

**OKLAHOMA WATER RESOURCES BOARD
OFFICIAL MINUTES**

November 4, 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 November 4, 2003, in the Board Room of the OWRB Offices, located at 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.

Vice-Chairman Glenn Sharp gave the invocation.

B. Roll Call

Board Members Present

Grady Grandstaff, Chairman
Glenn Sharp, Vice Chairman
Lonnie Farmer
Jack Keeley
Richard McDonald
Richard Sevenoaks

Board Members Absent

Ervin Mitchell, Secretary
Harry Currie
Bill Secrest

Staff Members Present

Duane A. Smith, Executive 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

Reuben Pulis, City of Chandler, OK
Marla Peek, Oklahoma Farm Bureau, Oklahoma City, OK
Alvin E. Knauf, Jr., City of Clinton, OK
Roger Rinehart, City of El Reno, OK
James A. Moore, City of El Reno, OK
Larry E. Banks, CapitolWest, Oklahoma City, OK
Melvin Shoesmith, Washington County Rural Water District #7, Copan, OK
Mike Martin, Washington County Rural Water District #7, Copan, OK
Jim Lockett, Jr., City of El Reno, OK
Shawn Lepard, ProAg, Guymon, OK
Ann Keeley, Ada, OK

C. APPROVAL OF MINUTES

Chairman Grandstaff stated the draft minutes of the October 14, 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 October 14, 2003, Regular Meeting, and Mr. Keeley seconded.

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

D. EXECUTIVE DIRECTOR'S REPORT

Mr. Duane Smith, Executive Director, began his report saying this is an exciting two days with the annual Water Conference beginning this afternoon and tomorrow. He said a great program has been put together, and he thanked Mike Melton for his efforts as conference coordinator. Governor Henry will address the audience, as will former Governor George Nigh, who was personally involved in the creation of the financial assistance program. Duane said Governor Nigh expressed to him that he was particularly proud of the financial assistance program, not only because of the AA rating, but because it is one of those rare instances where as Governor he has now been able to see such a successful program come to fruition.

Mr. Smith introduced Ms. Marla Peek with the Oklahoma Farm Bureau, Mr. Shawn Lepard, ProAg of Guymon, and Lonnie Ward, Region 6 FEMA Coordinator.

Mr. Smith noted recent meetings staff had attended/will be attending and participating in various aspects and representing the OWRB: Environmental Federation of Oklahoma, Red River Valley Association, and Western States Water Council, Oklahoma State University Water 2003 Conference.

Chairman Grandstaff, Vice-Chairman Glenn Sharp, and Dean Couch all attended a settlement conference on Sardis reservoir in Tulsa on October 24. Mr. Smith stated that the matter was not settled, and at this time, that was all he was able to comment on. He said the basic opinion is that the Corps of Engineers wants the state to make payments, and the state wants the users of the water to make the payments. He said solutions to the matter are still being sought.

The agency's annual Charitable Contributions Campaign took place during October, and the agency surpassed its goal of \$7,000! Total collections were \$7178, including the contribution by the Chairman so that he could throw a pie in Duane's face—the "reward" for employees for reaching the goal.

Mr. Smith concluded his report.

2. FINANCIAL ASSISTANCE DIVISION

A. Consideration of and Possible Action on a Proposed Order Approving Emergency Grant for Chandler Municipal Authority. Recommended for Approval. Mr. Joe Freeman, Chief, Financial Assistance Division, stated to the members that this emergency grant request from the Chandler Municipal Authority is in the amount of \$65,000. He said that 1200 feet of Chandler's outfall and collection lines had collapsed, and during rainy periods, results in over flows into a tributary of Bellcow Creek. In order to correct the situation, Chandler will be replacing a collapsed outfall and collection line, and in addition, six manholes. Mr. Freeman said it is estimated that the project will cost approximately \$86,230.26, and will be funded with \$21,230.26 in local funds and the requested \$65,000.00 emergency grant from the OWRB. Staff recommended approval of the grant request.

City Manager Reuben Pulis was present in support of the grant application.

Mr. Farmer moved to approve the emergency grant request to the Chandler Municipal Authority, and Mr. Sevenoaks seconded.

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

NAY: None

ABSTAIN: None

ABSENT: Currie, Mitchell, Secret

B. Consideration of and Possible Action on a Proposed Order Approving Loan for El Reno Municipal Authority. Recommended for Approval. Mr. Freeman said this request from the El Reno Municipal Authority is for a \$1,789,000.00 Drinking Water SRF Refinancing Loan. The Authority is requesting the loan in order to refinance an interim construction loan the Board approved in December 2002. The interim construction loan was for purchase of land for a well field, for construction of wells in the well field, renovation of three wells, constructing a pipeline from the new well field to the water treatment plant, and for reimbursement for construction and engineering incurred in the construction of the new water treatment plant. Mr. Freeman noted the provisions of the refinancing loan, and stated that staff recommended approval.

