

C. Consideration of Approval of the Following Applications for REAP Grants in Accordance with the Proposed Order Approving the Grants:

REAP				Amount
<u>Item No.</u>	<u>Application No.</u>	<u>Entity Name</u>	<u>County</u>	<u>Recommended</u>
ACOG				
1.	FAP-01-0024-R	Rural Water, Sewer & Solid Waste Management District #4	Canadian	\$90,585.00
ASCOG				
2.	FAP-00-0044-R	Rural Water District #1	Grady	150,000.00
3.	FAP-97-0060-R	Elgin Public Works Authority	Comanche	99,270.00
4.	FAP-99-0045-R	Rush Springs Municipal Improvement Authority	Grady	87,200.00
COEDD				
5.	FAP-02-0025-R	Rural Water District #3	Payne	140,800.00
INCOG				
6.	FAP-01-0052-R	Rural Water District #21	Osage	93,500.00
NODA				
7.	FAP-01-0070-R	Burlington Public Works Authority	Alfalfa	39,916.80
8.	FAP-99-0056-R	Medford Public Works Authority	Grant	58,200.00
9.	FAP-01-0048-R	Lamont Public Works Authority	Grant	24,000.00
OEDA				
10.	FAP-01-0032-R	Town of Keyes	Cimarron	104,788.79

D. Contract and Agreements Recommended for Approval

1. Consideration of Resolution Authorizing Chairman or Vice Chairman to Execute Intergovernmental Cooperative Agreement with the U. S.

Department of Interior, Bureau of Reclamation, for Comprehensive Study of the Arbuckle-Simpson Aquifer.

2. ***Consideration of Intergovernmental Agreement with the U. S. Department of Interior, Bureau of Reclamation, for Developing a Bathymetric Map of Lugert-Altus Reservoir. withdrawn***
 3. ***Consideration of Joint Funding Agreement with the U. S. Geological Survey, Oklahoma District, for the FY-2004 State-Federal Cooperative Program withdrawn***
 4. Consideration of Professional Services Agreement with Michael A. Albano for Work Related to Water Rights Permitting.
 5. Consideration of Interagency Agreement with the State Department of Environmental Quality for Laboratory Analysis.
 6. Consideration of Contract for Services with Shangri-La Resort and Conference Center to Host August Board meeting.
 7. ***Consideration of Agreement with the Grand Lake Association for Volunteer Monitoring Around Grand Lake. withdrawn***
 8. Consideration of Interagency Agreement with the State Department of Environmental Quality for Infrastructure Assessment Program.
 9. ***Consideration of Letter Agreement with the U.S. Army Corps of Engineers for Water Quality Study at Lake Wister. withdrawn***
 10. ***Consideration of Interagency Agreement with the Poteau Valley Improvement Authority for Water Quality Study at Lake Wister. withdrawn***
 11. Consideration of Selection of Escrow Verification Service Provider in Connection with Issuance of Obligations to Provide Funding for State Loan Program.
- E. Applications for Temporary Permits to Use Groundwater:
1. Patrick J. Brueggen, Kingfisher County, #2003-526
 2. ***Thelma T. Flanigin Trust, Caddo County, #2003-530 withdrawn***
- F. Applications to Amend Temporary Permits to Use Groundwater:
1. Steven & Connie Redgate, Woods County, #1977-749
- G. Applications for Regular Permits to Use Groundwater:
1. Byrl & Vaudie L. Smith, Ellis County, #2002-599
 2. Jerry Johnson, Ellis County, #2003-513
 3. Flat Prairie Farms, Inc., Texas County, #2003-535
- H. Applications to Amend Regular Permits to Use Groundwater:
1. Frank Berry & Sons, Inc., Texas County, #1998-636

