

OKLAHOMA WATER RESOURCES BOARD

OFFICIAL MINUTES

November 12, 2008

1. Call to Order

The regular monthly meeting of the Oklahoma Water Resources Board was called to order by Chairman Mark Nichols at 9:30 a.m., on November 12, 2008, in the Board Room of the Oklahoma Water Resources Board, 3800 N. Classen Boulevard, Oklahoma City, Oklahoma.

The November 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 November 5, 2008, at 4:45 p.m. at the Oklahoma Water Resources Board's offices.

A. Invocation

Chairman Nichols asked Mr. Ed Fite to provide the invocation.

B. Roll Call

Board Members Present

Mark Nichols, Chairman
Rudy Herrmann, Vice Chairman
Linda Lambert, Secretary
Lonnie Farmer
Ed Fite
Kenneth Knowles
Richard Sevenoaks

Board Members Absent

Ford Drummond
Jack Keeley

Staff Members Present

Duane A. Smith, Executive Director
Dean Couch, General Counsel
Joe Freeman, Chief, Financial Assistance Division
Monte Boyce, Comptroller
Julie Cunningham, Chief, Planning and Management Division
Derek Smithee, Chief, Water Quality Programs Division
Mary Lane Schooley, Executive Secretary

Others Present

Jerome Gnatek, South Coffeyville Public Works Authority, South Coffeyville, OK
Wayne Z. Minyard, Cache Public Works Authority, Bonnington, OK
Charles Swinton, BancFirst, Oklahoma City, OK
Josh McClintock, McClintock Associates, Oklahoma City, OK
Bob Kellogg, Oklahoma City, OK
Dennis Woommavard, City of Cache, OK
Andy Hargraves, City of Cache, OK
Scott Reimer, Scott Reimer Farm, Ringwood, OK
Vicki Reed, Department of Environmental Quality, Oklahoma City, OK
Rebecca Poole, Department of Environmental Quality, Oklahoma City, OK
Bodie Bachelor, Cache Public Works Authority, Cache, OK
Satish Dasharathy, Eagle Consultants/Cache, OK
Cheryl Dorrance, Oklahoma Municipal League, Oklahoma City, OK
Jim Barnett, Kerr Irvine Rhodes Ables, Oklahoma City, OK
Dave Engle, Division of Agricultural Sciences and Natural Resources, Oklahoma State University, Stillwater, OK
Ezequid, Stillwater,OK

C. APPROVAL OF MINUTES

Chairman Nichols stated the draft minutes of the October 14, 2008, Regular Meeting have been distributed. He stated he would accept a motion to approve the minutes unless there were changes. Mr. Fite moved to approve the minutes of the October 14, 2008, Regular Meeting, and Mr. Knowles seconded.

AYE: Knowles, Fite, Sevenoaks, Farmer, Nichols
NAY: None
ABSTAIN: Herrmann, Lambert
ABSENT: Drummond, Keeley

D. EXECUTIVE DIRECTOR'S REPORT

Mr. Duane Smith, Executive Director, addressed the members and updated them about the recent meeting of the Western States Water Council in Oklahoma City, and the implementation of the report adopted by the Western Governors Association to change the mission statement of federal agencies to add a piece to assist the states with integrated water resources planning. He said a coalition of states -- Texas, Kansas, Oklahoma, California, Colorado--and draft language is being presented to Senator Inhofe who has agreed to carry the piece--and progress is being made. Mr. Smith said he also spoke at the National Waterways Conference--a COE supported organization--about the mission statement that the COE leadership agrees provides additional leverage to help the states with planning. They also agree, and as Steve Stockton said in his remarks at the conference, hold up Oklahoma as the model for how state and federal government should work with state priorities and federal support. He said

Colonel Funkhouser was also at the conference, and he noted how fortunate Oklahoma is to have the people in place in Oklahoma working on these projects, and Oklahoma is also fortunate to have only one Corps of Engineers District. Other states have multiple Corps Districts with different priorities and different leaderships. He said he is pleased with the people looking at Oklahoma and reinforcing the two major components (of the Water Plan) the robust public participation, and the expert technical evaluation.

Mr. Smith said the Governor's Water Conference had an attendance of 600 people, and unanimous comments are this was the best ever! He complimented Mike Melton on his coordination and leadership in planning the conference as he has for the 28 previous conferences, and an outstanding job by he and a number of staff. He said the next major piece being planned is a technical workshop in the Spring to bring in most of the technical evaluation through CDM--demand projections, preliminary work on technical studies, prioritization of issues and preparation for the next round.