Mr. James Moore, Mayor; Mr. Jim Lockett, Jr., Public Works Director; Mr. Roger Rhinehart, City Attorney; and Mr. Jon Wolfe, Financial Advisor, were all present in support of the refinancing loan request.

Mr. McDonald moved to approve the loan request and Mr. Sharp seconded.

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

NAY: None

ABSTAIN: None

ABSENT: Currie, Mitchell, Secret

C. Consideration of and Possible Action on a Proposed Order Approving Extension of Time for Obligation of Funds for Foyil Economic Development Authority, Rogers County. Recommended for Approval. Mr. Freeman stated that the Foyil Economic Development Authority has requested an Extension of Time for Obligation of \$269,520.00 of Clean Water SRF loan funds. Mr. Freeman stated Foyil has requested the extension to allow time for

ultimate financing and to maintain the grant funding sources for the project. The loan and grant funds are for the construction of a new wastewater collection system and for the construction of a lagoon.

There were no representatives from Foyil in attendance.

Mr. McDonald moved to approve the extension of time to the Foyil Economic Development Authority, and Mr. Keeley seconded.

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

NAY: None

ABSTAIN: None

ABSENT: Currie, Mitchell, Secret

D. Consideration of and Possible Action on a Proposed Order Approving Extension of Time for Obligation of Funds for Rural Water District #7, Washington County. Recommended for Approval. Mr. Freeman stated that the obligation of funds for the Washington County RWD #7 expires on November 13, 2003. The District has been working on getting the project bid and working the permit with the Department of Environmental Quality, and will be ready to close its loan with the Board within 30-60 days. The loan request is for the construction of a standpipe, and installing 130,400 feet of water line. Staff recommended approval of the request.

Mr. Mel Shoesmith, Chairman, was present in support of the request for an extension.

Mr. Farmer moved to approve the extension of time for obligation of funds to the Washington County RWD #7, and Mr. Sharp seconded.

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

NAY: None

ABSTAIN: None

ABSENT: Currie, Mitchell, Secret

E. Consideration of and Possible Action on a Resolution Authorizing the Issuance of Oklahoma Water Resources Board State Loan Program Revenue Bonds Series 2003C in Aggregate Principal Amount not to Exceed \$79,660,000; Approving and Authorizing Execution of a Twelfth Supplemental Bond Resolution 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 in the State Loan Program; 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. Freeman stated that because there are only six members in attendance today, and approval of the bond issuance resolution requires a "supermajority" or seven member vote, he requested the item be withdrawn from the Board's agenda today to be placed on a future agenda.

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.

There were no requests to transfer items from the Summary Disposition Agenda; however, Mr. Mathis asked that item 3.E.2, #2003-524, E.3., #2003-551, and E.4. #2003-552, and agenda item L.d(1) for Lamberth Water Drilling, DPC-0631, OP-1369 be withdrawn from the Board's consideration. Mr. Schuelein stated he would like to withdraw items 3.D.2. and 3.D.4.

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. Farmer moved to approve the Summary Disposition Agenda as amended, and Mr. McDonald seconded.

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

The following items were approved

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

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

D. Contract and Agreements Recommended for Approval

1. Consideration of Intergovernmental Agreement with the U.S. Department of Agriculture, Agricultural Research Service for Drought Monitoring.
2. ***Consideration of Interagency Agreement with the Oklahoma Department of Public Safety – Oklahoma Highway Patrol for Temporary Traffic Control. withdrawn***
3. Consideration of Intergovernmental Agreement with Oregon State University for Ecoregion Delineation and Refinement in Oklahoma.
4. ***Consideration of Amendment to Joint Funding Agreement with the U. S. Geological Survey for Work Related to the Arbuckle-Simpson Aquifer Study. withdrawn***

E. Applications for Temporary Permits to Use Groundwater:

1. Sand Hills Trust, Custer County, #2002-549

2. **Bobby J. & Barbara E. Henry, Caddo County, #2003-524 withdrawn**
3. **Ray Kløver Revocable Trust, Caddo County, #2003-551 withdrawn**
4. **Ernest Ray Kløver, Reta F. Hamilton, Geneva N. Sisson and Nelda F. Carlisle, Caddo County, #2003-552 withdrawn**

F. Applications to Amend Temporary Permits to Use Groundwater:
None

G. Applications for Regular Permits to Use Groundwater:

1. Dennis & Lois Miller, Beckham County, #2003-555
2. Herman Jan & Linda L. Demuth, Texas County, #2003-564
3. Chuck & Margi Murdock, Cimarron County, #2003-568