- I. Applications to Amend Prior Rights to Use Groundwater:
None
- J. Applications for Regular Permits to Use Stream Water:
1. Shirley Jeannette & Robert Hough, Nowata County, #2003-003
 2. **David Cramer, Major County, #2003-004 withdrawn**
 3. JRC Ranch, LLC, Muskogee County, #2003-011
 4. **Oil City Associates, LLC, Stephens County, #2003-013 withdrawn**
- K. Applications to Amend Regular Permits to Use Stream Water:
None
- L. Well Driller and Pump Installer Licensing:
1. New Licenses, Accompanying Operator Certificates and Activities:

a.	Licensee: Kastl Well Service	DPC-0599
	Operator: Chris A. Kastl	OP-1350
	Activities: Pump Installation	
b.	Licensee: Mooter's Well Service	DPC-0601
	Operator: Donnie Mooter	OP-1351
	Activities: Groundwater wells, test hole and observation wells	
 2. New Operators and/or Activities for Existing Licenses:

a.	Licensee: Petroleum Marketers Equipment Company	DPC-0572
	Operator: Greg M. Phillips	OP-1352
	Activities: Monitoring wells and geotechnical borings	
- M. Dam and Reservoir Plans and Specifications:
1. G.T. Blankenship, Cleveland County, DS 03-08
- N. Permit Applications for Proposed Development on State Owned or Operated Property within Floodplain Areas:
None
- O. Proposed Orders for Informal Disposition by Default for Administrative Reductions and Cancellations of Rights to Use Stream Water:
1. Maldrus Easley, Tillman County, #1960-30
 2. Paul H. Edge, Kiowa County, #1963-418
 3. James Celsor, Washita County, #1967-500
 4. Nancy Haynie, Tillman County, #1953-378
 5. Nancy Haynie, Tillman County, #1964-189
 6. Nancy Haynie, Tillman County, #1964-302
 7. Charles B. and Mary J. Davis, Jackson County, #1985-22A
 8. W.T. Rouse, Washita County, #1964-621
 9. Marie Mills, Jackson County, #1981-156
 10. Noble Coy, Beckham County, #1970-258
 11. The Tipton Home, Inc., Tillman County, #1952-414
 12. D.H. Trent, Jackson County, #1952-580
 13. Rural Water District No. 15, Osage County, #1969-95

- P. Acquisition of Assets:
1. Application of the Warner Utilities Authority to Acquire the Assets of Rural Water District No. 11, Muskogee County, RWA 03-01

04000 4. QUESTIONS AND DISCUSSION ABOUT AGENCY WORK AND OTHER ITEMS OF INTEREST.

No items.

05000 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. Application for Regular Permit to Use Groundwater No. 2002-562, Ronald K. Giesel, Canadian County:

1. Summary - Mr. Mike Mathis, Chief, Planning and Management Division, stated to the members that this application for regular groundwater permit for Ronald Giesel is a request to take and use a total of 400 acre-feet of groundwater per year for commercial sale for municipal and rural water use in Canadian and Oklahoma Counties. The water is proposed to be withdrawn from 12 wells located on 400 acres of dedicated land overlying the North Canadian Phase II Groundwater basin.

Mr. Mathis stated this application has been very controversial and is an area where property lines are very difficult to determine in the river area and there has been quite a bit of dispute on that issue and that can be found in the proposed findings. He said that following the submittal of the draft proposed findings, conclusions of law and Board order, exceptions were received from the protestant, the City of El Reno, pointing to a couple of issues which staff believe warrants further investigation and consideration prior to consideration of the proposed order by the Board. With that, Mr. Mathis stated that staff recommended that the application be withdrawn at this time from consideration today in order to investigate and evaluate the information. Mr. Mathis stated the matter should be ready for consideration at the next month's meeting.

Mr. Mathis stated the parties are present and may want to make comments. Mr. David Giesel, representing Ron Giesel, stated to the members that he would request that if there is a postponement, that it be considered at a meeting following the August Board meeting which is out of town. Mr. Jim Barnett, representing the City of El Reno, stated the city had no objections.

Chairman Grandstaff state the matter has been withdrawn, and will be considered at the September 2003 meeting in Oklahoma City.