Mr. Smith said there have been a number of organizations requesting OWRB staff to come and speak about the Water Plan. He said he has spoken with the Mid-Continent Oil and Gas, State Chamber of Commerce Natural Resources Committee, Leadership Oklahoma, and typically these people have not attended a public input meeting on the OCWP. He said the OWRB wants to talk about water and the OCWP to groups and encouraged invitations. Mr. Herrmann asked if Mr. Smith was hearing from these groups any concerns that have not been heard at the public meetings, and Mr. Smith said the comments are consistent.

The Altus Chamber of Commerce hosted a celebration of Southwest Oklahoma and Altus --the City, the farming community, the military all coming together for a weeklong celebration of southwest Oklahoma. The group also recognized all the Water Pioneers from southwest Oklahoma--it was great to see that area of the state-recognizing people that had something to do with water.

Mr. Smith said staff would be meeting with the Office of State Finance about next year's budget, and would be discussing the beneficial use monitoring program and other priorities, and is a good opportunity to talk about strategic planning, mission, where we think we're going, how much money will it take to get there, and part of that will be talking about funding the Oklahoma Comprehensive Water Plan, and possibly through the Financial Assistance Program. Mr. Herrmann commented that he believes, considering the turmoil in the financial market today, the Board's Financial Assistance Program is going to be even more important to funding for Oklahoma municipalities and water district, that perhaps a year ago had other options on their own, and that would be a good message to the OSF. Mr. Smith said that is correct, but State Treasurer and Budget Director Scott Meacham is aware, and has been a good friend to the OWRB and the Financial Assistance Program.

The final Regional Input meeting is Thursday, November 13 in Seminole. Mr. Smith commented about the process so far, and how positive the comments have been, and that people are beginning to understand water issues are much bigger than they understand. Ms. Lambert said that she had heard mostly positive comments about the process, but wondered if there was resistance where the Board needed to focus. Mr. Smith said the feedback most disturbing to him is that decisions about the plan have already been made, and going through the process to make it difficult for people to object to the process, part from the consumptive user community, so the OWRB is reaching out to those groups and working with them as long as it doesn't compromise the overall goal of the plan but provides an opportunity for everyone to participate. He said the OWRB wants to be responsive, and he believed progress is being made. Mr. Herrmann said the

reality is that everyone has to be open to new information, and he referenced the Arbuckle-Simpson Study, and Mr. Smith commented about that concept, and the need for the same for the OCWP.

Mr. Smith will be traveling to the National Drinking Water Advisory Council meeting in Washington, D.C. and will be discussing carbon sequestration rules. Keep Oklahoma Beautiful Award Banquet will honor the OWRB with its "Team Builder Award" recognizing the public input process of the update of the Oklahoma Comprehensive Water Plan. Mr. Smith will be traveling to Denver by invitation of EPA to speak at it Sustainable Water Infrastructure conference, and priorities for the next Administration, and the inclusion of infrastructure in the new stimulus package by Congress. He said the OWRB has been working closely with Senator Inhofe's office to be positioned correctly if there is a stimulus bill.

Mr. Smith concluded his remarks. Chairman Nichols complimented the OWRB staff on the success of the 29th Annual Governor's Water Conference.

2. FINANCIAL ASSISTANCE DIVISION

A. Consideration of and Possible Action on a Proposed Order Approving Emergency Grant for South Coffeyville Public Works Authority, Nowata County. Recommended for Approval.

Mr. Joe Freeman, Chief, Financial Assistance Division, stated to the members this item is for the consideration of a \$100,000 emergency grant request from the South Coffeyville Public Works Authority in Nowata County. He said that South Coffeyville's wastewater treatment plant was inundated with floodwaters a year ago from the Verdigris River, and destroyed the plant's batch reactor equipment, dechlorination building, lab equipment, and the interior of the lab building. The grant proceeds requested from the Board along with approximately \$500,000 in bond proceeds, will be used for electrical work, relocating the lift station, control panel, replacement of control valves, new FDR equipment, and a new chlorine building. Staff recommended approval of the emergency grant.

Mr. Jerome Gnatek. Town Trustee was present in support of the grant request.

Mr. Fite moved to approve the emergency grant request to the South Coffeyville PWA, and Ms. Lambert seconded.