H. Applications to Amend Regular Permits to Use Groundwater:

1. Alan J. & Connie Clemans, Texas County, #1981-706

I. Applications to Amend Prior Rights to Use Groundwater:
None

J. Applications for Regular Permits to Use Stream Water:
None

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: Professional Service Industries, Inc. DPC-0625
Operator: James M. Smith OP-1363
Activities: Monitoring wells and geotechnical borings
 - b. Licensee: Below Ground Surface, Inc. DPC-0627
Operator: Michael T. Ocsody OP-1366
Activities: Monitoring wells and geotechnical borings
 - c. Licensee: Abel Water Systems, Inc. DPC-0629
Operator: Clark Abel OP-1371
Activities: Groundwater wells, test holes and observation wells
Pump installation
 - d. **Licensee: Lamberth Water Well Drilling DPC-0631**
(1) Operator: Kenneth C. Lamberth OP-1369
Activities: Groundwater wells, test holes and observation wells
Monitoring wells and geotechnical borings
Pump installation
Heat exchange wells withdrawn
 - (2) Operator: Emmet Divine OP-1370
Activities: Groundwater wells, test holes and observation wells
Pump installation
2. New Operators and/or Activities for Existing Licenses:
 - a. Licensee: Henkle Drilling and Supply Company DPC-0099
Operator: Gary L. Clepper OP-1346
Activities: Pump installation

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|-----|-------------|--------------------------------|----------|
| b. | Licensee: | Comfort Zone of Woodward, Inc. | DPC-0576 |
| (1) | Operator: | Ronnie D. Nickel | OP-1367 |
| | Activities: | Heat exchange wells | |
| (2) | Operator: | Buckley C. Binder | OP-1368 |
| | Activities: | Heat exchange wells | |

M. Dam and Reservoir Plans and Specifications:
None

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

1. Oklahoma Tourism and Recreation Department, Mayes County, #FP-01-05
2. Council for Law Enforcement Education and Training, Pontotoc County, #FP-02-26
3. Oklahoma Tourism and Recreation Department, Sequoyah County, #FP-03-14

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

There were no items of discussion or questions about agency work.

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. Application for Temporary Permit to Use Groundwater No. 2002-555, City of Clinton, Washita County.

1. Summary – Mr. Mike Mathis, Chief, Planning and Management Division, stated to the members that this application for a temporary groundwater permit is by the City of Clinton. He said the applicant requests a permit to withdraw a total of 1,500 acre-feet of water per year for municipal supply purposes in Custer County. The water is proposed to be withdrawn from one well located on 784.66 acres of dedicated land overlying the Doxey Shale groundwater basin in Washita County. He said the application is in order with the conditions in place, complies with the Oklahoma Groundwater law, and staff recommended approval.

2. Discussion and presentation by parties. Mr. Mathis stated the applicant was present; however, there were no protestants at the meeting.

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. Farmer moved to approve the application for temporary groundwater permit for the City of Clinton, and Mr. McDonald seconded.

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

NAY: None

ABSTAIN: None

ABSENT: Currie, Mitchell, Secrest

B. Considerations of Items Transferred from Summary Disposition Agenda, If any.

There were no items transferred from the Summary Disposition Agenda. However, Chairman Grandstaff asked Richard Sevenoaks to serve as Acting Secretary in the absence of member Ervin Mitchell.

6. PRESENTATION OF AGENCY BUDGET REPORT.

Mr. Jim Schuelein, Chief, Administrative Services Division, began his report saying the budget-to-actual report had not been included in the members' notebooks because the November meeting had been moved up one week. Mr. Smith noted that regarding budget issues, Senator Littlefield had scheduled a budget meeting in Claremore on November 12 to review goals and objectives, performance measures, etc. He said the OWRB is not under review for the zero-based budgeting until the 4th year.

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.

There were no new business items for the Board's consideration.

9. ADJOURNMENT

There being no further business, Chairman Grandstaff adjourned the regular meeting of the Oklahoma Water Resources Board at 10:00 a.m., on Tuesday, November 4, 2003.

OKLAHOMA WATER RESOURCES BOARD

Absent
Grady Grandstaff, Chairman

_____/s/_____
Glenn Sharp, Vice Chairman

_____/s/_____
Harry Currie

_____/s/_____
Lonnie Farmer

_____/Absent_____
Richard McDonald

_____/s/_____
Bill Secrest

_____/s/_____
Jack W. Keeley

_____/s/_____
Richard Sevenoaks

ATTEST:

_____/s/_____
Ervin Mitchell, Secretary

(SEAL)