B. Application for Temporary Permit to Use Groundwater No. 2003-512, Newman Development & Design, L.L.C., Oklahoma County:

1. Summary – Mr. Mike Mathis stated to the members that this item is for the consideration of an application by Newman Design and Development to withdraw 266.8 acre-feet of groundwater per year for recreation, fish and wildlife purposes. The water is to be taken from three wells located on 133.4 acres of dedicated land in Oklahoma County located over the Garber-Wellington Sandstone Formation for which the maximum annual yield and equal proportionate share have not been determined and therefore each landowner is entitled to two acre-feet of groundwater per year.

Mr. Mathis stated that evidence in the record showed that the applicant is not currently the owner of the dedicated land, nor does he have a validated lease signed by the owners of the dedicated land. However, the applicant does have authorization to proceed with the application from the owner's attorney, as they are in the process of consummating the sale of the land to the applicant. With that in mind, there is a condition in permit that the permit application can move forward.

Mr. Mathis stated the applicant proposed to construct a residential development on this property that he is acquiring, and plans to enhance the development by constructing an approximately 21-acre lake on an unnamed tributary of Deep Fork Creek. The applicant plans to fill the lake from runoff from rains this coming year and has obtained a permit to appropriate stream water for that purpose. The applicant plans to use the groundwater subject to this application to complete the filling of the lake if the runoff is not adequate.

The record indicates the applicant's intended use is beneficial use of groundwater. The wells will be located in close proximity to the lake, and the system will be inspected daily and any leaks will be repaired as soon as possible. It is expected that approximately 73 acre-feet will be pumped to make up for loss through evaporation on an annual basis. The proposed wells will be drilled by a licensed well driller, and in compliance with the Board's rules and regulations.

Mr. Mathis stated the protestants expressed concern that the applicant's withdrawal would interfere with and cause the groundwater in the area to be depleted. The protestants in the area have domestic wells that are their sole source of supply for their homes. The applicant testified the wells would be approximately 500 feet deep in the deeper zones of the Garber-Wellington. In evaluating the setting for this application, and which has been done in other similar applications, staff believes that if the well would be sealed to a zone of about 200 feet, there would not be communication in that zone and drawing from the deeper zones of the aquifer would not interfere with the domestic wells in the upper zones. The applicant testified he would be willing to do special sealing and construction technique on the proposed well.

In summary, Mr. Mathis stated the record showed the application to be in compliance with the Oklahoma Groundwater Law, and staff recommends approval.

2. Discussion and presentation by parties. Mr. Larry Wallis, representing Newman Development, stated to the members that the property is located at the corner of Hefner and Air Depot, and is suited for this type of development. He said that the development design has a lake for family recreation included, and he had obtained a permit for the dam and for the surface water, and has obtained rezoning as well as a Corps of Engineers 404 permit certification; the only item lacking is the use of groundwater to sustain a reasonable level of the lake.

Chairman Grandstaff asked how many lots are in the development; Mr. Wallis stated he planned that the development would have 73 lots of 1-1/2 acre in size. Mr. Currie said the neighbors did not believe there is enough runoff in the area; Mr. Wallis answered there is roughly 350-400 acres that drain to the area, where light rains would be absorbed into the soil, a heavier rain would run into the bar ditch and subsequently to the Deep Fork. He said he intended to have the dam built and the lake ready to receive the runoff rains from the Autumn and Winter and hoped to capture as much as possible. He said old USGS maps indicate there was a pond located on the site, but the backside of the dam has failed. The planned lake will be

much larger, but in years past the pond had retained water. After Mr. Currie asked, Mr. Wallis reiterated that he would be willing to seal the wells at 200 feet. Mr. Sevenoaks asked Mr. Wallis to address the ownership issue; Mr. Wallis responded that he has an option on the property for 120 days in order to obtain the necessary permits and the option period is nearing a close. Chairman Grandstaff asked about the selling of lots and the diminishing of the ownership of land and subsequently water. Mr. Mathis explained that the obtaining of water rights will stay with the land developer, and the purchaser of the lots will also have domestic rights as each parcel of land is sold, or the water rights can be conveyed but that would then “split” the permit, which is not uncommon. Mr. Wallis said that when he made application he understood he would be able to apply for two acre-feet of water per acre. He said there will be 48 acres of common property owned by the neighborhood association, which 96 acre-feet of water would be sufficient for the for the lake, and although he had not addressed that issue, he would consider it.