AYE: Knowles, Herrmann, Lambert, Fite, Sevenoaks, Farmer, Nichols

NAY: None

ABSTAIN: None

ABSENT: Drummond, Keeley

B. Consideration of and Possible Action on a Proposed Order Approving Loan for Cache Public Works Authority, Comanche County. Recommended for Approval. Mr. Freeman said this item is for the consideration of a \$2,000,000.00 loan request by the Cache Public Works Authority located in Comanche County. He said the loan proceeds will be used to drill three new wells, constructing a water storage tank, a pump station, replace existing water lines, install fire hydrants, construct a telemetry unit and magnetic flow meter to the main water line. The loan will be funded through the Drinking Water State Revolving Fund program; Mr. Freeman noted provisions of the loan agreement. Cache has been a loan customer of the Board's for over 20 years and currently has two outstanding loans with the Board. In the last ten years, Cache's water connections have increased by 6% and the sewer connections have increased by 12%. The

debt coverage ratio stands at approximately 1.36-times. Staff recommended approval.

Mr. Dennis Woommavard, Andy Hargraves, Bond Counselor Jacob Batchelor, and Satish Dasharaty, Engineer, were present in support of the application.

Mr. Herrmann moved to approve the Drinking Water SRF loan to the Cache PWA, and Mr. Fite seconded.

AYE: Knowles, Herrmann, Lambert, Fite, Sevenoaks, Farmer, Nichols
NAY: None
ABSTAIN: None
ABSENT: Drummond, Keeley

3. SUMMARY DISPOSITION AGENDA ITEMS

Any item listed under this Summary Disposition Agenda may, at the requested of any member of the Board, the Board’s staff, or any other person attending this meeting, may be transferred to the Special Consideration Agenda. Under the Special Consideration Agenda, separate discussion and vote or other action may be taken on any items already listed under that agenda or items transferred to that agenda from this Summary Disposition Agenda.

A. Requests to Transfer Items from Summary Disposition Agenda to the Special Consideration Agenda, and Action on Whether to Transfer Such Items.

There were no requests to transfer items from the Summary Disposition Agenda to the Special Consideration Agenda.

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

There being no further questions or discussion regarding items on the Summary Disposition Agenda, Chairman Nichols asked for a motion.

Ms. Lambert moved to approve the Summary Disposition Agenda, and Mr. Herrmann seconded.

AYE: Knowles, Herrmann, Lambert, Fite, Sevenoaks, Farmer, Nichols
NAY: Fite on item 3.K.
ABSTAIN: None
ABSENT: Drummond, Keeley

The following items were approved:

C. Consideration of Approval of the Following Amendment to Scope of Project for REAP Grant in Accordance with the Proposed Order Approving the Grant:

REAP				Amount
<u>Item No.</u>	<u>Application No.</u>	<u>Entity Name</u>	<u>County</u>	<u>Recommended</u>
	SWODA			
1.	FAP-02-0059-R	Rural Water District #3	Beckham	amend scope

- D. Consideration of and Possible Action on Contracts and Agreements, Recommended for Approval:
1. Intergovernmental Subagreement with Oklahoma State University Department of Natural Resource Ecology and Management to develop and implement a comprehensive wetland monitoring program.
 2. Cooperative Agreement with The Oklahoma Conservation Commission for the Oxbow System Assessment and Protocol Development plan.
 3. Second Amendment Agreement with The Office of the Secretary of the Environment for the Clean Water Act FY05 §104(b)(3) Wetlands Program CA# CD-966017-01 extending the budget/project period.
- E. Applications for Temporary Permits to Use Groundwater:
1. Anna Lightle, Kingfisher County, #2008-542
 2. Bennie D. & Nettie E. Racer, Kingfisher County, #2008-550
 3. Bennie D. & Nettie E. Racer, Kingfisher County, #2008-551
 4. Harmon Water Corp., Harmon County, #2008-574
- F. Applications to Amend Temporary Permits to Use Groundwater:
None
- G. Applications for Regular Permits to Use Groundwater:
- 1. Robert & Robin Jemison, Johnston County, #2007-572 Withdrawn
 - 2. Neil & Michelle Hyer, Texas County, #2008-543
 - 3. Greg, Jamie & Wade Arnold, Texas County, #2008-549
 - 4. Loren & Vera Lee Zabel, Texas County, #2008-554
- H. Applications to Amend Regular Permits to Use Groundwater:
None
- I. Applications to Amend Prior Right to Use Groundwater:
1. Joseph L. "Lew" Meibergen Trust, Garfield County, #1963-253
- J. Applications for Regular Permits to Use Stream Water:
1. Friesen Farms, Okfuskee County, #2008-015
 2. Wade Wood, Johnston County, #2008-016
 3. OKFA, L.L.C., McCurtain County, #2008-020
 4. Mustang Stone Quarries, L.L.C., Johnston County, #2008-021
- K. Forfeitures of Stream Water rights Due to Nonuse Recommended for Informal-Default Disposition:
1. Don Carter, Bryan County, #1993-015
 2. C Bar C Ranch/Mark & Leatrice Greenway, Carter County, #1979-066
 3. Charles Golden/Bill G. & Barbara A. Robertson, Garvin County, #1955-1458