Mr. Couch interjected that groundwater rights – under property law in Oklahoma and separate from the permitting process approved by the Board – go with the surface of the land unless there is something specific in the documents showing otherwise. He said, then, for the 133 acres of land there can be an application for 266 acre-feet of water through the OWRB’s process. When and if the development occurs and individual lots are severed, it is up to the private parties how to address water rights, even domestic use. Obviously, if the area is to be supplied with domestic wells, then if purchasing the lot from a developer there is a prohibition against domestic use, that would make the lot worthless. So these transactions and relationships are set out in the deed in how they work together when selling the lot, and if it is silent, the Board looks at it as that amount of land and the rights go with it unless the deed restricts it and the right is reserved. In this case, Mr. Couch stated that it appeared that the developer here will retain the rights of the 133 acres and it can be either way and the domestic use will be addressed in the lot deed, and that can be authorized. The two acre-feet as set out in the law without considering domestic use and if a domestic use of water is in addition to the authorized amount under the law. He said that in the future a permit amendment could be made and accordingly a reduction can be made, unless today the developer wants to stipulate to that and reduce the requested amount (to 96 a.f.) today. He said it is legal to “double dip” where, for example, there is a permit for irrigation and also a house that is using water for domestic use.

Mr. Currie expressed concern that there are reports of the water table lowering across the state, and that use of groundwater may be abused for recreation versus supply in the future. Mr. Couch stated that the idea of priority of uses has been addressed and presented at the Legislature about thirty years ago, but that issue – drinking water as a priority over recreation (for other uses) – was rejected. He said the state of the law right now is there is no recognition of those priorities of use, it’s a private property right and the property owner can use it to drink or for recreation.

Mr. Wallis said it was his intention to reserve the water right. He said that he understood that even if there is no rain in an annual cycle, 36 inches would be evaporated. The 48 acres would allow for 96 acre-feet of water, which much less is needed. He said the concern that the lake will be filled every year and domestic supplies would be depleted is not the intention, but to take advantage of the seasonal rains and keep the lake at a reasonable level. The lake is designed to have a five-acre buffer to keep more water in the area. He said he planned to live there and it is his intention that the landowners would have rights to their water in their deed.

Mr. John Holbird, President of the Apple Valley Homeowners Association, addressed the members and stated he is representing 111 homeowners. He said the association had met with Mr. Wallis to find out about the development, but were unable to resolve their concerns. He was concerned that there would be runoff to build a 21-acre lake, that there would be a need for

more groundwater than is being permitted to keep the lake filled, whether the wells were to be metered, and that the association would like to see the location of the well moved from the corner of the property. He asked: (1) who is responsible to monitor the well, (2) where should complaints be filed, (3) who pays if the residents have to seek a water supply, and (4) why build a lake for skiing when Lake Arcadia is so close.

Mr. Vince Miller, also Apple Valley Homeowners Association, stated to the members his concern about pumping unmetered water, and he spoke of the calculations of pumping 200 gallons per minute every day and when the permitted limit would be reached. He also questioned how many persons would have access to the lake.

Mr. Wallis addressed the concerns of the protestants saying that he would agree to meter the wells, and that every landowner in the development would have access to the lake; however, only 16 would have boat access on the lake.

Chairman Grandstaff mentioned the possibility of stipulating the water rights could not be reserved from the lots that are sold. Mr. Couch responded that the Board did not have the authority under an order to direct a landowner or groundwater right holder for future consideration and transaction to limit what otherwise the agency is not involved with. He said the Board can require reporting of any sales, copies of the deeds to be submitted at a certain time and analyzed and access the transaction and then advise whether the groundwater rights go with the land or stay with developer. Or, the Board can require adjustments to and reduction of as similar to any land transaction i.e., if a farmer has 160 acres and sells 80 acres, the Board usually incidentally finds out and requests that it be submitted for adjustment to the permit.

Chairman Grandstaff withdrew his comments, and asked if there is a motion regarding the permit, with the condition to meter as agreed.

3. Possible executive session. The Board did not vote to enter executive session.

4. Vote on whether to approve the proposed order as presented or as may be amended, or vote on any other action or decisions relating to the proposed order.

Mr. McDonald moved to approve the proposed order as recommended by staff. Mr. Sevenoaks asked for clarification is the motion to approve the permit as proposed, with the addition of metering the three wells. Mr. Couch stated that on that point, there would be revision to the written proposed findings and conclusions about the stipulation to meter and would add a condition about installation of the meter and for purposes of reporting. Mr. Sharp seconded the motion.

AYE: Farmer, Keeley, McDonald, Mitchell, Secrest, Sevenoaks, Sharp, Grandstaff

NAY: None

ABSTAIN: Currie

ABSENT: None

C. Application to Approve Plans and Specifications to Construct a Dam and Spillway No. DS-03-01, Danny Wright, Caddo County.

1. Summary- Mr. Mathis stated that this item is for an application to construct a low hazard, small-size dam and spillway structure on an unnamed tributary of the Canadian River in Caddo County. The dam will be 380 feet long, 34 feet high and will impound a maximum of 1180 acre-feet of stream water at the top of the dam. The dam is being constructed for domestic, recreation, and fish and wildlife purposes.

The protestants contended that at the time of the hearing the proposed construction was unsafe and a menace to life and property and would improperly diminish and impair the continued natural flow of the stream to the detriment of downstream domestic users.

Based upon the testimony and evidence in the record, significant construction was done before retaining a registered professional engineer and before the engineer first visited the site. In addition, the plans as submitted did not place the floor drain outlet valve on the upstream side of the dam as required by the Board's minimum construction rules and the outlet pipe was placed at an elevation which would allow more water to be stored than allowed by Board rules to the detriment of downstream water users. The dam design is safe and not a menace to life and property if and only if certain conditions are imposed and no further construction may be performed until such time as the following prescribed conditions have been met: The plans as submitted must be revised so that the amount of stream water retained below the floor drain outlet conduit does not exceed 23 acre-feet; and the plans must be modified to install a valve for the floor drain on the upstream side of the embankment. And, all construction work done outside the supervision of the Applicant's engineer is disapproved and shall be undone, to be replaced with construction done under the supervision of the engineer, unless the engineer investigates the unauthorized construction and files written certification with the Board that such work conforms to the plans. With those conditions imposed, Mr. Mathis stated that staff recommends approval of the application.

2. Discussion and presentation by parties. Mr. Rich Propester, representing the Applicant, stated to the members that the findings of fact and conclusions of law are comprehensive and he does not have a quarrel with the order. However, he did have two comments. At the time the application, Mr. Wright was the owner of a 73-acre tract of land and based upon the OWRB staff calculation, the maximum amount of storage for domestic use with respect to the proposed dam was found to be 22.815 acre-feet, and he believed the calculation is correct with one correction—82 O.S. section 105(2)(a) provides that domestic use has to be doubled for a two-year storage. If that were correct, the amount of storage of the proposed dam would increase to 46 acre-feet at the floor pipe. Since the time of the application, Mr. Wright has acquired 10 additional acres contiguous to the lake, increasing the total ownership of the land upon which the reservoir sits to a total of 82 acres. Mr. Propester said that certified proof of the ownership is available, and the proposed dam site would be as originally proposed by Mr. George Sites at 50 acre-feet. Secondly, Mr. Sites originally proposed to include a gate-operated outlet at the floor pipe conduit on the downstream side of the dam, while the Board's rule mandates that all valves must be located on the upstream side of the dam. However, it was the testimony of Mr. Cecil Bearden, OWRB engineer, that the Board and staff routinely approved valves on the downstream side of the dam because it is easier to control in a flood situation and to release water. Mr. Propester said that this particular dam is designed to be gate-operated with two valves; a ten-inch valve on the principal spill pipe, approximately 15 feet from the reservoir floor, and a second gate-operated valve on the downstream side of the dam that would be approximately five feet from the floor of the reservoir.