4. Wesley H. Meinders, Garvin County, #1957-077
5. John C. Price, Garvin County, #1955-749
6. C & S Farms, Garvin County, #1993-023
7. Fred Spencer/Johnny & Delores Bratcher, Grady County, #1982-095
8. Alford A. Bratcher, Grady County, #1976-148
9. Doug Porterfield, Johnston County, #1971-327
10. E. P. Johnson, Johnston County, #1949-069
11. LaFair Herbert, Marshall County, #1990-007
12. David Atkins, McClain County, #1948-176
13. Wesley H. Meinders, Murray County, #1956-619
14. Ethel Brown, Stephens County, #1949-082
15. Fred B. Sumner, Stephens County, #1961-041
16. L. L. Humphreys, Jr., Stephens County, #1955-718

L. Well Driller and Pump Installer Licensing:

1. New Operators for Existing Licenses:

- | | |
|---|----------|
| a. Licensee: Oklahoma Environmental, Inc. | DPC-0363 |
| Operator: Brennan George | OP-1642 |
| Activities: Monitoring wells and geotechnical borings | |
| Operator: Mike Gillham | OP-1643 |
| Activities: Monitoring wells and geotechnical borings | |
| | |
| b. Licensee: GeoCore, Inc. | DPC-0266 |
| Operator: David Alan Summers | OP-1644 |
| Activities: Groundwater wells, test holes and observation wells | |

M. Dam and Reservoir Construction:

1. Marty Weder, Raw Development, Inc., Woodward County, #OK83014

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

None

O. Applications for Accreditation of Floodplain Administrators:

None

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

A. Update Report on Oklahoma Comprehensive Water Plan Activities. Mr. Kyle Arthur, updated the members about activities within the last month regarding the update of the Oklahoma Comprehensive Water Plan. He said there was excellent attendance at the Governor's Water Conference as the OCWP was the topic of the conference, as well as the attendance by the discussants of Regional Input Meetings resulted in one of the largest audiences at the conference. At the conference, there was a very detailed update on both the technical side as well as the

public input side of the OCWP process that was presented at the conference, and Mr. Arthur said he had received many positive comments and in particular those members of the public that are discussants and are very impressed with the technical studies that are being conducted. He said a technical symposium is being planned for the Spring for the discussants so that can translate into meaningful discussion at the next phase. He said there are 54 questions presented to the discussants for evaluation for high priority or low priority for purposes of the plan, and one of the 54 is find ways to better involve the public in the water planning process, and at every meeting he has attended that has been a low priority, because they feel very involved at this point. Demand projections are being still be developed; six work groups have been established that are helping to fine-tune the demand forecast, 800 surveys were distributed and there has been a 70% return, which indicates people understand the importance of the plan, and secondly speaks to the effort of the Oklahoma Municipal League and Oklahoma Rural Water Association. Mr. Arthur mentioned that \$325,000 will be available from the federal government through the Corps of Engineers for funding on the water plan, and he anticipated a possibility of another \$150,000 from the COE, making the potential total of \$475,000.00 this year. The federal agencies are operating under a continuing resolution making the funding mechanisms confusing and somewhat uncertain, but the \$325K is certain, the COE will match funds and the next phase of the technical work will begin. Regarding the public input process, the last of the eleven RI Meetings will be on November 13 in Seminole, and he encouraged the members to attend.

Mr. Smith added that regarding the COE funding, he is hopeful that once Congress approves a budget, that number will go up. Chairman Nichols commented about the stimulus package and the OCWP process, and Mr. Herrmann commented about the OIPA presentation at the Water Symposium and asked how that--and other temporary permitted uses--would be factored into consumptive use calculation. Mr. Arthur responded that is difficult, but historical drilling patterns and current drilling patterns from the Oklahoma Corporation Commission will be looked at, as well as other types of activities, input from the work group and information from the Oklahoma Geological Survey.