Mr. Propester stated that he is prepared to amend the plans to include the valve on the upstream side. However, Mr. Wright as a private landowner, had gone to tremendous expense to put this design before the Board for approval, and would ask the Board for a waiver of the downstream valve on the floor pipe to allow it to be constructed in a frost-proof box. With these comments, Mr. Propester urged the Board to approve the application as recommended by staff.

Mr. Tom Ennis, representing downstream landowners and the protestants, stated to the members that the first immediate downstream owners are Ted and Karen Heldermon, who grew up on the property, moved away, but later returned and has lived and raised cattle for eleven years on the property. The stream concerning the dam and reservoir is the source of water for his cattle. Mr. Ennis also talked about other downstream owners, Mr. Lee and Mr. and Mrs. Hight.

Mr. Ennis said the material before the Board stated the dam is to be constructed for domestic, recreation, and fish and wildlife purposes. The published notice indicated domestic

use only, and there was no testimony at the hearing about any other use. Mr. Ennis stated that there was testimony the stream is used for wildlife indicating that is of value to the protestants and they do not want the stream flow interfered with due to current uses, but also because there are significant wildlife uses. Mr. Ennis stated Mr. Wright had begun the dam last December, and significant work had been performed before an application was brought to the Board's attention. Another neighbor, Mr. Heldermon contacted Mr. Wright about the impact to the downstream landowners, which was met with little response by Mr. Wright. The Board contacted Mr. Wright instructing an engineer to be hired, and Mr. Sites then prepared plans and finally an application was filed, but at that time, Mr. Wright did not own legal title. This was brought forth at the time of protest, and at the hearing Mr. Wright produced a deed for the 73 acres that he had only for one week, which did not allow the protestants time to address the matter since he did not have ownership. Mr. Ennis said today he hears Mr. Wright has acquired another ten acres, which he felt should have been presented at the hearing. He contended that if the proposed order is written that the dam will be safe if certain conditions are met, then as the application was submitted, the dam is not acceptable. He did say the order is an acceptable compromise, that they preferred the application be denied, but if the conditions are enforced, it is acceptable. He noted the "Protestant's Response" to the order which asks that paragraph no. 2 of the order be modified to instead of ordering either the floor drain be fixed or the height of the dam lowered, that the option to install a gate valve of the floor drain be eliminated, and that only the lowering of the height of the dam be allowed. And additionally, to specifically state in the order that at all times the applicant will allow the release of a sufficient amount of water so as not to interfere with downstream users.

Mr. Sevenoaks asked if during construction there would be an obstruction to the stream flow. Mr. Mathis responded that during construction the inflow could be stopped, but there are ways to divert the flow so there is not an interruption. Mr. Sevenoaks asked if as a usual matter of business does the Board require that stream flow be maintained for downstream users. Mr. Mathis responded the Board's rules do provide that outlet works and operation of dams must be done in such a way that it will not be to the detriment of downstream users. He said that if there is a need, landowners should work together to share the inflow for the benefit of the users. The members discussed the Board's requirements for the conditions of flow during construction and impoundment.

Mr. Couch stated there should be clarification with the protestant's response with respect to lowering the principal spillway to impound 23 acre-feet, while over all the design will impound 700 acre-feet. That is a significant change that the applicant needs to address. Mr. Propester responded the original design was for the dam to be 34 feet, and the protestant's are asking Mr. Wright to take the principal spill pipe which is 36 feet in diameter and which the water dumps over into, and cut it to approximately 5 1/2 feet above the floor of the creek, and let all the water flow through the pipe and out the bottom of the dam. That would allow storage of 50 acre-feet in a dam that is 34 feet tall as opposed to the original design of storing 700 acre-feet. He said it is economically infeasible to build a dam of that size to store 50 acre-feet, which is not an economical alternative. Mr. Couch asked if the applicant claimed a domestic use of 700 acre-feet of water. Mr. Propester responded that the application is for fish, wildlife and recreation; there is no proposed agricultural use of water in the reservoir, and there is no proposed domestic use that is immediately contemplated. The water stored behind the dam would be released from the principal spill pipe and water that falls below the spill pipe would be released through a ten-inch valve which is currently on the spill pipe, and a second opportunity to release the water is through an eight-inch spill pipe in the bottom of the dam. He said the application is to be allowed to store 50 acres and there would be no release at that level. Mr. Mitchell stated, and Mr. Couch conferred, that the Board's rules do not allow that flow will cease.

There was discussion about the water supply for the cattle. Mr. Propester stated Mr. Ennis is leading the Board to believe the applicant controls 100% of the tap; however, there is flow below the dam from other tributaries across other people's property which the applicant has no control over. Mr. Ennis stated there was general testimony in the record about other tributaries, but the only evidence in the record were readings taken below the dam showing approximately the same as what was downstream, and if there are other tributaries they weren't contributing during February and March when those reading were taken. He said he was not objecting to 23 acre-feet of storage, but to 700 acre-feet; and to only accept the second option mentioned in the order.

Mr. Sevenoaks asked what amount of water would be impounded. Mr. Mathis answered the normal pool level would be 700 acre-feet for primarily domestic use based on construction of dam they are entitled to, and below the low level outlet about 23 acre-feet. He said it is similar to NRCS sites where there is a low level outlet conduit called the valley floor drain, and over time will fill in from sediment. Until that time, the watershed dams will accumulate water to a higher level and there may not be a permit for actual water use and downstream users can make a call for release from the temporary pool when it is needed downstream.

Chairman Grandstaff said the "bottom line" is that the applicant has the right to build the dam to the minimum construction standards of the Board and impound the water; all other discussion is academic. Mr. Duane Smith stated the protestant's concern is interference with their use. The Board's rules clearly state the applicant cannot interfere, and so the Board's staff is looking at the construction of the dam to make sure there can be a release of water in times so that there is no interference, and that is why the staff reviews the plans and specifications for, not whether they can build, or what can be impounded, but the main issue is to ensure that when the applicant builds the reservoir, there will not be impairment to the downstream owner. He said the Board's engineers have reviewed the plans and specifications, and their recommendation is that it will protect the downstream use. He said there may be field investigations, and it is not uncommon for disputes to occur and staff to enforce the release of water. He said that Mr. Mathis's point is accurate that there are more NRCS sites in this state than any other state, and they are all required to not interfere with downstream use and staff responds often to calls for releases when the weather is dry.

3. Possible executive session. The Board did not vote to enter executive session.

4. 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.

Mr. McDonald moved to approve staff recommendation for application DS-03-01, and Mr. Keeley seconded.

Mr. Sevenoaks asked if the motion included any of the amendments requested by the protestants, and Chairman Grandstaff stated the motion is to approve the order as presented.

AYE: Currie, Farmer, Keeley, McDonald, Mitchell, Secret, Sevenoaks, Sharp, Grandstaff

NAY: None

ABSTAIN: None

ABSENT: None

D. Consideration of and Possible Action on Proposed Resolution for Adoption of Finding of Emergency and Adoption of Proposed Emergency Rule Amendments Relating to Construction Standards for Heat Exchange Wells.