Chairman Nichols asked the next two items for be reversed for purposes of presentation.

C. Presentation Regarding Oklahoma State University Water Research and Extension Center.

Mr. Duane Smith introduced Dr. Dave Engle, Director of the Oklahoma State University Water Research and Extension Center. Dr. Engle addressed the member of the Board, and used a PowerPoint presentation describing the new research center in the Agriculture Department, and how it is different from the Oklahoma Water Resources Research Institute. He said the centers share the interest of water as well as faculty resources, but a different orientation. The mission of the center is to combine research and extension in the Division of Agriculture and Natural Resources and to foster, facilitate, and conduct programs that will sustain and enhance water resources for agriculture, in Oklahoma and the nation. The vision of the center is to have a prominent role in Oklahoma with an International reputation for excellence in "solution science" or translational science--science that is relevant today; mission-oriented research that is extended to inform effective practice.

Dr. Engle described the two agencies that comprise the center--the Oklahoma Cooperative Extension Service, and the Oklahoma Agricultural Experiment Station--staffing levels, faculty expertise, and the research projects including turf grass genetics, water conservation, land use and water quality, economics and policy, water quality, and research

stations that include irrigation demonstrations, water reuse and recycling, forestry stations, botanical gardens, utilization of the MESONET system, and development of SIPs, or simple irrigation plans.

There were general questions and discussion between Dr. Engle and the Board members. Mr. Smith commented that the OWRB is interested in conversation about how the Center's work on water law as it pertains to agriculture and attitudes and perceptions blends in with the Oklahoma Comprehensive Water Plan, as well as developing demand projects for agriculture use.

B. Presentation and Discussion about Oklahoma Groundwater Law and Oklahoma Water Resources Board Permitting Process. Chairman Nichols announced this item would be delayed until the December meeting.

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. 2008-512, Scott Howard & Michelle Reimer, Major County.

1. Summary – Ms. Julie Cunningham, Planning and Management Division Chief, stated to the members that this item is for the consideration of an application to withdraw a total of 320 acre-feet of groundwater per year for irrigation use from ten wells located on 160 acres of dedicated land in Major County. The dedicated land overlies the Alluvium and Terrace Deposits of the Cimarron River groundwater basin for which the maximum annual yield and equal proportionate share has not been determined, therefore, the applicant is entitled to two acre-feet per acre. Ms. Cunningham said the applicant owned the land and proposed to irrigate crops with a high-efficiency center-pivot, and will exercise reasonable intelligence and reasonable diligence in the application of this groundwater for lawful purposes of irrigation, and there was no evidence presented the water system is not efficient and therefore it was determined waste will not occur. The applicant has drilled and completed nine wells by a licensed well driller, in compliance with the Board's rules, and there are no known abandoned or windmill wells on the land, therefore waste by pollution will not occur.

Ms. Cunningham said the protestants are co-owners of the land in the northeast quarter of Section 21, 23N, 11 W, and leases the land for livestock. The protestants are concerned that the

irrigation will adversely affect the groundwater supply in domestic wells on neighboring land. The applicant agreed to withdraw authorization for the 10th well, and agreed to permit conditions for a maximum withdrawal rate of 1250 gpm from the nine wells. In summary, the record showed the application is in accordance with the Oklahoma Groundwater Law, and staff recommended approval of the proposed findings of fact, conclusions of law and Board order.

Ms. Lambert said it was her understanding that there had been success in educational arbitration and she asked how that occurred. Ms. Cunningham responded that prior to the hearing or during the hearing staff attempts to suggest possible solutions to concerns, and in this case the question of the 10th well was resolved.

2. Discussion and presentation by parties - Mr. Reimer was in attendance; however, there were no protestants in attendance.
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. Herrmann moved to approve the temporary groundwater permit no. 2008-512, and Ms. Lambert seconded.