1. Summary of Proposed Resolution and Proposed Rule Amendments – Mr. Mathis said this item is consideration of and possible action on a proposed resolution for the adoption of finding of emergency and adoption of proposed emergency rule amendments relating to

construction standards related to heat exchange wells. He stated that after the review and approval of draft amendments to well construction standards by the Well Driller's Advisory Council, the Board adopted permanent rule changes in March of 2003. Also, amending Chapter 35 relating to minimum standards for construction of heat exchange wells. The adopted permanent rules deleted most references to heat exchange wells and other existing permanent rules that cumulatively related to fresh water wells, observation wells, heat exchange wells, and created new permanent rules exclusively relating to construction standards of heat exchange wells. Following the public process to approve those rules, staff received a contact from a contractor who installs ground source heat exchange systems regarding the need to rely on the heat pump construction standards of the International Ground Source Heat Pump Association. The contact had a concern regarding a requirement that a cement surface seal be installed to a depth of 20 feet below the horizontal line trench. The issue was presented to the Advisory Council and several meetings were held to discuss the issues, and the Council felt it appropriate to amend the standards to include the incorporation of the IGSHP Association's minimum standards for construction. The proposed resolution today would declare an emergency and proposed emergency rule would allow the use of a different type of seal system that is more effective than the cement seal in some instances, and the Council believes it will be a good change to the permanent rules that will become effective very soon. The matter will be presented next year as a permanent rule change during the annual rules review process.

Mr. Mathis stated that staff recommended approval of the proposed resolution and adoption of emergency rules.

2. Questions and Discussion by Board Members. There was no discussion by the Board.

3. Comments by Public. There were no comments by the public.

4. Vote on Whether to Approve Proposed Resolution Finding Emergency and Adopting Emergency Rule Amendments as Presented or as May be Amended After Discussion and Comment.

Mr. Currie moved to approve the resolution finding emergency and adopting emergency rule amendments, and Mr. Sharp seconded.

Mr. Currie asked if Mr. Mathis was aware of any adverse consequences to the operation of a heat exchange well, and Mr. Mathis responded he was not aware of any consequences.

AYE: Currie, Farmer, Keeley, McDonald, Mitchell, Secret, Sevenoaks, Sharp, Grandstaff

NAY: None

ABSTAIN: None

ABSENT: None

E. Considerations of Items Transferred form Summary Disposition Agenda, If any.
There were no items transferred from the Summary Disposition Agenda.

6. PRESENTATION OF AGENCY BUDGET REPORT.

Mr. Jim Schuelein, Chief, Administrative Services Division, began his report saying the monthly budget-to-actual report reflects the agency's budget while winding down from fiscal year 2003. He said there may be a small carry over and the FY 2004 budget has been submitted.

7. CONSIDERATION OF SUPPLEMENTAL AGENDA, IF ANY.

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

8. 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.

Chairman Grandstaff distributed copies of the Committee appointments for the next year.

Mr. Currie asked about the Knight Lake dam in Oklahoma City. Mr. Mathis stated the Board's General counsel has worked through the Court system because a workable solution was not reached when dealing with the parties directly. There has been several court orders issued and work had begun to do repairs. Just recently, the contractor walked off the site and the apartment owners are now re-bidding the project. It was hoped to have the project completed by the end of July 2003, but that likely will not happen, and so the court order on the time frame to complete construction will probably have to be amended.

9. ADJOURNMENT

There being no further business, Chairman Grandstaff adjourned the regular meeting of the Oklahoma Water Resources Board at 11:45 a.m., July 8, 2003.

OKLAHOMA WATER RESOURCES BOARD

_____/s/_____
Grady Grandstaff, Chairman

_____/s/_____
Glenn Sharp, Vice Chairman

_____/s/_____
Harry Currie

_____/s/_____
Lonnie Farmer

_____/Absent_____
Richard McDonald

_____/Absent_____
Bill Secret

____ Absent _____
Jack W. Keeley

____ /s/ _____
Richard Sevenoaks

ATTEST:

____ /s/ _____
Ervin Mitchell, Secretary

(SEAL)