AYE:	Knowles, Herrmann, Lambert, Fite, Sevenoaks, Farmer, Nichols
NAY:	None
ABSTAIN:	None
ABSENT:	Drummond, Keeley

B. Application for Temporary Permit to Use Groundwater No. 2008-526, Duke Municipal Authority, Greer & Jackson Counties

1. Summary – Ms. Julie Cunningham, Planning and Management Division Chief, stated to the members that this item is for the consideration of an application for a temporary groundwater permit for the use of 160 acres of groundwater per year for municipal water supply from four wells located on 80 acres of dedicated land in Greer County. The dedicated land overlies the Alluvium and Terrace Deposits of the Salt Fork on Red River groundwater basin, for which the maximum annual yield and equal proportionate share has not been determined, therefore, the applicant is entitled to two acre feet of groundwater per acre of dedicated land. The record shows the applicant holds a valid lease, and the applicant intends to use the water for municipal use to the Duke Municipal Authority, and rural water system formed in the 1970s and purchased by the Town of Duke in the 1990s, and provides water to approximately 220 meters, for a population of 800. The record indicates the applicant will exercise reasonable intelligence and reasonable diligence in the application of this groundwater for the lawful purpose of municipal use. There is no record to indicate or evidence presented the applicant would cause waste by depletion or waste by pollution, and the wells are constructed and operated according to the Board's rules and regulations, as well as the Oklahoma Department of Environmental Quality. The Board staff confirms that each abandoned well on the dedicated land has been properly plugged and each well on the dedicated land that is temporarily out of service has been capped as a condition of the permit.

Ms. Cunningham said the protestants are adjacent landowners and raised several objections against the application due to concerns of depletion in the area, and the detrimental affect to the protestant's groundwater, and that the applicant has another water source available and therefore should not be approved to take the groundwater as requested. However, it does not appear that the applicant's proposed well will impermissibly deplete the groundwater. In summary, the

application is found to be in compliance with Oklahoma Groundwater Law, and staff recommended approval of the proposed findings of fact, conclusions of law, and Board order.

2. Discussion and presentation by parties - Mr. Gary Brinklee was present representing the applicant. There were no protestants in attendance.

Mr. Sevenoaks asked how far is the water pumped from the well for municipal treatment; Mr. Brinklee said the water is pumped directly into the system, and the Authority has a loan application pending with the Board for a chlorinator at the source.

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. Sevenoaks moved to approve temporary groundwater permit no. 2008-526, and Mr. Farmer seconded.

AYE:	Knowles, Herrmann, Lambert, Fite, Sevenoaks, Farmer, Nichols
NAY:	None
ABSTAIN:	None
ABSENT:	Drummond, Keeley

C. Consideration of Adoption of Emergency Rules to Implement Oklahoma Water Conservation Grant Program.

1. Presentation of Proposals - Mr. Kyle Arthur explained to the members that these rules regard the new program, the Oklahoma Water Conservation Grant Program. He said the program was created under House Bill 3135, sponsored by Representative Kris Steele and the Oklahoma Sustainability Network for communities or organizations that promote sustainable growth and natural resources, including water. The focus is that the OWRB will solicit proposals and make grants for pilot programs that will implement water conservation projects or plans in communities in the state. He said the rules are proposed under the Financial Assistance Program but has a relationship with the Oklahoma Comprehensive Water Plan. The mission of the plan is to ensure reliable water supplies for all Oklahomans for the next 50 years, and the plan supports the variety of ways reliability can be achieved in the future, and conservation is certainly one type. The legislation did not include an appropriation, so the Sustainability Network approached the OWRB about using OCWP funds as seed dollars to start up the program. It is a worthwhile program, well within the central mission of the OCWP, and Mr. Arthur stated that with the support of the Oklahoma Municipal League and Oklahoma Rural Water Association, could become a very robust program.

Mr. Arthur said \$35,000 has been pledged to fund these projects over the next few years. The emergency rules are proposed because all the interested parties wanted to get the program "kick started" and want to secure permanent funding, and have a program in place before the Legislative session starts in order to identify projects and demonstrable need. He said the rules would come back through the regular rulemaking process for permanent rules; the Governor will have 45 days to sign the rules. An application deadline of February 15, 2009 has been established. Mr. Arthur said that he worked with the OML and ORWA, as well as looking at other states' programs in developing draft rules. Staff recommended approval proposed emergency rules.

Ms. Lambert clarified that the \$35,000 would afford five grants, at a minimum, and what percentage of potential projects does that indicate? Mr. Arthur responded no project could exceed \$25,000, and the maximum for any one year is \$50,000.00; it is undetermined how that

related to the need. Ms. Lambert asked about the process for approval and timeframe; and Mr. Arthur said that would vary by project.

Chairman Nichols commented there could be an unlimited amount of money for a program such as this. Mr. Arthur said staff had looked at a similar program, the Leak Detection Program, which was very successful where entities detected and repaired water loss.

2. Finding of Emergency - Mr. Dean Couch stated there is a resolution of emergency that needed to be adopted.

3. Vote to adopt proposed rules as presented, or as may be amended.

Mr. Fite moved to approve the resolution declaring emergency and adopting rules for Chapter 50, and Mr. Herrmann seconded.

AYE: Knowles, Herrmann, Lambert, Fite, Sevenoaks, Farmer, Nichols

NAY: None

ABSTAIN: None

ABSENT: Drummond, Keeley

D. Consideration of Items Transferred from the Summary Disposition Agenda, if any. There were no items transferred from the Summary Disposition Agenda for discussion.

6. PRESENTATION OF AGENCY BUDGET REPORT.

Mr. Monte Boyce, OWRB Comptroller, said the Gross Production Tax collections include three years of history, and the ceiling, or cap, is \$2,628,000.00 which was reached last year in March, this year in November, and seems to be a dependable number. He said October budget report indicated one-third of the fiscal year has past with 58% of the budget collected, and 35% collected. He noted the FY2008 carryover of \$174,000 of state appropriated dollars that were not spent. Mr. Sevenoaks asked about carryover funds, and Mr. Boyce responded funds can be carried over one fiscal year, and can only be spent on certain items, and must be spent by June 30. The agency is looking at spending a portion of the funds on upgrading network systems.

7. CONSIDERATION OF SUPPLEMENTAL AGENDA ITEMS, IF ANY

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

8. PROPOSED EXECUTIVE SESSION

Chairman Nichols

As authorized by the Oklahoma Open Meeting Act in Section 307(B)(4) of Title 25 of the Oklahoma Statutes, an executive session may be held for the purpose of confidential communications between a public body and its attorney concerning a pending investigation, claim, or action if the public body, with the advice of its attorney, determines that disclosure will seriously impair the ability of the public body to process the claim or conduct a pending investigation, litigation or proceeding in the public interest.

Pursuant to this provision, the Board proposes to hold an executive session for the purpose of discussing Tarrant Regional Water District v. Sevenoaks and City of Hugo v. Nichols.

A. Vote on whether to hold Executive Session - before it can be held, the Executive Session must be authorized by a majority vote of a quorum of members present and such vote must be recorded.

Mr. Fite moved that the Board enter Executive Session, and Ms. Lambert seconded.

AYE: Knowles, Herrmann, Lambert, Fite, Sevenoaks, Farmer, Nichols

NAY: None

ABSTAIN: None

ABSENT: Drummond, Keeley

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

Chairman Nichols said persons attending the session would be members of the Board, the Executive Director, General Counsel, Secretary of Environment, representatives of the Attorney General's office, and Executive Secretary Mary Schooley to keep written minutes of the Executive Session.

C. Executive Session, if authorized.

The Board entered Executive Session at 11:10 a.m., Wednesday, November 12, 2008.

D. Vote(s) on Possible Action(s), if any, Relating to Matters Discussed in Executive Session, if Authorized.

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

The Board returned to Regular Session at 11:59 p.m. Chairman Nichols stated the Board discussed the two pending suits (as stated). There was no action or vote taken by the Board as a result of the matters discussed during the Executive Session.

9. 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.

10. ADJOURNMENT

There being no further business, Mr. Sevenoaks moved to adjourn the regular session, and Ms. Lambert seconded.

AYE: Knowles, Herrmann, Lambert, Fite, Sevenoaks, Farmer, Nichols

NAY: None

ABSTAIN: None
ABSENT: Drummond, Keeley

Chairman Nichols adjourn the regular meeting of the Oklahoma Water Resources Board at 12:00 p.m. on Wednesday, November 12, 2008.

OKLAHOMA WATER RESOURCES BOARD

_____/s/_____
Jess Mark Nichols, Chairman

_____/s/_____
Rudolf J. Herrmann, Vice Chairman

_____/s/_____
Lonnie Farmer

_____/s/_____
Edward H. Fite

_____/s/_____
Jack W. Keeley

_____/s/_____
Kenneth K. Knowles

_____/s/_____
Richard Sevenoaks

_____/s/_____
F. Ford Drummond

ATTEST:

_____/s/_____
Linda P. Lambert, Secretary
(SEAL)